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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX II

of the Commission Implementing Decision on the annual action plan for 2022 in favour of Palestine¹

Action Document for “Access to self-sufficient water services”

ANNUAL ACTION PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan/measure in the sense of Article 23(2) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title OPSYS Basic Act	Access to self-sufficient water services Annual action plan in favour of Palestine for 2022 OPSYS business reference: NDICI-GEO-NEAR/2022/ACT-61192 ABAC Commitment level 1 number: JAD.1093614 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in the Gaza Strip
4. Programming document	European Joint Strategy in support of Palestine 2021-2024 ²
5. Link with relevant MIP(s) objectives/expected results	Pillar 4: Climate Change, Access to Self-Sufficient Water and Energy
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Access to Self-Sufficient Water provisions
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 6: Improved access to water, sanitation and hygiene Other significant SDGs:

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

² C(2022) 8279 of 22.11.2022

	SDG 3 – Good health and wellbeing SDG 5 - Gender equality SDG 7 – Affordable and clean energy SDG 9 – Industry, innovation and infrastructure SDG 12 - Responsible consumption and production SDG 13 - Climate Action SDG 16 - Peace, justice and strong institutions			
8 a) DAC code(s)	14010 – Water sector policy and administrative management – 3 % 14015 - Water Resource Conservation 14021 - Water supply - large systems – 97%			
8 b) Main Delivery Channel	Other – 5200			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective

Digitalisation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tags			/
digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital entrepreneurship	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
<u>Connectivity</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tags			/
digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

12. Amounts concerned	Budget line(s) (article, item): 14.020110 Southern Neighbourhood Total estimated cost: EUR 30 000 000 Total amount of EU budget contribution EUR 30 000 000
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MANAGEMENT AND IMPLEMENTATION

13. Implementation modalities (type of financing and management mode)	Project modality Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.1
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1.2. Summary of the Action

The Action contributes to the implementation of Pillar IV ‘Climate Change, Access to Self-Sufficient Water and Energy’ of the European Joint Strategy (EJS) in support of Palestine³ ‘Towards a democratic and accountable Palestinian State’. The EJS is closely aligned with the Palestinian National Policy Agenda (NPA) 2017-2022 and the Sustainable Development Goals.

This action aims to ensure the provision of self-sufficient, equitable, affordable and sustainable access to safe water services for all through the allocation of an instalment of 30 million euro.

The action contributes to several Sustainable Development Goals (SDGs): SDG6 (clean water and sanitation), SDG 3 (good health and wellbeing), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG12 (responsible consumption and production), SDG 16 (peace, justice

³ C(2022) 8279 of 22/11/2022

and strong institutions) and is in line with the external dimension of the “European Green Deal”⁴ and the “Renewed partnership with the Southern Neighbourhood, A new Agenda for the Mediterranean”⁵ and the associated “Joint Staff Working Document”⁶.

The EU contribution will be used for increasing the volume of drinking water in Gaza, including desalinated water. Implementation method is indirect management with an entity (or entities) to be selected in accordance with the criteria set out in section 4.4.4.

2. RATIONALE

2.1. Context

Palestine is home to 5 million people of which 3 million live in the West Bank, including East Jerusalem, and 2 million in the Gaza Strip. In addition, more than 620,000 Israeli settlers live in the West Bank. 40% of Palestinians living in Palestine are refugees and this figure goes up to 70% in the Gaza Strip. 47% of the population is under 17 years old and 71% of the population is younger than 30. Palestine is a Lower Middle Income Country. It is ranked 119 out of 189 countries in the 2018 Human Development Index, a drop of three places compared with 2016⁷.

Palestine is marked by the ongoing Palestinian-Israeli conflict, as well as by the disruption of over fifty years of occupation and the progressive fragmentation of its territory, through illegal settlement expansion, including in and around East Jerusalem. There is no ongoing peace process and no realistic perspective of the resumption of peace talks. The Oslo Accords, under which the Palestinian Authority (PA) was created in 1994, were intended to lead to a final negotiated settlement between the parties. Twenty-five years later, the PA, which has operated as a transitional authority with limited jurisdiction since its creation, has administrative, judicial and security jurisdiction in only 18% of the West Bank, i.e. in Area A. Palestinian economic development and its political relations with Israel are inherently linked.

Access and distribution of water in Palestine are among the most critical and sensitive issues. The management and use of water resources in Palestine is at the forefront of the political dispute. Groundwater and surface water resources in Palestine are shared between Israelis and Palestinians: whereas a specific quantity was temporarily allocated for the use of Palestinians by the Oslo Accords, the final definition of the parties' rights on water resources was left for final-status negotiations. While this interim arrangement is considered still in force, the Palestinian share is continuously declining, as resources are mostly located in Area C and groundwater abstraction and the use of surface water are strictly controlled by Israel. **The Palestinian water sector is therefore characterised by lack of control over available resources.** Economic hardship as well as lack of sufficient infrastructure and effective water resource management have led to a severe water shortage both in the West Bank but in particular in Gaza. The COVID-19 crisis has put the sector under even higher tensions, both from a supply and demand side, as the financial resources of the PA cannot cover the running costs of the main water facilities and the population being under strong economic constraints have difficulties to pay for access to water. Furthermore, the May 2021 armed escalations with Israel in the Strip had resulted in infrastructure damage and reduced electricity supply affecting even further the water supply to the population.

In Gaza, water quality and quantity availability *per capita* are worryingly below international standards and threatened by pollution from agriculture, solid waste and wastewater. The supply of fresh water to the population of Gaza at present depends overwhelmingly on the groundwater aquifer. The high level of abstraction, contamination and wastewater has caused in excess of 95% of Gaza water to be unfit for human

⁴ COM(2019)640 final of 11.12.2019

⁵ JOIN(2021) 2 final of 09.02.2021

⁶ joint_staff_working_document_renewed_partnership_southern_neighbourhood_en (2).pdf

⁷ <http://hdr.undp.org/en/data>.

consumption according to World Health Organisation (WHO) standards. The abstraction for domestic use is around 94 million cubic meter (mcm) per year and further 105 mcm per year is estimated to be abstracted for agricultural use and industries. To compound matters, domestic water demand is projected to increase to more than 140 mcm in 2035 (population growth). The level of groundwater use which would ensure its natural recharge is instead between 55 and 60 mcm/year. As a result of this unbalance, seawater and surrounding saline aquifers intrude into the fresh water aquifer with an adverse effect on ground water quality.

The action contributes to several Sustainable Development Goals (SDGs): SDG6 (clean water and sanitation), SDG 3 (good health and wellbeing), SDG 7 (affordable and clean energy), SDG 9 (industry, innovation and infrastructure), SDG12 (responsible consumption and production), SDG 16 (peace, justice and strong institutions) as well as to the aspiration set out in the *EU Global Strategy* to 'support governments to devise sustainable responses to food production and the use of water/ energy. Access to water is internationally recognised as a fundamental human right in itself as well as key for the realisation of all other human rights, including the right to a healthy environment and the right to development.'⁸

The action is in line with the 2017 *European Consensus on Development*⁹, which states '*the EU and its Member States will support sustainable and integrated water management as well as more efficient use of water and water recycling.*'

This action is aligned with the EU review of EU modalities of engagement on the ground in support of a two-state solution and illustrates EU enhanced engagement to support converging Israeli and Palestinian interests, in line with EU policy objectives.

The action is also in line with the EU Council Conclusions on Water Diplomacy¹⁰, which "*encourage [...] the High Representative, the Commission and Member States to give the necessary consideration to the importance of water and sanitation in the [...] financial and technical co-operation with partner countries.*"

Finally, the action contributes to the overall objective for Pillar IV (Climate Change, Access to Self-Sufficient Water and Energy) of "*The European Joint Strategy in Support of Palestine*", still under approval, to ensure the provision of self-sufficient, equitable, affordable and sustainable access to safe water and sanitation services for all.

The Palestinian Authority's revised *National Policy Agenda 2017-2022* describes the strategic direction of the government in three pillars: path to independence; government reform; and sustainable development. The Agenda, and its dependent 21 sector strategies are aspirational documents which set out well the vision for the PA, but are at times not based on the constraining realities of the Palestinian context.

In addition to the NPA, the *National Water and Wastewater Policy and Strategy for Palestine 2012-2032* provides the planning and management framework necessary for the protection, conservation, sustainable management and development of water resources and for the improvement and sustainable management and provision of water supply and wastewater services and related standards in the Palestinian Territory. As such, and in order to address these key issues, the Palestinian Water Authority's (PWA) *Strategic Development Plan 2017-2022* was developed along the following five specific objectives:

- i) integrated management and sustainable development of water resources;
- ii) improving quality/ reliability of water supply services and ensuring fair water distribution;
- iii) improving wastewater services and structures;
- iv) development of water sector institutions to reinforce good governance and;

8. United Nations General Assembly Res. 64/292: "...the right to safe and clean drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights."; Human Rights Council, Fortieth session. 25 February–22 March 2019 Agenda item 7.

9. [european-consensus-on-development-2-june-2017-clean_final.pdf \(europa.eu\)](https://data.consilium.europa.eu/doc/document/ST-13991-2018-INIT/en/pdf)

10. <https://data.consilium.europa.eu/doc/document/ST-13991-2018-INIT/en/pdf>

v) ensuring financial sustainability of water service providers.

In order to respond to the increasing demand for water in Gaza, PWA developed in 2016 a master plan for interventions named the *Rolling Programme of Interventions (RPI)* in which the construction of desalination facilities is part of the foreseen long-term solution, as detailed below.

2.2. Problem Analysis

Short problem analysis

Access, quality and fair distribution of water in Gaza is one of the most critical issues for economic, social and environmental reasons. The lack of sufficient infrastructure and of effective and sustainable water resource management has led to a **severe shortage of quality water** and has a **strong environmental impact on the aquifer**.

In the Gaza strip, the main water resource is the coastal aquifer stretching across the Gaza Strip that is being over-abstracted. The abstraction for domestic use, agriculture and industry (together around 200 million cubic meter) significantly exceeds its natural recharging capacity (between 55 and 60 million cubic meter). Consequently, seawater and surrounding saline aquifers intrude into the fresh water aquifer with an adverse effect on ground water quality. On the other hand, due to insufficiently developed sewage collection networks, lack of operating wastewater treatment plants and power disruptions, wastewater is frequently released without treatment and also seeping into and polluting the aquifer. As a result, only 3.6% of the supplied domestic water in 2015 was meeting WHO standards for drinking water. The demand for water is estimated to evolve from 117 mcm in 2018 to 182 mcm in 2032, making more urgent the need to develop an appropriate long-term response.

Shortage of clean drinking water leads to high price and limited accessibility for the households. At the household level, Gazans are trying to cope with this shortage through relying for drinking water on highly expensive water distributed by trucks, using non-potable municipal water, and increasing their water storage capacity. While interventions are identified to mitigate the crisis, in the interim, the coastal aquifer continues being over-abstracted.

In this context, the construction of desalination plants together with the appropriate supply and distribution infrastructure has been confirmed as the best option for Gaza to respond to the urgent needs and stabilise the aquifer and secure its water supply in the long term. The desalination plants will provide a sustainable water supply system to cover the bulk of the needs of the Gaza population. The location and size of the plants will be defined in cooperation with implementing partners and the Palestinian Authority.

Achieving the overall objective of this intervention as well as sustainability and economic viability of the entire water sector is subject to the systematic implementation of the Water Sector Reform based on the 2014 Water Law and the reinforcement of PWA capacities.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action.

In the water sector, the **Palestinian Water Authority (PWA)** is the main stakeholder, both with regards to its role in the policy framework and reforms and the infrastructure investments in the sector. Regarding the reform, the EU and international partners expressed some concerns about the lack of significant progress against agreed milestones and regular dialogue through the Water and Sanitation Sector Working Group under the Local Aid Co-ordination Structure. Commitment at the highest levels of the PWA needs to be ensured to allow for a successful process and for a parallel advancement on infrastructure projects that require a stronger institutional framework and capacity and resources for Operation and Maintenance (O&M).

The **Coastal Municipality Water Unit (CMWU)** is another major stakeholder that is part of the institutional framework. Its service provider role is crucial when it comes to operation and maintenance of the envisaged infrastructures, on a temporary or longer-term basis.

A wide range of stakeholders, representing the **international community**, is involved in funding solutions to the water problem in Gaza, including the European Commission, the Islamic Development Bank (IsDB) and the World Bank (WB) and other EU Member States such as France, Germany and The Netherlands.

In the absence of major policy changes, the **Government of Israel** for its role related to access of material, equipment and people into Gaza is a major stakeholder and it has expressed its strong commitment on several occasions in the AHLC meetings.

Indirect **beneficiaries** of such intervention will be the whole population of Gaza (around 2 million), benefitting from expected improved performance of the water sector.

Donor interventions in the Water Sector are co-ordinated by the **Water and Sanitation Sector Working Group under the Local Aid Co-ordination Structure (LACS)** and aligned with the PWA's Strategic Development Plan. The Water Sector Working Group is chaired by the PWA, with the Netherlands as deputy chair. Furthermore, quarterly meetings and *ad hoc* side consultations are convened in order to share information, co-ordinate annual actions plans and aid and discuss priorities and strategies of relevant PA's institutions in the sector.

The **European Joint Strategy (EJS)** provides a framework through which European support is co-ordinated with Palestinian partners, in line with the Palestinian National Policy Agenda. The EU/EU Member State approach is also co-ordinated through a dedicated informal working group.

As mentioned above, this programme is part of the **wider PWA strategy to avert a humanitarian water crisis in Gaza**. The EU is a lead partner in the implementation of several of the short-term priority components of this programme through a set of interventions such as the construction of a Short-Term Low Volume (STLV) desalination plant for the Southern Governorates, the boosting of the water supply through increasing water imports using existing connection points between the Israeli and the Palestinian networks, as well as quicker-impact measures to address equally critical issues such as the efficiency and energy sustainability of the water system and flood control. The construction of two other STLV desalination plants was completed in 2019 with USAid and Kuwaiti funding and the efficiency and energy sustainability is also on the agenda of other development as well as humanitarian donors.

In the short term, humanitarian organisations funded by the EU, namely DG ECHO, seek to address the gradual deterioration of water and sanitation infrastructure in Gaza through targeted interventions, including in hospitals and in vulnerable communities exposed to conflict. These small-scale interventions mitigate the impacts of shocks for poor households and help build local capacity in the short-term, pending the completion of major priority infrastructure such as bigger desalination plants or extension of smaller scale ones.

While there has been noteworthy progress in advancing major priority infrastructure, **meeting operation and maintenance needs** (cost-recovery, institutional capacity, energy, funding, etc.) remains a major challenge. All newly constructed major water and wastewater infrastructure in Gaza require funding of the Operation and Maintenance (O&M) costs. The PA has committed to subsidising the cost of energy to these facilities and the World Bank and KfW have pledged contributions to support the O&M of water and wastewater facilities in Gaza. However the long-term economic viability, sustainability and profitability of these facilities depends on the ability of operators to recover costs from consumers. In addition to severe access restrictions which has now lasted for fifteen years, and an unsettled conflict with Israel resulting in periodic flare ups of violence (the latest in May of 2021), the dual governance structure in Gaza has made it difficult to establish a regulatory framework and to enforce simple government rules, precluding various cost recovery measures.

The project is complementary with the Regional project 'Water and Environment Support' (WES), which aims to strengthen the efficient use of water in the region. In Palestine, the project will support the government to improve fee collection and financial sustainability.

Further, support is needed to **address institutional weaknesses and accompany the sector reform**. The implementation of the 2014 Water Law is crucial to the performance and sustainability of the sector. The institutional architecture is to be reformed and reinforced, notably through the establishment of the National Water Company (NWC). For this purpose, EU is providing support for the West Bank Water Department (WBWD) to eventually become NWC. In addition, as part of the AW programme, the World Bank supports the establishment of the Bulk Water Supply Department in Gaza to eventually become the Gazan branch of the NWC. Further to this, a service provider improvement programme will be designed as part of the capacity building components of the WB and KfW's interventions thus addressing the performance and economic viability of the sector in its entirety.

Last but not least, the EU is supporting the reform of the Water Sector also through the **PEGASE programme** that includes incentive-based tranches. Performance indicators related to the adoption of by-laws and encouraging the sustainability in the water sector have been agreed with the PA for 2019-2021 and are under discussion for 2022. This programme should allow the government to conduct the reform and will be complemented by policy dialogue.

2.3. Lessons Learned

The main lessons learnt from previous *water* projects in Gaza and the West Bank include the following:

- (i) The lack of progress in the water sector reform has undermined the role of different water bodies, especially in Gaza; thus special attention (also via the incentive based approach via PEGASE) will need to be given to the pursue of the reform and the leadership of PWA in the management of the programme;
- (ii) Economic hardship and lack of effective water resource management combined with the lack of progress on the water reform emphasised the critical importance of integration of the Operation and Maintenance (O&M) requirements into current and future projects;
- (iii) in parallel, PWA/the PA shall be encouraged and supported to find sustainable solutions to the O&M issue, in particular in Gaza, where PWA is lacking capacities to deliver on its responsibilities;
- (iv) Importance of the water-energy nexus in Palestine and a need to factor in the energy dimension early on in the planning of water projects, especially in Gaza. The energy crisis in Gaza in the past recent years (decrease of power supply to less than 4 hours per day) has had a strong impact on water infrastructure and water distribution. This aspect must be considered when planning on the construction of any water facility including small scale desalination plants. Connecting Gaza to natural gas through the Gas for Gaza (G4G) project is considered the central solution to Gaza's energy deficit, and will contribute to ensure the long term viability of key water infrastructure.
- (v) Despite extensive efforts and coordination with COGAT for all donor-funded projects, all infrastructure projects in Gaza suffered from repeated delays due to Israeli dual use restrictions on entry of material, chemicals, metal pipes and entry of experts for commissioning and servicing the operations; this has raised project costs and uncertainty among investors substantially. Efforts to improve this coordination should continue to be made.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to ensure the provision of self-sufficient, equitable, affordable and sustainable access to safe water services for all.

The Specific Objectives (Outcomes) of this action are to:

1. Improve availability, quality and reliability of piped water supply services in Gaza;

2. Reduce pressure on the aquifer from reduced abstraction of water for domestic consumption.

The Output to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- 1.1 contributing to Outcome 1 and 2 (or Specific Objectives)
Increased adequate, reliable and safe bulk water supply to Gaza meeting international standards.

3.2. Indicative Activities

Activities related to Output 1.1:

Activities comprise the construction of infrastructure to increase the proportion of desalinated water in the water supply mix in Gaza, including the construction of seawater desalination plants and associated works.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Outcomes of the Environmental Impact Assessment (EIA) screening (relevant for projects and/or specific interventions within a project).

The EIA screening classified the action as Category A (EIA will be undertaken).

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project).

The CRA screening concluded that this action is no or low risk (no need for further assessment).

Protecting the environment and acting to mitigate and adapt to climate change are constitutive elements of the proposed action together with health risk mitigation. The action aims to reduce risks from the supply of unmonitored water unfit for human consumption and to enable the protection of the Gaza aquifer.. The implementation of the Programme will assist the optimal use of available resources in a highly constrained water context. The energy dependent technology would be addressed through the use of renewable energy

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the design of the project's sub-components is gender-sensitive and indicators defined to monitor them are disaggregated to the maximum extent possible. Gender will also be mainstreamed through dedicated awareness campaigns and integrating recommendations and results into the implementation of the Action.

According to EU Gender Action Plan III¹¹, women and girls in developing countries are particularly affected by the impact of climate change and environmental degradation, such as ecosystem loss, loss of access to key natural resources, water- related and vector-borne diseases. As primary users and managers of natural resources, women play an essential role for climate change mitigation and adaptation and environmental protection. However, they are prevented from participating equally in related governance processes for multiple reasons, including harmful gender norms, inadequate legal frameworks, low access to education and land ownership. The EU is determined to act on the gender dimension of environmental degradation and climate change also with regard to fragile situations

11. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020JC0017&from=EN>

Human Rights

The action assists in meeting basic rights for an adequate standard of living (such as access to water and essential services). With regards to access and affordability, the provision of additional water quantity will relieve the deficit and have a positive effect on the price of services, reducing the dependence on tankered water.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the needs and rights of disabled persons are to be safeguarded in all components of the action. This will be achieved by ensuring their representation in all community participation aspects and trainings, providing them with opportunities to raise their needs and aspiration. Similarly, all social and public infrastructure components under this action are to be delivered in line with inclusive access standards. Consequently, the action shall confirm the right of persons with disability of equal access and contribution.

Democracy

The empowerment of local stakeholders will be embedded in the design of the activities in accordance with good governance principles. The proposed action will be implemented in a participatory manner via participatory planning mechanisms, involving the local community and their representatives, thereby contributing to enhancing the inclusion and accountability processes within the community. The capacity of the water service providers will be strengthened through the action.

Conflict sensitivity, peace and resilience

The action proposed is expected to contribute to different dimensions of resilience, namely: *political* (eg. strengthened institutional capacities to provide more equitable, inclusive, accountable and sustainable services); *environmental* (eg. strengthened capacities to prevent and address environmental degradation, pollution and the effects of climate change). Further, it should not be underestimated the potential contribution to the *security* dimension of resilience, by way of working on conflict prevention through initiatives pursuing climate change & security approaches. Similarly the *partnership and integrated approaches* dimension of resilience, is expected to benefit from the action, by bringing European Development Partners working on resilience, livelihoods and agriculture under the European Joint Strategy, under approval, closer and better placed to understand and test the effectiveness of interventions in support to the Humanitarian-Development-Peace Nexus.

Disaster Risk Reduction

The proposed action would directly or indirectly address environmental degradation and climate change responses. The deteriorating climate change context, the heightened disaster related risks linked to substantial environment degradation - availability of water, soil erosion, and loss of biodiversity, draught and desertification - along with loss of livelihoods, assets and lives are considered to be amongst the most significant disasters currently affecting the Palestinian people.

The Action promotes the goal and global targets to achieve substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, and environmental assets of persons, businesses, communities and countries.

It contributes to the reduction of existing disaster risk through the implementation of integrated and inclusive environmental, technological, and institutional measures that prevent and reduce hazard exposure and

vulnerability to disaster, and increase preparedness for response and recovery with the explicit purpose of increasing human security, well-being, quality of life, resilience, and sustainable development.

3.4. Risks and Assumptions

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1-external environment	Unpredictable deterioration of political/security situation.	H	H	Political dialogue and triangulation within existing frameworks.
1-external environment	Unpredictable Israeli policies and actions e.g. further restrictions regarding the movement of materials, goods and people.	H	H	Specific mechanisms are developed through the UN, including a specific material/personnel entry system..
2-planning, processes and systems	Donor contributions not materialising	H	H	Advocacy work with Donors.
2-planning, processes and systems	Insufficient institutional and implementation capacities of PWA, in particular in Gaza.	H	H	Policy dialogue is focused on pursuing the water sector reform, including through the PEGASE programme incentive-based tranche. The Project Management Unit in Gaza will be staffed with competent local staff.

External Assumptions

1. Continued engagement of international community to the funding of the water sector.
2. Reconciliation efforts continue and/or the PA continues to be able to implement actions in Gaza.
3. All relevant stakeholders remain committed to the action's objectives and results, including institutional and related infrastructure commitments.
4. The electricity supply in Gaza is sufficiently stable or improves from its current level.
5. There is progress of water reforms, including creation of the National Water Company and adoption of necessary by-laws.
6. G4G progresses and comes online.
7. Environmental impacts are addressed accordingly based on ESIA recommendations and applicable regulations

3.5. Intervention Logic

Water is an indispensable pre-condition for life, a vital human right and public good, an economic cornerstone and a finite resource. The right to water requires that water supplies should be sufficient, safe, acceptable for consumption, physically accessible and affordable¹².

Access and distribution of water in Palestine are among the most critical and sensitive issues in the Israeli-Palestinian conflict, as respective water consumptions reflect stark inequalities. Due to the allocations of trans-boundary water resources agreed upon under Oslo II, Israel currently controls approximately 80% of water resources in the West Bank. Water shortages are common in the West Bank and Gaza, with the latter experiencing a dramatic situation in terms of both quantity and quality of available resources, well below international standards. To deal with the crisis, the Palestinian Water Authority (PWA) developed a rolling programme of interventions to find alternative sources of potable water. The interventions include, amongst others, increasing imported water, expansion of short-term low-volume (STLV) seawater desalination units, measures for improving the distribution efficiency and reduction of unaccounted water losses, as well as construction of wastewater treatment plants with large-volumes schemes for the reuse of the treated wastewater.

This action contributes to building the major bulk water system components necessary to supply an adequate, reliable and safe water supply thus providing a short and long-term solution to the Gaza water crisis

With the proposed investments, the deficit of water will be relieved and the quantity and quality of water will substantially improve. This will also have a positive effect on water prices, reducing the population's reliance on highly expensive water distributed by tankers, which are now compensating for the missing and irregular piped supply. Household allocation of resources will thereby improve as will, in turn, the standard of living. Furthermore, the increased supply will remove the burden on the Gaza's coastal aquifer, reducing its depletion pace.

¹². http://www.un.org/waterforlifedecade/human_right_to_water.shtml.

3.6. Indicative Logical Framework Matrix

Results	Results chain: Main expected results	Indicators	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Provision of self-sufficient, equitable, affordable and sustainable access to safe water services for all (SDG 6 and ROF I.1)	<ol style="list-style-type: none"> Percentage of population (segregated by sex) receiving safely managed drinking water services (EU RF 2.8) Level of water stress: freshwater withdrawal as a proportion of available freshwater resources % of households capable of purchasing the safe water they need 	<ol style="list-style-type: none"> 10% (M 50.75% and F 49.25% with Gaza Strip total population mid- 2019 of 1.99 million) To be developed by the Implementing Partner To be developed by the Implementing Partner 	<ol style="list-style-type: none"> 1.100% (projected total population mid 2026 of 2.48 million) To be defined at the start of implementation To be defined at the start of implementation 	<ol style="list-style-type: none"> Palestinian Central Bureau of Stat(PCBS); WHO/UNICEF FAO; AQUASTAT To be complemented by the Implementing Partner 	<i>Not applicable</i>
Outcome 1	1 Improved availability, quality and reliability of piped water supply services in Gaza (ROF OC 1)	<ol style="list-style-type: none"> Quantity of available water Quality of available water Price of piped water 	<ol style="list-style-type: none"> 15l/c/d on average in Gaza Strip Cl\geq1000 mg/l weighted average in Gaza Strip tbd 	<ol style="list-style-type: none"> equal or exceeding 100l/c/d by 2026 on average in Gaza Strip Cl<400 mg/l weighted average in Gaza Strip tbd 	<ol style="list-style-type: none"> PCBS quarterly indicators data; PWA's specific studies data ditto ditto 	The relevant bodies, including PWA and service providers ensure the progress of the reform of the sector.
Outcome 2	2 Alleviated pressure on the aquifer	2.1 Amount of water abstracted from the aquifer for drinking purpose	2.1.88 million m ³ /y in 2019	2.1.40 million m ³ /y in 2026	2.1 PWA's specific studies data; WSRC reports	The relevant bodies, including PWA and service providers ensure the progress of the reform of the sector.
Output 1 related to Outcome 1 and 2	Adequate, reliable and safe bulk water supply to Gaza through the extension of desalination facilities and associated works	1.1.1 Functional facilities in place	1.1.1. 0	1.1.1 tbd	Project Reports	Other envisaged bulk water sources are made operational Water supply system ensuring distribution of the bulk water is put in place Energy availability

						PWA able to operate in Gaza
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4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with Palestine.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹³.

4.3.1. Indirect Management with a pillar-assessed entity¹⁴

This action may be implemented in indirect management with one or several pillar assessed entity/ies, which will be selected by the Commission's services using the following criteria: a) specific sector/thematic expertise in the region; b) logistical and management capacities for pooling donors funding; c) neutrality and reliability in crisis/conflict situations.

This implementation entails activities which contribute to achieving the Specific Objectives of the Action.

Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Outputs Increased adequate, reliable and safe bulk water supply to Gaza meeting international standards	30 000 000
Indirect management with pillar assessed entity/ies cf. section 4.3.1	30 000 000
Totals	30 000 000

4.4. Organisational Set-up and Responsibilities

The EU and PWA will develop a Programme Management architecture to ensure the smooth implementation of the action, whilst emphasizing transparency, good governance and supporting capacity building and sustainability for the water sector in Palestine.

¹³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

¹⁴ The signature of a contribution agreement with the chosen entity is subject to the completion of the necessary pillar assessment

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1. 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 Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the logframe matrix.

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).

Roles and responsibilities for data collection, analysis and monitoring:

A comprehensive system of monitoring, control and audit will be applied in the framework of the implementation of this programme, to provide assurance over the use of funds, and the efficient and effective provision of support to the implementing partners. The programme will use as reference the logframe matrix.

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. Final reports, narrative and financial, will cover the entire period of the action implementation.

SDGs indicators and the jointly agreed indicators under the European Joint Strategy (the Result Oriented Framework) will be taken into account. Baseline and target values include gender disaggregated data as appropriate.

5.2. Evaluation

Having regard to the importance and the nature of the action, mid-term, final and ex-post evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the complexity of the Programme and launching of its second phase.

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national (representatives from the government, from civil society organisations (private sector, NGOs, etc.), etc.) levels. If deemed necessary, other donors will be invited to join. The Commission shall inform the implementing partner at least 30 calendar days in advance of the dates envisaged for the evaluation exercise and missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. 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.

The financing of the evaluation shall be covered by another measure constituting a financing Decision.

5.3. Audit and Verifications

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 audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document [Communicating and raising EU visibility: Guidance for external actions](#) (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds. Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and the EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before the implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.