

Progress Report

1. Report Summary

- (1) **Title of the project:** Emergency Medical Relief Initiative for Public Health Care Facilities (EMRI)
- (2) **Project No:** 59147, **Award No.** 48824
- (3) **Date of the approval:** January 2008
- (4) **Project budget:** US\$10,001,057
- (5) **Scheme of the Project:** Emergency grant
- (6) **Period covered by the report:** 1 October through 31 December 2010 (**Progress Report No.10**)
- (7) **Names of UNDP Officer in charge, and Project Manager with their contact address**
Covadonga Morales Bertrand, Programme Analyst, UNDP/PAPP Jerusalem
(covadonga.bertrand@undp.org , 054-817-4038)
Nour Nasser, Project Manager, UNDP/PAPP Ramallah
(nour.nasser@undp.org, 059-891-9847)
- (8) **Name of PA counterpart**
Mr. Ibrahim Alian – 059-881-8932 Ministry of Health (MoH)

2. Contents

(1) Summary of the project

The overall project aim of the Emergency Medical Relief Initiative (EMRI) is to sustain health care services in the occupied Palestinian territory (oPt).

EMRI will improve health care facilities and enhance the capacities of public hospitals in the West Bank and Gaza Strip through the rehabilitation and construction as well as equipping and furnishing of 3 selected hospitals in Jenin, Tulkarem, and Qalqilia. In addition to the construction of the facilities, the project will supply medical equipments and ambulances in order to benefit a larger segment of the general population.¹

The following explains EMRI's activities:

1. Equipping and furnishing Qalqilia Hospital
2. Equipment and Furniture to be provided to the MoH and to be distributed to different governorates in West Bank
3. Construction of one additional floor of 2,185 sqm in Tulkarem Hospital
4. Construction of 2 additional floors of 3,035sqm in Jenin Hospital
5. Provision of 197 beds to hospitals under construction
6. Provision of 3 Ambulances

The expected outcome of this project is to ensure service provision and access to health services at governmental public hospitals in the West Bank are improved.

The UNDP/PAPP will have the overall responsibility for the implementation of the project and

¹ Due to the political situations and the restrictions imposed by Israel, Gaza based activities could not be implemented.

the appropriate use of funds provided by the Government of Japan with the active involvement and assistance of the Palestinian Ministry of Health.

The improvement of the health care service facilities, provision of medical equipment, and supplements and capacities of the three selected governorate hospitals (Qalqilia, Jenin, and Tulkarem) is expected to result in better access to health services. Especially due to the continuous closure and movement restrictions, this has prevented Palestinian citizens from seeking treatment in order to reach other health care services outside their districts or town.

Results to Date:

Please see below table for results against activities.

(2) Project components (original plan)

Component	Budget	Project site
a. Civil Work Construction	\$4,573,000	Tulkarem Hospital, Jenin Public Hospital
b. Equipment and Furniture		
b.1. Equipping and Furnishing Qalqilia Equipment provision to overall West Bank	\$3,556,340	Qalqilia Hospital, West Bank Hospitals
b.2. Provision of 197 beds to the Ministry of Health	\$236,400	Beds for 2 hospitals (112 for Jenin and 85 for Tulkarem)
b.3. Provision of 3 Ambulances	\$240,000	Ministry of Health West Bank/Civil Defense
b.4. Miscellaneous	\$24,000	West Bank
c. Project Implementation Unit including Project Manager, assistant, engineers, office space, supplies and materials, utilities and security	\$717,042	Ramallah (UNDP office)
d. UNDP General Management Cost (7%)	\$654,275	UNDP/PAPP

(3) Project timeframe, schedule status, progress of activities, and tasks & measures

Indicated output	Activities	Timeframe								Schedule Status	Activities done in the reporting period	Remaining Work	Tasks & Measures
		2010				2011							
		1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q				
Output 1:	<p>1. Civil Works / Construction</p> <p>a. Construction of one additional floor of 2,185 sqm (Tulkarem Hospital)</p>	X	X	X	X					Sep./2010	<ul style="list-style-type: none"> - The overall percentage of the completed construction activities to date is 100% - Preparing for final payment - Coordination with the Ministry of Health technical team, the Representative Office of Japan and UNDP/PAPP Senior Management to set-up a date for the hospital inauguration 	<p>\$ 1,918,133.11 has been paid to the contractor</p> <p>An estimated remaining amount of \$39,000 will be paid to the contractor in February 2011 (final dollar figure depends on the exchange rate to be applied)</p>	
	<p>b. Construction of 2 additional floors at Jenin Public Hospital of 3035 sqm</p> <p>Additional area of 235 sqm on the 3rd floor</p>	X	X	X	X	X	X	X		Expected date of completion March, 2011	<ul style="list-style-type: none"> - Overall percentage of the construction of the 3035 sqm activities to date is: 87% - Additional construction works will start in Feb 2011. 	<p>\$1,876,577.54 has been paid to the contractor</p> <p>The new floors will increase bed capacity of the existing hospital by (95) beds & (22) beds for incubators. In addition to the beds, the following facilities will be available: (19) Patient Rooms, (7)</p>	

Output 4:	Provision of 3 Ambulances	X	X	X	X	X	X	February 2011	<ul style="list-style-type: none"> - Bid Evaluation and selection process - Contract awarding - VAT exemption certificates 	<ul style="list-style-type: none"> - Delivery of the ambulances - Prepare payment of the supplier 	<p>One ambulance is purchased for the benefit of the Civil Defense and two for the Ministry of Health.</p> <p>Ambulances are purchased abroad but equipped locally in Israel.</p> <p>The VAT certificate for the Civil Defense ambulance is still not obtained from the Israeli side which is delaying the process.</p> <p>UNDP is following-up on daily basis with both the MoH and the Palestinian Ministry of Finance responsible for coordinating with the Israeli authorities to obtain the VAT exemption certificate ASAP.</p> <p>The MoH ambulances have been 90% locally equipped. Expected delivery date is February 2011.</p>
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Output 5:	Project Implementation Unit including: Project Manager, Project Assistant, Engineers, and Procurement Specialist as well as office space, supplies and materials, utilities and security.	X	X	X	X	X	X	On Going	- Project Implementation Unit continued operating - The Unit encompasses competent personnel in management, engineering and procurement. - UNDP headquarters staff provides support in terms of finance, procurement, and engineering services.		
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Project Completion Date: Implementation of remaining activities will end on 30 June 2011. An additional 6 month period is needed to close the project operationally and submit completion reports. Project completion date, including closure, is expected on 31 December 2011.

3. Financial report

Budget items (according to the proposal)	A. Original budget (according to the proposal) in USD	B. Revised budget (if the original budget is revised)	C. Disbursement in USD	D. Balance (B-C) in USD	E. Rate of disbursement (%) (C/B*100)
Project Implementation Unit					
Project Manager	120,000	N.A.	83,606.67	36,393.33	69.67%
Project Assistant	60,000	N.A.	35,687.33	24,312.67	59.47%
Electrical Engineer(part time)	31,500	0.00	0.00	0.00	0.00%
Mechanical Engineer (full time)	63,000	0.00	0.00	0.00	0.00%
Civil Engineer (full time)	120,000	N.A.	N.A.	120,000.00	0.00%
Site Engineers (four full-time staff)	90,000	310,000	223,619.13	86,380.87	72.13%
Contingencies	44,000	18,000	17,866.79	133.21	99.25%
Procurement Specialist (one part time)	24,000	0.00	0.00	0.00	0.00%
Office supplies and materials	12,00	13,000	10,699.33	2,300.67	82.30%
Utilities & office space	60,000	76,000	42,495.68	33,504.32	55.9%
Project Implementation Support fees 1%	92,542	N.A.	90,905	1,637.00	98.23%
Equipment and Furniture					
Qalqilia Hospital - Medical equipment & Furniture	1,940,140	1,852,707.03	1,852,707.03	0.00	100.00%
Ministry of Health	1,616,200	1,257,897.00	1,257,897.00	0.00	100.00%
Ambulances	240,000	191,364.00	0.00	191,364.00	0.00%
Miscellaneous	24,000	5,836.00	3,882.41	1,953.59	66.52%

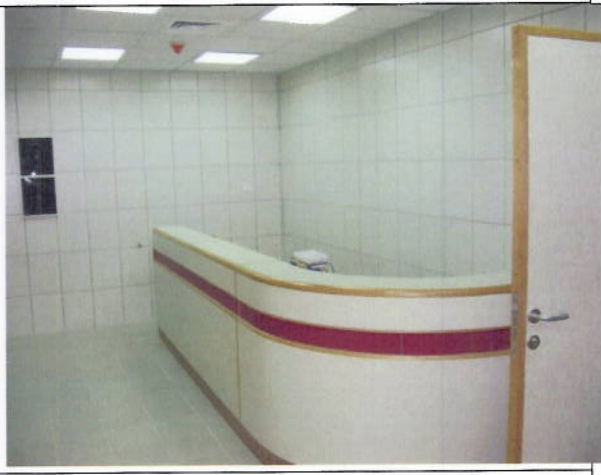
Supplies and Materials					
Beds for 3 hospitals (112 Jenin, 85 Tulkarem)	236,400	328,936.58	0.00	328,936.58	0.00%
Civil Works for Hospitals(Construction)					
Tulkarem Hospital - Construction of Additional floor	1,910,000	1,950,000	1,918,133.11	31,866.88	98.36%
Jenin Hospital - Construction of Additional two floors	2,340,000	2,840,000	1,876,577.54	963,422.46	66.07%
Contingencies-unallocated	212,500	0.00	0.00	0.00	0.00%
Design and Tenders	110,500	N.A.	78,484.41	32,015.59	71.02%
Sub-total	9,346,782	9,346,782	7,492,561.43	1,854,221.17	80.16%
GMS (7%)	654,274.74	N.A.	524,479.30	129,795.48	80.16%
Total	10,001,056.74	N.A.	8,017,040.73	1,984,016.65	80.16%

It is important to highlight that the financial figures in this report are temporary figures, and may be corrected at a later stage due to exchange rate fluctuations, realized gain/loss or any other possible corrections. UNDP/PAPP's financial system operates in such a manner that the financial system closes in early December of each year and that final expenditure reports reflecting the disbursements and GMS of the previous year are only published in March of the following year.

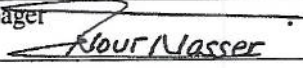
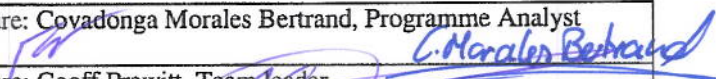
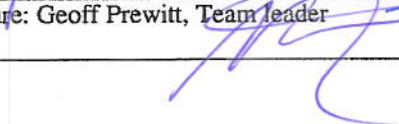
4. Some pictures of Jenin Hospital Construction works



Some pictures of Tulkarem Hospital Construction works



5. Report authorization by UNDP/PAPP

Reporting person, her title and belongings: Nour Nasser, Project Manager	
Date of submission : January 2011	
Supervisor's name and his/her signature: Coyadonga Morales Bertrand, Programme Analyst	
Supervisor's name and his/her signature: Geoff Prewitt, Team leader	



*Representative Office
of Japan to the Palestinian Authority*

December 11, 2010

**Mr. Timothy Rothermel
Special Representative
United Nations Development Program
Program of Assistance to the Palestinian People**

**Subject: Emergency Medical Relief Initiative Program for the Public Health
Facilities (EMRI)**

Referring to your letter dated 11 November, 2010, I am pleased to inform you that the Government of Japan has approved your request for extending the project period and reallocating the budget.

I am aware of the various constraints and inevitable circumstance that cause delay in project implementation, however I regret that the project was not completed by the originally targeted date of December 2009. I would appreciate it if the UNDP/PAPP continues to strive to improve the tender procedures as well as coordination with the relevant parties. I expect the project to be completed as soon as possible within the extended period.

Sincerely yours,

Naofumi Hashimoto
Representative of Japan
to Palestinian National Authority



Jerusalem, 11 November 2010

Subject: Emergency Grant "Emergency Medical Relief Initiative Programme for the Public Health Facilities, No.59147 (EMRI)"
Request for extension of the project duration and reallocation of the remaining budget

Dear Mr. Yamamoto,

UNDP/PAPP is pleased to inform you that the implementation of the EMRI Project is progressing well. The works at Tulkarem Hospital are almost finalized and the official inauguration and handing over to the Ministry of Health (MoH) will take place before the end of the year; all medical equipments have been handed over to the Qalquilia and other West Bank Hospitals. Moreover the overall implementation rate of agreed upon activities exceeds 70%. Please find attached the latest progress report for your information.

As stated in the last progress reports submitted to your attention since the last quarter of 2009 (Progress Report No.6), the EMRI project was supposed to end on 31 December 2009. In these reports, UNDP/PAPP notified you about the forthcoming expiration of the project agreement and has been requesting a no-cost extension in order to accomplish activities as per the original project document.

UNDP/PAPP after consultations with Japan's representatives during the last months, is herewith submitting the rationale behind the latest twenty-three (23) month no-cost extension request submitted within the 9th progress report last October.

If approved by the Government of Japan, the no-cost extension will cover the period of 01 January 2010 to 30 November 2011.

Seventeen months (17) are needed to finish the implementation of the agreed upon activities and six (6) months to close the project operationally and financially.

1. Extension of the project duration

The no-cost extension is requested due to delays in the implementation of activities beyond UNDP/PAPP's control. This extension will enable the project team to finalize all the original activities as per the project document. The revised implementation plan is mentioned in the 9th progress report.

The reasons for the delays in the project implementation are stated below.



a) Tulkarem and Jenin Hospitals construction works

The delays in the agreed construction works at Jenin and Tulkarem hospitals were caused by the Ministry of Health's (MoH) internal process of finalizing the design of the buildings and the municipalities' process of granting construction licenses to UNDP/PAPP.

UNDP/PAPP's Engineering Department as well as the Project Management Unit followed up regularly with MoH, the hospitals directors, and the municipalities in order to accelerate the granting of the necessary building permits. Without these, construction works by UNDP/PAPP could not start.

On the other hand, the bid closing date for potential construction contractors had to be extended due to the lack of sufficient technical information provided by prospective bidders and concerns about the USD exchange rate.

During the evaluation process of submitted offers, it was not possible to determine the financial and technical capabilities of the participating bidders. Therefore further time was given to applicants to provide clarifications and supporting documents.

The evaluation process also required further information from the contractors including references and formal agreements of joint ventures.

The above is a common practice at UNDP/PAPP that ensures the competitiveness and transparency of the procurement process.

The delay was therefore caused by the MOH's internal process and the incomplete information provided by prospective bidders. Upon resolution of these challenges, UNDP/PAPP continued the contract award process as per UN rules and regulations as follows.

Any contract award above US\$ 1 million should be reviewed and approved by the Headquarters Advisory Committee of Procurement (ACP) in New York.

The ACP requested justifications and supporting documents about the technical requirements submitted by the Ministry of Health (MoH). Jerusalem provided the requested documentation in a timely fashion.

ACP also demanded an independent price verification report that was done by an international company located in Amman, Jordan.

This process and additional request by the ACP are meant to further ensure the high-quality and cost-effectiveness of the works to be performed.

b) Ambulances

The Project Management Unit experienced delays in receiving the final technical specifications from the MoH to proceed with the procurement process.

In addition to the above, only last week we received the tax exemption certificates from the Palestinian VAT Department.



The Project Manager invested great efforts in facilitating the coordination among the Ministry of Health, the Ministry of Finance and the supplier in order to obtain the necessary documents to release the three ambulances from the Israeli port as well as for obtaining the VAT exemptions.

The supplier is currently working on releasing the ambulances from the Israeli side. They will be equipped during November and will be handed over to the MoH by the end of the year.

2. Reallocation of the remaining budget (financial report attached)

Equipments for the Qalqilia and West Bank Hospitals were purchased as agreed. However some of the planned equipments were already procured by other donors. Furthermore, the price of some of the equipments was less than originally estimated by the biomedical department at MoH.

Therefore the budget line for equipments has a remaining balance of \$512,535.97 from the originally allocated budget (\$87,433 from the Qalqilia medical equipments; \$358,303 from the West Bank medical equipments; \$48,636 from the ambulances and \$18,164 from the miscellaneous allocation). Please find attached a financial report.

UNDP/PAPP would highly appreciate if the following budget reallocations are approved by Japan in order to complete the project activities.

a) Beds for hospitals under construction

At the beginning of the project, the biomedical department at MoH estimated the price for the 197 envisaged beds at \$236,400. However, the technical and financial evaluation conducted by UNDP/PAPP estimates the final cost at \$328,936 maximum. Therefore an amount of \$92,537 must be reallocated to cover the beds costs.

The reason for this price modification is that the MoH's initial price estimation was not accurate enough. At the same time, the number of requested beds was reduced to 162.

Upon approval of Japan, UNDP/PAPP will conduct a budget revision to cover the difference between the estimated and the final price of the 162 requested beds from the different budget lines with remaining balance.

b) Completion of works in Tulkarem and Jenin Hospitals

The construction works in Tulkarem and Jenin requires additional \$540,000 to complete the activities as per the project document. The breakdown of this amount is as follows: \$40,000 over the original budget to complete Tulkarem works; \$390,000 over the original budget to finish Jenin.

In addition to this, the MoH has requested the building of an additional 235sqm in Jenin. This request is beyond the original scope of work and has been submitted to your attention within the last progress report (attached). If approved by Japan this activity would cost \$110,000 (please see detailed information under issue 3 *Additional requests from MoH*).

The required funds to complete the above are available under the current project budget if the following budget revision is approved by Japan.



• **Tulkarem Hospital:**

Due to the dollar exchange rate, there is a deficit in the estimation price of \$40,000. The price of the lowest responsive bidder was 7,362,003 NIS (\$1,910,000). Once the dollar exchange rate went down, this amount increased and became around \$1,950,000.

Kindly note that the works at Tulkarem are almost accomplished. The approval of the budget revision is needed in order to be able to process the last payment to the contractor.

The new floor in Tulkarem hospital will increase the bed capacity of the existing hospital by forty one (41) beds. It will house an incubator hall, a new pediatric ward, maternity ward, post delivery ward, three delivery rooms and one operating theater.

• **Jenin Hospital:**

The price of the lowest responsive bidder was 10,358,316 NIS or \$2,730,000 (the price in dollar increased after the dollar exchange rate went down). The additional construction works explained above will cost \$110,000, if approved by Japan. Therefore, \$2,840,000 is the final cost for the construction works at Jenin.

A budget revision to cover the additional costs could be done as follows.

The unallocated funds under the budget line for contingencies (\$212,500) will be added to the budget line for Jenin construction works (\$2,340,000 original budget + \$212,500 contingencies unallocated budget = \$2,552,500). The remaining \$287,500 (2,840,000 – 2,552,500) will be added from the remaining funds under MoH WB medical equipment budget line.

The new floors at Jenin Hospital will increase the bed capacity by ninety-five (95) Beds; twenty-two (22) bed for incubators; nineteen (19) patient rooms; seven (7) isolation rooms; one (1) intensive care unit (ICU); one (1) operating theater; one (1) labor and incubator ward; one (1) blood bank; labs for routine analysis, clinical pathology and bacteriology; five (5) nurse stations, one (1) ward for sterile packing, dispatch and decontamination; two (2) management offices; three (3) doctor rooms; two (2) staff rooms with facilities (bathrooms, kitchenette, changing rooms).

c) Covering project implementation unit expenses

During the extension period the salaries to be covered for the project team are explained as follows:

• **Site Engineers:**

The original budget estimated salaries for two (2) site engineers at \$90,000. However the implementation of the remaining construction will require the work of four (4) full-time site engineers instead of two (2).

The salaries for four (4) site engineers until the end of the project require a reallocation of \$220,000 from the original budget. The estimated revised budget is therefore equal to \$310,000 (\$90,000 (original budget) + \$220,000 = \$310,000).

The electrical engineer, mechanical engineer and the procurement specialist budget lines can be cancelled as their services are not required; the contingency budget line can be reduced by \$26,000.



This will release the needed funds which can be reallocated to the four (4) site engineers' budget line as follows: \$31,500 (electrical engineer) + \$63,000 (mechanical engineer) + \$24,000 (procurement specialist) + \$26,000 (\$44,000 - \$18,000 contingency) + 90,000 (four site engineers) = \$234,500

An additional \$75,500 can be reallocated from the remaining MoH West Bank medical equipments budget line to the engineers' line. This will make the \$310,000 available (\$234,500 + \$75,500 = \$310,000). Please see attached the financial report for further details.

- **Office supplies & office space:**

An amount of \$1,000 should be made available to cover the cost of the office supplies and materials until the end of the project in November 2011. The revised budget line would be \$13,000 instead of \$12,000.

The cost of utilities and office space until the end of the project amounts to \$16,000. The revised budget line under "utilities & office space" would be \$76,000 instead of \$60,000.

The amount of the extra \$17,000 (\$1,000 (office supplies & materials + \$16,000 (utilities & office space) = \$17,000) can be reallocated from the remaining funds under MoH WB medical equipments budget line.

- **Project implementation support fees:**

All budget lines under the project implementation unit component, including the 1% support fees, will be equal to \$809,542.

3. Additional requests from the Ministry of Health

As mentioned above and in the attached progress report, the MoH submitted to the project team new requests beyond the original scope of the project document. If approval is granted by Japan, EMRI could cover the additional costs for this activity from the existing budget.

Please find detailed information below.

- **Additional construction at Jenin hospital:**

Expand the ongoing construction of the Jenin hospital by building on the third floor an additional area of 235 square meters. The new construction would incorporate three (3) training rooms to serve as a new training department.

This new department would be utilized to provide training activities and educational programs for the hospital staff, medicine students and other Palestinian institutions working on the fields of nursing, medical services, surgery, obstetrics, paediatrics and anaesthesiology.

UNDP's Engineering Department did an initial cost estimation of \$110,000 based on unit prices of ongoing EMRI constructions and detailed bills of quantities (please find attached detailed bill of quantities). All related works would be completed by the end of March 2011.

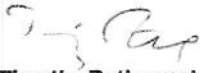
Please find attached budget and cost breakdown for your revision.



We remain at your disposal for any further information.

Best regards!

Sincerely,


Timothy Rothermel
Special Representative (a.i.)

ANNEXES

1. 9th Progress Report
2. Financial Report September 2010
3. Detailed budget for additional construction at Jenin Hospital