



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Project of State of Palestine

Project number:	200210
Project title:	Promoting the economic integration of women and youth for enhanced resilience and social stabilization in the Gaza Strip
Thematic area code	IC3 – Safeguarding the Environment (IC32: Clean Energy Access for Productive Use) IC1 – Creating Shared Prosperity (IC12: Women and Youth in Productive Activities) IC13 – Human Security and Post-Crisis Rehabilitation
Starting date:	March 2021, upon arrival of funds
Duration:	12 months
Project site:	State of Palestine (Region: Southern Governorates/Gaza Strip)
Government Co-ordinating agency:	Ministry of National Economy
Counterpart:	Ministry of National Economy and the Specialized Industry Union [Federation of Garments and Textile Industries in Gaza Strip]
Executing agency/ cooperating agency:	The United Nations Industrial Development Organization – UNIDO
Project Inputs:	USD 862,494
- Support costs (13%):	USD 112,124
- Counterpart inputs:	In kind contribution by the Federation of Garments and Textile Industries in Gaza Strip of space and operational costs for the fashion design center (KHITAN Gaza – to be established by the project) Value is approximated to 100K USD)
- Grand Total:	USD 974,618.00 ¹

Brief description:

These last months have witnessed a significant increase in tensions and violence in the Gaza Strip, together with mounting economic difficulties resulting from the outbreak of the Covid-19 pandemic. Poor economic perspectives, rising unemployment, alongside extremism and political motives, remain key drivers of the current situation, while the absence of ongoing negotiations with the Israeli authorities and the escalation of reprisals do not suggest any prospect of political stabilization in the short term. In absence of formal economic opportunities, young Palestinians are more likely to resort to negative coping strategies – in extreme cases including drugs, alcohol and violent groups.

With unemployment at 90% for women and 52% for youth, job creation is a key humanitarian intervention to mitigate the effects of poverty, weak economic growth and marginalization, as well

¹ The project, classified as “post conflict” type of intervention with focus poverty reduction and peace building, is exempted from the 1 per cent coordination levy applied to humanitarian assistance, as outlined in the Operational Guidance for Implementing the Coordination Levy of 12 March 2019

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A. CONTEXT

A.1 POVERTY, UNEMPLOYMENT, THE COVID-19 PANDEMIC: MAIN ECONOMIC PRIORITY

The Palestinian economy remains weak and fragile due to both internal and external risk factors. The Gaza Strip remains under blockade since 2007 and till date has not recovered from the aftermath of the conflict of 2014 with intense humanitarian pressure on the rise alerting for urgent attention to enhance conditions on the ground always surrounded with uncertainty. This is resulting in a steep economic deterioration in both Gaza Strip and the West Bank, putting the economy in the face of higher rates of poverty and unemployment. By the end of 2019, the unemployment rate at the national level reached 25%, amounting to 15% in the West Bank and 45% in the Gaza Strip.

The complicated political situation, the growing external and internal disturbances, and the COVID-19 outbreak have had together a direct massive negative impact on the Palestinian economy so far in the 2020. The current Palestinian economy ranks low among world economies, and it is highly susceptible to instability, despite the availability of human and natural resources (with limited access in area C) and the high productivity of Palestinian society and individuals.

According to the Palestine Central Office of Statistics, the unemployment rate among the youth (18-29 years) in Palestine reached 38% in 2019 (31% among males and 63% among females) as 63% in Gaza Strip and 23% in the West Bank. Data also showed that the higher unemployment percentage among the youth was for holders of intermediate diploma and higher, where this percentage reached 52% during 2019 (35% males and 68% females). The unemployment figures are even higher among the younger populations who deprived from any economic opportunity, might fall under poverty and become prone to negative coping strategies, such as crime, extremism and illegal migration. Those numbers are multiplied by the impacts of measures taken by the government to counter the spread of COVID-19 at the national levels.

In this deteriorated economic and social context, the outbreak of the COVID-19 pandemic has not only caused the loss of many lives, but also further disrupted Palestine's fragile economic scenario of the Palestinian economy. As in many countries that have implemented the measures to slow the spread of the virus, in Palestine they have had a direct impact on the economic performance, especially on activities related to the sectors of industry, trade and services, negatively affecting the levels of work, production and employment at the national levels including the sharp decrease of government revenues (and public fiscal resources). In particular, the COVID-19 crisis effect on the various industrial sub-sectors in the Gaza Strip, has been identified as a serious and significant risk. The total number of operating industrial establishments has dropped by 34% to 1,224 with an average production capacity utilization of 20%. The biggest impact was seen on the number of workers, with a drop of 58% as 12,500 workers lost their jobs. Palestinian households in the Gaza Strip receiving welfare aid have soared to unprecedented levels of over 75% mainly with deteriorating socio-economic conditions in the strip.

Furthermore, the rate of labor-force participation for Palestinian women remains among the lowest in the region, at 19% in the Gaza Strip and 17% in the West Bank in 2019. While female participation in the labor market has increased over the past few years, unemployment rates are higher among women than men. The unemployment rate among women rose to a staggering 90% in the Gaza Strip in 2019 and continues to rise. This is mainly due to the increased severity of the blockade and shrinking economic activities in the Strip in addition to the lack of proper targeting in education and skilling in line with possible shifts and/or transformation towards sector that are less impacted by the blockade (i.e. ICT).

The existing conditions on the ground would be best addressed by seeking to achieve self-reliance and promoting economic development and stability of women and youth throughout and post the COVID-19 crisis, while identifying potential expansion and consolidation within the viable value chains within the industrial sector in the Gaza Strip.

Furthermore, as most of the energy available in the occupied Palestinian territory is imported with a percentage that supersedes 90% of the consumed energy being imported from Israel, energy security and access to energy become a critical area for intervention to ensure effective support for business continuity in the Palestinian industry sector through enhanced access and resilience. Sustainable energy sources including energy efficiency and renewable energy present an even more important opportunity within the current context especially that the cost structure of industrial production in Palestine includes an average of 40% for energy consumption. This is especially vital for enhancing the competitiveness of the industrial production in Palestine as an integral part for the revitalization of the economic and productive activities within local value chains.

Against this background, it is crucial to firstly *maintain existing jobs in the occupied Palestinian territory at large to preserve them and to limit further negative impact on the socio-economic conditions, and continue to sustain resilience among Palestinian communities, which are increasingly subject to external shocks that threaten their livelihoods*. This is even more critical in the Gaza Strip where socio-economic conditions are pressured even before the COVID-19 crisis bringing further urgency to promote jobs and job creation especially targeting the most vulnerable groups of young women and men through engaging them in the economic activities by enhancing capacities and skills, entrepreneurship to enable for income generation to help reduce poverty and provide means to sustain peace in the region.

A.2 SECTOR FOCUS: THE GARMENT AND FASHION INDUSTRY

The industrial sector in the Gaza Strip has seen several hits over the past 15 years and continues to suffer from the blockade measures imposed by the Israeli authorities. Several industries have been severely impacted and had to shut down or work with unsustainable levels of production that affected their capacity to deliver and maintain markets. Prior to the year 2000, *the textile and garment industrial sector* was the second largest employer after construction in the Gaza Strip with around 1,000 establishments employing around 40,000 workers. The sector was heavily reliant on Israeli companies providing work on a subcontract basis. However, the combination of COVID-19 crisis, the political situation, and the economic factor, both internal and external, have led the sector to lose a high number of its experienced laborers, facilities, and share in the domestic market.

Nevertheless, between the years 2014 and 2020 the garments and fashion sector has been showing a promising improvement. The revival of the sector was by large a result of the reduced restrictions by the Israeli authorities and allowing Gaza based companies to sell in Israeli and West Bank markets. With the relaxing of the Israeli measures and the facilitated logistical arrangements implemented by the related parties, garment exports to the West Bank and Israel have seen a positive growth since 2015. In 2019 the exported goods exceeded US\$9 million. Due to this growth in the export market, the sector managed to increase employment by 20% at a time when other industrial value chains in Gaza Strip lost more than half of their jobs. The COVID-19 crisis has had some positive effect on the sector especially relating to the repurposing of production towards protective personal equipment (PPE) yet with a limited number of enterprises who were able to respond to the situation (including through contracts to buyers in the Israeli market). This said, the overall shortage in liquidity and high costs of operations including the energy consumption related to production, have all hindered the sector steadiness and real growth forcing many enterprises to pause production and lay-off workers during the ongoing COVID-19 crisis.

As it is for the overall industrial sector in general and especially in the Gaza Strip, the garments and fashion industry struggle to maintain operations and markets against many factors. A major factor of this struggle remains to be to the shortage and instability of energy supply in addition to the higher costs the producers have to endure in order to maintain their production and fulfill their market demands. In average the individual enterprise operational in the garments and fashion value chain pays an average of around US\$10,000 annually in energy costs related to production. This is comprised usually of a mix of electricity and fossil fuel-based running costs and does not include the cost of maintenance for generators and/or related infrastructure. The majority of the energy load in the value chain is concentrated in motors and for heating with over 65% of the overall consumption with the remaining to cover lighting and other use including office and management.

There are currently 226 enterprises active in the garments and fashion value chain in the Gaza Strip employing around 6000 workers of which only 150 are women. Women integration into the sector is fairly recent and started only in the 2020 with very limited opportunities due to the shrinking markets. Based on the product/market segmentation, the garment workshops can be divided into three groups: (i) firms supplying to the Israeli Market (60 firms), (ii) firms supplying to the local market (Gaza and West Bank) are around 40 firms, and (iii) subcontracting firms that provide services to the first two groups (60 firms).

Building on the above, and ensuring for a sustainable emergency response that is effective and impactful, this project will focus on supporting the garment and fashion value chain in the Gaza Strip through: 1) upgrading the creative and technical capacities at the enterprise levels, 2) integrating young women and men into the value chain through upgrading their skills specifically targeting design and production, 3) supplementing and improving accessibility to sustainable energy sources for productive purposes aiming at achieving lower production costs and enhanced competitiveness, and 4) promoting industrial networking and market development collaboration nationally and regionally with related and relevant value chains and hubs operating in the garment and fashion industry.

The project will seek to further explore the integration of designers and technically skilled women through a detailed gender analysis to be conducted in the inception phase. This will aim at identifying a cross sectoral approach through the various activities planned by the project specially to have the means to boost the numbers of women working in the sector

through skills development and ‘improved work environment’ to be welcoming for women in its labor force and also leading startups in such a very closed conservative locality. The project will demonstrate how women can play leading roles in fashion and can bring a much-needed economic value to the value chain at all levels.

B. REASONS FOR UNIDO ASSISTANCE

UNIDO has extensive experience in assisting both in the development of the industrial sector and the development of rural/urban economic clusters and production value chains. The Organization has also gained extensive experience working in conflict and post-conflict areas and has successfully implemented several projects in industry support, most notably in Iraq, Sudan, Afghanistan, Lebanon, etc.

UNIDO has been actively involved in similar projects with projects covering a wide range of technical assistance interventions, such as vocational training, cluster building and value chain development. UNIDO has been supporting governments and other institutions in technological capacity-building initiatives, offering strategies aimed at supporting the government’s developmental goals, and the sharing of knowledge and best practices to promote MSMEs(Micro, Small and Medium Enterprises)/private sector development in manufacturing industries, with particular emphasis on improving the competitiveness of enterprises that would lead to job creation for vulnerable populations.

In Palestine, UNIDO applied its proven methodology for value chain development in the State of Palestine starting in 2014. The UNIDO’s methodology in Palestine has been developed into a unique one as it embedded the concept of clusters - a proven methodology for the increased competitiveness of Small and Medium Enterprises (SMEs) within a given value chain - in the Cultural and Creative Industries (CCI); which represent a tremendous opportunity for inclusive and sustainable industrial development (ISID) and job creation in the State of Palestine. The following list includes the geographical clusters benefiting from the UNIDO’s methodology on Clusters in Cultural and Creative Industries:

1. Nablus Furniture Cluster (Fund: EU and Italy)
2. Bethlehem Treasures Cluster (Fund: EU and Italy)
3. Hebron Shoe Cluster – Upgrading the Footwear Value Chain in Hebron, Palestine (Fund: Italy)
4. Creative Garments in the Northern Region of the West Bank (Fund: Japan)

The UNIDO’s approach to creative industries involves the design and implementation of a comprehensive training programme focused on creativity and best practices boosting skills development, innovation and access to markets in the targeted value chains in order to stimulate income-generating activities. A Specialized Design Centre and Creative Hubs were established to provide services to key stakeholders of the sector – including business development, design and prototyping services – in a sustainable manner.

This project builds specifically on the successful realization of the Creative Fashion Design Center implemented under the “Employability for women and youth in the State of Palestine through supporting the garments and textile value chain” project funded through the JSB 2018 and short named by KHITAN (threads). The tangible results achieved through the project, have been well received by the beneficiaries and the Government of Palestine. The UNIDO KHITAN Project benefited from a model established to ensure the sustainability of

services beyond the project implementation with a tested business model and ownership by the various stakeholders of the project. KHITAN's CFDC encouraged young entrepreneurs and designers (men and women) to develop creative approaches for new businesses with access to new markets in the garments and fashion sector in order to stimulate income-generating activities through providing a solid platform to activate professional and creative design, production, and business development, as a key enabler for sustainable development".

Additionally, UNIDO is currently implementing a programme in Palestine to support policy and institutional framework for Energy Efficiency (EE) and Renewable Energy (RE) deployment, demonstrate the benefits of locally driven, innovative EE and RE solutions, and facilitate scaling-up of these solutions in the industrial sector under a programme named MOUSTADAMA that is funded by the EU. UNIDO's approach will drive Palestine towards energy security and independence through market transformation, leading to wide scale RE and EE adoption and business innovation. Through UNIDO's assistance within this project, the garments and fashion value chain will have the solid opportunity to apply sustainable energy solutions and will grow and gain access to the local and global market, contributing to the country's transition to green economy.

UNIDO will also provide access to its library of proven training materials in energy management, system optimization, and renewable energy. Through the combination of international best practices, cooperation, and proven experience, UNIDO is well-positioned create large-scale demand for clean energy technologies in Palestine.

To the Project, UNIDO also brings excellence in project management, robust quality assurance processes, and stakeholder engagement. UNIDO has ongoing projects and field office in Palestine, which will enable effective coordination and communication with donors, government counterparts, and key stakeholders in the industrial and EE/RE sectors at the national level in the West Bank and the Gaza Strip to facilitate national, regional and international networking. As an experienced, proven partner in Palestine, UNIDO is well-positioned to facilitate and oversee implementation of the proposed project.

C. THE PROJECT

C.1. OBJECTIVE OF THE PROJECT

The overall objective is to enhance and promote economic resilience and social stabilization of the vulnerable population, including persons affected by COVID-19 pandemic, in Palestine through increased economic opportunities and job creation. In addition to, improve accessibility of producers in the garments and fashion value chain in the Gaza Strip to sustainable energy sources through both of improving the energy efficiency and promoting renewable energy to reduce production costs and enhanced competitiveness of the value chain in local and external markets.

C.2. THE UNIDO APPROACH

The Project will support SMEs operating in the garment and textile sector of the Gaza Strip providing technical assistance and upgrade, structured along complete value chains in order to enhance competitiveness and increase formal employment opportunities. Creative product development will be encouraged through design and technical trainings, and it will

be used as a tool to expand the capacity of the SMEs and meet local and international market demand. In addition to that, market access will also be improved through the elaboration and implementation of relevant marketing and communication strategies.

In addition to that, access to services - from training to business development services and networking events - will be improved through the establishment of a "Garment and Fashion Design Center". This Center will be linking and collaborating with the KHITAN's established Creative Fashion Design Center (CFDC) that is hosted at the Jenin Chamber of Commerce and Industry through joint technical and market projects to expand capacities, share knowledge and increase market exposure for garments and fashion produced in Palestine through enhanced product development and competitiveness. The Center's replication will ensure that the proposed services are tailored to adapt to the needs of the value chain in the Gaza Strip and its traditional markets yet as well prospect new markets. In order to ensure proper setup and provide solid ownership contributing towards the sustainability and business model of the center in the Gaza Strip, it is intended to place it at a space owned and contributed by the specialized industrial association: the Federation of Garments and Textile Industries in Gaza Strip including their commitment to provide for operational costs for the fashion design center (KHITAN Gaza).

Additionally, the project will direct resources to supplement and improve accessibility of producers in the garments and fashion value chain in Gaza Strip to sustainable energy sources for productive purposes aiming at achieving lower production costs and enhanced competitiveness. This will be achieved mainly by combined approach for improving energy efficiency to lower energy consumed in production effectively and promoting renewable energy to enhance access and reduce costs for further enhanced competitiveness of the value chain in local and external markets. With opportunities to apply solar energy solutions using an average space of 150 square meters of rooftop per production facility and utilizing the UN System coordination mechanisms in place with the Israeli authorities mainly through the Ministry of Foreign Affairs (MoFA) and the Coordinator of Government Activities in the Territories (COGAT) to facilitate and permit the entry of the equipment and tools including assessment of possibilities for energy storage solutions to be implemented under such initiative in the Gaza Strip by the targeted beneficiaries. Given the short implementation period of the project of 12 months, proper identification of technologies, tools and equipment will be done potentially by tapping into fast-track options that shall be available through existing projects and programs implemented by UNIDO in Palestine and/or networks of partnerships at the global level as would be permitted by the UNIDO's rules and regulations.

As the project is geared to provide participating production facilities with the opportunity to apply solutions for further decreasing the cost of their production and hence be in a better position to compete in the design, quality and price combination to maintain and/or expand markets and sales, it is anticipated to support the beneficiaries to develop the solutions (through audit and design services provided by the project in addition to the coaching of implementation and training for operations). Therefore and given the cost of investment and to ensure optimum utilization of grant funding planned by the project, it is intended to apply a cost-sharing finance mechanism for the promotion of renewable energy solutions at beneficiaries' production facilities to be identified through a selection process mainly based on an expression of interest (EoI) to be launched by the project management unit based on a clear set of criteria to be developed in consultations among the relevant partners and stakeholders. The criteria to be applied to this selection process will be clearly reported to ensure transparency of the selection process.

The project will aim at assessing potential feasible mechanisms to be established at the inception phase for allowing the project beneficiaries to create proper access to finance modalities and services that are sustainable including to facilitate for the targeted beneficiaries to receive between 40-60% of a contribution (subsidy) by the project as means to promote the application of Renewable Energy (RE)/Sustainable energy solutions in production. The remaining percentage would need to be committed and paid by the beneficiary as cost sharing. This will be further enabled and supported through facilitated access to financial tools and solutions available through traditional and Islamic banking services (to be further negotiated by the project for the benefit of the targeted beneficiaries at the inception phase). Two banks have already expressed interest to offer such facilities through triangular linkages among the beneficiaries, UNIDO Project, and the banks. Other options will be considered including the direct contracting to Service Provider/contractor pre-qualified and pre-selected in a roster of eligible suppliers. The assessment in the inception phase will define most proper mechanisms and could even consider testing both approaches on a 50%-50% basis provided that they are applicable in the timeline of the project implementation. The demonstrations that will be implemented by the project and with achieved and documented savings in energy costs will then help the larger community of garments and fashion producers to realize the benefits and seek to apply them in their facilities providing larger scalability opportunities within the targeted value chain and beyond in the Gaza Strip.

The project will also seek to empower existing business support organizations such as the Federation of the Garments and Textile Industry Union in the Gaza Strip to play a major role in potential finance mechanisms for establishment including consideration of possibilities to animate a viable business model to be managed by the specialized industry association to ensure its sustainability. This could also go hand in hand with the reinforcement of a group of self-help financing schemes that can facilitate financing and procurement of equipment targeting both RE solutions and motors/machines to ensure the scalability and roll-out of the benefits to the wider active enterprises in the value chain.

The project intervention is aligned to the Ministry of National Economy's COVID-19 Economic Response Strategy and is well positioned to provide rapid support to an identified priority sector in the Palestinian industry with potentials for linkages at the national level (KHITAN West Bank) and also to similar centers in member countries of the Conference on Cooperation among East Asian Countries for Palestinian Development (CEAPAD) as initiated by Japan. The project will be implemented in partnership with the Ministry of National Economy as the main counterpart.

A detailed overview of the project activities organized in a Logical Framework is provided in **Annex 1**.

C.3. TARGET BENEFICIARIES

Direct beneficiaries of the project are garment and textile producers, entrepreneurs, designers in the Gaza Strip with special focus on vulnerable young women and men, including at least:

- 30-50 SMEs (including potential startups by women), in particular, affected by the COVID-19 pandemic
- 50 entrepreneurs/designers (at least 15-20 women), in particular, affected by the COVID-19 pandemic

- 100-150 vulnerable young women and men, in particular, affected by the COVID-19 pandemic

Indirect beneficiaries are:

- Beneficiaries' families
- Local suppliers and retailers (as parts of the targeted value chains)
- Institutional buyers (contractors) of the garment sector (uniforms for hospitals, schools, etc.)

Garment and textile producers, entrepreneurs, designers and young men and women from other geographical areas including in the Northern West Bank, Bethlehem, and Hebron) through planned networking and linkages activities (i.e. KHITAN – West Bank).

C.4. RELEVANCE TO NATIONAL AND INTERNATIONAL DEVELOPMENT STRATEGIES

UNIDO will address and contribute to accelerating the realization of the following United Nations Sustainable Development Goals (SDGs) through the realization of this project:

SDG5: UNIDO supports women in acquiring skills and gaining access to productive and financial resources that allow them to compete effectively in the economic life of their communities. This will be accomplished by making sure that a targeted 30% of the project beneficiaries at least are young women and men and adapting the action to women specific needs in terms of training and entrepreneurship support.

The project aims to provide women and men equal opportunity to lead, participate in and benefit from the project as shown in the age and gender disaggregated Key Performance Indicators (KPIs) identified. It is estimated that women will represent at least 30% of the project direct beneficiaries in the Gaza Strip context. Women as a targeted beneficiary group will be directly introduced with training and linkages to producers and market opportunities created through the project implementation. It is intended for the project to consult and collaborate with businesswomen associations and cooperatives for promoting participation and solid engagement of women at the various activities of the project.

A multi-stakeholder approach will be followed, where private sector organizations, inter-governmental and international organizations and civil society organizations to: 1) reach out to women entrepreneurs to verify women-specific needs in the targeted value chain; 2) strengthen women entrepreneurs' capacities, skills and access to financial services and credit; and 3) promote digital transformation and flexible business models for women fashion designers and entrepreneurs in the context of the Gaza Strip.

SDG7: UNIDO promotes energy efficiency policies, technologies and practices, as well as access to affordable renewable sources of energy for the facilitation of productive activities, providing the targeted garments and fashion value chain in the Gaza Strip an opportunity to lower its energy consumption costs, become more competitive, and on top follow a low-carbon and low-emissions growth path.

SDG8: UNIDO facilitates structural transformation and economic growth by increasing the capacities of local industries for value addition, economic diversification, and export promotion, as well as supports the creation of decent jobs in industry and industry-related services.

UNIDO has been implementing similar projects in the State of Palestine with targeted support to the government and other local institutions in technological capacity-building and upgrading initiatives through the sharing of knowledge and best practices to promote MSMEs/private sector, with particular emphasis on improving the competitiveness of enterprises that would lead to job creation for vulnerable groups in the targeted communities.

SDG9: by reinforcing the productive capacities of Palestinian garment and textile industries in a sustainable manner.

- In addition to its direct contribution to the SDGs in general (with focus on SDG5 and SDG8 outlined above), UNIDO strives to promote rapid economic and industrial growth, build trade capacities in industries, and ensures that targeted value chains can benefit from international trade and technological opportunities, also through the application of modern industrial policies and compliance with global standards and norms
- UNIDO also aims at advancing environmentally sustainable growth, builds institutional capacities for greening industries through cleaner production and sustainable energy technologies and resource efficiency methodologies, spurred by technology facilitation, innovation and partnership building.

The project applies UNIDO's Industrial and Sustainable Industrial Development (ISID) principles and support for upgrading the targeted garment and fashion industry in the Gaza Strip through additional focus on creative design, sustainable energy and skills development.

SDG11: UNIDO promotes creative industries, industrial clusters and urban industrial zones that spur innovation, resource efficiency and industrial competitiveness while linking local business with global markets and supply chains. The project will contribute to promoting resilience and social inclusiveness in regions affected by the overall instability in the West Bank

UNIDO concentrates its efforts on the development of industries through the tailored activities of the project: increasing the participation and leadership of women and youth in design, production and market facilitation activities.

UNIDO will aim at supporting the transformation of enterprises from the informal sector to the formal sector, with a special focus on simplifying and improving access to services offered by the project and sustained after its conclusion at the partners' level. It also strives to improve women's participation and leadership in entrepreneurial activities as outlined in the activities. By recognizing that gender equality and the empowerment of women have significant positive impacts on sustained economic growth and sustainable industrial development, which are drivers of poverty reduction and social integration, UNIDO intends to follow a gender responsive approach in the various project activities to contribute to the enhancement of gender equality.

SDG13: UNIDO promotes the reduction of industrial CO2 and other greenhouse gas emissions, including through sustainable energy solutions and the uptake of resource-efficient technologies and practices, and cleaner production in industrial processes

C.5. RBM CODE AND THEMATIC AREA CODE

IC3 – Safeguarding the Environment (IC32: Clean Energy Access for Productive Use)

IC1 – Creating Shared Prosperity (IC12: Women and Youth in Productive Activities, and IC13 Human Security and Post-Crisis Rehabilitation)

C.6. COVID-19 SOCIO-ECONOMIC RELEVANCE AND RESPONSE

As the world is currently facing the COVID-19 pandemic with mounting health and economic impacts, the State of Palestine has adopted strict measures and imposed repeated temporary closures on most businesses and institutions to reduce the spread of the virus. While health comes first in terms of access to health services and basic social protection services, an economic recovery plan appears to be at the core of addressing the impact of the pandemic and tackling the social and economic fallout.

Following this approach, the project aims at contributing to the mitigation of the socioeconomic impacts of COVID-19 through disseminating knowledge of the sanitary measures that can help prevent the spread of the pandemic. COVID-19 guidelines and other communication tools regarding the symptoms and preventive measures of COVID-19 at home and in the technical/industrial facilities will be prepared and distributed to the project beneficiaries mainly during trainings and events.

Specific indications about garment and fashion supply chain and workplaces will be included so that the sanitary measures reflect the distinctive working conditions of the industry and can be easily adapted to beneficiary workshops and industrial facilities. The below is a descriptive part further outlining the proposed activities in response to the ongoing COVID-19 crisis and means to protect the targeted communities.

C.6.1. Developmending and disseminating of COVID-19 protection guidelines (Activity 1.3)

Objectives: Disseminating knowledge of the sanitary measures that can help prevent the spread of the pandemic especially for the beneficiary enterprises in the fashion and garments industry in the Gaza Strip.

Targeted Group: All direct and indirect beneficiaries including 30-50 SMEs, 50 entrepreneurs/designers (at least 15-20 women), and around 100-150 vulnerable young women and men engaged throughout the activities of the project. This knowledge and guidelines will also be further dessiminated to the beneficiaries' families, local suppliers and retailers, ands the various players withing the targeted value chain.

Description: A dedicated COVID-19 guidance for the garment sector will be developed and published for dessimanationand dessiminated to support the beneficiaries through the implementation process becoming the new normal. TheThese will then be followed by orientation and guidance to the beneficians for implementation at the workplaces.

In addition to the above, the project will provide the beneficiaries with guidance possibilities for the garments and fashion industry sector on possibilities to repurpose part of its activities where relevant and for potentially producingpotential production of Personal protective Equipments (PPEs) gears, such as masks and other fabric based sanitary items, providing the guidelines for complying with applicable standards and the government safety and health regulations.

This activity will be implemented through the development of three guideline protocols (general sanitary measures, garments and fashion industry sector, sanitary gears production), at least one communication support such as poster, brochure and/or digital media distributed through social/media platforms and/or printed out to be distributed during KHITAN's events.

C.6.2. Training, orientation and implementation of the COVID-19 guidelines at the beneficiaries level (Activity 2.3)

Objectives: The project will conduct two training sessions for the targeted beneficiaries on the implementation of the developed and published guidelines from Activity 1.3. The trainings will be conducted through virtual means to spread the knowledge and further encourage the audience to implement these measures for increased protection against the virus.

Targeted Group: All direct and indirect beneficiaries including 30-50 SMEs, 50 entrepreneurs/designers (at least 15-20 women), and around 100-150 vulnerable young women and men engaged throughout the activities of the project. This knowledge and guidelines will also be further disseminated to the beneficiaries' families, local suppliers and retailers, and the various players within the targeted value chain.

The project will support the implementation of COVID-19 relevant guidelines especially related to the application of general sanitary measures and sector specific ones for the garments and fashion industry sector. This will be addressed to selected enterprises benefiting from the EE and RE interventions of the project (10-30 enterprises).

Description: This activity will be implemented through presentation of the developed COVID-19 guidelines and other communication tools regarding the symptoms and preventive measures of COVID-19 at the technical/industrial facilities. The implementation of guidelines on general and sector specific COVID-19 measures will be supported for the selected enterprises implementing EE and RE interventions. This will further facilitate the adoption of the related COVID-19 measures at the industrial facilities for increased protection against the virus.

The project will entail providing a coordinated response, which will include the recourse to sustainable energy as an enabler to build back and reinforce the industrial competitiveness of targeted industrial facilities in the Gaza Strip.

C.7. EXPECTED OUTCOMES

Upgrading the capacities and skills to innovate and increase market share for boosted young men and women's employability in the garments and fashion value chain in the Gaza Strip while deploying sustainable energy solutions for improved access to affordable energy resources and technologies

C.8. Activities and Outputs

The following table highlights planned activities to be implemented by the project and the expected outputs/results for achieving the project main objective and outcomes as follows:

Output 1: Upgrading the Garments and Fashion value chain in the Gaza Strip through the establishment of Gaza Creative Fashion Design Center	
Activities	Responsibility
1.1 Upgrading the creative and technical capacities at the enterprise levels	UNIDO project team and expert(s)
1.2 Integrating young women and men into the value chain through upgrading their skills specifically targeting design and production	UNIDO project team and expert(s)
1.3 Developing and disseminating COVID-19 protection guidelines for the garment sector in the workplace.	UNIDO project team and expert(s)
1.4 Promoting industrial networking and market development collaboration nationally and regionally with related and relevant value chains and hubs operating in the garment and fashion industry	UNIDO project team and expert(s)
Output 2: Supplementing and improving accessibility to sustainable energy sources for productive purposes aiming at achieving lower production costs and enhanced competitiveness	
Activities	Responsibility
2.1 Improving the energy efficiency practices at the enterprise level through implementing EE measures	UNIDO project team and expert(s)
2.2 Increasing access to affordable energy through Implementing Renewable Energy (RE) solutions for SMEs in the Garment and Fashion sector (co-financing)	UNIDO project team and expert(s)
2.3 Training, orientation and implementation of the COVID-19 guidelines at the beneficiaries level as means to building back better	UNIDO project team and expert(s)

C.9 GENDER MAINSTREAMING IN PROJECT OUTCOMES

UNIDO acknowledges that the empowerment of women and gender equality have significant positive impacts on key drivers of poverty alleviation and social progress, such as sustained economic growth and inclusive industrial development. UNIDO's mandate to promote inclusive and sustainable industrial development (ISID) relies on the advancement of gender equality and the empowerment of women. UNIDO addresses gender inequalities in industry and harnesses women's full potential as economic agents of change and leaders thereby transforming economies and generating inclusive growth. One of the guiding principles of the project will be to ensure that both women and men are provided equal opportunities to lead, participate in, and benefit from the project (UNIDO Gender Policy 2019). The project has been developed considering the UNIDO guide on gender mainstreaming in energy and climate change projects.

In Palestine, women entrepreneurs face barriers such as lack of access to information about new forms of production and energy, lack of education and training on business management and technical aspects of technology and solutions, and lack of access to credit and other financial services necessary to start businesses (and green employment opportunities).

In practical terms, gender mainstreaming will be demonstrated in a multitude of ways across

the project:

- During the project inception a Gender Analysis will be carried out and a gender mainstreaming action plan developed which will inform the project's activities' formulation. This will involve identification of the differentiated needs and roles of women and men as they relate to the project's interventions. In the project design UNIDO will ensure that the relevant and feasible gender dimensions are considered, and the project log-frame developed reflects key gender dimensions of the respective outputs, activities, indicators and targets. Feasibility is only related to the short period of the project (12 months). The gender analysis will identify how the project can contribute to improve gender equality and empower women, as well as propose select applicable gender specific targets to be monitored and evaluated throughout the project implementation period. Moreover, garment and textile skills training and entrepreneurship development training will be designed to meet the specific needs of women in reference to the national "Cross-Gender Sector strategy".
- Gender-responsive recruitment and procurement will be practiced at all levels, where possible, especially in the selection of project staff, researchers and experts, companies as well as technical staff. Gender sensitive recruitment and procurement will be encouraged in instances where the project does not have direct influence.
- Existing staff, project teams and stakeholders will be trained, and their awareness raised on applicable gender issues related to the project and the targeted value chain.
- Gender dimensions will be considered in all decision-making processes. With respect to project management, the Project Steering Committee meetings will aim to be gender balanced and extend invitations to observers that represent gender dimensions, such as organizations/associations promoting gender equality and advocating women's empowerment.
- Research, data and assessments will consider gender and age differentiated needs of women and men from different social groups as applicable.
- Women's groups, associations that promote Gender Equality and Empowerment of Women (GEEW), gender focal points and stakeholders that work in the area of gender and mobility will be sought for involvement in the project especially to seek growing interest and collect efforts to work jointly towards future more focused projects and interventions with further time available for realization of strategic more pressing targets for women equality. Possible partners could include women business associations in the Gaza Strip, women led NGOs and sister UN Agencies such as UN Woman among others.
- The project aims to provide equality opportunity to women to lead, participate in and benefit from the project. As shown in the age and gender disaggregated KPIs identified it is estimated that women will represent at least 30% of the project direct beneficiaries in the Gaza Strip context. Women as a targeted beneficiary group will be directly provided with training on know-how, skills and will be linked to producers and market opportunities created through the project implementation. It is intended for the project to consult and collaborate with businesswomen associations and cooperatives for promoting participation and solid engagement of women at the various activities of the project. In addition, a participative approach is foreseen to ensure that trainings developed target the needs of women especially based on the results of the gender sensitive analysis planned at inception phase.

- A multi-stakeholder approach will be followed, where private sector organizations, inter- governmental and international organizations and civil society organizations to: 1) reach out to women entrepreneurs to verify gender-specific needs in the targeted value chain; 2) strengthen women entrepreneurs’ capacities, skills and access to financial services and credit; and 3) promote digital transformation and flexible business models for women fashion designers and entrepreneurs in the context of the Gaza Strip.
- Gender dimensions will be considered when data collections or assessments are conducted as part of project implementation. Examples include sex-disaggregated data collection and performing gender analysis. A gender-sensitive approach will be taken during the value chain assessment and during the evaluation of the project including sex-disaggregated data collection and analysis.
- In addition, synergies will be built with other international initiatives and local associations targeting women economic empowerment throughout all the implementation period and activities to ensure maximal impact.

C.10. ENVIRONMENTAL AND SOCIAL SAFEGUARD

As per UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), this project has been categorized as “B”. Category B projects are likely to have less adverse impacts on human populations or environmentally important areas than those of Category A. As a result, an Environmental and Social Management Plan (ESMP) will be developed during the inception phase.

Furthermore, any potential environmental and social risks resulting from procurement activities will be addressed through UNIDO procurement processes, as applicable.

C.11. VISIBILITY

The project will deploy a number of Communication and Visibility actions to ensure proper wider visibility of the project in the country. These actions will include preparation of press releases, use of social media to disseminate updates of the project, hosting of formal ceremonies with officials from the Representative office of Japan in Ramallah and the State of Palestine (i.e. kick-off event, inauguration of the “Garment and Textile and Fashion Design Center” in Gaza), stickers on equipment used for training activities ensuring the visibility and appreciation for the support from the Government of Japan.

C.12. PROJECT ACTIVITY TIMELINE:

No.	Activity	March/April 2021 – March 2022												
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Setup PMU	Staff boarding, plans activated and implementation preparations for solid kick-off													
Output1:	Upgrading the Garments and Fashion value chain in the Gaza Strip through the establishment of Gaza Creative Fashion Design Center													
1.1	Upgrading the creative and technical capacities at the enterprise levels													
1.2	Integrating young women and men into the value chain through upgrading their skills specifically targeting design and production													
1.3	Developing and disseminating COVID-19 protection guidelines for the garment sector in the workplace.													
1.4	Promoting industrial networking and market development collaboration nationally and regionally with related and relevant value chains and hubs operating in the garment and fashion industry													
Output2:	Supplementing and improving accessibility to sustainable energy sources for productive purposes aiming at achieving lower production costs and enhanced competitiveness													
2.1	Improving the energy efficiency practices at the enterprise level through implementing EE measures													
2.2	Increasing access to affordable energy through Implementing Renewable Energy (RE) solutions for SMEs in the Garment and Fashion sector (co-financing)													
2.3	Training, orientation and implementation of the COVID-19 guidelines at the beneficiaries level													

C.13. RISKS

Unpredictable events related to the socio-economic situation of the Gaza Strip include:

Risk	Level	Mitigation Measure
Security of the area	High	UNIDO will stand in close coordination with the relevant security institutions, mainly following Standard Operating Procedures (SOPs) of UNDSS, to continuously assess the security risk in the target area
The surge of COVID-19 cases in the Gaza Strip beyond control given the weak health infrastructure and services due to the blockade and the regional unrest on the borders with Egypt	High	UNIDO will stand in close coordination with the relevant health institutions, mainly following Standard Operating Procedures (SOPs) of the government and WHO to continuously assess the risk and feasible mitigation measures in the target area
Overall economic activity is not enough to offer formal jobs to the youth, having an impact on youth working conditions	High	The counterparts need to constantly view the results in terms of formal job creation in order to adapt and create new possible social measures or programs to tackle informality
Women do not participate as anticipated in project activities	Moderate	UNIDO will work closely with women associations, design and training institutions and other initiatives in order to raise awareness on the benefits of the project among women
Industrial enterprises continue to give low priority to EE and RE investments	Low	Through training courses, awareness campaigns and demonstration projects industrial enterprises will increasingly understand how affordable EE and RE solutions can lower their high electricity bills and result in significant cost savings.
Support institutions would not be able to sustain the activities upon the completion of the program	Moderate	The program would set up sufficient safeguards, such as ensuring demand-based services development and physical investments, instituting practice of charging fees for all technical services, etc. to facilitate cost recovery in service provision by the end of the program duration through a dynamic business model
Industrial enterprises continue to lack sufficient financing mechanisms for EE/RE projects	Low	The Project will identify potential projects, provide technical assistance to develop business models and feasibility studies, and refer these projects to appropriate financing opportunities, such as SUNREF.

Import restrictions prevent effective deployment of EE/RE solutions in the industrial sector	Medium	The Project will focus on innovative, locally-driven solutions—such as no- or low-cost EE measures—that do not depend on the import of equipment. The Project will also promote local production of equipment by providing advisory services for business innovation and product development and by building partnerships between SMEs and university R&D departments.
The project activities slowdown due to the deteriorating political and security situation on the ground	Medium	The recommendations (based on internal review with relevant UNIDO departments; FIN, PRO and PTC on alternative solutions and how to implement them) will be brought up as a discussion point from UNIDO side to the Project counterparts for an agreed course of action
Supply failure or extreme delays in procurement processes	Medium/High	Procurement activities will be geographically restricted. This approach will also have a direct impact on the local economy

These unpredictable events cannot be properly foreseen or managed over the long term unless sustainable job opportunities are created for Palestinian youth, resilience is strengthened for communities and assistance is provided to the enterprises, which have suffered from decade-long losses in economic competitiveness.

C.14. SECURITY

While the project will deliver activities aimed at enhanced resilience and social stabilization in the Gaza Strip, broader economic impact and the sustainability of results are reliant upon the enabled active engagement with key players and beneficiaries of the sector in the Gaza Strip and the overall stability of political and security conditions on the ground.

In addition to defined mitigation measures in place for relevant security and operational risks above, the project planning and implementation activities will continue to adhere to the mandatory measures as stipulated in the Security Risk Management (SRM) plan and the UN Standard Operational Procedures (SOPs) in place by the UN Security Management Team (SMT) and the UN Country Team (UNCT) following the recommendations of the UNDSS in the field. This includes the placement of the PMU jointly at the UNIDO Programme Office in Palestine with office spaces in Ramallah and the Gaza Strip with contributions to ensure security and safety tools are fully deployed for the project team and operations.

Although such security risks may not be fully mitigated, the PMU will be monitoring the situation closely in direct cooperation with UNCT and UNDSS while movement is coordinated with Access Support Unit (ACU) for ensuring the security and safety of locations, staff and operations. but will be monitored closely by the PMU.

D. INPUTS

D.1. COUNTERPART INPUTS

The project will be implemented in partnership with the Ministry of National Economy as the main counterpart. A close exchange with the following institutions will ensure the full involvement and participation of all stakeholders:

- Federation of Garments and Textile Industries in Gaza Strip
- Textile and Sewing Syndicates
- Palestine Trade Center (PalTrade)
- Businesswomen Associations in Gaza Strip
- Palestinian Central Bureau of Statistics (PCBS)
- Universities and TVET centers in Gaza Strip
- KHITAN – Creative Fashion Design Center in West Bank

In order to ensure proper setup and provide solid ownership contributing towards the sustainability and business model of the center in the Gaza Strip, it is intended to place it at a space owned and contributed by the specialized industrial association: The Federation of Garments and Textile Industries in Gaza Strip including their commitment to provide for operational costs for the fashion design center (KHITAN Gaza).

D.2. UNIDO INPUTS

D.2.1. INTERNATIONAL STAFF

The project will contract, as needs arise, qualified and specialized national and international experts. The main monitoring tools will be the project progress reports, which will provide detailed information on progress against milestones and financial performance. Qualified candidates, including Japanese nationals, will be invited to apply for positions to help manage and implement the JSB portfolio.

The project will have the overall responsibility for the appropriate use of the donor funds. In accordance with UNIDO's administrative rules and regulations, the project will take responsibility for decisions regarding staff recruitment, contractual agreements, technical assistance, backstopping and project supervision, procurement, monitoring and reporting.

In principle, standard UNIDO procurement modalities of international open competition for goods and services will be followed. However, geographically limited competition for Japanese suppliers might be used if deemed appropriate for the implementation of certain project activities and provided that the necessary budget is available.

D.2.2. INTERNATIONAL AND NATIONAL EXPERTS

UNIDO will assemble a pool of international and national experts to develop and deliver technical assistance as needed in the project implementation. In most instances, the international experts will work closely with national experts. The table below provides a list of the types of international and national experts that will be engaged on the project. This list is illustrative and will be further developed during the inception phase.

#	Expert Type	Scope
International Experts		
1	Industrial Development Expert	<p>A UNIDO L Staff from the Department of Agri-business, responsible for providing technical advice and input to the implementation of the Project Component on Creative Industry. Their input will be charged as direct cost to the project.</p> <p>Provide technical backstopping support to the project manager and implantation team in Palestine and be facilitating and ensuring the coordination between the HQs and the project implementation team in Palestine.</p>
2	Sustainable Energy Expert(s)	<p>Develop and deliver training programs on energy management auditing for various target groups. In addition, provide technical support to assisted enterprises as required.</p> <p>Develop and deliver training programs on the design, installation and maintenance of Solar Thermal technologies. In addition, provide technical support to assisted enterprises as required.</p>
3	Design and Technical Experts	<p>Introduce to established and emerging design trends; decide on a theme for a collection, sketches the main designs through drawings and computer-aided design programs; select fabrics and accessories for each garment; supervises the development of prototypes and finalize the delivery of the collection.</p> <p>Generate a list of feasible and well positioned destinations, program and activities to expose designers and entrepreneurs to global fashion trends, technology and markets</p>
4	Communications and Marketing Expert	Design and implement awareness raising, communications and marketing campaigns to promote project activities and impact, including industry workshops and seminar, promotion for innovation competition, and dissemination of best practices.
4	Enterprise Development Experts	Develop applicable business models for Garments and Textile Industries; design and deliver training programs on business models; support SMEs and entrepreneurs in business model development and validation.
5	Gender Expert	Gender analysis to identify the specific circumstances of women and girls, men and boys, and provide a basis of how their priorities and needs will be integrated in the implementation of the project.
National Experts		
1	Sr. Programme Officer	Be responsible for overall management and coordination of the UNIDO portfolio of projects in Palestine
2	National Project Coordinator	Be responsible for the day-to-day project implementation based in Gaza, and coordination with UNIDO project office in Ramallah and HQs.
3	Gender Expert	Gender analysis to identify the specific circumstances of women and girls, men and boys, and provide a basis of how

		their priorities and needs will be integrated in the implementation of the project.
4	Sustainable Energy Expert	Contribute to the technical development and delivery of trainings on the design, installation and maintenance of renewable energy technologies and provide technical support to assisted enterprises as required. Provide the technical input required for the organization of informative awareness sessions.
5	Product Development Expert	Liaise with the designer expert to finalize the implementation of designs and materials; supervise the execution of drawings, pattern making, and sewing; disseminate technical knowledge in patterns' drafting, cutting, and fitting. Contribute to the preparation of the promotional material, photoshoot and organization of media campaign.
	Project Assistant	Provide administrative, logistical and financial support based in HQs.

E. BUDGET

The project follows the results-based management budget structure. In order to be able to respond to changing conditions and so as to ensure swift implementation, UNIDO may make budgetary adjustments, not foreseen in the project document, according to its rules and regulations: UNIDO will inform the donor about changes between budget components. In the case that shifts between outputs greater than 15 per cent become necessary, UNIDO will submit a revised budget for approval by the donor, showing and explaining the required changes. Changes between budgetary components are not to affect the total budget made available for the project. The project's indicative budget breakdown by output is summarized in Annex 2.

The project, classified as "post conflict" type of intervention with focus poverty reduction and peace building, is exempted from the 1 per cent coordination levy applied to humanitarian assistance, as outlined in the Operational Guidance for Implementing the Coordination Levy of 12 March 2019.

Budget Narrative

- 11-00 Cost to cover the recruitment of international experts
- 15-00 Project travel: which includes for the whole duration of the project: (1) DSA for project travel of personnel assigned to the project and other nationals that may be involved in the project (but excluding International Experts).
- 16-00 Split missions of HQ's technical personnel for the supervision and monitoring of the project activities.
- 17-00 Administrative support staff for the project including a full-time national coordinator.
- 21-00 Subcontracts for service providers, including the conduct of the value chain assessment, the development of the training materials, the elaboration of the "Garment and Fashion Design Center" business plan and the development of marketing materials

- 30-00 Cost for participatory training and workshops including a study tour for selected participants to a renowned fashion institution
- 43-00 Rent of an office in Ramallah for the project team in a cost-shared basis with other UNIDO projects
- 45-00 Purchase of equipment including a car and technical equipment and furniture for the “Garment and Fashion Design Center”
- 51-00 Miscellaneous costs including running costs and communication materials costs.

F. MONITORING, REPORTING AND EVALUATION

The project will be subject to reporting, review and evaluation process in line with the prevailing UNIDO’s policies and procedures.

Auditing: The trust fund will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and administrative instructions and directives of UNIDO. Whether or not an audit of a specific project will be performed is usually subject to risk assessments by either the External Auditor or UNIDO’s Internal Oversight Services.

Reporting: UNIDO will keep the donor informed about the progress of the project and will provide a final narrative report as well as a final financial statement within six months after the completion of the project. Monitoring of the project activities will include data collection including age and sex- disaggregated data and analysis arrangements, baseline information, program of work and budget expenditures.

Evaluation: Independent evaluations of projects are initiated for projects larger than EUR 2 million (excl. psc.); when required by and agreed with the donor, when projects encounter major implementation problems or serious disagreement between stakeholders.

For this project, the project management unit will prepare a final report within three months after operational completion, a terminal report will be prepared to assess, in a concise manner, the extent to which the project scheduled activities have been carried-out, the outputs produced, and the progress achieved towards the project objectives. It will also present recommendations for any future follow-up action arising out of the project. The final self-evaluation report will include a conflict/gender sensitivity approach of the implementation to draw lessons learnt. After being approved by the counterpart, the report will be sent to the donor with copies to project counterparts for their information and appropriate actions.

Remaining funds: Upon submission of the final financial statement, any surplus remaining in the trust fund will either be returned to the donor or disposed of as requested by the donor

Project monitoring will apply gender-responsive indicators, i.e., report on gender-disaggregated KPIs and targets.

G. LEGAL CONTEXT

Basic terms and conditions governing UNIDO projects apply to the project and form an integral part of this Project Document. The UNIDO Basic Terms and Conditions is included in Annex 3.

Annex 1. Log-Frame

Project title: Promoting the economic integration of women and youth for enhanced resilience and social stabilization in the Gaza Strip

Duration: 12 months | **Project area:** Gaza Strip, Palestine | **Project beneficiaries:** Garment and textile value chain actors, producers, entrepreneurs, designers with special focus on vulnerable young women and men, in particular, affected by the COVID-19 pandemic

Result Chain	Assumptions	Indicators	Target	Means of Verification
Overall Goal:				
To enhance and promote economic resilience and social stabilization of women and youth in Palestine through increased economic opportunities and job creation and through improved accessibility to energy efficiency measures and renewable energy sources to reduce production costs and enhanced competitiveness of the value chain in local and external markets.	The security and political situation do not deteriorate.	<ul style="list-style-type: none"> Increased income amongst population of the project area as measured by consumption level Variation in unemployment rates (disaggregated for women and youth) Lifetime direct and indirect project CO₂ emission reductions (ENV.1)² MWh's of annual reduced electricity consumption in the Garment sector in Gaza Strip. (ENV.3) 	<ul style="list-style-type: none"> To be defined during inception phase TBD Percentage decrease of CO₂ emissions. TBD Percentage annual reduction electricity saved 	<ul style="list-style-type: none"> IOM, UNHCR and other relevant international organizations statistics. Palestinian Statistics Authority
Expected outcome:				
Upgrading the capacities and skills of women and youth to innovate and enhance their employability in the garments and fashion value chain in the Gaza Strip while deploying sustainable energy solutions for improved access to affordable energy resources and technologies.	The economic and business climate enables access to markets and sufficient job creation.	<ul style="list-style-type: none"> Increase in sales (local vs exports) (ECO.1) Increase in exports (ECO.3) New products developed 	<ul style="list-style-type: none"> To be defined during inception phase 	<ul style="list-style-type: none"> Terminal report M&E reports Surveys Data collection
Expected outputs				

² The alphabets and number in a bracket after some indicators are the codes of the key performance indicators as per UNIDO's Integrated Results and Performance Framework. The key performance indicators are developed to assist in UNIDO planning, reporting and management.

<p>Output 1: Upgrading the garments and fashion value chain in the Gaza Strip through the establishment of Gaza Creative Fashion Design Center.</p>	<p>The implication of all relevant stakeholders in the implementation of the project is high.</p> <p>Beneficiary companies are willing to innovate, access new markets and formally hire young people and women.</p>	<ul style="list-style-type: none"> • Number of enterprises upgraded in design and technical capacities. (KASA 1, KASA 2) • Number of strategy and business plan developed. (KASA 1) • New products developed and sales realized. (KASA 1, KASA 2) • Number of technical assessments conducted with a market scoping. • Creative Fashion Design Center established (KHITAN GAZA). (Yes/No) 	<ul style="list-style-type: none"> • (30-50) Enterprises. • At least one gender responsive analysis and action plan. • (%) TBD during inception phase. • At least 1 Assessment • Yes, one that is gender responsive center. 	<p>UNIDO</p> <ul style="list-style-type: none"> • Activities reports • M&E reports • Surveys • Data collection
		<ul style="list-style-type: none"> • Number of gender analysis conducted. • Gender responsive training needs assessment conducted. • Number of training program/agenda developed. (TCO.1) • Number of beneficiaries trained on design in the center (for young women and men). (REA 1. REA 2) • Number of new collections developed. 	<ul style="list-style-type: none"> • One Analysis. • One gender responsive training program for 12 months. • 100-150 (at least 30% women). • Two new collections (at least 1 new product per enterprise). 	
		<ul style="list-style-type: none"> • Number of Covid-19 guidelines developed. • Number of communication supports (posters, brochures) outlining the recommended Covid-19 related sanitary measures. • Trainings orienting beneficiaries towards the guidelines' implementation 	<ul style="list-style-type: none"> • Three guidelines protocols (general sanitary measures, textile industry sector, sanitary gears production). • At least one poster, one brochure distributed through social media platforms and printed out to be distributed during Khitan's events. • At least two trainings, participation certificates, training reports. 	

		<ul style="list-style-type: none"> • Number of communication and marketing materials developed • Number of business linkages established (GOV. 2) • Number of partnerships /agreements realized (GOV. 2) • Number of trade-shows participations (REA 1, REA 2) • Number of awareness events organized (CPO. 1) 	<ul style="list-style-type: none"> • At least 3 communication materials (website, brochure, catalogue, social media campaign...), all gender responsive. • At least 2, at least one for a women led enterprise • At least 2, at least one for a women led enterprise • At least 1 • At least 3 	
<p>Output 2: Supplementing and improving accessibility to sustainable energy sources for productive purposes aiming at achieving lower production costs and enhanced competitiveness:</p>	<ul style="list-style-type: none"> • Willingness of enterprises to receive training • SMEs available resources to implement energy efficiency audit • Identified number of RE/EE projects. • The enterprises in Garment sector demonstrate interest in RE/EE market opportunities 	<ul style="list-style-type: none"> • Number of energy audits conducted by the project. • Number of EE interventions identified, and plan is defined for each targeted SME (REA 1, REA 2) • Number of SMEs assisted to implement no cost/low-cost EE interventions in each targeted SME. (REA 1, REA 2) • Percentage of saving realized in energy consumption cost in production. (TEC 1) 	<ul style="list-style-type: none"> • 30 Energy Audit for SMEs. • 30 EE interventions plans, one in each targeted SME. • 25 SMEs (implement no cost/low-cost EE interventions). • Average of 30% savings. 	<ul style="list-style-type: none"> • UNIDO / MoNE and Federation of Garments and Textile Industries in Gaza Strip • Financial Institution (traditional and Islamic banking services) • UNIDO – Training Records/training material user level
		<ul style="list-style-type: none"> • Number of awareness sessions are conducted to promote application of sustainable energy. (CPO. 1) • Number of RE solutions designed for 25 targeted SMEs. (REA 1, REA 2) • Number of SMEs' access to affordable energy facilitated and supported. (REA 1, REA 2) • Number of SMEs' procured and implemented of RE solutions. (REA 1, REA 2) 	<ul style="list-style-type: none"> • 30 Energy Audit for SMEs in the Garment sector. • 30 SMEs in the Garment sector. gender-disaggregated • 15 SMEs (signed co-financing agreements). gender-disaggregated 	

		<ul style="list-style-type: none"> • Number of SMEs beneficiaries implementing RE solutions trained on Energy Management. (REA 2) 	<ul style="list-style-type: none"> • 15 SMEs implemented RE solutions. gender-disaggregated • 30 SMEs user level individuals' staff trained. gender-disaggregated 	
		<ul style="list-style-type: none"> • Number of enterprises supported/coached for the implementation of COVID-19 measures at the facilities level • Awareness session on the feasibility of implementation of EE/training components highlighting RE solutions for building back better to enhance economic competitiveness in COVID-19 crisis. 	<ul style="list-style-type: none"> • 10-30 SMEs in the Garment sector supported/coached for implementing COVID-19 measures at facility level • At least One training session on EE/RE solutions for economic competitiveness as means to respons. 	

Annex 2: Budget Breakdown per Output

BL	Description	Total (USD)
Output 1: Upgrading the garments and fashion value chain in the Gaza Strip through the establishment of Gaza Creative Fashion Design Center		
11	International experts & support staff	\$ 114,775.00
15	Project travel	\$ 2,000.00
16	Staff travel	\$ 2,000.00
17	National experts & admin staff	\$ 84,000.00
21	Subcontracts	\$ 24,000.00
30	In-service training, networking, production workshops	\$ 34,000.00
43	Premises	\$ 7,000.00
45	Equipment	\$ 85,000.00
51	Miscellaneous	\$ 9,000.00
Sub-total Output 1		\$ 361,775.00
Output 2: Supplementing and improving accessibility to sustainable energy sources for productive purposes aiming at achieving lower production costs and enhanced competitiveness		
11	International experts & support staff	\$ 30,000.00
15	Project travel	\$ 2,000.00
16	Staff travel	\$ 2,000.00
17	National experts & admin staff	\$ 102,000.00
21	Subcontracts	\$ 54,000.00
30	In-service training, conferences, workshops	\$ 14,000.00
43	Premises	\$ 10,800.00
45	Equipment	\$ 275,000.00
51	Miscellaneous	\$ 10,919.00
Sub-total Output 2		\$ 500,719.00
TOTAL		\$ 862,494.00
Programme Support Cost (13%)		\$ 112,124.00
GRAND TOTAL		\$ 974,618.00

Annex 3. UNIDO Basic Terms and Conditions

dated January 16th, 2021

PROJECT TITLE: Promoting the economic integration of women and youth for enhanced resilience and social stabilization in the Gaza Strip, State of Palestine (hereinafter, the "Project")

PROJECT NUMBER: 200210

BASIC TERMS AND CONDITIONS GOVERNING UNIDO PROJECTS

Pending the conclusion of a Standard Basic Co-operation Agreement between UNIDO and the Government of Palestine (hereinafter referred to as "the Government") which shall govern the provision by UNIDO of industrial development assistance financed from the UNIDO Industrial Development Fund (IDF) or from other funds administered by UNIDO, the Government agrees to the following Basic Terms and Conditions which shall apply to the above-mentioned Project as laid down in the Project Document and its Appendices (hereinafter referred to as the "Project Document"), and which form an integral part of the subject Project Document:

I. IMPLEMENTATION OF THE PROJECT

1. The Government and UNIDO shall share overall responsibility for implementing the Project, including responsibility for its implementation and the realization of its objectives, in accordance with the Project Document.
2. The Government and UNIDO shall each carry out such activities or implement such measures as are stipulated in the Project Document and Work Plan forming part of the Project Document, and which they have undertaken to accomplish by signing the Project Document.
3. The Project shall be implemented within the framework of UNIDO's Technical Assistance services. To this end, the respected activities will be managed by UNIDO through the UNIDO Programme Office in Palestine in close coordination with the UNIDO Focal Point at the Ministry of National Economy. Without prejudice to the Government's overall responsibility for UNIDO-assisted projects, the Government and UNIDO agree that UNIDO shall assume primary responsibility for implementation of the Project in consultation and agreement with the Ministry of National Economy.
4. Compliance by the Government with any prior obligation agreed to be required for UNIDO assistance to the Project shall be a condition for performance by UNIDO of its responsibilities with respect to the Project. Should provision of such assistance be commenced before such prior obligations have been met, it may be suspended or terminated without notice at the discretion of UNIDO.
5. UNIDO shall appoint a Chief Technical Adviser or Project Co-coordinator responsible to UNIDO for overseeing the participation of UNIDO in the Project at the project level. He/she shall supervise and coordinate activities of experts and other UNIDO personnel. He/she shall

be responsible for the management and efficient utilization of all UNIDO-financed inputs, including equipment provided to the Project.

6. In the performance of their duties, advisory experts or associate experts, consultants, firms, organizations and volunteers³ shall co-operate with the Government and with persons or bodies designated by the Government, and shall comply with such guidance from the Government as may be appropriate to the nature of their duties and the assistance to be given and as may be mutually agreed upon between UNIDO and the Government.

7. Technical and other equipment, materials, supplies and all other property financed or provided by UNIDO shall belong to UNIDO unless and until ownership thereof is transferred, on terms and conditions mutually agreed upon between the Government and UNIDO, to the Government or to an entity nominated by it.

8. Patent rights, copyrights and other similar rights to any discoveries or work resulting from UNIDO assistance under this Agreement shall belong to UNIDO. Unless otherwise agreed by the Government and UNIDO in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty or any charge of similar nature.

II. INFORMATION CONCERNING THE PROJECTS

1. The Government shall furnish UNIDO with such relevant reports, maps, accounts, records, statements, documents, statistical data and other information as it may request concerning the Project, its implementation or its continued feasibility and soundness, or concerning the compliance by the Government with its responsibilities under the Project Document.

2. UNIDO undertakes that the Government shall be kept currently informed of the progress of its assistance activities under this project. Either party shall have the right, at any time, to observe the progress of operations on the Project.

3. The Government shall, subsequent to the completion of the Project, make available to UNIDO at its request information as to benefits derived from and activities undertaken to further the purposes of the Project, including information necessary or appropriate to its evaluation or to evaluation of UNIDO assistance, and shall consult with and permit observation by UNIDO for this purpose.

4. The Government and UNIDO shall consult each other regarding the publication, as appropriate, of any information relating to the Project or to benefits derived therefrom.

³ United Nations Volunteers.

III. PARTICIPATION IN AND CONTRIBUTION OF THE GOVERNMENT TOWARDS THE IMPLEMENTATION OF THE PROJECT

1. If the provision of equipment forms part of UNIDO's assistance to the Government, the latter shall meet charges relating to customs clearance of such equipment, and unless otherwise provided in the relevant Project Document, also the charges relating to its transportation and insurance from the port of entry to the project site together with any incidental handling or storage and related expenses, its insurance after delivery to the project site and, its installation, commissioning and maintenance.
2. The Government also shall meet the salaries of trainees and recipients of fellowships during the period of their fellowships.
3. The Government shall, as appropriate, display suitable signs at each project identifying it as one assisted by UNIDO.

IV. PRIVILEGES AND IMMUNITIES

1. The Government shall apply to UNIDO, including its organs, its property, funds, assets and its officials, the provisions of the Convention on the Privileges and Immunities of the United Nations, except that if the Government has acceded in respect of UNIDO to the Convention on the Privileges and Immunities of the Specialized Agencies, the Government shall apply the provisions of the latter Convention, including any Annex to that Convention applicable to UNIDO.
2. (a) The Government shall grant all persons, other than Government nationals employed locally, performing services on behalf of UNIDO, who are not covered by paragraph 1 above, the same privileges and immunities as are granted to officials under Section 18 or 19, respectively, of the Conventions on the Privileges and Immunities of the United Nations or of the Specialized Agencies, as applicable.

(b) For purposes of the instruments on privileges and immunities referred to in the preceding parts of this Chapter:
 - (i) All papers and documents relating to the Project in the possession or under the control of the persons referred to in sub-paragraph 2(a) above shall be deemed to be documents belonging to UNIDO;
 - (ii) Equipment, materials and supplies brought into, or purchased, or leased by those persons within the country for purposes of the Project shall be deemed to be property of UNIDO.
3. The expression "persons performing services" as used in Chapters IV and V of this Appendix includes operational experts, volunteers, consultants and juridical as well as natural persons and their employees. It includes governmental or non-governmental organizations or firms which UNIDO may retain to implement or to assist in the implementation of UNIDO assistance to the Project and their employees.

V. FACILITIES AND LIABILITY FOR IMPLEMENTATION OF UNIDO ASSISTANCE

1. The Government shall take any measure which may be necessary to exempt UNIDO, its officials or experts, and other persons performing services on its behalf from regulations or other legal provisions which may interfere with operations under this project and shall grant them such other facilities as may be necessary for the speedy and efficient implementation of UNIDO assistance. It shall, in particular, grant them the following rights and facilities:

- (a) Prompt clearance of officials or experts and of other persons performing services on behalf of UNIDO;
- (b) Prompt issuance without cost of necessary visas, licenses or permits;
- (c) Access to the site of work and all necessary rights of way;
- (d) Free movement within or to or from the country to the extent necessary for proper execution of UNIDO assistance;
- (e) The most favourable legal rate of exchange;
- (f) Any permits necessary for the importation of equipment, materials and supplies, and for their subsequent exportation;
- (g) Any permits necessary for importation of property belonging to and intended for the personal use or consumption of officials of UNIDO, or of other persons performing services on its behalf, and for the subsequent exportation of such property;
- (h) Prompt release from customs of the items mentioned in sub-paragraphs (f) and (g) above, due regard taken of customs clearance limitations that may be introduced by the Israeli authorities.

2. The Government shall bear all risks of operation arising under this project. It shall be responsible for dealing with claims, which may be brought by third parties against UNIDO, its officials, experts, or other persons performing services on their behalf, and shall hold them harmless in respect of claims or liabilities arising from operations under this project. The foregoing provision shall not apply where the Government and UNIDO have agreed that a claim or liability arises from the gross negligence or wilful misconduct of the above-mentioned individuals.

3. The Government shall ensure the protection and security of UNIDO's personnel, installations and property located in Palestine. Measures taken to safeguard and protect project equipment whilst title thereto remains with UNIDO shall at all times be discussed and agreed with UNIDO before any decision is taken in respect of said measures."

VI. SUSPENSION OF ASSISTANCE

UNIDO may by written notice to the Government suspend its assistance to the Project if in the judgment of UNIDO any circumstance arises, which interferes with or threatens to interfere with the successful completion of the Project, or the accomplishment of its

purposes. UNIDO may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the Project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as UNIDO shall give written notice to the Government that it is prepared to resume its assistance.

VII. SETTLEMENT OF DISPUTES

1. Except for disputes regarding privileges and immunities, which are subject to settlement in accordance with Section 30 of the Convention on the Privileges and Immunities of the United Nations or Section 32 of the Convention on the Privileges and Immunities of the Specialized Agencies, the Parties agree that any dispute between UNIDO and the Government arising out of or relating to the interpretation or application of the Project Document or of these Basic Terms and Conditions that is not settled by negotiation or other agreed mode of settlement, shall be submitted to arbitration at the request of either Party. Each Party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third, who shall be the chairman. If within thirty days of the request for arbitration either Party has not appointed an arbitrator, or if within fifteen days of the appointment of two arbitrators the third arbitrator has not been appointed, either Party may request the President of the International Court of Justice to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitration shall be borne by the Parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the parties as the final adjudication of the dispute.

2. Any dispute between the Government and an operational expert arising out of or relating to the conditions of his service with the Government may be referred to UNIDO by either the Government or the operational expert involved, and UNIDO shall use its good offices to assist them in arriving at a settlement. If the dispute cannot be settled in accordance with the preceding sentence or by other agreed mode of settlement, the matter shall at the request of either the Government or UNIDO be submitted to arbitration following the same provisions as are laid down in paragraph 1 of this Chapter, except that the arbitrator not appointed by either Party or by the arbitrators of the Parties shall be appointed by the Secretary-General of the Permanent Court of Arbitration.

VIII. GENERAL PROVISIONS

1. Assistance made available by UNIDO to the Government under the subject Project Document shall be provided and received in accordance with the pertinent regulations, resolutions and decisions applicable to UNIDO, and subject to the availability of the necessary funds to UNIDO.

2. This Appendix may be modified by written agreement between UNIDO and the Government. Any relevant matter for which no provision is made in this Appendix shall be settled by UNIDO and the Government in keeping with the relevant resolutions and decisions of the appropriate organs of UNIDO.

SIGNED by the duly authorized representatives of the Government of Palestine and of UNIDO, in two originals in English, at Ramallah, on this 1st day of February 2021.

For the United Nations
Industrial Development Organization:

For the Government
of Palestine

(Name and functional title)

(Name and functional title)