

Ref: (PAL10-00098764)

20 October 2016


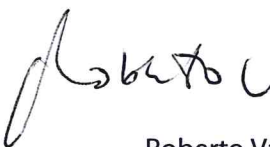
Dear H.E. Takeshi Okubo - San,

Progress Report Number 1: Rehabilitation of Electricity Power Distribution Network in three areas in the Gaza strip

Reference is made to the above mentioned subject, and based on the contribution agreement between Government of Japan and UNDP's Programme of Assistance to the Palestinian People for the "Rehabilitation of Electricity Power Distribution Network in three areas in the Gaza strip)" Project UNDP, hereby is pleased to submit the First Progress Report for the above mentioned Project.

The report summarizes the progress of the project and provides an overview of the achievements, challenges, lessons learned, financial status and way forward.

I thank the Government of Japan for its contributions to UNDP and look forward to strengthening our partnership in support of the Palestinian People.



Roberto Valent
Special Representative of the UNDP Administrator
UNDP/PAPP

H.E. Takeshi Okubo
Ambassador for Palestinian Affairs
Representative of Japan to the Palestinian Authority
Ramallah, Palestine

Progress Report

1. Report Summary

- (1) **Title of the project:** Rehabilitation of Electricity Power Distribution Network in three areas in the Gaza strip.
- (2) **Project No.** PAL10-00098764 **Award No.** 94677
- (3) **Date of approval:** 18 March 2016
- (4) **Total project budget:** USD 2,000,000
- (5) **Scheme of the Project:** Emergency grant (Japanese Supplementary fund)
- (6) **Period covered by the report:** (Progress Report No. 1) converting the period from July to September 2016.

2. Names of UNDP Officer in charge, and Project Manager with their contact address:

- Iman Al Hussein, Infrastructure Specialist, Gaza office.
Email: iman.husseini@undp.org
Tel.: 0599606775
- Alaa Al Shalaby, Electrical Engineer, Gaza office.
Email: alaa.shalaby@undp.org
Tel.: 0592625628

3. Name of PA counterpart, title, belonging, and contact address

- Abed al Kareem Abdeen, Undersecretary of Palestinian Energy Authority.
Email: Abdeen90@yahoo.com

4. Contents

(1) Summary of the project

The Project's main objective is to help address the needs of the energy sector in Gaza by improving and rehabilitating the electricity power networks in three main areas in Gaza Strip.

The Project targeted areas are Gaza, North, and Khan Younis Governorates in the Gaza Strip where all electrical cables and wires with different sizes will be rehabilitated including all associated accessories.

The overall progress achieved includes the completion of procurement process for the First Package (Supply of steel and electrical materials). Four contracts were signed with the suppliers. The suppliers have issued a purchase orders for all the supplied materials and all

these materials are in the manufacturing stage. List of materials was uploaded for the access coordination web site to get the Israeli authorities approval for the project.

In addition, draft designs were prepared for the Second Package (Supply of steel and electrical materials) and tender documents are currently under preparation.

(2) Project component

Component	Budget USD	Project site
a. PACKAGE #1 - Supplying of steel and electrical materials	1,167,924	Gaza, Beit Hanoun, Khuza'a and Al Fukhari
b. PACKAGE #2 - Installation of steel and electrical materials	509,076	Gaza, Beit Hanoun, Khuza'a and Al Fukhari
c. Project implementation Unit	147,485	
d. coordination and reporting	27,367	
e. GMS (8%)	148,148	
f. Total Budget	2,000,000	

(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	
		2016				2017								
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Output 1: 51 kilometers of electrical cables and wires with different sizes in Gaza, Beit Hanoun, Khuza'a and Al Fukhari	PACKAGE #1 - Supplying of steel and electrical materials <ul style="list-style-type: none"> Review designs and BOQS prepared by GEDCO. Prepare tender documents. Advertise and tender the project Review and Evaluate all received tenders, Award the contracts, Start Supplying materials and implementation stage. Hand over materials to GEDCO stores. 		X	X	X	X					On going	<ul style="list-style-type: none"> The designs & BOQs were reviewed. The tender documents were prepared. The tenders were advertised online. All received tenders were reviewed and evaluated. The contracts were awarded and 4 contacts were signed. The suppliers start the implementation and materials are in the manufacturing stage. 	<ul style="list-style-type: none"> Completion of the implementation stage and delivering all the remaining materials into Gaza Hand over materials to GEDCO stores. 	
	PACKAGE #2 - Installation of steel and electrical materials		X	X	X	X					On going	<ul style="list-style-type: none"> The designs & BOQs were reviewed. The tender documents were prepared. 	<ul style="list-style-type: none"> Completion of all procurement stages. 	

	<ul style="list-style-type: none"> • Review designs and BOQs prepared by GEDCO. • Prepare tender documents. • Advertise and tender the projects • Review and Evaluate all received tenders, • Award the contracts, • Start construction and implementation work. • Coordinate with GEDCO to Supervise construction works • Complete all construction works • Hand over projects to GEDCO. 											<ul style="list-style-type: none"> • Coordinate with GEDCO to Supervise construction works 	<ul style="list-style-type: none"> • Awarding the contracts, • Starting the construction and implementation work. • Completion of all construction works • Handing over all projects to GEDCO. 	
--	--	--	--	--	--	--	--	--	--	--	--	---	--	--

Project Completion Date:

2. Financial report

Budget Item	Description	A. Original Budget USD	B. Disburseme nt USD	C. Balance USD (A-B)	D. Rate of Disbursemen t (%) (B/A*100)
Rehabilitation of Electricity Power Distribution Network in three areas in the Gaza Strip	➤ PACKAGE #1 - Supply of steel and electrical materials	1,677,000	233,583.99	1,443,416.01	13.93%
Project Implementation	Project Implementation	147,485	11,495.62	135,989.38	7.79%
Coordination and Reporting	Coordination and Reporting	27,367	30,000		
Sub –Total		1,851,852	275,079.61	1,579,405.39	14.85%
GMS (8%)		148,148	919.65	147,228.35	0.62%
Total Budget		2,000,000	275,999.26	1,724,000.74	13.80%

3. Any special notes or remarks

- The Project is passing through critical stage with a great challenge of implementation within the prescribed timeframe. Close monitoring is practiced to enable achieving the goals within the allocated time frame.
- The Project was delayed for more than 4 weeks due to the delay from GEDCO to prepare list of priorities for the targeted electricity networks, however changed and was finally settled on 20 April 2016 to the proposed scope and locations.
- List of the materials was prepared and submitted on 2 May 2016 to the Israeli side (COGAT) for approval in order to coordinate for entering the materials into the Gaza Strip. Until now, approvals are not granted. PENRA was approached to obtain support and they are working on moving it forward. UNDP team is monitoring the progress very closely.
- Evaluation stage was long because the submitted tenders needed further clarifications from different factories and suppliers in order to assure compliance with prescribed specifications.

4. Pictures of project



Al Shejaiya – East Gaza



Al Shejaiya – East Gaza



Khuza'a – South Governorate

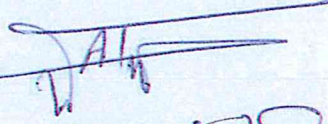


Beit Hanoun – North Governorate

Report Authorization by the UNDP/PAPP:

Reporting personnel and title:

Alaa Al Shalaby, Electrical Engineer



Reviewed by:



Hekmat El Khairy, Deputy Head of Infrastructure Unit (Technical Management), Gaza office

Reviewed and cleared by:

Iman Al Hussein, Infrastructure Specialist, Gaza office



Approved by:



Basil Nasser, Head of Gaza office