



50  
YEARS

*Empowered lives. Resilient nations.*

**Rehabilitation of Electricity Power Distribution Network in three areas in the Gaza strip (GS)**  
**PAL 10-98764**



**Project Document**

**United Nations Development Programme**  
**Programme for Assistance to the Palestinian People (PAPP)**  
**Country: State of Palestine**  
**Project Document**

<b>Project Title:</b>	Rehabilitation of Electricity Power Distribution Network in three areas in the Gaza strip (GS)/ PAL10-98764
<b>Strategic Plan Outcome(s)/Outputs:</b>	<b>Outcome 6:</b> By 2016, Palestinian institutions more effectively manage and regulate urban development and natural resources to ensure the equitable provision of sustainable infrastructure and to safeguard cultural heritage
<b>Related UNDAF Outcome</b>	<b>Outcome 6.5:</b> More Palestinians, particularly those in vulnerable, underserved and un-served communities, benefit from the enhancement of infrastructure, including, roads, water and sanitation, energy and housing, within national urban development and land resource management
<b>Expected CP Outcome(s):</b>	<p><b>Outcome 2:</b> Inclusive, viable, equitable delivery of basic and social services contributing to human development anchored in a sustainable management of natural resources.</p> <ul style="list-style-type: none"> <li>• Output 2.2: The providing of essential services and equipment to further develop relevant and required infrastructure with respect to the health system (in particular) by inducing procurement of medical aid in a timely manner.</li> <li>• Output 2.5: Early recovery and reconstruction efforts in Gaza that reflect sustainability, protection, inclusivity and transparency.</li> </ul> <p>The project main objective is to improve Gaza Population life conditions and reduces the threat of death due to continuous electrical cut through addressing the basic needs of the energy sector in Gaza.</p>
<b>Expected Output(s):</b>	70 kilometers of electrical cables different sizes in (Al Shejaiya 30 km, Beit Hanoun 5.5 km and Khuza'a and Al Fukhari 34.5 km) are rehabilitated including all associated accessories;
<b>Executing Entity:</b>	UNDP/JICA
<b>Implementing Agencies:</b>	UNDP/PAPP, GEDCO, Private sector, Contractors

**Brief Description**

The damage to the energy sector after the 2014 conflict was estimated at USD 58 Million (as estimated by Detailed Needs Assessment (DNA) and Recovery Framework for Gaza Reconstruction prepared by Palestinian Ministerial Committee for Reconstruction of Gaza-2015) typically in the form of damages to energy infrastructure and assets, supply lines, fuel treatment and storage facilities.

This project aims at improving Gaza Population life conditions and reduces the threat of death due to continuous electrical cut off through addressing the basic needs of the energy sector in Gaza such as rehabilitation of electrical network in three affected areas (Beit Hanoun, Gaza and Khuza'a and Fukhari).

Programme Period:	_____
Key Result Area (Strategic Plan)	_____
Atlas Award ID: PAL10-50123/PAL10-98764	
Start date:	_____
End Date	_____
PAC Meeting Date	_____
Management Arrangements	_____

Total resources required	\$ 2,000,000
Total allocated resources:	\$ 2,000,000
Regular	_____
• Other:	
○ Donor	Japan
○ Donor	_____
○ Donor	_____
○ Government	_____
Unfunded budget:	_____
In-kind Contributions	_____

Agreed by (Executing Entity): \_\_\_\_\_

Agreed by (UNDP):

*Nayfese Saidane* *JAH*



---

## I. SITUATION ANALYSIS

The energy situation in the Gaza Strip is far more severe. The vast majority of the population has experienced blackouts for two-thirds of the day for over three years. For over seven years, the Gaza Power Plant has been functioning at no more than half-capacity. The siege and prohibitions, since 2006, on the trade or transport of supplies to repair or maintain infrastructure have devastated the energy sector to the maximum.

Between 7 July and 26 August 2014, the conflict between Israel and Gaza triggered prolonged aerial, naval, and ground operations by the Israeli military in Gaza. All 1.8 million people living in Gaza were impacted. Gaza suffered immense physical destruction, affecting all aspects of personal, public and economic life. Damage was widespread, but heaviest in eastern Gaza. Significant damage or destruction affected over 60% of Gaza's housing stock, service infrastructure including energy, water, health and educational facilities and governmental building in addition to private sector facilities and assets. As a result, the people of Gaza suffered reduced access to energy, water, food, employment, education, health services and other services.

Specifically, the damage to the energy sector after the 2014 conflict was estimated at USD 58 Million (as estimated by Detailed Needs Assessment (DNA) and Recovery Framework for Gaza Reconstruction prepared by Palestinian Ministerial Committee for Reconstruction of Gaza-August 2015) typically in the form of damages to energy infrastructure and assets, supply lines, fuel treatment and storage facilities. This damage had significant impacts on supply and power generation capacity. The energy sector can expect losses of nearly USD 308 million per year (a five-fold increase from losses levels seen in 2013). Already low pre-war collection rates have dropped further, resulting in a revenue loss that will diminish Gaza Electrical Distribution Company (GEDCO) ability to repair the network, operate the Gaza Power Plant (GPP) and provide services.

In addition to these damages and losses, Gaza was already suffering from huge deficits in electricity supply as a result of fuel scarcity, inadequate infrastructure, power leakage, limited financial resources and impediments on sector development caused by the Israeli siege.

The substantial shortfall in electricity power supply over the past eight years has dramatically undermined the livelihood and living conditions of the population in Gaza and affected the delivery of water supply, the management of wastewater and operation of the health and educational services. Available power supply met approximately 200-212 megawatts (MW) of the required demand of 300- 450 MW. Daily power cuts became common practice in Gaza, restricting private sector operation and growth in addition to adversely affecting the provision of essential services, such as water supply, sewage treatment, and the delivery of health services.

Conventionally, Gaza has three sources of electricity supply: 27-28 MW supplied from Egypt; 60-65 MW generated by the Gaza Power Plant (GPP); and 120 MW supplied from Israel through 12 feeder lines. However, the distribution network in Gaza is inefficient, with total losses estimated at 30% of which around 25% losses due to ruined and damaged distribution network, and 5% loss due to electricity theft.

Based on the above-mentioned challenges, recovery of the Energy sector in Gaza represents some of the most crucial and resource demanding sub-sectors for Gaza's recovery. Financial needs for energy sector recovery and reconstruction are estimated at USD 238 million representing one of the greatest amounts among all sectors. Restoration of this basic service presents a significant need to IDP return and Gaza's overall recovery.

## II. STRATEGY

The project is in line with the Detailed Needs Assessment (DNA) and Recovery Framework for Gaza Reconstruction prepared by Palestinian Ministerial Committee for Reconstruction of Gaza-August 2015 and action plan for the years 2011-2014. In addition, the project contributes to implementing Palestinian Policy of Energy sector/Strategic Objective 2 "develop the transmission and distribution system", that has eight key strategic objectives of which one is directly related to rehabilitation, develop and repair distribution networks in the Gaza Strip.

In this regard and in line with the national strategy, UNDP/PAPP will work and coordinate with the GEDCO and Energy Authority, to ensure that the projects results and activities contribute to the realisation of its policies and objectives, especially in terms of rehabilitation and development of distribution system. The project will ensure support upgrading of distribution networks in the targeted areas, will reduce the losses in energy distribution and will increase the capacity of networks in all post-conflict affected areas. This will therefore optimise the cost of energy services.

The project results are in line with the UNDAF and UNDP/PAPP Consolidated Plan of Assistance 2012-2014 "Development of Freedom". It directly contributes in achieving output 4.1 "Promote public and social infrastructure/ Energy Sector in the Gaza Strip".

This project aims at improving Gaza Population life conditions and reduces the threat of death due to continuous electrical cut through addressing the basic needs of the energy sector in Gaza such as rehabilitation of electrical network in three affected areas (Beit Hanoun, Gaza and Khuza'a and Fukhari). The following actions will be implemented to achieve project output:

1. Supply and installation of around 70 km of cables different sizes
2. Supply and installation of 58 electrical transformers different capacities (12 transformers in the north, 6 in the south and 40 in Gaza area)
3. Supply and install all accessories needed to connect new cables and transformers to the existing electrical sources, this includes but not limited to: wires, steel poles, steel arms, steel base, switches, concrete mix, etc..

### Project Budget

No	Project activities	Budget (USD)
1	Total Infrastructure development	\$1,677,000
2	Project Implementation Unit	\$147,485
<b>Total Project activities</b>		<b>\$ 1,824,485</b>
3	coordination and reporting	\$ 27,367
4	GMS (8%)	\$ 148,148
<b>Total project budget</b>		<b>\$ 2,000,000</b>

### III. RESULTS AND RESOURCES FRAMEWORK

#### Intended Outcome as stated in the Country Programme Results and Resource Framework:

**Outcome 2:** Inclusive, viable, equitable delivery of basic and social services contributing to human development anchored in a sustainable management of natural resources.

#### Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

- Increased access to electricity by 0.5%
- Number of workers employed;
- Number of people benefited from better access to energy source
- Reduced energy losses by 1%

#### Baselines:

- Due to last conflict, USD 58 million are damages in energy sector including damages in electrical networks
- 30% are losses in electrical network due to damages in distribution networks

#### Applicable Key Result Area (from 2008-11 Strategic Plan):

#### Partnership Strategy

#### Project title and ID (ATLAS Award ID):

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p><b>Output 1</b></p> <p>70 kilometres of electrical cables different sizes in (Al Shejaiya 30 km, Beit Hanoun 5.5 km and Khuza'a and Al Fukhari 34.5 km) are rehabilitated including all associated accessories;</p> <p><b>Baseline:</b></p> <ol style="list-style-type: none"> <li>1. USD 58 million are damages in energy sector including damages in electrical networks</li> <li>2. 30% are losses in electrical network due to damages in distribution networks</li> </ol>	<p>March 2016-March 2017</p> <p>70 Kilometers of electrical cables deferent sizes are rehabilitated including replacing 55 transformers</p>	<p>✓ Project implementation Unit is established</p> <ul style="list-style-type: none"> <li>• Set TORs of the staff</li> <li>• Advertise the post for vacancies</li> <li>• Receive applications</li> <li>• Review applications and prepare shortlist</li> <li>• Conduct interviews</li> <li>• Select the best candidate</li> <li>• Award the contract</li> </ul> <p>✓ 70 kilometres of electrical cables different sizes in (Al Shejaiya 30 km, Beit Hanoun 5.5 km and Khuza'a and Al Fukhari 34.5 km) are rehabilitated including all associated accessories;</p>	<p>UNDP/PAPP</p> <p>GEDCO and UNDP/PAPP</p>	<p>\$14,7,485</p> <ul style="list-style-type: none"> <li>- One Project Manager (SC-B4/3)</li> <li>- One UNV civil Engineer</li> <li>- Two UNV Electrical Engineers</li> <li>- One SC project Assistant</li> </ul>

<p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- 0.5% Increased access to electricity</li> <li>- Number of workers employed;</li> <li>- Number of people benefited from better access to energy source</li> <li>- 1% reduction in energy losses</li> </ul>		<ul style="list-style-type: none"> <li>• Review detailed designs and BOQ prepared by PENRA;</li> <li>• Prepare tender documents</li> <li>• Advertise and tender the project</li> <li>• Review received tender documents</li> <li>• Evaluate all tenders received,</li> <li>• Award the contract,</li> <li>• Supply and store of materials</li> <li>• Start construction work,</li> <li>• Coordinate with GEDCO to Supervise construction works</li> <li>• Complete all construction works</li> <li>• Hand over to GEDCO</li> <li>• Inaugurate the project</li> </ul>		<p>\$ 1,677,000</p>
	<p>Coordination and Reporting</p>		<p>JICA and UNDP/PAPP</p>	<p>\$ 27,367</p>
	<p>GMS 8%</p>		<p>UNDP/PAPP</p>	<p>\$ 148,148</p>
<b>Total</b>				<p>\$ 2,000,000</p>

#### IV. ANNUAL WORK PLAN

Year: March 2016 – March 2017

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET	
		Q2 2016	Q3 2016	Q4 2016	Q1 2017		Funding Source	Budget Description
<p><b>Output 1</b> 70 kilometres of electrical cables different sizes in (Al Shejaiya 30 km, Beit Hanoun 5.5 km and Khuza'a and Al Fukhari 34.5 km) are rehabilitated including all associated accessories;</p> <p><b>Baseline:</b></p> <ol style="list-style-type: none"> <li>USD 58 million are damages in energy sector including damages in electrical networks</li> <li>30% are losses in electrical network due to damages in distribution networks</li> </ol> <p><b>Indicators:</b></p> <ol style="list-style-type: none"> <li>Detailed designs and BOQ reviewed and approved</li> </ol>	<p>Project Implementation unit is established</p>	X	X	X	X	UNDP/PAPP	GOJ	Service Contracts, UNV Engineers and Misc.  <b>\$147,485</b>



---

## V. MANAGEMENT ARRANGEMENTS

UNDP/PAPP is the Executing Entity of the project. The Executing Entity is the entity responsible and accountable for managing and implementing the project, including the monitoring and evaluation of project interventions and achieving project outputs.

Besides, UNDP/PAPP will utilize its full technical and financial capacities through the implementation process to assure quality implementation of proposed interventions.

UNDP will assign a Programme analyst from its staff to follow up on all managerial, administrative and financial matters related to the project, as well as project management on Atlas. In addition, the Programme Analyst will take on the role of a technical quality assurance, and ensure that all designs, BOQ and implementation of works are according to the UNDP quality standards.

UNDP/PAPP will hire a project manager to undertake the daily project management tasks and ensures smooth implementation of the project and full coordination with JICA and the partners.

UNDP/PAPP will hire a project engineers (2 UNV electrical engineers and 1 UNV civil engineer) to take the role of daily monitoring and supervision of construction works at the sites.

A project Board will be established to ensure achievement of the project outputs... The members of the board will include the Government of Japan as the Donor, a representative of the GEDCO and UNDP/PAPP as the implementing partner. This Board will meet biannually or exceptionally upon request by Board members, to review priorities and progress towards expected results.

The UNDP will utilize its standard Management, Procurement, Contracting, and Financial procedures in the implementation of the project. The project will be tendered locally and through the UNDP procurement web site portal. A public tender opening will occur in which all relevant parties may be present. UNDP's procurement unit will evaluate the tender and only upon approval from UNDP Contracts, Assets, and Procurement Committee will a contract be awarded to the winning contractor. If the contract value is over US\$1 million, the evaluated tender is forwarded to our Regional Assets, Contracts, & Procurement committee for further review and final approval.

The UNDP will monitor and supervise all construction works on a daily basis and will be responsible for verifying all works and the issuance of payments to contractors based upon actual works performed.

UNDP will coordinate and cooperate closely with JICA and the GEDCO throughout the implementation of this project. However, the UNDP will maintain upper supervision on all works implemented

UNDP will report to the Government of Japan as required on a quarterly and annual basis whereas the accountability of the project results and financial management rests with UNDP/PAPP.

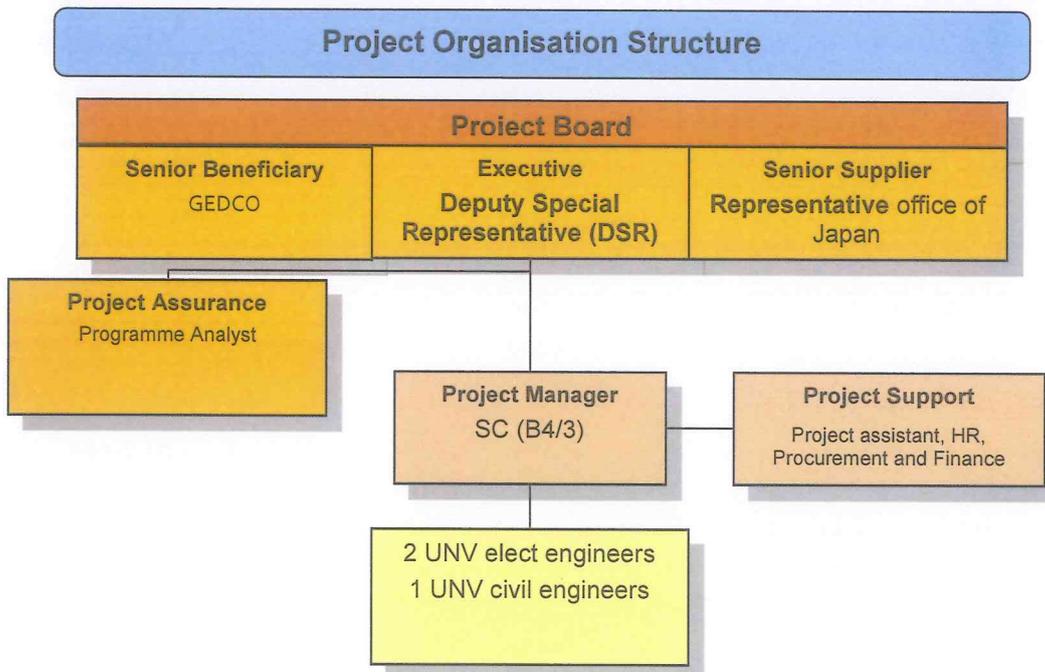
UNDP will submit a written request to the Government of Japan for prior approval in case (1) the extension of the project is required, and/or (2) the re-deployment of funds between approved project budget components is required, if more than 20% increase or decrease is expected.

For any fund balances at the end of the project, UNDP will consult with the Government of Japan on its use.

### 5.1 Visibility and outreach:

UNDP/PAPP will work in close coordination with the local partners and the Government of Japan in promoting the visibility of the project by the following steps and processes:

- Full participation of the initial handover and inauguration of the project
- Production of press releases to cover project news and events
- Production of project fact sheets which will be included under UNDP/PAPP official website.
- Highlighting the funding source for the project in all announced activities
- Signing Ceremony; Closing Ceremony
- Maintaining the proper logos and all related materials during the project lifecycle that includes tendering, construction plaques, inauguration plaques, etc.
- Standard UNDP Communication Branding for donors' visibility



---

## VI. MONITORING FRAMEWORK AND EVALUATION

Please refer to the [Deliverable Description](#) to complete this component of the template.

Suggested text to be adapted to project context

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project 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 Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project 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
- a 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 Project Manager and shared with the Project 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 Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project 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 Project 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.

### **Quality Management for Project Activity Results**

*Replicate the table for each activity result of the AWP to provide information on monitoring actions based on quality criteria. To be completed during the process "Defining a Project" if the information is available. This table shall be further refined during the process "Initiating a Project".*

<b>OUTPUT 1:</b> 70 kilometres of electrical cables different sizes in (Al Shejaiya 30 km, Beit Hanoun 5.5 km and Khuza'a and Al Fukhari 34.5 km) are rehabilitated including all associated accessories;
---

<b>Activity Result 1</b> (Atlas Activity ID)	<i>Network rehabilitated and enhanced</i>	Start Date: March 2016 End Date: March 2017
<b>Purpose</b>	80 km of Gaza electrical network will be rehabilitated	
<b>Description</b>	<i>Supply and installation works</i>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>
Review of BOQs and detailed designs	Approval of detailed designs and BOQs	April 2016
Tender documents are prepared and ready	Tendering process approved and the tender is launched, contract is awarded	May 2016 July 2016 Progress reports and monthly updates
Progress and milestones of construction works at all sites	Coordination with GEDCO running the electricity network to assure safety and proper implementation on site Monitoring and inspection through site visits and site engineer's reports	Implementation Agreement with GEDCO. Daily site supervision and field report throughout implementation

## VII. LEGAL CONTEXT

The project document shall be the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto.

Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

## VIII. ANNEXES

### Risk Log

Area	Risk	Mitigation Measures	Options for Programme Responses
<b>Operational Risks</b>			
<b>Administration / Operations</b>	<ul style="list-style-type: none"> <li>- Mobility restrictions of the project staff due to the security situation either caused by the external or by internal clashes</li> <li>- Shortage of Fuel might hinder mobility thus restrict work and prevent progress</li> <li>- Restrictions on staff accessibility to affected sites on some zones</li> </ul>	<ul style="list-style-type: none"> <li>- UNDP security office in coordination with the DSS Security Liaison person coordinate for the day-to-day travel of the staff and issue security clearance for ensuring the safety of the staff</li> <li>- DSS approached in cases of travel of international staff and for any unexpected hazard</li> <li>- Provide security update on daily basis for all staff</li> </ul>	<ul style="list-style-type: none"> <li>- DSS could be consulted for increasing the safety of staff in hazardous situations</li> <li>- Take security measures and mitigation for staff travels in cases of security alerts.</li> <li>- Suspend the travel of staff in exceptional security situations</li> </ul>
<b>Programme Risks</b>			
<b>Project Implementation / Progress</b>	<ul style="list-style-type: none"> <li>- Lack of coordination between GEDCO actors and beneficiaries as well</li> </ul>	<ul style="list-style-type: none"> <li>- UNDP to formulate a joint action plan to avoid duplication and share information</li> <li>- UNDP to draft recourse mobilization plan</li> </ul>	<ul style="list-style-type: none"> <li>- Partner organizations, community representatives, and stakeholders are informed about the situation and the planned interventions.</li> </ul>
<b>Project outcome</b>	<ul style="list-style-type: none"> <li>- Major Security crises</li> <li>- Delays in supply of materials subject to CLA approval and VAT clearance</li> </ul>	<ul style="list-style-type: none"> <li>- organize community awareness sessions and training</li> </ul>	<ul style="list-style-type: none"> <li>- UNDP reviews intervention strategy to respond to crises</li> <li>- UNDP suspends support</li> <li>-UNDP to focus on obtaining approval for materials from CLA prior to starting any activity on the ground</li> </ul>

**Agreements.** Any additional agreements, such as cost sharing agreements, project cooperation agreements signed with NGOs<sup>1</sup> (where the NGO is designated as the “executing entity”) should be attached.

<sup>1</sup> For GEF projects, the agreement with any NGO pre-selected to be the main contractor should

**Terms of Reference:** TOR for key project personnel should be developed and attached

**Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

**Special Clauses.** In case of government cost-sharing through the project which is not within the CPAP, the following clauses should be included:

1. The schedule of payments and UNDP bank account details.
2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.
6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph []above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

- (a) 8% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- (b) Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.

---

include the rationale for having pre-selected that NGO.

9. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
10. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."
11. "UNDP will submit a written request to the Government of Japan for prior approval in case (1) the extension of the project is required, and/or (2) the re-deployment of funds between approved project budget components is required, if more than 20% increase or decrease is expected.
12. For any fund balances at the end of the project, UNDP will consult with the Government of Japan on its use

## Annex

### Regional Context

#### Preventing Violent Extremism in the Arab States: A Development Response

##### **Background:**

Violent extremism poses a threat to more societies – and, therefore, more people – than ever before. Never in recent history have violent extremists been responsible for more deaths. Their actions are dividing societies, undermining political transitions, hindering sustainable development, and making it impossible for countries to overcome chaos and instability. It is considered now among the main obstacles to the universal aims of “social progress, better standards of life and freedom” that were proclaimed 70 years ago in the Charter of the United Nations.

Despite the seriousness and magnitude of the challenge, responses to violent extremism have -so far – been divided, one-sided, insufficient and unrealistic. In response to these challenges, security-based approaches have taken precedence, but have until now achieved limited success. Still, many governments have failed to learn from past failures, while others refuse to acknowledge that the threat is more than a security/military challenge.

The ability of violent extremist groups to expand and project themselves beyond their national points of origin has grown exponentially over the last decade. Widespread social and political intolerance, marginalization and alienation of individuals and groups, is contributing to fragmentation of societies and is fueling conflict and radical ideologies globally. Further, the radicalization of many young people in the Arab countries, and engagement in violent extremist groups in their own countries or abroad, highlight the need to adopt the necessary measures to face and address this phenomenon.

##### **Drivers to Radicalization in the Arab Region:**

UNDP’s global conceptual framework highlights the following 7 drivers that may lead to radical behavior and ultimately violent extremist movements: (1) the role and impact of global politics; (2) economic exclusion and limited opportunities for upward mobility; (3) political exclusion and shrinking civic space; (4) injustice, violation of human rights, corruption and mistreatment of certain groups; (5) disagreement with socio-economic and political system; (6) disagreement with growing diversity in society; (7) weak state capacity and failing security.

These drivers behind radicalization are contributing to fragmentation of societies and fueling conflict and radical ideologies regionally and globally. The Arab Spring demonstrated a shared desire for change among populations in the region. With few exceptions, these demands were not met. The radicalization of many young people in these countries, and engagement in violent extremist groups in their own countries or abroad, highlights the need to adopt the necessary measures to face and address this phenomenon.

The nature and range of possible drivers of violent extremism, variety of local contexts, and nascent evidence around responses make identifying possible interventions in these environments particularly challenging. Multiple drivers often work in concert in the same setting, and their significance may change over time. They can fuel individual level radicalization in different ways, and the pathways to violent extremism are multiple. Some may be longstanding grievances, while others can be more recent developments. The importance of understanding the local context cannot be underestimated, and rarely will only one driver be identified for programming.

### **Commonality of issues in the Arab States and UNDP Theory of Change:**

There are some key reasons to examine the challenges of radicalization and violent extremism through a regional lens.

- Firstly, many of the drivers are similar across different states in the region, including: legitimate unmet needs and grievances, psychological impacts of the cycle of violence affecting the region, continued limitations of citizen participation in political life, and an unfulfilled desire for political and social change.
- Secondly, there are clear regional dynamics to the radical groups that are fueled by regional rivalry. Governments, international actors, security forces and powerful individuals support radical groups in other countries. Fighters are joining extremist groups from other countries, networks of supporters transcend borders and groups are forming alliances and allegiances.
- Thirdly, the impacts of radicalization and violent extremism are clearly felt across the region: through the spread of conflict and violence; through refugee flows; through growing fears, senses of insecurity and distrust; and a roll-back in development gains.

The region is now experiencing several on-going conflicts where 'radical groups' or ideologies are playing a role, including in Syria, Iraq, Libya and Yemen. In the medium-term and as the demands from population groups are not being met, the divisions are likely to widen, and groups promising an alternative path become more attractive to disenfranchised and frustrated populations. If the basic needs of affected people (both economic and political) are not met, and their dignity continues to be under threat, violent extremism is likely to become an even more significant regional challenge.

Experiences in both development and peace-building show that more inclusive and tolerant societies are better able to achieve lasting peace as well as sustainable development. Inclusion and tolerance are vital features of resilient institutions when managing diversity. There are linkages

between violent extremism and displacement, from different points of view. The massive displacement into Europe finds its causes also in the conflicts and related violent extremist groups operating in Iraq, Yemen and Syria to mention a few.

In many countries security measures or stop-gap interventions have only further inflamed violent extremism. Strict security measures by themselves clearly do not work. Hence development practice has a critical role in providing the foundation for preventing violent extremism. UNDP's theory of change defines 10 interlinked building blocks, these include: A rule of law and human rights-based approach to increased home land security measures, enhancing the fight against corruption, promoting insider mediation to identify groups at risk, working with the media to promote an alternative discourse, engaging women and women's groups and youth in social cohesion, prevention and re-integration, working with faith-based organisations and religious leaders, educating respect for diversity in schools and universities, creating meaningful job-opportunities for groups at risk, and enhancing participatory decision-making at national and local levels.

These building blocks are all closely interlinked. For example, security sector institutions need to work closely together with local authorities and community police. Media interventions will benefit greatly from the support of religious leaders, youth and women organisations. Employment generation for groups at risk need to be accompanied with measures to increase voice and participation.

Addressing issues that are rooted in larger societal problems requires solutions anchored in inclusive development, tolerance, political and economic empowerment, and reduction of inequalities.

Violent extremism offers critical challenges at both the national and regional levels. At both levels, it renders inadequate some of the traditional tools of violence prevention and peace-building. It challenges policy makers to enter new arenas of thought and action. Given the cross-border, regional and global dimensions of the problem, UNDP seeks to ensure that responses at a national level will be coherent and feed into an integrated approach for the region to more adequately address the root causes of violent extremism.