

Ref: UNDP/ PAL 10-00098764

8 December 2017

Your Excellency,

**Subject: Rehabilitation of electricity power distribution networks
in three areas of the Gaza Strip
Progress Report 5**

Reference is made to the contribution agreement between the Government of Japan and UNDP's Programme of Assistance to the Palestinian People for the **Rehabilitation of Electricity Power Distribution Networks in three areas in the Gaza Strip**, effective 18 March 2016.

I am pleased to submit herewith Progress Report No. 5 for the abovementioned project.

The report summarizes the progress of the project from March 2016 to September 2017, 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 the Palestinian People through UNDP and look forward to strengthening our partnership in support of the Palestinian People.

Sincerely yours,



Roberto Valent
Special Representative of the Administrator
UNDP/PAPP

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



من الشعب الياباني
From the People of Japan



*Empowered lives.
Resilient nations.*

**United Nations Development Programme
Programme of Assistance to the Palestinian People**

Country: occupied Palestinian territory

Donor: Government of Japan

Project: Rehabilitation of Electricity Power Distribution Network in Three Areas of the Gaza Strip

PAL10-00098764

Progress Report 5

September 2017

Progress Report 5

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.** 00094677
- (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 5) covering the period from March 2016 to September 2017.

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
- Hekmat El Khairy, Deputy Head of Infrastructure Unit, Gaza office.
Email: hekmat.khairy@undp.org
Tel.: 0599606791
- 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, Deputy Minister 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 the Gaza Strip. The project targets three main areas of the Gaza Strip including Gaza, North, and Khan Younis.

The project includes the rehabilitation of all electrical cables and wires of different sizes; and all associated accessories. The overall progress achieved includes the completion of the procurement process for the First Package (Supply of steel and electrical materials). Four contracts were signed with the suppliers. The suppliers have issued purchase orders for all the supplied materials, and have finished the manufacturing process, and all materials were delivered into Gaza and stored in UNDP and GEDCO stores.

In addition, three contracts for the Second Package (Installation works) were signed and the implementation works have started. Meetings were held with GEDCO and contractors to coordinate for the implementation of the installation package.

2- Project components

Component	Budget USD	Project site
a. PACKAGE #1 - Supply 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	

(2) 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							
		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4				
Output 1 : 51 kilometres of electrical cables and wires with different sizes in Gaza, Beit Hanoun, Khuza'a and Al Fulkhari	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 projectReview and evaluate all received tenders.Award the contracts.Start supplying materials and implementation stage.Hand over materials to GEDCO storage areas.	X	X	X	X	X	X	X		On going <ul style="list-style-type: none">Designs and BOQs were reviewed.Tender documents were prepared.Tenders were advertised online.All received tenders were reviewed and evaluated.The contracts were awarded and 4 contracts were signed.Suppliers started the implementation.Manufacturing process was completed.Inspection phase for the materials was completed in the countries of origin of materials.All materials have been shipped to Ashdod Port and delivered to Gaza.All materials have been stored and handed over to UNDP and GEDCO storage areas.	<ul style="list-style-type: none">Completion of the implementation stage and delivering all remaining materials into GazaHand over materials to UNDP/GEDCO stores.		

PACKAGE #2 - Installation 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 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. 				X	X	X	X			On going	<ul style="list-style-type: none"> • Designs and BOQs were reviewed. • Tender documents were prepared. • Coordination with GEDCO and municipalities to supervise construction works was completed. • Tenders were advertised online. • Awarding the contracts was completed. • Three contracts for the installation works were signed and the commencement letters were issued end of September. • Meetings were held with GEDCO, municipalities and contractors to coordinate for the implementation of the installation works in targeted areas. 	<ul style="list-style-type: none"> • Starting the construction and implementation works. • Completion of all construction works. • Handing over of all Projects to GEDCO. 	
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Project Completion Date: 31 December 2017

2. Financial report

The below table shows the financial status of the project including disbursement and balance up to September 2017. It is worth to mention that UNDP has already submitted a request for no-cost extension for the project until end of December 2017.

Budget Item	Description	A. Original Budget USD	B. Disbursement USD	C. Balance USD (A-B)	D. Rate of Disbursement (%) (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	1,130,066.4	546,933.6	67.39%
Project implementation	Project implementation	147,485	136,288.43	11,196.57	92.41%
Coordination and reporting	Coordination and reporting	27,367	30,000.00	(2,633.00)	109.62%
Sub –Total		1,851,852	1,296,354.83	555,497.17	70.00%
GMS (8%)		148,148	103,708.39	44,439.61	70.00%
Gain and Loss			7.94	(7.94)	
Total Budget		2,000,000	1,400,071.16	599,928.84	70.00%

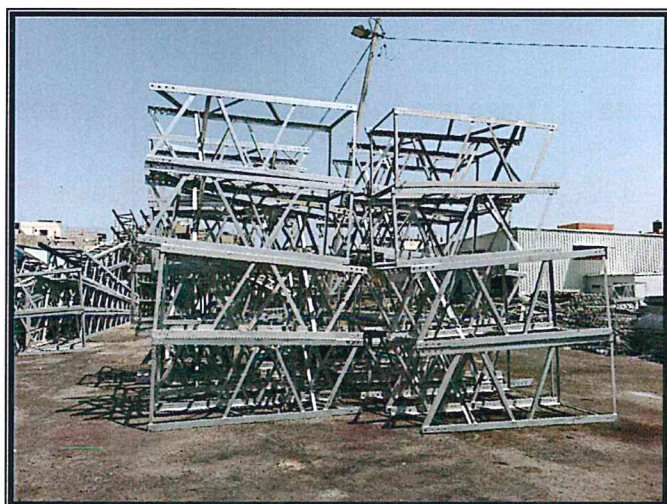
3. Any special notes or remarks

- The project was delayed for more than four weeks due to the delay from GEDCO to prepare the list of priorities for the targeted electricity networks, and was finally settled on 20 April 2016 to the proposed scope and locations.
- Evaluation stage was long because the submitted tenders needed further clarifications from different factories and suppliers in order to ensure compliance with prescribed specifications.
- List of the materials was prepared and submitted on 02 May 2016 to the Israeli side (COGAT) for approval in order to coordinate for the materials entry into the Gaza Strip. While partial approvals for the materials were received on 26 April 2017, PENRA was approached to obtain support and they are working on moving it forward. UNDP team is monitoring the progress very closely. The transformers were entered into the Gaza Strip and the cables and wires were cleared by the Israeli Authorities to enter Gaza. The steel materials manufactured in Jordan are still waiting the Israeli approvals to enter Gaza directly.

Thus, the project is anticipated to be in critical stage due to delay in providing materials into the Gaza Strip which will adversely reflect on the installation activities within the prescribed timeframe. The project expenditure until the end of September 2017 was USD 881,720.99, while the balance stands at USD 1,118,279.01. In this regard, UNDP has submitted an official request of the second no-cost extension to the ROJ to extend the implementation period until end of December 2017. The request was approved by the ROJ on 21 August 2017. Close monitoring is practiced to enable achieving the goals within the proposed time frame.

4. Pictures of Project

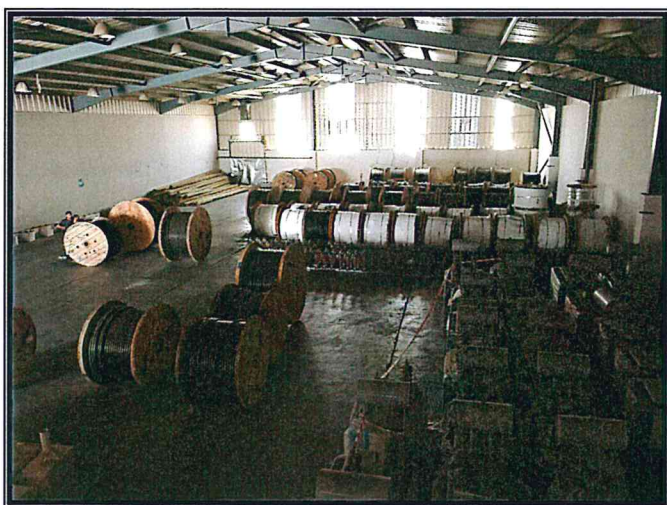
5.



Delivered Steel Materials



Delivered Switches Disconnectors

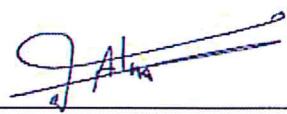
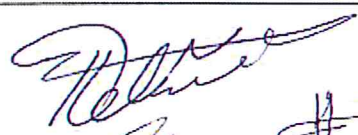
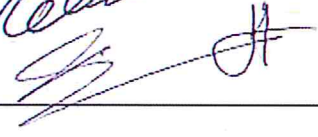


Delivered Cables and Wires



Delivered Transformers

5. Report authorization by UNDP/PAPP

Reporting person, title and belongings: Alaa Al Shalaby, Electrical Engineer	
Date of submission: 30/09/2017	
Supervisor staff with signature: Hekmat El Khairy, Deputy Head of Infrastructure Unit Iman Al Hussein, Infrastructure Specialist	 
Head of Gaza Office: Basil Nasser	