

ANNEX I: DESCRIPTION OF THE ACTION

EU

ANNEX I

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1 THE CONCEPT

1.1 SUMMARY OF THE ACTION

Title of the action:	Rehabilitation and Consolidation of the Gaza Industrial Estate (RCGIE)
Location(s) of the action:	Karni area, Eastern Gaza city, Gaza strip
Total duration of the action	20 months
Objectives of the action	<p>The overall objective of the programme is:</p> <p>To promote inclusive, sustainable, private sector-led economic development and therefore promoting decent-job creation in the Gaza Strip, building the path towards a green economy.</p> <p>The specific objectives of this programme is:</p> <ol style="list-style-type: none"> 1. To rehabilitate and consolidate the Gaza Industrial Estate to ensure it is fully operational and works as a catalyst for industrial development.
Target group(s)	Private Sector Companies in Gaza and their employees
Final beneficiaries	The people of Gaza (Around 1.8 Million)
Estimated results	<ol style="list-style-type: none"> 1 The GIE electrical infrastructure is operational; 2 The GIE Wastewater System is operational; 3 The GIE Water well and desalination Unit are operational;
Main activities	<p>The action will include the following activities.</p> <ol style="list-style-type: none"> 1.1 Rehabilitate GIE transformer rooms (8 out of 16); 1.2 Repair out-of-order power cables; 2.1 Rehabilitate GIE wastewater collection system; 3.1 Rehabilitate one water well 3.2 Rehabilitation of the GIE Desalination unit;

1.2 RELEVANCE OF THE ACTION

1.2.1 The Gaza Strip context

In July 2014, the Israeli military launched a sustained assault on Gaza. For seven weeks, Gaza was invaded and bombarded from land, sea, and air. The human loss was great: at least 2,145 people were killed, including 581 children. One in four Palestinians in Gaza was forced to flee, and over 171,000 houses were partially or completely destroyed. Public services have been devastated, creating scarcity of water, energy, food, and shelter. Agriculture, industry, and trade are at a standstill, leaving ever more Gaza residents without a livelihood.

This devastating assault follows decades of occupation and border closures that have left people in Gaza isolated, impoverished, and vulnerable. Gaza was already in the grip of a humanitarian and environmental crisis before the assault began. A seven-year blockade had suffocated the private sector, creating widespread dependency: 80 percent of Gaza residents were already dependent on aid, 47 percent were food insecure, and 40 percent were unemployed.

The National Consensus Government has developed the "Palestinian National Early Recovery and Reconstruction Plan" to provide a roadmap through the current humanitarian crisis to long-term development. The Gaza Early Recovery and Reconstruction Rapid Needs Assessment form the backbone of the plan that are conducted by Palestinian ministries and agencies with the support of local and international partners, it uses the situation prior to the assault as a baseline but contextualizes it within the experience of Israel's long and continuing blockade of Gaza.

The Plan was developed with the intention to transition from relief efforts to longer-term development needs across four sectors namely; social, infrastructure, economic, and governance. The Government will respond to the urgent and chronic needs of Gaza with relief, recovery, and reconstruction interventions in each of these sectors that will reinforce the foundations for longer term development and growth.

Gaza is an integral part of the Palestinian state and its gate to the Mediterranean. Its development is crucial for the viability of the Palestinian state and for the two-state solution. Renewed growth and prosperity in Gaza is the Government's responsibility. Furthermore, there is no doubt that the success of the Government in the reconstruction of Gaza is crucial to ensuring the stability of Gaza, Palestine, and the region.

Through the National Early Recovery and Reconstruction Plan, the Government will ensure rapid improvements to Gazans lives, by working on multiple paths, in cooperation with partners in civil society, the private sector, and donors, while maintaining national ownership. Response is already ongoing, under the leadership of the Government through its Bridging to Recovery Initiative that guides the transition from emergency to early recovery.

Initial rapid assessments have provided early evidence on the scale of the damage caused by the 51-day assault and form the basis for the Government's response plan. Nearly half a million people were displaced at the height of the conflict and more than 11,200 injured, resulting in an increase in the number of poor, unsheltered persons, disabled, orphans, and female-headed households. 373,000 children are now in need of psychosocial support. Fifty percent of all medical facilities sustained severe damage and Gaza's emergency and primary health care systems are now overstretched and under-supported. At the same time, border closures have prevented the flow of crucial medical supplies and the transfer of high risk medical cases. Nearly 300 education establishments, from kindergarten to university level, suffered extensive damage and numerous others require repairs having been used as emergency shelters for the internally displaced during the assault.

Essential infrastructure, which was already at breaking point prior to the assault, has sustained severe damage. An estimated 20,000 tons of explosives fired by the Israeli military have left many buildings and large areas of Gaza reduced to rubble. At least 5,000 explosive remnants of war (ERW)

are not yet secured or destroyed. Extensive disruption has been caused to water and sanitation networks, energy supplies and facilities, roads and bridges, and the telecommunication system.

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 Gaza Industrial Estate (GIE). GIE is designed to provide the investor with all the infrastructure, and support facilities and services as it has its own stand power plant, national grid system and advanced water and sewage system.

The Gaza Industrial Estate (GIE) is the first Palestinian industrial zone that has been established and managed by Palestinian Industrial Estate and Free Zones Authority (PIEFZA) through private operator "Palestinian Industrial Estate Development Company" (PIEDCO) since 1997. The GIE was strongly supported by the PNA, EU, World Bank, USAID and international donor community.

The Gaza strip has a very low level of industrialization and high level of unemployment. The industrial sector contributes only 8 percent to GDP, and currently faces a number of serious obstacles. The movement of goods and services is often blocked by border closures. Serviced land and physical infrastructure for industry are in short supply and prohibitively expensive.

Frequent border closures have led to high levels of unemployment, sometimes as high as 70 percent in Gaza and 50 percent in the West Bank. Over the years, the Palestinian economy has become dependent on employment in Israel to the extent that in peak seasons 25 percent of overall income in Palestine was generated through work in Israel. However, the number of Palestinians able to seek and find employment in Israel has declined significantly from an estimated 120,000 in 1987 to some 30,000 during 1995 and about 25,000 in 1996. Though investor confidence appeared to increase with the initiation of the peace process, investment in the industrial sector has been minimal since 1993 and the limited amount of term lending -- an indicator of investor confidence -- continues to lag behind expectations. For the most part, the past few years have seen private investment concentrating in the construction sector, particularly for residential buildings; this is often assumed to be an indicator of an unhealthy economy. The GIE aims to initiate a process that will reverse these trends and 'jump start' industrial investment.

Export-oriented industrial production is one of the main promising sectors to create sustainable employment and to stimulate overall economic growth. To improve industrial competitiveness and current living standards in the West Bank and Gaza, it is vital that Palestinian industry expand and move into higher value-added activities, better quality goods, and markets that are more sophisticated. The signed trade agreements between the PA and the United States and European Union together with a well-educated workforce and relatively low wages make the WBG an attractive option for investors, both local and foreign. Palestinian and Israeli investors' demand for industrial space and for reliable access to labor and markets remains strong, provided certain guarantees are met. Private entrepreneurial groups are moving forward with plans for developing these estates.

In summary, the activities undertaken at the GIE will contribute to West Bank and Gaza's GDP, and are also expected to contribute to exports. The development of an encouraging enabling environment will also promote additional private sector investment outside the GIE, with corresponding employment generation. There will also be significant institution and capacity building. The project's target population is: (i) wage earners in Gaza; and (ii) the private sector, which will benefit from the establishment of an encouraging enabling environment, and which is expected to invest some \$200 million in the GIE alone (in addition to the developer's investment)

The EU union as part of the quartet is adopting the two states solution for the Palestinian case and is working towards building the essential infrastructure that sustains the expected Palestine state through putting the corner stone of economy for the forecasted state.

Since the division between Gaza and West bank and consequently the blockade applied on Gaza Strip UNDP/PAPP has worked actively in supporting the Palestinian living in Gaza 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 the state of Palestine and the specific Gaza reconstruction Plan for the Gaza strip, UNDP/PAPP is currently implementing several projects in the Water, housing, education, economic development and renewable energy sectors in the Gaza strip.

This action is in line with:

- The UNDAF thematic area 1: Economic empowerment, livelihoods, food security and decent work: By 2016, Palestinians in Palestine benefit from greater economic empowerment, improved livelihoods, access to decent work and food security (Outcome 1).
- The UNDP strategic plan 2014–17 outcome (1): Growth and Development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded
- The EU Single Support Framework 2014-2016 in Palestine, in which support to the Private Sector and Sustainable Economic Development is one of the focal sectors of intervention.
- The Palestinian Authority National Economic Development Plan 2014-16 Strategic Goals (Reducing dependence of the Palestinian economy on Israel and facilitating improved international trade opportunities, Developing an enabling business and investment environment in Palestine, Promoting competitiveness of the industrial sector and of M-SMEs).

The action is the first component of a broader EU programme. This programme aims at:

- Consolidating the Gaza Industrial Estate to ensure it is operational and works as a catalyst for industrial development. (Component 1);
- supporting an incentives programme for companies that, after the recent conflict, are interested in relocating within the GIE (Component 2);
- Contributing to PIEFZA's (Palestinian Industrial Estates and Free Zones Authority) capacity to efficiently develop the industrial zones in Palestine (Component 3).

It is commentary with other projects supporting the Industrial Estates in Palestine, including the EU and Japanese support to the Jericho Agro-Industrial Park, France's support to the Bethlehem Agro-Industrial Park, as well as Germany's support to the Jenin Industrial Park.

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

The Gaza Strip has been subject to three rounds of conflict between Israel and the Palestinian factions since December 2008, with the last round July and August 2014 being the harshest and most destructive.

Most of the economic and social sectors in the Gaza Strip have been severely affected throughout this round of conflict. Around 19,000 housing units have been destructed or severely damaged and cannot be used for living, around 152,000 housing units have been partially affected, around 4,000 factories and business has been destroyed or partially damaged, as well as many schools, hospitals, water networks, electricity plant and lines have also been subject to sever damages or destruction. This is besides the unemployment and poverty increased level as a result, in addition to the

psychosocial problems, and this all makes the Gaza Strip in a very badly urgent and quick need for reconstruction and development.

The issued Decree on Palestinian Industrial and Free Zones (PIEFZA), together with the associated implementing regulations, has established the Palestinian Industrial and Free Zones Authority (PIEFZA) and regulates the relationship between PIEFZA, developers, and tenant enterprises. This creates a clear and transparent administration as well as a legal system which permits expeditious licensing, and facilitating services to cut through any other bureaucratic obstacles. A significant part of project preparation has focused on the legal and regulatory environment required to attract investors. In addition to issuing the PIEFZA Decree, the PA has decided to revise the Law for the Encouragement of Investment (LEI), taking advice from the World Bank among others. A new draft LEI is currently under review, which is expected to constitute an "umbrella" framework attractive to the private sector.

The employment situation after the Israeli operations in the Gaza Strip has become worse as the unemployment rates in the Gaza Strip before July 2014 varied between 45-55% according to the different sources. The private sector is a very important contributor to the economy of the Gaza Strip and a major employer, and the damages that the private sector has been subject to during the last operations besides the effects of the siege on its growth have seriously affected its wellbeing and continuity. The private sector is in dire need for different types of assistance such as reconstruction of the destroyed facilities, capacity building, marketing and exporting, creating an enabling environment, financial support... etc. The Palestinian government considers the private sector as a top priority over the coming few years to contribute to the poverty and unemployment rates reduction and achieve sustainable development.

Due to 2014 hostilities, 16 electrical transformers, rooms were completely destroyed leading to complete cut off electricity from the facilities, most of the overhead cables were cut along with their carrying poles. The power supply to the desalination, water wells and wastewater station was interrupted. In addition, the lighting poles were also destroyed. The wastewater pumping station room located near the borders was totally damaged along with the pumps, water well and desalination plant were also damaged. The proposed intervention within the project will focus on rehabilitation of incurred damages within GIA to ensure it is fully operational and works as a catalyst for industrial development. This will contribute to promote inclusive, sustainable, private sector-led economic development and therefore promoting decent-job creation in the Gaza Strip, building the path towards a green economy.

Based on the above, the 'RCGIE' project is addressing the needs and constraints of the Palestinian local target groups living in the Gaza strip as listed below:

- The existing tenants of the Gaza Industrial Estate (see below) as well as future tenants;
- The existing (2,000 labours including 30 females) businesspersons and workers based in the Gaza Industrial Estate, as well as future ones.
- The people of Gaza, by improving the economic growth and securing the social equity and cohesion through a sustainable revitalisation of the industrial zone in Gaza as well as provision of economic support, and marketing development.

The Table below includes a detailed description list of the companies and agencies located in Gaza Industrial Estate:

Description of the tenants' activity	Number of shops
Sewing and textile industry	4
Food industry	8
Wood and carpentry industry	4
Aluminum and plastic industry	2
Detergents industries	3
Electronics and communications	3
UN stores	2
Other business companies	5
Cafeteria	1
Bank	1
Total of enterprises	33

1.2.4 Particular added-value elements

In order to ensure the promotion of the United Nations Development Assistance Framework (UNDAF) for the State of Palestine 2014-2016, UNDP has aimed to incorporate the following principles throughout this project in Gaza strip: environmental sustainability, Economic empowerment, urban development, and results based management. In addition, the following issues were also identified to be of particular relevance for the implementation of the project: strengthen the productive sectors to deliver goods with improved quality, quantity and value, that would open new access to markets, social protection, support youth and female entrepreneurship, and enhance capacities of relevant government and non-government institutions to support private sector activity. It is also worth to mention that a particular added-value element for this project in Gaza strip 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 Gaza Industrial Estate:

- 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 Palestine and are "honest brokers". This perception is stronger in Gaza strip. The PA ministries, donors, and civil society generally view UN agencies as trustworthy. As a UN agency working in a conflict area, UNDP should be impartial in their dealings with the parties to the conflict. For this particular project, UNDP will cooperate with different stakeholders including Israeli and Palestinian parties to ensure the achievement of planned results according to standards and best practices, without compromising its image of impartiality.
- 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. No harm policy is taking into consideration during project implementation such as environmental protection, job creation opportunities, etc.
- 3. In-depth field knowledge and potential leveraging power:** Because the UN has been operating for a long time in Palestine, 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 Palestine. UNDP will provide the project with very experienced and qualified staff with technical and managerial knowledge

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 Palestine is seen as having improved in recent years. As in point 1, coordination with all stakeholders will be conducted on regular basis
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. UNDP experience in infrastructure works during the last 25 years in Gaza will ensure competent implementation of the project
6. **Access Coordination & Monitoring Team:** UNDP has established an access to materials mechanism with the Israeli Coordination and Liaison Administration that allows construction materials to enter into Gaza for reconstruction and development purposes. UNDP access coordination team is already established since 2010 and functioning in a very efficient way by coordinating all works and entry of materials with COGAT and CLA.

2 THE ACTION

2.1 Description

The programme expected results are:

1. The GIE electrical infrastructure is operational;
2. The GIE Wastewater System is operational;
3. The GIE Water well and desalination Unit are operational;

Those results will contribute to the project specific objective: to rehabilitate and consolidate the Gaza Industrial Estate to ensure it is fully operational and works as a catalyst for industrial development.

This will in turn contribute to the overall objective of promoting inclusive, sustainable, private sector-led economic development and therefore promoting decent-job creation in the Gaza Strip, building the path towards a green economy; along the following lines:

- **Commercial Restoration:** It responds to the early recovery efforts of the Palestinian Government after the 2014 hostilities against Gaza strip and vitalise the target for the establishment of the Gaza Industrial Estate. The action targets the restoration and rehabilitation of infrastructure of the GIE by securing the power load for the current and future demands of utilities and industries in the zone, whereas, the damaged water and wastewater systems are reinstated to secure quality services for the tenants in the GIE. This proposed action is considered a basic need for the preservation of environment.
- **Urban Preservation and Sustainable Development:** The action will contribute to preserve the boundaries of the project, effectively utilizes the spaces for the planned future investments and provides safety inside and outside the premises. Addressing the main industrial zone in Gaza and the planned location for Palestinian trade with the outside world, the project will pave the road for more sustainable growth for industries known to be somehow preserved along the borders and encouraging more local and may be future international investments into the Gaza strip.

- Poverty Alleviation: Improving the working environment introduces strong incentive to help the investor succeed in delivery of the infrastructure basic services. Operational factories, local enterprises, business offices and big stores are seen as valuable sources for generating unprecedented job opportunities within the community. An investment environment for economic support will be established to encourage maximum participation and strengthened initiative in all types of business.

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

Activity 1.1: Rehabilitate GIE transformer rooms (EUR 523,864)

In the proposal appraisal stage, the site (Gaza Industrial Estate) was surveyed in detail to ensure a meticulous preparation of all the specific infrastructure activities.

As a result of 2014 hostilities, 16 electrical transformers' rooms were completely destroyed leading to complete cut off electricity from the GIE facilities.

This activity will be implemented in close cooperation between PIEFZA, PIEDCO, Palestinian Energy Authority (PEA), Gaza Electricity Distribution Company (GEDCO) and the UNDP. In this regards, PIEDCO will provide through PIEFZA access to the locations of the destroyed transformers to be reconstructed with all the required permits from both the Palestinian Energy Authority (PEA) and GEDCO. The required specifications and capacities of the transformers will be approved by both PEA GEDCO. The scope of works will include the reconstruction of the eight destroyed rooms that are hosting the transformers, installation of high-tension cables and main distribution boards.

Activity 1.2: Repair out-of-order power cables (EUR 563,972)

According to the field survey, most of the overhead cables were cut along with their carrying poles. The power supply to the desalination, water wells and wastewater station was interrupted. In addition, the lighting poles were also destroyed.

This activity will be implemented in parallel with the rehabilitation of the transformers Activity1.1 above and in the same mechanism. The required amounts and capacities of the cables will be approved by GEDCO and will be installed and commissioned according to PEA standards and regulations. The works also include supply and installation of the damaged electrical poles that are carrying the cables. Finally, all the electrical supply system will be commissioned in the presence of all involved parties: UNDP, PIEFZA, GEDCO, PEA and PIEDCO.

Activity 2.1: Rehabilitate GIE wastewater system (EUR 347,500)

The wastewater pumping station room located near the borders was totally damaged along with the pumps that are serving the GIE and discharging the sewage into the main sewage collection system of Gaza. The room consists of a small wet pit, two submersible pumps, and main electrical control board. Only one pump is operating inefficiently and needs rehabilitation and the other pump is completely damaged. The two pumps' capacity is under the sewage flow quantities and needs upgrading.

This activity includes:

- Debris removal and site reinstatement;
- Rehabilitation of the existing wastewater pumps;
- Supply and installation of a new pump to cover the GIE wastewater quantities;
- Rehabilitation of all related electrical controls and cables necessary to operate the pumping station including electrical meter;
- Construction of concrete fencing around the station and the electrical control room.

Activity 3.1: Rehabilitate one water well (EUR 84,000)

The water well was directly destroyed during the last escalation in 2014. It consists of a concrete room with water pump and electrical control board with related connection to the main low voltage

electricity network of the GIE. There is a submersible pump operating directly and the well doesn't have any manifold and the pumps capacity is well below the existing demand.

This activity will focus on the rehabilitation of the main water well that supplies water to the GIE and the desalination plant. The works include:

- Supply, installation and commissioning of a vertical pump of 70 m³/hour along with all required accessories;
- Construction of well's room and shading;
- Installation of required electrical and mechanical equipment to operate the well

Activity 3.2: Rehabilitate the GIE Desalinisation unit (EUR 269,000)

This activity targets the desalination plant. The status of the plant was studied carefully and the UNDP technical team in close cooperation with PIEDCO and PIEFZA technical teams estimated the cost of damages to the plant to be more than providing a new desalination unit with double capacity of the existing unit. The existing pumps are high power consuming and the membranes along with the all filters are out of order. The rehabilitation process will target the upgrading of the current capacity of the desalination plant by providing a new package set of desalination unit to increase the output of the plant to around 80 cubic meters per hour to meet the expanding demand from the tenants especially for the drinking and food products as requested many times by PIEFZA. The works will include:

- Supply, installation and commissioning of a complete desalination unit of 70 cubic meters per hour and connect to the existing water supply system;
- Upgrading the existing unit to 80 cubic meters' production with a new set
- Rehabilitation of the existing monitoring and control systems for the desalination unit;
- Restoration of the civil damages of the tanks

2.2 Methodology

The 2014 Financial and Administrative Framework Agreement (FAFA) governs the funding relation between the UNDP and the EU. UNDP/PAPP will work in close coordination with the PIEFZA (which owns the GIE), PIEDCO (the operator of the GIE) and the local stakeholders. The Project will be managed by the Infrastructure & Engineering Unit (I&E) of UNDP/PAPP.

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

Detailed specifications, work plan and budget will be submitted by UNDP to the contracting authority for prior approval before implementation of activities 2.1, 3.1 and 3.2.

Specific responsibilities of UNDP/PAPP

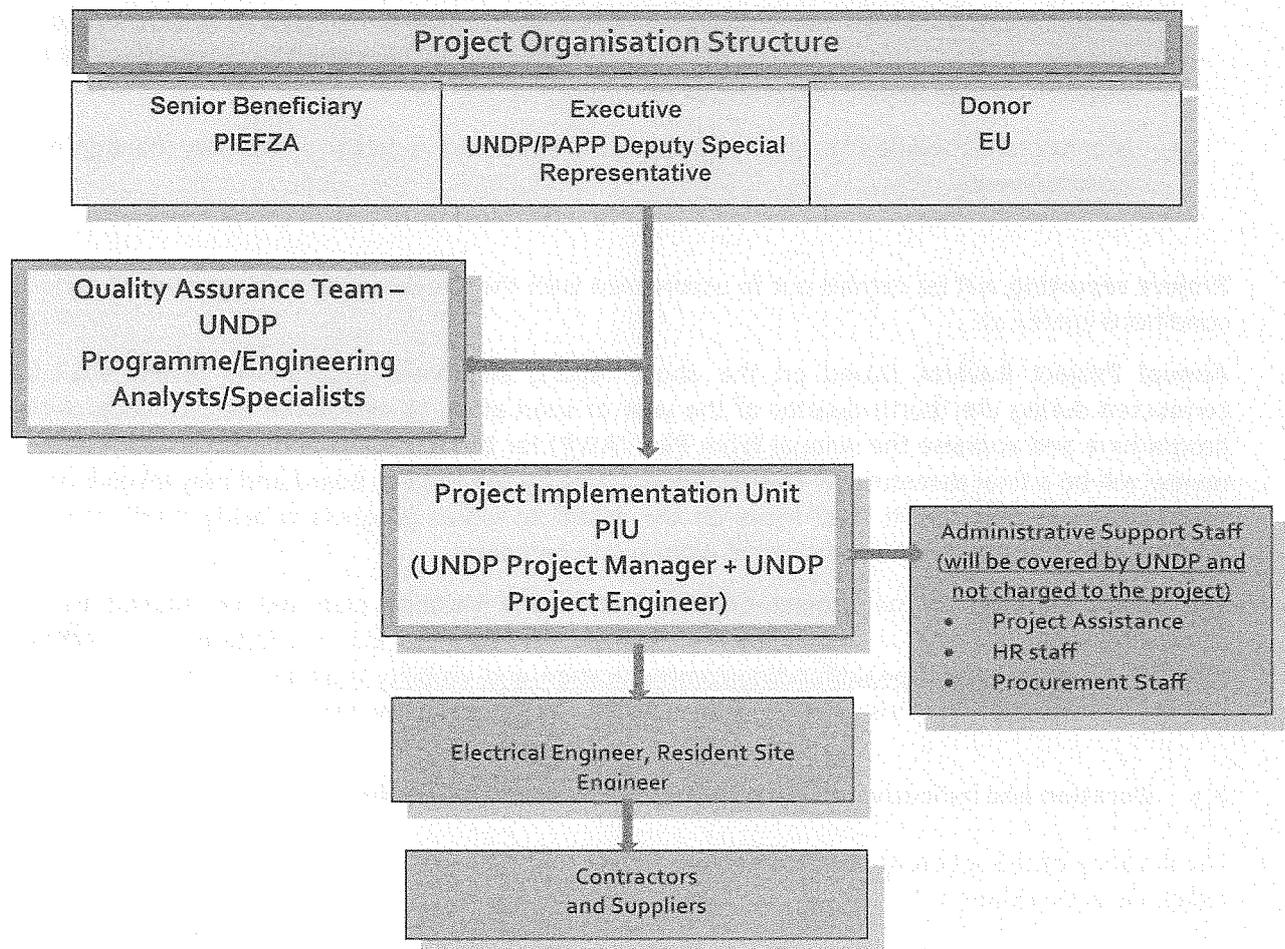
- UNDP is the delegate for this Project. UNDP will hire contractors for the implementation of the project activities while the quality assurance, financial and reporting management is fully the responsibility of UNDP. UNDP in this regards will be responsible thereafter for the following;
- The establishment and administration of the Project, achievement of Programme outcome and outputs;
- To directly implement the project 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 Project Board of the programme and in accordance to the general conditions (Annex 1);
- 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; the staff are: Engineering Analyst, Programme Analyst, Electrical Engineer, Programme Manager, Resident Site Engineer.
- Engineering Analyst, Programme Analyst, Procurement Analyst and Programme manager (Activities: 1.1,1.2,2.1,3.1 and 3.2): 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. this will be implemented through the UNDP procurement analyst and in accordance with the UN procurement guidelines.
- The Engineering Analyst, Programme Analyst, and Program Manager (Activities: 1.1,1.2,2.1,3.1 and 3.2): To provide upper supervision responsibilities of the implementation and management of the programme. The overall quality assurance of the project will be followed closely by the appointed UNDP staff.
- Programme Manager, Project Assistance (Activities: 1.1,1.2,2.1,3.1 and 3.2): To submit the request for fund disbursement to the EU in line with the special conditions, and assure the funds are utilized as per the Project Document;
- Electrical Engineer, Programme Manager, Resident Site Engineer and engineering analyst (Activities: 1.1,1.2,2.1,3.2,3.1 and 3.2): 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;
- Programme Manager and Administrative assistant (Activities: 1.1,1.2,2.1,3.1 and 3.2): Facilitate access of construction materials and necessary equipment for efficient operation of different systems.
- Engineering Analyst, Programme Analyst, Electrical and Programme Manager (Activities: 1.1,1.2,2.1,3.1 and 3.2): Upon the completion and internal check and acceptance of the project, submit the related report for final as-built acceptance by the EU.

A Project Board will be established to undertake Project oversight and assurance. The Project Board is responsible for making management decisions for the Project when the Project Manager requires guidance, including recommendations for approval of Project revisions. Project reviews by the Board are made at designated decision points during the duration of the Project, or as necessary when raised by the Project Manager. The Board will be consulted by the Project Manager for decisions when Project tolerances (i.e. constraints normally in terms of time and budget) need to be revised. The Project Board will convene quarterly. The Project Board consists of representatives from following:

- Executive: UNDP, representing the Project ownership to chair the group (Country Director for Deputy Country Director, Programme),
- Donor: International partners providing resources for Project implementation
- Senior Beneficiary: to ensure the realization of Project benefits from the perspective of Project beneficiaries (PIEFZA)

The Project board makes decisions on a consensus basis. Final decision making on Project activities and accountability however rests with UNDP in accordance with its applicable regulations, rules, policies, and procedures.



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

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 Project 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 project 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 project will be monitored through the following:

Within the annual cycle

- On a quarterly basis, UNDP shall record progress towards the completion of key results, based on UNDP quality criteria and methods below.

- 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 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 Programme Assurance, using the standard report format available in the Executive Snapshot.
- 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
- Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Project reporting will be carried out in accordance with the provisions of this agreement general conditions (annex 2).

Annual Project 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 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.

The implementation of the project Communication and visibility plan will be aligned to the Communication and Visibility Manual for EU External Actions (https://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions_en) and the "Joint Visibility Guidelines for EC-UN Actions in the Field".

2.3 Duration and indicative action plan for implementing the action

The duration of the action will be 20 months.

Indicative action plan:

No.	Activities	Duration in months																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	Recruitment and mobilisation	■	■																		
2	Preparation of tender documents		■	■	■																
2	Tendering and awarding			■	■	■															
3	Implementation Stage						■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
4	Evaluation and Reporting																				■

2.4 Sustainability of the action

UNDP plays a significant role in the social, public, and economic infrastructure sector in Palestine. The expected impact of this project can be summarized as follow:

- Protection of the Palestinian presence and development of the main Palestinian industrial zone in the Gaza strip;
- Improvement of the GIE infrastructure that will provide solid basis for a sustainable economic development for many Palestinians in the Gaza strip;

- Preservation of permanent job opportunities related to the existing local business and creation of new employment;
- Increase of businesses' financial income and local investments and thus reduction of the businesses' migration from Gaza strip to the West Bank.

There are serious risks that may hinder the implementation of the project, or may affect the achievement of expected results and outcomes. These risks are related to the following as per below Table:

Risk	Likelihood of Risk Occurring	Mitigation
Israel does not permit entry of sufficient goods and inputs into the Gaza Strip to allow the project activities to be implemented.	Probability: 1-Low / 5-High 3	1. Upload the materials list for the project on Israeli Coordination and Liaison Administration to the Gaza Strip CLA web and acquire the necessary approval for materials entry into Gaza through the Access of materials mechanism of UNDP agreed with the Gol. 2. Discuss possible scenarios with Donor and Beneficiary to address the solution at a political level
Hostile activities	2	Close follow up on the status of unrest inside Gaza and making quick decisions to minimize any possible disruption of works or losses.
Instability of internal political conditions	1	Discuss possible scenarios with Donor and Beneficiary to avoid delay on the timeframe and related costs
Poor coordination between PA staff in Ramallah and Gaza	4	Continuous monitoring of the situation
Increase in cost of construction materials (with a fluctuating dollar the cost of materials has increased well beyond initial budget projections).	3	-UNDP will inform the contractors during the bidding stage that there is no tolerance for fluctuation of prices of materials and equipment. -General Conditions of contract include relevant clause.
Weather conditions	3	Develop a contingency plan including two-month buffer during the rehabilitation works period

Social Sustainability

The social sustainability of the project, builds on the following components:

- Implementation of the project will provide temporarily and permanent job opportunities to the workers in the Gaza strip and consequently will reduce the unemployment among workers. The expansion of the GIE and increasing the number of business units will require more permanent human power to be employed for the security, maintenance, operation and Information and communications technology (ICT) support

Environmental Sustainability

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

- Sustainable management of the main resources needed: water and electricity: conservation, energy efficiency and consumption reduction strategies which includes energy auditing for the whole premises, deployment of energy saving control systems, use of power saving lighting pulps installation of power capacitors at the main electrical distribution boards and main feeding lines, provision through renewable/alternative sources i.e. solar panels. The Photo Voltaic panels will be installed on the top of the existing constructions utilising these spaces to generate electricity to cover the demand of the GIE and the excess power will be exported to the national grid (on the grid system). There is a complete study along with the cost requested to install these PV systems and it is under consideration by the World Bank (WB). The total roof coverage area available is 57,000 m² and the proposed system capacity is 6.14 MW/h_p. The total budget for the project is USD 10.8M tentatively to be covered by the WB and the implementation period is expected to be 9 months.
- Rehabilitation and upgrading of the GIE pumping station will ensure the correct collection and disposal of the sewage generated from the GIE tenants.
- Integration of an environmental-friendly/local development oriented management protocol, which builds on good practices such as using insulation materials for the construction of any new business or hanger, improving the ventilation systems and adopting Green Building principle.

Logical Framework

See attached table.

Job description
Position: Project Manager
Ref. 1.1.1.4

Project: Rehabilitation and Consolidation of the Gaza Industrial Estate (RCGIE).
Reports to: Head of Infrastructure Gaza Office/Head of Gaza Office
Contract Type: Service Contract
Location: UNDP Gaza office/Gaza
Activity reference Number: (1.1,1.2,2.1,3.1 and 3.2)

Functions / Key Results Expected

1. **Project and Budget Management:** manage implementation of results as described in projects' documents; manage budgets and prepare any necessary budget revisions; manage production of work packages and work products as necessary to produce results; produce regular project plans, including for design, engineering, construction, procurement, training and capacity building packages; ensure up-to-date risk logs and manage project risks; ensure work is coordinated with the Operations Department for the provision of support services in finance, procurement, logistics, HR and general administration services;
2. **Donor/Client Relations:** manage the different donor contributions, including ensuring that project reports are submitted to donor on time, any necessary amendments are processed in a timely manner, and funds are received as per the client-project-cash-management plan; ensure that donors/clients are kept apprised of all major project implementation issues;
3. **Stakeholder Coordination:** manage and coordinate decision-making within the constraints laid down by them; and manage contracts with suppliers, vendors, contractors, and other implementing partners;
4. **Personnel Management:** motivate and supervise a technical team of national and international personnel with a focus on efficiency, effectiveness, and job satisfaction; participate in recruitment of new personnel as required; engage in regular performance evaluations;
5. **Reporting/Communications:** prepare regular briefings and reports to the Director; ensure production of timely reports to donors/clients; participate in regular project and senior management coordination meetings; participate in inter-agency coordination mechanisms as relevant; ensure regular production of lessons learnt, success stories, and factsheets;
6. **Project Development:** contribute to the development of new project interventions by formulating project ideas and concept notes within the scope of the portfolio and engaging donor/clients, including other UN agencies, and stakeholders on these ideas; handle preparation of project documents in order to establish new projects;
7. Perform other related duties as may be assigned by the supervisor.

Job description
Position: Resident site engineer
Ref. 1.1.1.5

Project: Rehabilitation and Consolidation of the Gaza Industrial Estate (RCGIE).
Reports to: Project Manager/ Head of Infrastructure Gaza Office.
Contract Type: Service Contract
Location: UNDP Gaza Office/Gaza
Activity reference Number: activities (1.1,1.2,2.1,3.1 and 3.2)

Functions / Key Results Expected

1. Preparation of project's Bill of Quantities (BOQ).

2. Carrying on market survey.
3. Follow up of the daily site activities.
4. Submitting daily, weekly and monthly reports about the development of works at the site.
5. Arrange weekly meetings with the contractors and draft MoM.
6. Liaise with relevant authorities (PIEFZA, PIEDCO, GEDCO and PWA) in the implementation of the project and for obtaining any necessary permits.
7. Supervise and monitor the physical and financial progress against the set work plan.
8. Prepare variation orders, negotiate with the contractor before approval by the head of the infrastructure unit, and project manager.
9. Prepare the payment certificates.
10. Maintain the project schedule by monitoring progress, coordination of activities and solve site problems.
11. Monitor access to materials, storage and disbursement of coordinated materials in the project construction.
12. Assist the project manager in the approval of materials and follow up the installation of the approved materials.
13. Monitor the safety measures for the site and labor and report any incident to the project manager. This also apply for following the labor law at the site concerning the age of workers.
14. Follow up for all the required tests for either materials, concrete or equipment's.
15. Updating site measurements versus BOQ on weekly basis.
16. Recording the contractors' site personnel attendance sheet.
17. Maintain documents and records related to the project.

Job description

Position: Engineering Analyst

Ref. 1.1.1.1

Project: Rehabilitation and Consolidation of the Gaza Industrial Estate (RCGIE).

Reports to: Head of Infrastructure Gaza Office/Head of Gaza Office

Contract Type: FTA

Location: UNDP Gaza Office/Gaza

Activity reference Number: (1.1,1.2,2.1,3.1 and 3.2)

Functions / Key Results Expected

1. Follow up on all technical and financial matters related to the project.
2. 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.
3. Personnel Management: motivate and supervise a technical team of national and international personnel with a focus on efficiency, effectiveness, and job satisfaction; participate in recruitment of new personnel as required; engage in regular performance evaluations;
4. Perform other related duties as may be assigned by the supervisor.
5. Final Review of all payments to be matching the original scope of works and all prerequisites of approvals are met in full compliance with standards rules and regulations.
6. Liaison with donor on different issues that in need to be raised for approval or clearance.
7. Support the project team in resolving technical issues with different counterparts or different units within UNDP.

8. Reports directly to Program Analyst the achievements and issues identified in the project and make the needed analysis to enable the proper reporting to the project board to take the needed decision.
9. Always review the risks report prepared by the project team in order to advise the proper decision in a timely manner.

Job description
Position: Programme Analyst
Ref. 1.1.1.2

Project: Rehabilitation and Consolidation of the Gaza Industrial Estate (RCGIE).

Reports to: Project Board

Contract Type: FTA

Location: UNDP Gaza Office/Gaza

Activity reference Number: (1.1,1.2,2.1,3.1 and 3.2)

Functions / Key Results Expected

1. Effective application of RBM tools, establishment of management targets (BSC) and monitoring achievement of results.
2. Coordination of programme implementation with the partners and stakeholders. Introduction of performance indicators/ success criteria, cost recovery, targets and milestones.
3. Initiation of a project, presentation of the project to PAC, entering project into Atlas (in small offices), finalization of contribution agreement; determination of required revisions; coordination of the mandatory and budget re-phasing exercises, closure of projects through review. Programme Analyst can perform functions of Manager Level 1 in Atlas for POs and vouchers approval, participates in recruitment processes for projects.
4. Financial and substantive monitoring and evaluation of the projects, identification of operational and financial problems, development of solutions. Participation in audit of NEX projects.
5. Follow up on audit recommendations. All exceptions are timely reported.
6. Direct reporting to the project board and keep them adequately informed on all quality assurance and development of project results with proper linkages to country as well as global program for development.
7. Aggregate reports are regularly prepared on activities, outputs and outcomes. Preparation of donor reports.
8. Ensures creation of strategic partnerships and implementation of the resource mobilization strategy in cooperation with the Management Support and Business Development Team
9. Ensures provision of top quality advisory services and facilitation of knowledge building and management focusing on achievement of the following results:
 - a. Identification of sources of information related to policy-driven issues. Identification and synthesis of best practices and lessons learnt directly linked to programme country policy goals.
 - b. Support to development of policies and institutions that will address the country problems and needs in collaboration with the Government and other strategic partners.
 - c. Sound contributions to knowledge networks and communities of practice.

- d. Organization of trainings for the operations/ projects staff on programme issues and coaching them to get results as per original plans.

Job description

Position: Electrical Engineer

Ref. 1.1.1.3

Project: Rehabilitation and Consolidation of the Gaza Industrial Estate (RCGIE).

Reports to: Project Manager

Contract Type: Service Contract

Location: UNDP Gaza Office /Gaza

Activity reference Number: activities (1.1,1.2,2.1,3.1 and 3.2)

1. Preparation of project electrical works and Bill of Quantity
2. Carrying on market survey.
3. Follow up of the daily electrical site activities.
4. Coordinate with resident site engineers in submitting daily, weekly and monthly reports about the development of electrical works at the site.
5. Supervise and monitor the physical and financial progress against the set electrical work plan.
6. Assist the project manager in the approval of electrical materials and follow up the installation of the approved materials.
7. Follow up for all the required tests for electrical materials.
8. Updating site measurements versus BOQ on weekly basis.

ANNEX I
LOGICAL FRAMEWORK

	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall objectives	<p><i>What are the overall broader objectives to which the action will contribute?</i></p> <p>To promote inclusive, sustainable, private sector-led economic development and therefore promoting decent-job creation in the Gaza Strip, building the path towards a green economy.</p>	<p><i>What are the key indicators related to the overall objectives?</i></p> <p>Real GDP growth in the Gaza Strip</p> <p>Unemployment rate in the Gaza Strip</p> <p>Labour force participation rate in the Gaza Strip</p> <p>Share of exports of Palestinian Goods and services in the GDP</p>	<p><i>What are the sources of information for these indicators?</i></p> <p>Palestinian Government (PCBS, etc.) reports, PIEFZA reports, UN report</p>	
Specific objective	<p><i>What specific objective is the action intended to achieve to contribute to the overall objectives?</i></p> <p>1. To rehabilitate and consolidate the Gaza Industrial Estate to ensure it is fully operational and works as a catalyst for industrial development.</p>	<p><i>Which indicators clearly show that the objective of the action has been achieved?</i></p> <p>Number of companies operating in the Gaza Industrial Estate</p> <p>Numbers of workers employed in the Gaza Industrial Estate</p> <p>Yearly value of exports from companies established in the GIE</p>	<p><i>What are the sources of information that exist or can be collected? What are the methods required to get this information?</i></p> <p>Palestinian Government (PCBS, etc.) reports</p>	<p><i>Which factors and conditions outside the Beneficiary's responsibility are necessary to achieve that objective? (external conditions) Which risks should be taken into consideration?</i></p> <p>Factors/Conditions are: Access to the sites due to the potential restrictions imposed by the Israeli and stable political-social conditions</p> <p>Risks are:</p> <ul style="list-style-type: none"> • Problems in timely implementation due access to materials problems • Instability of internal political conditions; • General access restrictions increase; • Weather conditions.
Expected results	<p><i>The results are the outputs envisaged to achieve the specific objective. What are the expected results? (enumerate them)</i></p> <p>1. The GIE electrical infrastructure is operational</p> <p>2. The GIE Wastewater System is operational</p> <p>3. The GIE Water well and desalination Unit are operational</p>	<p><i>What are the indicators to measure whether and to what extent the action achieves the expected results?</i></p> <p>Number of transformer rooms rehabilitated Quantity of power cables restored (meters)</p> <p>Number of Waste Water Room Rehabilitated</p> <p>Number of Water Well Rehabilitated</p>	<p><i>What are the sources of information for these indicators?</i></p> <p>UNDP project reports, PIEFZA reports</p> <p>UNDP project reports, PIEFZA reports</p> <p>UNDP project reports, PIEFZA reports</p>	<p><i>What external conditions must be met to obtain the expected results on schedule?</i></p> <p>Access to the sites due to the potential restrictions imposed by the Israeli and stable political-social conditions</p> <p>Access to the sites due to the potential restrictions imposed by the Israeli and stable political-social conditions</p> <p>Access to the sites due to the potential restrictions imposed by the Israeli and stable political-social conditions</p>
Activities	<p><i>What are the key activities to be carried out and in what sequence in order to produce the expected results? (group the activities by result)</i></p> <p>1.1 Rehabilitate GIE transformer rooms (6 out of 21);</p> <p>1.2 Repair out-of-order power cables;</p> <p>2.1 Rehabilitate GIE wastewater collection system;</p> <p>3.1 Rehabilitate one water well</p> <p>3.2 Replacement of the GIE Desalination unit;</p>	<p>Means: <i>What are the means required to implement these activities, e.g. personnel, equipment, training, studies, supplies, operational facilities, etc.</i></p> <p>Human Resources (Project Manager, etc. see budget for details). Human Resources (Project Manager, etc. see budget for details).</p> <p>Construction material and equipment to make the site operational</p> <p>Construction material and equipment to make the site operational</p> <p>Construction material and equipment to make the site operational</p>	<p><i>What are the sources of information about action progress?</i></p> <p>Costs <i>What are the action costs? How are they classified? (breakdown in the Budget for the Action)</i></p> <p>UNDP quarterly and annual reports</p> <p>See budget attached.</p>	<p><i>What pre-conditions are required before the action starts? What conditions outside the Beneficiary's direct control have to be met for the implementation of the planned activities?</i></p> <p>Award letter from the European Union</p> <p>Access to the sites due to the potential restrictions imposed by the Israeli Authorities; Stable political-social conditions and timely procurement/human</p>



