



This action is funded by the European Union

ANNEX 3

of the Commission implementing Decision on the Annual Action Programme 2015 part 2 in favour of Palestine¹

Action Document for Short-Term Low Volume Sea Water Desalination Plant for the Southern Governorates of the Gaza strip – Phase II

1. Title/basic act/ CRIS number	Short-Term Low Volume Sea Water Desalination Plant for the Southern Governorates of the Gaza strip – Phase II (STLV-II) CRIS number: ENI/2015/038-310 financed under European Neighbourhood Instrument			
2. Zone benefiting from the action/location	Palestine The action shall be carried out at the following location: Southern Governorates of the Gaza strip (Khan Younis and Rafah)			
3. Programming document	Single Support Framework (SSF) 2014/2015 European Union Representative Office in Jerusalem (EUREP Office)			
4. Sector of concentration/ thematic area	Focal Sector 3: Support to water and land development			
5. Amounts concerned	Total estimated cost: EUR 10,000,000 Total amount of EU budget contribution EUR 10,000,000			
6. Aid modality and implementation modality	Project Modality Indirect management with UNICEF			
7. DAC code(s)	14031 - Basic drinking water supply			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

	born and child health			
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	Environment and Climate Change + Human Development/Health			

SUMMARY

Support to Water and Land development is one of the focal sectors of intervention of the Single Support Framework 2014-2015 in Palestine.

Following the EU's pledge at the Cairo Conference for Gaza in October 2014 and responding to Headquarters' instructions, interventions in 2015 will focus on measures helping the redeployment of the Palestinian Authority (PA) in Gaza and paving the way for the institutional reunification.

The current action focuses on providing additional sources of water to the citizen of the Gaza Strip through the construction of a short-term Low Volume (STLV) Desalination Plant with a potential capacity of 14,000 m³/day² with an estimated selling price of water of around 0.93 €/m³. The new plant will be a development and expansion of the current STLV Desalination plant funded by EU for the Southern Governorates of the Gaza. The project will be implemented through an indirect management with UNICEF.

This project is an appropriate, quick and effective response to the acute shortage of potable water in Gaza. Indeed without significant intervention, the water situation in Gaza will continue to deteriorate and will increase health risks, especially in the vulnerable community of Gaza. Currently private companies are selling water for a price going up to 9.3 €/m³. This cost is not affordable for a large portion of the population. In addition, these private companies are extracting water from ground wells which adds more pressure on the aquifer.

The project is fully compliant with different studies, plans and strategies developed by the Palestinian Authority: the *National Water Sector Strategy 2014-2016*, the *National Early Recovery and Reconstruction Plan for Gaza (NERPP)* and the *Comparative Study of Options Gaza (CSO-G)*. The latest one, published in June 2011 established a rolling schedule of interventions to address the critical issue of water in Gaza. From the set of interventions, the construction of STLV desalination plant was a key recommendation to ensure a reasonable production of water of acceptable quality for domestic use.

The project by offering an alternative source of water to Gaza will partially reply to the urgent need to decrease the abstraction of ground water to protect the aquifer from further deterioration.

² 6,000 m³/day from the STLV-I and up to 8000 m³/day from STLV-II.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

The development context in Palestine is fundamentally shaped by two factors: the ongoing Israeli-Palestinian conflict (more than 40 years of continued occupation and expansion of the settlements in the West Bank) and the slow progress of returning the Palestinian Authority to the Gaza partly due to the complex legal, political and practical issues that severely limits its ability to carry out its governmental responsibility.

Obstacles for economic development are multiple: limited access to land and water in the West Bank, severe restrictions on movement of goods considered by Israel to be of "dual use"³, disrupting effects of settlement activity and settlers, difficulty of obtaining permits for movement of people into and out of Gaza and of East Jerusalem, the lack of an adequate investment environment, etc.

The economic situation in Palestine continues to deteriorate. Real GDP per capita has declined since 2000 as a result of political conflicts and subsequent Israeli heavy restrictions on movement and access (including the blockade of Gaza). From 2007 to 2011, the consistently growth of the GDP in the West Bank (6-9% per year) was largely driven by government spending, in turn, funded by aid flows, and to a lesser degree easing of restrictions on movement and access by Israel. However, since 2012, growth has decelerated. *For the first time in a decade, the Palestinian economy faced negative growth in 2014*: The recent conflict in Gaza has been estimated to reduce GDP by around 15%⁴.

The Palestinian Authority (PA) has limited control of its revenues, remaining dependent on clearance revenue transfers from Israel as well as on donor contributions. Although ruled by the Paris protocol of 1994 (amended in 1995), the clearance revenue transfers is unpredictable due to unilateral calculations by Israeli authorities. Furthermore, in period of tensions or to counter Palestinian diplomatic actions, Israel is indeed able to stop transferring these monthly tax revenues. The withholding of these clearance revenues and loss of revenue due to 'fiscal leakages' underline the PA's financial dependence on the Israeli Government.

In the short term, the PA will continue to depend on donor aid to cover its recurrent deficit.

Therefore, the Palestinian economy is characterised by low levels of investment, low exports, geographical fragmentation, decline of the industrial and agricultural sectors, workers skills deficit across all sectors, high unemployment rates (in Gaza, the unemployment rate jumped to 45% in the second quarter of 2014 driven by a large loss of jobs in the construction sector. Youth and women experience the highest rates and remain more and more excluded of the decision-making processes. Youth in the 15-24 years group reached 63% in Gaza adding to the risks of social instability). Poverty and social situation are strongly impacted by the degradation of the Palestinian economy.

The conflict in Gaza over the summer 2014 also deepened extreme poverty there, the rate of which was already 21% beforehand (compared with 13% in Palestine as a

³ Items that have both civilian and potentially security-threatening use.

⁴ Source: IMF annual report.

whole) – stressing the seriousness of the situation and current risks of an escalation. The conflict constitutes a major drama. Nearly the entire population is lacking adequate access to clean water, electricity and health care⁵.

The main water resource is the coastal aquifer stretching across the Gaza. Sea water intrusion, sewage and pesticide heavy agricultural water infiltration together with the natural soil conditions have had an adverse effect on ground water quality. Over 90 percent of Gaza water has high level of biological and chemical contamination considered as not meeting World Health Organisation (WHO) standards.

Groundwater provides about 98% of all water supplies while the remaining 2% is provided through purchasing from the Israeli water company (Mekorot).

A numerical groundwater model developed by Coastal Municipality Water Unit (CMWU) predicts that no more freshwater will be available in the Gaza Aquifer by 2016, if the current rate of ground water extraction and low recharge levels prevail and that the damage to it would become irreversible by 2020.

The Gaza water network is well developed with a connectivity of 97 percent (although the efficiency is estimated at 54 %). However, due to existing restriction and constraints, water supply is intermittent and the water consumption is estimated to 90l/c/d⁶. After summer 2014, despite rapid repair by CWMU) of 80 percent of priority repairs to infrastructure, between 20 to 30 % (450,000 people) are unable to access municipal water.

1.1.1 *Public Policy Assessment and EU Policy Framework*

A *National Water Sector Strategy 2014-2016* was presented to the international community in February 2014. The strategy is built on different objectives: (1) Ensuring good governance principles and institutional and legal environment that guarantees equitable distribution of the service, (2) Integrated management and sustainable development of water resources in consideration of quality and quantity, (3) equitable and reliable water services, (4) Improved sanitation services and infrastructure to protect water resources against pollution and (5) Ensured financial sustainability for water and sanitation service providers.

The *National Early Recovery and Reconstruction Plan for Gaza (NERPP)*⁷ presents a strategy with two main objectives: (i) slowing the deterioration of the groundwater aquifer through small interventions in the short-term; and (ii) introducing high-volume interventions such as large-scale desalination and increasing water imports from neighbouring countries over the medium and longer-terms.

The short-term strategy - which takes into consideration the *Comparative Study of Options Gaza (CSO-G)*⁸ - the so-called " *Rolling Programme of Interventions to reply to the humanitarian water crisis in Gaza*" - is comprised of three initiatives (i)

⁵ According to the latest United Nations estimates, more than 40,000 housing units, 141 schools, 29 hospitals, dozens of factories and vast areas of cultivated agricultural land, as well as Gaza's only power plant, were destroyed or damaged.

⁶ l/c/d – liter per capita per day.

⁷ The National Early Recovery and Reconstruction Plan for Gaza – International Conference in Support of the Reconstruction of Gaza. Cairo, Arab Republic of Egypt - October 2014.

⁸ The Gaza Emergency Technical Assistance Programme (GETAP) on Water Supply to the Gaza Strip Component 1 – The Comparative Study of Options for an Additional Supply of Water for the Gaza Strip (CSO-G)- The Updated Final Report [Report 7 of the CSO-G], 31 July 2011.

improving efficiency of the Gaza water utility, reducing losses, and upgrading and rehabilitating existing networks, and reconfiguring the distribution system to manage additional supplies of water; (ii) introduce short-term low-volume desalination plans to add 13 million CM/year of desalinated water to the water supply network; and (iii) piloting and expanding schemes for treated wastewater reuse in agriculture.

1.1.2 *Stakeholder analysis*

The estimated direct beneficiaries from the STLV-II project will be around the 120,000 inhabitants located in the Khan Younis Governorate and part of the 50,000 inhabitants located in Rafah Governorate.

The indirect beneficiaries are located in all the district of Rafah governorates (110,000 inhabitants⁹) and in the Gaza as a whole as the project will help to relieve the aquifer stress from over-pumping. Women and children will be positively affected by the project as it will decrease the water related disease and benefit from safer better quality water and a much improved service.

The concept note for a Short Term low Volume desalination plant – Phase II (STLV-II) was drafted by United Nations Children's Fund (UNICEF) in collaboration with CMWU in July 2013. Based on this technical proposal, different meetings were held with the partners (UNICEF, Palestinian Water Authority (PWA) and CMWU). CMWU operates and manages nearly 18 small scale desalination plants and is therefore considered to have the adequate experience to design and operate the plant.

In addition, a donor meeting was organised by PWA-Gaza in December 2014 with the participation of EUREP, UNICEF, the United States Agency for International Development (USAID) and CMWU. The agenda of the meeting was to discuss the best options to allocate the funding's from USAID and EUREP and it has been concluded that EU funds should be committed to the STLV-II. This meeting was followed by a second meeting in January 2015 where PWA reiterated its willingness to see EU funds allocated to the STLV-II. Lastly, in February 2015, the PWA's chairman endorsed the proposal from EUREP and PWA-Gaza to fund the STLV-II.

1.1.3 *Priority areas for support/problem analysis*

Longer-term responses to the challenges of clean water and sanitation for the people of Gaza have to be addressed. In light of the current demand for fresh water and the expected growth by some 60 percent over current levels of abstraction from the aquifer, the increase of potable water supply in the short-term and the longer-term is essential to restoring the aquifer.

Following the conflict in Gaza over the summer 2014, a *Detailed Needs Assessment*¹⁰ (DNA) process (implemented jointly with EU, UN and World Bank) has been launched and expected to help the National Consensus Government (NCG) to better target programming and implementing of the reconstruction in Gaza. One of its recommendations is to place the highest possible priority on activities that expand and develop alternatives to aquifer abstraction and therefore, to introduce

⁹ The inhabitants of Rafah will be fully covered once the connection of the three existing reservoirs will be done (PWA seeking funds for this activity through NGOs funding).

¹⁰ Detailed Needs Assessment & Recovery Strategy for the Water and Sanitation Sub-Sector in Gaza 2014 – Version February 2015.

desalination plants to add desalinated water to the water supply network is considered as a long-term stability action.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Escalation of conflicts in Gaza	M/H	UNICEF's staff and resources are constantly reviewed in the context of threat and risk levels.
Substantial risk from unpredictable Israeli policies and actions e.g. further restrictions regarding the trade of goods and the free movement of service providers and demolitions activity through Israeli interventions in Gaza	H	UNICEF's staff and resources are constantly reviewed in the context of threat and risk levels. UN brokered mechanism to allow construction materials to enter Gaza on a large scale, to make them available to the private sector (sellers/constructors) and to ensure close end user monitoring (thus reducing the risk of it being used for offensive purposes) is fully implemented
No dispute arisen for the use of the land allocated to the project	L	PWA to monitor the expansion of the military camp close to the border of the land allocated to the plant
Assumptions		
(i) The security situation in Gaza remains at the current level or improves, which still enable project implementation,		
(ii) The electricity supply in Gaza remains stable or improves from its current level (after the Israeli intervention in Gaza this summer 2014) and details on the facility needs for the connection to the power grid have been shared with the Gaza Electrical Distribution Company (GEDCO) and the Palestinian Energy And Natural Resources Authority (PENRA).		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Lessons are drawn from the STLV-Phase I. This project will benefit from much of the assessment and development work undertaken during that project to mitigate costs and enhance the benefits. The STLV-Phase I is forecasted to be finalised in January 2016 but already, main lessons learnt are related to: the quality of the design for the technical parameters, the consistency of the bidding process and a close follow-up with the Israeli office for the Coordination of Government

Activities in the Territories (COGAT) for-Gaza for the authorisation for the entry of materials.

The Financial analysis and business model (under the preliminary design) already undertaken under the Phase I is a valid pre-assessment for the feasibility of the Phase II. The final report was provided in July 2013 and it confirms that the cost of desalinated water will be around 1\$/m³ and that the profit for the first year of implementation (including all maintenance costs) could be around 5 % growing up to 8 % after 6 years.

3.2 Complementarity, synergy and donor coordination

Water is a focal sector of EU support to the Palestinians with a total of EUR 97 million invested by the EU from 2006 to 2014. The EU cooperation in this sector has also been increasing in quality and quantity over the past 2 years, with EUR 58.5 million committed between 2012 and 2014 alone, including EUR 24.5 million for Gaza (out of which EUR 10 million for the STLV-Phase I).

At regional level, the EU is funding the SWIM programme (Sustainable Water Integrated Management) which comprises capacity building and pilot activities i.a. on water resources threats and water use model, as well as development of regional guidelines, including for desalination. Synergies with the work carried out under this programme will be promoted.

A project to improve the water distribution networks in several targeted areas of the Rafah and Khan Younis Governorates is also being implemented by the CMWU under a separate project funded by the EU.

Donor co-ordination is carried out with the support of the Local Aid Coordination (LAC) Secretariat in the form of working groups which gather all donors in the sector on average once every quarter. The Water and Sanitation Sector Working Group is co-chaired by the Palestinian Water Authority (PWA) and the Germany.

In the sector of water and sanitation, the PA/ PWA and several development partners¹¹ have signed in July 2012 a Memorandum of Understanding (MoU). The MoU intends to align and harmonize strategies in support of the PWA.

EU coordination towards joint programming is progressing as reflected in the revised 2013 EU Local Strategy on Development Cooperation (EU LDS). The EU LDS clarifies EU Member States priority sectors of intervention and the in-country EU division of labour. Since December 2014, 16 sector fiches have been jointly developed, under the lead of the EU-lead donors and participation of EU active donors for each relevant sector, indicating the key priorities for the EU to focus cooperation and policy dialogue. For Water Germany is the lead donor with active participation of the EU.

Furthermore regular coordination meetings are taking place with the World Bank and USAID.

3.3 Cross-cutting issues

Good governance principles, the use of local systems and empowerment of local stakeholders are embedded in the design of the activities.

¹¹, EUREP/EU, ADF, Austria, Finland, Germany, Norway, Spain, The Netherlands, USAID and WB.

Gender equality will be promoted in particular in the implementation of component 5.

Environmental sustainability and protection are the main objectives of the project together with health risk mitigation, as the project is specifically aiming at reducing sanitary risks from the supply of undrinkable water.

Climate change is approached through the use of alternative sources of water.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective of this intervention is to mitigate the health and socio-economic impact on the population in the Governorates of Khan Younis and Rafah in the Gaza strip resulting from the lack of safe drinking water due to high levels of groundwater contamination and to contribute to the protection of the ground water resources.

The specific objectives include:

- To improve the quantity and quality of water supplied to consumers;
- To limit the rapid deterioration of the coastal aquifer due to over abstraction.

The expected results are:

- The construction of a seawater desalination plant with a potential capacity of 14,000m³/day¹²,
- The financial capacity to manage, operate and maintain the plant is developed through an adequate tariff mapping;
- The quality of water supplied to consumers meet minimum WHO standards and increase access to 90 l/c/d of safe water for drinking and domestic purposes.

4.2 Main activities

Component 1 - Consultancy services

The following consultancy assignments will be developed:

a) Preliminary designs including assessment & selection of preferred option.

Based on a review of the preliminary design already undertaken under the Phase I, the preliminary design will explore the best available techniques for energy efficiency and low operation and maintenance costs. The preliminary design will cover:

- Intake works to consider the options of sea intake and beach wells;
- Civil work designs – Intake and site works;
- Desalination plant with a capacity of around 14,000m³/d¹³;
- Enhancement Power supply requirement.

¹² 6,000 m³/day from the STLV-I and up to 8000 m³/day from STLV-II.

¹³ The exact capacity that can be installed with the budget available with be established by the consultancy.

b) Environmental and Social Impact Assessment (ESIA) update.

The ESIA will consist on an update of the existing ESIA produced during the Phase I of the project and extending the scope to new areas covered with different the technologies and methods proposed for this project.

c) Outline designs of established option incorporating recommendations of the ESIA and preparation of and tender documentation.

Component 2 - Civil /Marine Works – (Raw Water Intake and reject water discharge)

Provision shall be made to facilitate the 14,000m³/d production capacity for the water abstracted to be pumped to the desalination plant from the intake and rejected water (brine) to be discharged to the sea. The following key activities will be undertaken, as a minimum:

- Construction of sea water intake and pumping systems;
- Installation of pipeline to connect seawater intake to the treatment plant;
- Construction of an offshore sea outfall for brine (reject water) disposal;
- Installation of brine (reject water) disposal pipelines.

Component 3 - Installation of the Desalination Plant and ancillary works

A modular type seawater desalination plant to facilitate the final design output of 14,000m³/day, with RO units to be installed in stages will be constructed.

The following key activities will be undertaken as a minimum:

- Construction of structures to house the treatment plant equipment and units together with associated site establishment works, extension to internal roads, boundary walls storage facilities etc.;
- Installation of 1st stage of Reverse Osmosis units (desalination units) together with associated pre-treatment filtration systems, including civil, electrical and mechanical works;
- Installation of pumping stations associated with the treatment and discharge process;
- Provision of operations and management training for PWA/CMWU staff.

Component 4 - Electrical works

The proposed plant will be connected to the electrical grid of GEDCo the only distributor of electricity in the Gaza and will use the new power transmission line¹⁴ constructed under the phase I.

The following key activities will be undertaken as a minimum:

- Upgrading of the power supply from the power grid from 1.6MW to 4.0MW including the installation of new transformer and switch gear;
- Procurement and Installation of standby generators;
- Provision of plant monitoring and control facilities.

¹⁴ Capacity of 1.6MW of power.

Component 5 - Public campaigns

The aim of the public campaigns is to educate the people on the benefits of desalinated water, safe water handling and optimal use of water and to build confidence on its quality and encourage payment of the water tariff.

Component 6 - Water Tariff mapping

A study on the water tariff to apply will be conducted during the implementation of the project. The proposed of tariff will be eventually reviewed and endorsed by the PWA.

Component 7 - Water Networks – Pipe connections to blending reservoirs and distribution network improvements

The component 7 will be implemented upon reserve of remaining available funds after the contracting under the components 1 to 4. A mix of rehabilitation of existing water network and extending the coverage to the wider community will be applied under this component. The following key activities are envisaged:

- Rehabilitation and extension of pipeline serving Al-Rahma tank in Kahn Younis from the bulk water transfer main;
- Pipeline connections from the bulk water transfer main to other blending reservoirs in both Khan Younis & Rafah Governorates depending on the availability of funds.

The PWA has already confirmed that most of the activities under this component could be implemented through NGO funding if not implemented under this project.

4.3 Intervention logic

Based on the critical situation in Gaza in regards of water source, it is imperative to provide alternative source of water to supply the inhabitants. Without doing it, the aquifer could be irretrievably damaged by 2020, knowing that the current damages to the aquifer will need already decades to be remediated. The construction of a seawater desalination plant with a potential capacity of 14,000m³/day, including the design study, the raw water intake, the electrical work, the public campaign and the tariff mapping with a possibility to extend the water network system is one of the most accurate solutions for a short-term remediation. The construction will lead to the improvement of the quality of water supplied to consumers and will limit, to a certain extent, the rapid deterioration of the coastal aquifer due to over abstraction. The impact of the intervention will be an improvement of the health and socio-economic levels of the population in the Governorates of Khan Younis and Rafah in the Gaza and will contribute to the protection of the ground water resources.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts

and agreements implemented, is 54 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Indirect management with international organisation

This action may be implemented in indirect management with United Nations Children's Fund (UNICEF) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012

This implementation entails *"The construction of a Phase II for the Short Term Low Volume (STLV) Sea water Desalination Plant for Southern Governorates of the Gaza strip"*. This implementation is justified by (i) the substantial proven achievement in the implementation of STLV I by UNICEF, (ii) the economy of scale and the savings on activities already implemented during the phase I (the Environmental and Social Impact assessment, the preliminary design options study and the site investigations including topographical and bathometric surveys, geological and source water quality investigation and analysis) out of which the new project will be built, (iii) the application of the principles of Paris Declaration and Accra Agenda in Donor's harmonization and coordination, (iv) the need to avoid artificial project breakdown and administrative complexity for the PWA and CMWU and lastly (vi) the needs to use an actor already well-implemented in the Gaza.

The entrusted entity would carry out the following budget-implementation tasks: general implementation and monitoring of activities, procurement, contracting, paying, reporting and monitoring.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.3. – Construction of a seawater desalination plant composed of design study, the raw water intake, the plant construction, the electrical work,	9,900,000	

the public campaign and the tariff mapping with a possibility to extend the water network system		
5.3.1. – Indirect management with UNICEF	9,900,000	
5.8 – Evaluation, 5.9 - Audit	50,000	N.A.
5.10 – Communication and visibility	50,000	N.A.
Contingencies		N.A.
Total	10,000,000	

5.6 Organisational set-up and responsibilities

UNICEF will ensure the coordination with all stakeholders, i.e. PWA, the Commission (through the Office of the EU Representative in Jerusalem), CMWU, contractors, etc. to guarantee an effective implementation of the project.

UNICEF, through its project management unit, will manage and monitor the project implementation and will be responsible for the engagement of contractors for the different components of the project. The awarding of contracts will be done in full coordination with PWA and CMWU.

In response to the specific situation of the Gaza, UNICEF, jointly with PWA, will coordinate with the Israeli Authority¹⁵ to facilitate the delivery to Gaza of the project equipment and construction materials.

UNICEF intends to sub-delegate the construction supervision activities, the leak detection study and the water tariff mapping to the Coastal Municipality Water Unit (CMWU). Appropriate provisions will be included in the delegation agreement.

PWA will be responsible to monitor the project from technical, environmental, financial and management aspects on regular basis and report to the government.

CMWU will be responsible to carry out regular monitoring of the project lifecycle during design and implementation in coordination with UNICEF and the PWA, to undertake construction supervision activities and to operate and maintain the system after the commissioning phase.

The land allocated for the desalination purposes as well as all the related desalination facilities are public ownership owned by the Palestinian Authority where PWA, will abide the operation and maintenance functions to CMWU. Any future operational arrangements shall be subject to the water law. The distribution system and the main line will be maintained by CMWU.

Steering Committee

A Steering Committee will be established with the main objective of to oversee the various phases of the project implementation and resolve the issues arising at the policy level. The steering Committee will comprise the following representatives: PWA, the Commission, UNICEF and CMWU. Representatives from Civil Society

¹⁵ Under the specific UN brokered mechanism to allow construction materials to enter Gaza on a large scale.

and Municipalities could be involved. The final composition of the Steering Committee will be agreed at the beginning of the project.

Under the chairmanship of UNICEF the steering committee will meet at least once per year to review the progress of the project and resolve constraints, if any. Ad-hoc meeting will be called in case of urgent issues.

Project Management Committee

For a transparent and effective implementation of the project, a Project Management Committee (PMC) will be established. The PMC will consist of representatives from the Commission, UNICEF, PWA and CMWU.

The main mandate of the PMC is to ensure technical standards, provide technical inputs in the review of project documents, evaluation of the contracts, and review of project progress in addition to any technical issues related to the project implementation. The PMC will meet monthly to review the progress of the project and resolve technical constraints, if any. Ad-hoc meetings can be called in case of urgent issues. The minutes of the monthly meetings will be shared with the Steering Committee.

A detailed description of responsibilities will be formalised in a Memorandum of Understanding within the first 6 months of implementation for this action.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the nature of the action, evaluations will not be carried out for this action or its components.

In case an evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in

agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit/expenditure verification services shall be concluded possibly under a framework contract towards the end of the project, indicatively at the end of 2020 or at the beginning of 2021.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

An indicative number of 2 contracts for the above-mentioned communication and visibility assignments might be concluded in the form of procurement of services under direct management for an indicative total budget of EUR 40,000, tentatively in the 4th trimester 2015 and in the 1st trimester 2020.

6 PRE-CONDITIONS

None

APPENDIX - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To mitigate the health and socio-economic impact on the population in the Governorates of Khan Younis and Rafah in the Gaza strip resulting from the lack of safe drinking water due to high levels of groundwater contamination and to contribute to the protection of the ground water resources	Health, environmental and socio-economical macro indicators	Real GDP growth in the Gaza Strip: - 2013= 6% - 2014= (est.) -15% Child mortality rate (per 1,000 children under the age of 5) 2012 = 16.2 Ground Water pumped for domestic purpose 2014= 99 mcm/year	2019=4% 2019=12 2019=55 mcm/year (Sustainable abstraction rate)	Palestinian Central Bureau of Statistics (PCBS), International Monetary Fund (IMF) Water sector reports Health sector reports	
Specific objective(s): Outcome(s)	SO1 - Improve of the quantity and quality of water supplied to consumers; SO2 - Limit the rapid deterioration of the coastal aquifer due to over abstraction	I1a - % of families accessing safe and adequate quantity of water for drinking and domestic purposes. I1b - % of new connections meeting the PA and WHO water quality standards I2- % of unauthorised groundwater wells	B1a – 2014 - 2,000 families have access to safe water for drinking and domestic purposes in the project area. B1b – 2014- More than 90 % water has high levels of chlorides and nitrates and does not meet WHO water quality stadards. B2 – 2014 - 4 groundwater wells (in Khan Younis) in	T1a – 2019 - around 10,000 households are connected to the new water supply systems to receive 90 l/p/d with service interruption of less than 10 percent T1b - More than 90 % of the new connections in the project area meet the PA and WHO water quality standards T2 – 2019 - wells in Khan Younis will be closed	PWA reports CMWU reports Project monitoring reports Number of customers registered in the registry of CMWU	(i) Security situation in Gaza remains stable or improve (ii) Electricity supply in in Gaza is improved (iii) Unpredictable Israeli policies and actions are limited in number

		closed down	operation			
Outputs	<p>R1 - The construction of a seawater desalination plant</p> <p>R2 - The financial capacity to manage, operate and maintain the plant is developed through an adequate tariff mapping</p> <p>R3 - The quality of water supplied to consumers meet minimum WHO standards and increase access to 90 l/c/d of safe water for drinking and domestic purposes.</p>	<p>I1- 1 desalination with a potential capacity of 14,000m³/day¹⁶</p> <p>I2 - 1 tariff mapping is done by CMWU and endorsed by PWA</p> <p>I3 – 170,000 inhabitants benefit from a direct access to water of WHO quality level</p>	Idem as above for the corresponding indicator.	Idem as above for the corresponding indicator.	Idem as above for the corresponding indicator.	<p>(i) Availability of funds</p> <p>(ii) Appropriate trained staff are in charge of the project</p> <p>(iii) Quality of the work provided by the contractors</p> <p>(iv) Limited delays in approval from COGAT for the entry of materials in Gaza</p>

¹⁶ 6,000 m³/day from the STLV-I and up to 8000 m³/day from STLV-II.