

## **Annex I**

### **PALESTINE**

#### **STRENGTHENING THE NATIONAL EARLY RECOVERY AND RECONSTRUCTION PLAN OF GAZA**

May 2015

## 1. Project Fiche

<b>Country</b>	Palestine
<b>Title of the initiative</b>	<b>Strengthening The National Early Recovery and Reconstruction Plan of Gaza</b>
<b>Total of funds</b>	Euro 16.450.000,00 of which: 1) € 15.000.00 soft loan 2) € 1.360.000 grant 3) € 90.000,00 locally managed fund
<b>Millennium goals</b>	O1/A; O1/B;07/A;07/C;07/D;03;8/A
<b>Description</b>	The Project aims at strengthening the National Early Recovery and Reconstruction of Gaza through the reconstruction and improvement of infrastructure and housing in the Gaza Strip and, specifically in Al Nada (Beit Hanoun) and Gaza City.
<b>Duration</b>	36 months
<b>Recipient</b>	Palestinian Ministry of Public Works and Housing and Ministry of Finance
<b>Channel</b>	Bilateral
<b>Financial Instruments</b>	Soft loan Grant
<b>Implementing actors</b>	Palestinian Ministry of Finance and Ministry of Public Works and Housing

## 2. The Project

### 2.1 Financial outline of the project

The total amount of the project is € **16,450,000.00**

The components of the Project are the following:

- **Soft loan to Ministry of Public Works and Housing** (through the Ministry of Finance): a total amount of € 15,000,000 for reconstruction and rehabilitation of buildings and infrastructure damaged by the war in Al Nada and Italian Building in Gaza City, for improvement of housing of low income people and neighborhood requalification of Al Nada;
- **Grant to Ministry of Public Works and Housing** (through the Ministry of Finance): a total amount of 1.360.000 for Self Help Rehabilitation in Gaza Strip and for participative planning of reconstruction and neighborhood planning of Al Nada area;

<b>Financial resources</b>				<b>Euro</b>
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<b>1. Soft loan</b>				<b>€ 15.000.000,00</b>
	<b>1<sup>st</sup> Year</b>	<b>2<sup>nd</sup> Year</b>	<b>3<sup>rd</sup> Year</b>	<b>Total</b>
<b>2. Grant</b>	<b>€ 1.360.000,00</b>			

## 2.2 Description of the Project

The present Initiative aims at improving the living conditions of Palestinian population in the Gaza Strip contributing to the implementation of the National Early Recovery Reconstruction Plan of Gaza (NERPP) amounting to 4,3 billion dollars. Moreover, the Project will represent the fulfilment of Italy's pledge in the occasion of Cairo Conference for Gaza Reconstruction. The present Initiative also aligns with the planned intervention of rehabilitation of primary infrastructure in Gaza Strip to be implemented through the Emergency Programme 2015-2016 of the Italian Cooperation.

The Initiative, through reconstruction and improvement of living conditions in the Strip, also aims at requalifying Al Nada area through a neighbourhood planning process involving Municipalities, citizens as well as technical advisors. This process will allow residents of targeted areas of fulfilling their immediate housing needs, as well as participating to the redevelopment of their neighbourhood and strengthening their relation with PNA.

Moreover the Project will contribute to repairing 480 housing units partially damaged with a Self help mechanism as well as reconstructing the Italian Building in Gaza City.

The identification and planning phase will be conducted jointly by Italian experts and technicians from the Ministry of Public Works and Housing. During this phase, the experts from both sides will take into consideration a number of elements like inclusive planning and design of infrastructure as well as use of renewable energy sources or recycling of rubble and wastewater.

## 2.3 Beneficiaries

Direct beneficiaries of the Project will be **21.461 people**, divided as following:

- 480 families (2.280 individuals) living in Gaza Strip which will be able to rehabilitate their houses through the self-help mechanism;
- 4.781 people living in Al Nada neighborhood which will benefit from the requalification of their neighborhood and rehabilitation, construction or reconstruction of their houses;
- 12.000 people living in Al Nada neighborhood which will benefit from the requalification of their neighborhood
  
- 300 people living in the Italian Building before the conflict as well as 1.500 individuals working in the three commercial floors of the building.

Indirect beneficiaries of the Project will be: 7.000 people from the adjacent neighborhoods of Al Nada, the construction companies, the companies importing systems for the production of energy

from renewable sources, the entire population of Gaza City, which will benefit from the reactivation of one of its malls. Moreover.

## **2.4 Overall objective**

To contribute to the implementation of the National Early Recovery and Reconstruction Plan of Gaza

## **2.5 Specific objective**

Improvement of living conditions of the population of Gaza Strip through the reconstruction, rehabilitation, and construction of housing units and urban requalification

## **2.6 Expected Results**

### **Grant**

1. N° 480 housing units in the Gaza Strip rehabilitated through a self-help mechanism
2. Participatory planning carried out

### **Soft Loan**

3. N° 4 building – inclusive of energetic efficiency, systems for the production of energy from renewable sources, systems for reutilization of grey water and rain water collection – reconstructed in Al Nada neighborhood (Beit Hanoun)
4. N° 3 building – inclusive of rain water collection system - renovated in Al Nada neighborhood (Beit Hanoun)
5. N° 9 building – inclusive of energetic efficiency, systems for the production of energy from renewable sources, systems for reutilization of grey water and rain water collection – constructed in Al Nada neighborhood (Beit Hanoun)
6. N° 56.087 m2 of urban area requalified in Al Nada neighborhood (Beit Hanoun)
7. Italian Building in Gaza City reconstructed (23.900 m2)

## **2.7 Main activities**

1. Signature of the Memorandum of Understanding
2. Self-Help Rehabilitation of 480 houses in Gaza Strip
3. Participative Neighborhood Planning and housing planning of Al Nada
4. Organization of technical assistance missions to provide the needed support for completing the planning phase, and the finalization of tender-related documents
5. Implementation of the tender process

6. Construction of 9 new buildings
7. Reconstruction of 4 Buildings
8. Rehabilitation of 3 Buildings
9. Final testing and formal handover to the beneficiaries
10. Al Nada Urban requalification
11. Final testing and formal handover to the Municipality
12. Participative Design of Italian Building
13. Implementation of technical assistance missions to provide the needed support to complete the planning phase, and the finalization of tender-related documents
14. Implementation of the tender process
15. Reconstruction of the Italian Building
16. Final testing and formal handover to the beneficiaries

### **3. Modalities of intervention and responsibilities of stakeholders**

The present initiative will have a duration of 36 months. The Italian Cooperation's institutional partners will be the Palestinian Ministry of Finance and the Ministry of Public Work and Housing.

Concerning the modalities of intervention, the initiative includes a soft loan and a grant directly disbursed to the recipient government as well as a fund for experts providing technical assistance. To this purpose, a draft of bilateral agreement was prepared (Memorandum of Understanding - MoU), and attached to this proposal.

**Grant Component:** the amount of **1.360.000,00 Euro** will be disbursed according to the procedures indicated in the MoU. For the management of the grant, the Palestinian Ministry of Finance will sign a technical-financial agreement with the DGCS. The grant: will be transferred in one installment to a dedicated Single Treasury Account opened by MoF. The MoF will in turn transfers the funds to a Special Account opened by/for the Ministry of public Works and Housing.

**Soft loan Component:** the amount of **15.000.000,00 Euro** will be disbursed according to the procedures indicated in the annexed Agreement. The soft loan conditions, according to the update of 2015 will have a concessionality level of 60%, a repayment period of 40 years and a 27 years grace period.

For the management of the soft loan, the Palestinian Ministry of Finance will sign a technical-financial agreement with the DGCS. As detailed in the MoU, maximum 95% of the credit will be

used for the realization of civil works through an international tender. The remaining 5% will be used for the procurement of goods and services within the Italian market; given the nature of the initiative.

### **Advisory Committee**

An Advisory Committee composed by:

- a representative of the MoF
- two representative of the Ministry of Public Works and Housing
- two representatives of the Italian side, one from the Consulate General of Italy in Jerusalem and the other from Italian Development Cooperation Unit.

This structure will analyze and approve Operational Plans, activity and financial reports, will outline solutions to problems faced during project implementation, will support and orient decision making process, according to updated priorities and needs. More specifically the Advisory Committee will be responsible for analyzing and approving: Operational Plans , Project administrative documents, in particular those related to biddings, budget, balance sheets, payments.

### **Operational Team**

Operational Team composed by:

- the Italian project coordinator
- the Ministry of Public Works and Housing planning unit officer assigned to the Project

This Team will provide technical assistance for the workout of the Operational Plans, involving all different responsible staff, also of the Municipalities' Departments, and for the operational and administrative management of the Project, and will organize the regular meetings for Project monitoring and evaluation. More specifically the Operational Team will be responsible of: preparing the Operational Plans, submitting and presenting them to the Advisory Committee for discussion, revision and endorsement; producing technical and financial progress reports (mid-term and final) on activity implementation and resource utilization.

Staff members of the Operational Team could participate in the Advisory Committee meetings, following specific request form Advisory Committee group.

## 4. Project financial plan

The total amount of the project is € **16,450,000.00** divided as follows:

<b>1. Soft loan (Palestinian ministry of Finance and Ministry of Public Works and Housing)</b>				<b>€ 15.000.000,00</b>
	<b>1<sup>st</sup> Year</b>	<b>2<sup>nd</sup> Year</b>	<b>3<sup>rd</sup> Year</b>	<b>Total</b>
<b>2. Grant (Palestinian Ministry of Finance and Public Works and Housing)</b>	<b>€ 1.360.000,00</b>			

### 5.1 Budget: Soft loan

Descriptions	Quantity	Unit Cost	Total
Al Nada Reconstruction of 4 Buildings	4	€ 570.000,00	€ 2,280,000.00
Al Nada Rehabilitation of severely damaged Buildings	3	€270.000,00	€810.000,00
Al Nada Repairing and rehabilitation of partially damaged Houses		€550.000,00	€550.000,00
Al Nada Construction of New Buildings	9	€570.000,00	€5.130.000,00
Al Nada Requalification of the Neighborhood			€1.500.000,00
Reconstruction of Alawal Complex			€4.730.000,00
<b>Grand Total</b>			<b>€ 15.000,000.00</b>

## 5.2 Budget: Grant

Descriptions	Quantity	Unit Cost	Total
Self-help Rehabilitation of 480 Houses	480	€ 2,500.00	€ 1,200,000.00
Al Nada and Alawal complex Participative Planning			€ 160,000.00
<b>Grand Total</b>			<b>€ 1,360,000.00</b>

## 6. Commitments of Palestinian Ministry of Finance and Ministry of Public Works and Housing

Regarding the management of the Soft loan component, the Palestinian Ministry of Finance will enter into a financial and technical agreement with the Italian Cooperation.

For the implementation of the initiative, the Palestinian Authority commits to manage in a transparent, accountable and efficient manner, the funds made available by the Italian Cooperation.

## 7. Overall strategy

The project is in line with the overall policy and strategy adopted by the PA and by the Palestinian Ministry of Public Works and Housing. In particular, the initiative is harmonized with the strategy and objectives outlined in the 'National Early Recovery and Reconstruction Plan of Gaza' 2014. The initiative will be economically, financially and environmentally sustainable and pay attention to the social and cultural context in which the intervention will be implemented.



## 8. Timetable of project's activities

Activities	1 <sup>st</sup> Year												2 <sup>nd</sup> Year												3 <sup>rd</sup> Year											
	1	2	3	4	5	6	7	8	9	10	11	12	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3	3
Self help Rehabilitation																																				
Participatory Planning and urban requalification of Al Nada neighborhood																																				
Drafting of tender documentation																																				
Completion of tender procedures for Al Nada																																				
Construction of 9 new buildings																																				
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