

UNITED NATIONS DEVELOPMENT PROGRAMME

Programme of Assistance to the Palestinian People

PROJECT DOCUMENT

Number: PAL/99/J21/A/53/31

Title: Development of the Northern Wing at Princess Alia Hospital in Hebron District

Duration: 32 Months

Project Site: Hebron District in the West Bank

ACC/UNDP Sector: 1300 Health
Sub-sector: 1310 Health System Infrastructure

Local Implementing Institution: Palestinian Ministry of Health

Executing Agency: United Nations Development Programme (UNDP)

Estimated Starting Date: October 1999

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<u>UNDP:</u>	
SPR-PAPP	US\$
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<u>Trust Fund:</u>	
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From the Government	
Of Italy	US\$ 2,900,000

This project aims at assisting the Palestinian Authority to carry out its National Health Plan through the construction of the first stage (ground and first floors) of the Northern Wing at Princess Alia Hospital in Hebron. The project specifically aims at increasing access to quality hospital treatment and care for the population of Hebron District while contributing towards the development and improvement of hospital facilities in the West Bank.

On behalf of

Signature

Date

Name/Title

United Nations
Development Programme

T. S. Gue

20 Oct. 1999

Mr. Timothy Rothermel
Special Representative

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PROJECT DOCUMENT READY FOR SIGNATURE:

Project Document Title: Development of the Northern Wing at Princes Alia Hospital in Hebron.
Project Number: PAL / 99 / J21
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A. Introduction

The project described in this document will finance a partial development of the northern wing at Princess Alia Hospital in Hebron District in the West Bank through a contribution of US \$ 7,000,000 made available by the Government of Italy. UNDP through its Engineering Department will serve as Executing Agency for the project. The project represents a major step in the implementation of the Palestinian Authority's Master Plan for the Development of Eight Government Hospitals in the West Bank.

Hebron Hospital has been selected as a hospital to be assisted for the following reasons. Hebron District is among the most heavily populated of the West Bank, with a present population of 401,154¹, which is projected to grow to about 450,000 by the year 2002. The hospital-bed population ratio in the district is one of the lowest in the West Bank, namely 0.51 per 1000 population, versus an overall average for Palestine of close to 1:1000.

The existing hospital has a present bed-capacity of 142 (40 beds are temporary) and is still incapable of providing the quality of care, which the growing population of the district requires. Furthermore, the continuous closure of Jerusalem and the limited access of the Palestinian population, specifically from the south of the West Bank to Jerusalem hospitals, exacerbated the situation even further. Hebron District population depended tremendously on the services provided by the hospitals in Jerusalem, which are not available-any more.

The full Master plan for Hebron Hospital calls for the eventual construction of a modernized hospital with a capacity of 142 permanent beds. The funds under the present project will permit completion of the first stage. Activities will entail the construction of the first two floors (ground and first floors) of the northern wing of Princess Alia Hospital covering an area of approximately 4,840 m². The building will include the following functions: delivery rooms, emergency department I.C.C.U. and ICU intermediate, physiotherapy, main lobby, archives and reception area, dining room and kitchen, as well as the necessary electro-mechanical equipment, elevators and electric power transformers. Future development of the Master Plan will include the completion of the second and third floors housing obstetrics, gynecology department and pediatric wards, as well as modifications in the existing building.

¹ Source: Palestinian Bureau of Statistics (PBS), 1999

B. Context

B.1. Description of the Health Sector

In spite of formidable data problems, a fairly broad consensus exists regarding the general outlines of health conditions in the Gaza Strip and in the West Bank. Life expectancy, infant mortality and patterns of morbidity in the West Bank and Gaza are believed to be fairly similar to those typically found in lower-middle income countries. Life expectancy at birth is estimated at 70 years. The infant mortality rate is 24-28 infant deaths per thousand live births, which is high by international standards. Gastrointestinal and respiratory infections are reported as major problems in the Gaza Strip but not in the West Bank. High rates of respiratory and skin infections continue to be reported by residents of refugee camps due to crowded housing and poor environmental sanitation. The communicable diseases of childhood --mumps, whooping cough, tetanus, measles and polio-- have been largely controlled through a successful child immunization program. Moderate and severe malnutrition is virtually unknown. Food supplies are adequate in quantity and fairly well distributed. The customary diet is rich in proteins and fiber and low in animal products but provides too little of some micro-nutrient, particularly iron. Weaning practices generally are also sound. The West Bank reports high prevalence rates for cardiovascular diseases, hypertension, diabetes and cancer-- diseases usually associated with highly developed countries. However, these findings may reflect the selectivity of the sample produced by well-equipped clinics and by the aggressiveness of diagnostic efforts at these facilities. The pattern of disease is somewhat different in the Gaza Strip than in the West Bank. The two areas are distinct in terms of environmental conditions, economic circumstances, social situations and social services. Nonetheless, the reports that are available do not reveal major differences, except in the area of chronic, adult-onset diseases.

Major weaknesses in the current system of health care services have been identified in the National Health Plan (April 1994) as follows:

- * Selective rather than comprehensive services are provided which translates into inequality in the distribution of health care services.
- * The cost of health services for the consumers is high.
- * Lack of coordination among major health providers impedes the process of developing efficient health services capable of satisfying rapidly the needs of the Palestinians.
- * Lack of integration between health and social services, and, within the health sector, between Primary Health Care and Hospital Care.
- * Only approximately 45% of the population benefit from the health insurance plan.
- * In the Primary Health Care System, general practitioners do not act as "gatekeepers" and that result in a high proportion of direct referrals to hospitals.
- * The patient's choice of facilities is limited.

- * There are insufficient incentives for health personnel to improve their productivity and efficiency.
- * Public awareness of health hazards, disease protection, health facilities, and methods for an effective use of available health services is low.
- * Environmental hazards are not properly addressed.
- * There is a lack of proper and reliable data on health and health related conditions.
- * Poor management of existing facilities are leading to low efficiency as well as low quality of care and patient satisfaction.
- * Finally, there are significant variations in health status and health care geographically, socially and among different occupations within the Palestinian Territories. The ratio of hospital beds, physicians and other medical personal per 1000 population varies considerably from district to district.

Achievement of greater coordination and economic efficiency in the health sector is complicated by the fact that health services are provided by four clusters of providers who act independently of one another to a large extent. These are (a) the Palestine National Authority's Ministry of Health; (b) UNRWA, as regards health care of refugees; (c) numerous voluntary NGO's; and (d) for profit providers (private physicians, clinics, centers, and hospitals).

Serious efforts are now underway by the PA to improve the functioning of the system. Towards this goal a National Health Plan has been formulated, which is complemented by a Master Plan for the Development of the 8 Government Hospitals in the West Bank. The goals and strategies are summarized in the following section.

B.2. Host Country Strategy

The policy and strategy of the PA for the development of the health sector in the West Bank and Gaza Strip are set out in detail in the document entitled "National Strategic Health Plan 1999 – 2003", published by the Research, Planning and Development Department in May 1999.

The point of departure for the strategy is the recognition that health is a multi-disciplinary subject involving 5 related but distinct factors, namely: (a) human biology; (b) the environment; (c) human behavior; (d) health care services; and (e) economic factors. The first 3 of these are considered to be the most significant leading to the conclusion that an effective health strategy must deal not only with medical care and treatment but also with disease prevention, health promotion and health protection.

Against this background the goals of the National Health Plan are as follows:

- * Forming the foundation for an action plan for all health providers;
- * Reducing health disparities among Palestinians;

- * Increasing and promoting greater access to preventive services for all Palestinians;
- * Encouraging cost effectiveness in health care delivery;
- * Regulating health personnel by adhering to specific criteria;
- * Coordinating existing health programs;
- * Establishing a comprehensive health insurance system.

The strategies for achieving these goals include the following:

- * Integrating national health goals with local health goals;
- * Focusing on improving health status of the people who live in the health service area;
- * Using data describing health status to express goals and objectives in ways that permit evaluation of progress toward achievement;
- * Treating health services as an integrated system and evaluating the impact of proposed changes in any portion of the system on other portions of that system;
- * Considering the effects of the environment and personal behavior on health status;
- * Setting targets and priority needs in such a manner that they may be used to govern subsequent decisions and actions of health providers;
- * Influencing national policy;
- * Considering and influencing the actions of planning agencies and others that have an influence on the health system of the Palestinian people.

The National Health Plan is intended to provide a basis for the health providers to review proposed changes in the health system, to reduce deficiencies and inefficiencies, and to promote achievements to meet identified community health needs. Additionally, the National Health Plan is expected to pinpoint areas of excess and/or unnecessary duplication, and to provide guidance to address the problem of health care cost increases.

With regard to the expansion of health care facilities and hospitals in particular, it is recognized that both the increasing competition for resources and the high cost of health care are major issues. Therefore, it is necessary to plan the development of such facilities in a coordinated way based on a careful analysis of priorities.

The Health Plan is accordingly supplemented by a Master Plan which has been formulated jointly with the Israeli Civil Administration and which includes detailed proposals for the expansion and up-grading of Government hospitals in the eight districts of the West Bank². The Princess Alia Hospital, which is the subject of the present project proposal, is one of these.

² Published under the title "Development of the Government Hospitals in Judea and Samaria", by the Israeli Civil Administration's Health Services, November 1994, 2 Volumes

The goals of the Hospital Master Plan are:

- * Improve the quality of services provided by the hospitals.
- * Expand their bed-capacity to bring it into better proportion to the size of the population in the various districts; and
- * Reduce the significant disparities in hospital access that presently prevail among the various districts of the West Bank.

As regards the institutional framework for the delivery of health care, the strategy is to continue to foster a pluralistic and decentralized system comprising a mix of governmental and non- governmental providers (page 86 of the National Plan). Recognizing that a certain degree of central guidance is necessary to ensure effective and efficient management of the health sector, a Palestine Council of Health has been established, whose functions are described in section B.4 below

It may be noted that the principles of decentralization and community participation have been followed in the preparation of the National Health Plan. Prior to its drafting, a lengthy process was followed over some 14 months using the Nominal Group Technique (NGT). Nineteen meetings and workshops were held throughout the West Bank and Gaza Strip in which about 215 persons participated representing a mix of different community social status. The participants considered to be representative of users, and potential users of health services as well as health care providers in the Territories. The aim was to determine how these participants perceive health sector problems and possible approaches to their solution.

B.3. Prior and Ongoing Assistance

Since the initiation of the Peace Process, the health care sector in the Palestinian Territories continued to attract a substantial amount of international donor assistance. The largest single source has been UNRWA. Bilateral assistance has been provided by several donors such as, Italy, Japan, Sweden, Norway and USAID. UNICEF, WHO and UNDP has also served as channels and executing agencies for a substantial portion of the funds provided by bilateral donors for health project activities. NGO assistance in the sector has also played a major role in the sector and has been provided through the Red Crescent Societies, the Patient's Friend Societies, as well as other grassroots organizations and international NGO's, such as Medicines Sans Frontiers, MAP-Canada and MAP-UK, etc. In the hospital sub-sector, the main projects assisted by international donors have been:

- (a) UNRWA-supported hospital in Qalqilia in the north of the West Bank
- (b) Projects implemented by UNDP as follows:

(b.1.) Expansion and enlargement of three hospitals in the West Bank, namely the Princess Alia Hospital in Hebron, Ittihad Hospital in Nablus and Beit Jala Hospital through the ongoing project under revision. The total project cost amounts to US \$ 9.3 million and is funded by the Government of Italy.

(b.2.) Construction and rehabilitation of several hospitals wards for Nasser Hospital in Khan Younis, as well as the Shifa Hospital and the Psychiatric Hospital in Gaza City.

These project activities, amounting to approximately US \$ 1.0 million, were part of the employment generation programme funded by the Government of Sweden.

(b.3.) Procured hospital equipment and material, such as kitchen and laundry equipment, medical surgery instruments, cleaning supplies and other items to Nasser Hospital in Khan Younis and Shifa Hospital in Gaza city. This activity, amounting to approximately US \$ 730,000, was funded by the Government of Norway.

(b.4.) Assistance is currently being provided for the first phase of the rehabilitation of Tulkarem Government Hospital. Activities entail the construction of a new emergency unit and related hospital services. This project, amounting to US \$ 2,050,000, is funded by the Government of Japan.

B.4. Institutional Framework for the Health Sector

During the period of Israeli occupation, the Israeli Civil Administration was in charge of health services in the West Bank and the Gaza Strip. With the advent of Palestinian self-rule, responsibility for the sector has been transferred to the Palestinian Authority and its Ministry of Health. A National Health Council was initially established to promote development and coordination of the health sector. Lately, the Ministry of Health was established and assumed responsibility for planning, coordinating and providing services in the sector.

However, the health care delivery system continues to be a mix of public and private institutions, comprising presently, the Palestinian Authority, UNRWA, NGOs and for-profit providers. There are 9 government hospitals in the West Bank, with a total of about 1098 beds. Eight of these are general hospitals (778 beds) and one psychiatric hospital.

C. Project Justification

C.1. Problem to be addressed

This project is intended to address 3 inter-related problems, which presently constitute serious obstacles to adequate health care in Hebron District. The first of these is the acute shortage of hospital beds presently available to the population of Hebron District. The number of beds presently available are 142 in the government-run Princess Alia hospital and 37 beds in a non-governmental hospital run by a non-governmental organization. The ratio of beds per 1000 persons is accordingly 0.51, the second lowest rate of the 8 governmental hospitals in the West Bank, and far lower than the average for the West Bank and Gaza Strip, which is about 1 bed for 1000 population. The ratio in neighboring countries of the region is up to 2 beds per 1000. In several other countries, the ratio is 3 per 1000.

In accordance with PCBS estimates, the population in Hebron District is projected to increase to about 450,000 by 2002. If not dealt with on an urgent basis, hospital care and treatment in the District will only deteriorate steadily over the next few years.

The second problem to be addressed by this project is the need to improve the quality of health care by increasing the number of medical services offered by Princess Alia Hospital and bring them to acceptable standards. Although the eastern wing of the hospital was enlarged and rehabilitated through the funding of the Italian Government under PAL/89/R52-Development of Health Institutions, the quality of health care is still lower than it should be. Some essential medical functions, such as physiotherapy, delivery rooms, emergency rooms, etc. do not meet the demands of the population of Hebron.

In addition, given the mobility restrictions and continuous closures imposed by Israel, obtaining a permit to access medical facilities or specialized health services in Jerusalem and Israel is becoming more and more difficult. Hence, it is important to guarantee a greater degree of independence of the Palestinian medical infrastructure from the services provided outside the district.

A third issue to which the proposed expansion of Princess Alia Hospital is related to is the future of the Primary Health Care (PHC) system in Hebron District. This system now comprises a network of Primary Health Clinics and will need to be expanded as the population grows. While the main function of a PHC system is to provide preventive and not curative health care, one of its important functions is also to detect the need for treatment at an early stage and arrange for hospitalization.

C.2. Expected end of project situation

The full Master Plan for Princess Alia Hospital calls for the eventual construction of the northern hospital wing and the rehabilitation of the existing building, with a bed capacity when completed of 180 - 190 beds. It is estimated that the total future build-up area as per the hospital master plan will be 12,000 m². This will include the renovation and modification of the existing building covering an area of approximately 3,100 m² and the construction of the new wing of approximately 8,900 m².

The construction of the first stage, to be financed under the present contribution will comprise the construction of the first two floors (ground and first floors) of the northern building (as detailed in the attached Annex). Total estimated area to be built is 4,840 m².

The net result of this activity will be greater access of the population of Hebron District to quality hospital treatment and care, as well as improved working conditions for the medical nursing and technical staff. In the longer term, as the full Master Plan is completed, the cost-effectiveness of the hospital is expected to improve.

C.3. Target Beneficiaries

The beneficiaries of this project activity will be the following:

- Residents of Hebron District, who will have increased access to hospital treatment, specialized medical services and care of higher quality.
- The administrative and medical staff of the hospital who will carry out their professional duties in a more professional manner and in a better human and technical

department.

- The general population as a whole, since the project will also generate employment opportunities and income for a large number of Palestinians.
- The Palestinian Authority who will be able to meet the demands of the population and enhance their overall capacity for service delivery.

C.4. Project Strategy and Implementation Arrangements

The selection of Princess Alia Hospital for expansion and modernization with external donor assistance is fully consistent with the Palestinian Authority's overall strategy for the health sector as set out in the National Health Plan. The construction of the northern wing is included within the hospital development plan, which is part of the Master Plan for hospital development in the West Bank. Furthermore, since the project outlined in this document has been discussed and agreed upon among all parties concerned (the PA, the Government of Italy, the Hospital Administration and UNDP), it does not represent a random or arbitrary choice, but a coordinated network of priority health facilities planned by the PA. The construction strategy has been based upon the present availability of funds, US \$ 7.0 million, from the Government of Italy to complete the first stage of the Northern Wing at Princess Alia Hospital in Hebron.

As regards implementation arrangements, UNDP will serve as the Executing Agency through its Engineering Department. A Memorandum of Understanding (MOU) between UNDP and the Ministry of Health will be prepared in order to undertake the agreed upon works.

The Ministry of Health will provide information concerning its the needs and priorities, as well as facilitate the implementation of the various project activities to be undertaken.

Construction will be carried out through contracts with one or more building contractors selected under UNDP's normal bidding procedures. UNDP's staff and engineers will supervise and monitor the work and provide the other services listed in Section E below.

Following completion of the work, the Palestinian Ministry of Health will be responsible for the operation and maintenance of the hospital.

C.5. Reasons for UNDP and Italian Assistance

Through another UNDP project, PAL/89/R52-Development of Health Institutions in the West Bank, which entailed the rehabilitation and expansion of three hospitals in the West Bank, UNDP has attained a high level of expertise in the field of health infrastructure. UNDP and the Government of Italy have developed a highly productive partnership in the implementation and construction of health facilities, facilitated in great part by the special expertise available through UNDP's highly experienced Engineering Department. With regards to Princess Alia Hospital in Hebron, UNDP has already provided assistance to the Hospital by constructing a three-story wing (Eastern Wing) and by undertaking major renovation on the existing building. Additional services, such as an outpatient clinic, specialty clinics, an expanded surgery ward, as well as other essential clinical services

were provided.

Given UNDP's previous involvement in the rehabilitation works of Hebron Hospital, UNDP has acquired an excellent technical knowledge required for the continuation of the development of the hospital Master Plan.

The Palestinian Authority considers the expansion and renovation of Princess Alia Hospital as a high priority, but does not have the funds to implement the project. According to the Palestinian Ministry of Health's Budget Report, released in early 1995, less than 5% of the necessary funding for health infrastructure (estimated at \$300 million) has been raised. As described in Section A above, the existing hospital has a present bed-capacity of 142 and is still incapable of providing the quality of care which the growing population of the district require. Furthermore, the continuous closure of Jerusalem and the limited access of the Palestinian population, especially from the south of the West Bank to Jerusalem hospitals, exacerbated the situation even further. Hebron District population depended tremendously on the services provided by Al-Maqased and Augusta Victoria Hospital, which are not available any more.

From the point of view of UNDP an adequately functioning health care system is one of the essential and most basic requirements for sustainable human development. The project also has a strong poverty alleviation dimension, which is one of UNDP's primary objectives in all countries where the Programme is working. To be poor does not only mean to have a low income but also to be deprived of essential services or to be dependent on inadequate low-quality services, of which health services are among the most important.

C.6. Coordination Arrangements

Coordination of the actual construction work (including phasing of the work, timely supply of the necessary equipment and materials, etc.) will be the responsibility of the building contractors who are awarded the contract, under the supervision of UNDP's own engineers.

UNDP will ensure full coordination with relevant Palestinian institutions and the Ministry of Health.

C.7. Counterpart Support Capacity

As the bed-capacity of the hospital is expanded with a corresponding increase in the patient load, the hospital administration will have to expand the number of physicians, nurses, technicians and other hospital staff.

The recurring costs of the facility will be met partly from patients' fees largely covered by their insurance, and partly from the budget of the Ministry of Health. It is expected that the necessary budgetary allocation will have been made by the time the construction work is completed.

D. Development Objective

Through the construction of the Northern Wing at Princess Alia Hospital in Hebron, the long-term objective of the project will be to improve the level of advanced medical services and hospitalization conditions at Hebron District by expanding access of residents of Hebron District to a modernized district hospital.

E. Immediate Objectives, Outputs and Activities

The immediate objective of the project is to provide assistance to implement the PA's Hospital Development Master Plan for the West Bank, through the implementation of the first stage of the Northern Wing of Princess Alia Hospital in Hebron. Objectives, Outputs and Project Activities are detailed as follows:

Activities

Outputs

Objectives

<p>1. Improvement of medical services and hospitalization conditions for the residents of Hebron District</p>	<p>1.1 Detailed engineering designs, working drawings prepared on the basis of the preliminary drawings contained in the Master Plan.</p> <p>1.2 Tender documents for the construction work prepared and issued, including bills of quantities, etc.</p> <p>1.3 Construction work carried out for the first stage of the northern wing at Princess Alia Hospital in Hebron</p> <p>1.4. Project completion reports.</p>	<p>1.1-1 Tenders for the design work prepared by UNDP; bids solicited and reviewed; design consultants selected and contract negotiated.</p> <p>1.2-1 Prepare and issue documents (UNDP); select bids and screen them, select contractor; prepare and negotiate contract.</p> <p>1.2-2 Identification and recruitment of the necessary technical staff needed for the project management, monitoring and supervision.</p> <p>1.3-1 Implementation of the projects by the selected contractor.</p> <p>1.3-2 Supervision of the work by UNDP Engineering Unit at all stages through periodic inspections and close contacts with site engineer to ensure satisfactory quality of the work and compliance with contract provisions.</p> <p>1.3-3 Provide assistance in the procurement of construction materials or equipment if needed.</p> <p>1.3-4 Check requests for periodic payment; approve the work and arrange for disbursements of payments.</p> <p>1.3-5 Carry out final inspection and hand over the facility to the Palestinian Authorities.</p> <p>1.4-1 Prepare regular financial and progress reports, as well as completion report to be submitted to the donor.</p>
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As the final output of the above activities:

- Ground and first floors of the new planned northern wing at Princess Alia Hospital will have been completed.
- Number of medical services will have been increased by providing the functions detailed in the attached Technical Annex.
- Residents of Hebron District will have increased access to hospital treatment, specialized medical services and care of higher quality.

F. Inputs

1. By the Palestinian Authority

The Palestinian Authority will provide:

- a) The land on which the northern wing will be constructed;
- b) Engineering drawings, licenses and permits;
- c) Any other logistical or administrative support that may be required to facilitate the work.

2. By the Donor

It is envisaged that the total cost of the completion of the northern wing of Princess Alia Hospital in Hebron will amount to approximately US \$ 7.0 million. The funds will be disbursed by UNDP under the Trust Fund modality. In accordance with UNDP rules and regulations, project budget will be subject to UNDP support cost at a flat rate.

3. By UNDP

UNDP through its Engineering and Programme Departments will provide:

- a) The support services described in Section E (Project Activities) above.
- b) Assistance in the procurement of equipment, tools and materials.
- c) Financial management and accountability for the funds provided by the donor.
- d) Identification of consultants, if needed, and formulation of their Terms of Reference and contracts.

G. Risks

Major risks could be border closures, curfews etc. which are likely to prevent or seriously delay the actual construction of the hospital preventing the importation of needed materials. In addition, some questions need to be considered regarding the operation of the hospital following completion of the construction phase as follows:

- a) Modern medical infrastructure cannot be built without the acquisition of equipment and the training of teams (technicians and other laboratory personnel) to operate it. Significant

investment will be required to provide the new wing with the necessary medical equipment, instrumentation and professional medical training.

b) The staffing required, and whether the necessary number of additional trained specialist physicians, residents, nurses and other personnel will readily be available.

c) The issue of recurring costs and whether the PA's health budget will in fact be sufficient to supplement patients fees to the extent needed to meet the operating costs of what will be a much larger medical facility.

H. Project Reporting, Review and Evaluation

1. Reporting

- UNDP will:
- Prepare biannually financial and operational progress reports to be submitted to the Donor.
 - Prepare any additional report, as requested by the Donor.
 - Prepare a comprehensive terminal report not later than two months after project completion.

2. Review and Evaluation

The project will be subject to joint review by representatives of the Ministry of Health, and UNDP at least once every 12 months, the first such meeting to be held within the first 12 months of the start of the implementation.

I. Project Budget

Project Budget is based on the tables provided under the attached Technical Annex.

Budget Summary

No.	Activity	Budget Amount (US\$)
1	Sub-contract construction works	5,976,300
2	Amount at UNDP disposal for engineering services, equipment (if required), and complementary works	220,181
3*	Site Engineer (24 months @ \$2,500/m)	60,000
4**	Project vehicle including maintenance and operation for 24 months	25,000
5***	Technical Assistance and Capacity Building	200,000
6	UNDP Support Cost @ 8%	518,519
	Grand Total	7,000,000

* Site Engineer: A Site Engineer will be recruited throughout the project duration of 24 months, for a monthly salary of \$2500. S/He shall have a B.S. Degree in Civil Engineering with a minimum of five years practical experience in building construction and related electro-mechanical works. His/her main duties and responsibilities will include:
Daily site supervision of all construction activities to check and ensure that the material,

equipment and workmanship incorporated in the project are in full compliance with the designs, specifications and safety regulations. The Engineer will also be responsible for giving written and guiding instructions to contractors; measuring and recording the actual quantities of executed works; preparing daily and monthly progress reports; studying and reporting on contract claims and variations; and acting as liaison between the hospital administration, the UNDP/PAPP Engineering Unit and the contractor.

**** Project Vehicle:** For a project of this large size, a full supervision team from the UNDP technical departments, in addition to the project site engineer, will be involved in monitoring the project implementation. Hence a project vehicle will be put to full use by all the project supervision staff including the site engineer, the UNDP project engineer, the UNDP specialist engineers (Mechanical and electrical), and the UNDP programme manager in-charge of the project. Mainly, it will be utilized by the project staff for the following purposes:

- Travel from and to the construction site;
- Travel to equipment and materials suppliers, production factories, and material testing laboratories in order to carry out quality assurance tests;
- Transport the project staff to various meetings with designers, involved counterpart ministry and relevant government agencies to facilitate project implementation.

Other vehicles from the UNDP general pool will also be utilized by the project supervision team. Surely one vehicle will not be sufficient for all the activities stated above. However, one vehicle cost only will be charged to the project budget.

The Vehicle including its O&M cost is estimated in accordance with the following:

Vehicle Cost (1998 VW Passat):	\$18,000
Insurance (1000x2yrs):	\$ 2,000
License Charges (500x2yrs):	\$ 1,000
Operation (fuel at \$ 100/month x 24):	\$ 2,400
Maintenance (800x 2yrs):	<u>\$ 1,600</u>
Total	\$25,000

***** Technical Assistance and Capacity Building:** This line item will be utilized to cover the cost of various training activities for the hospital staff in Palestine. UNDP will propose a "Plan of Activities", to be agreed upon with the Italian General Consulate in Jerusalem/UTL. A copy of the Plan will be sent to D.G.C.S. for their approval. The plan will be updated every six months starting the beginning of the programme and will reflect the implementation time of the various activities incorporating:

- medical staff training;
- technical/maintenance staff training;
- and other capacity building activities if needed.

J. Technical Annex

The following are the budgetary requirements for implementing the first stage of the hospital's development master plan through the construction of the first two floors of the Hospital Northern Wing. The total estimated budget is US \$ 7,000,000, as detailed in the following tabulation. Works will comprise completing the ground and first floors for the Northern Hospital Wing at levels +50.00 and +54.00, respectively.

- The Functions included in the first floor level comprise: delivery rooms, emergency department, I.C.C.U. and ICU intermediate, including all electro-mechanical equipment, electric power transformer, and elevators.
- The ground floor includes the functions of: workshops & storage, dining room & kitchen, physiotherapy, main lobby, archives and reception area and the electric power transformers.

Cost Estimate Summary Table No. 1 for Phase I
Complete Skeleton for Two Levels and Finishing for First Floor Level +54

No.	Description	Total US\$
1	Earth moving, razing and dismantling	39,780
2	On-site concrete pouring work	884,978
3	Pre-cast concrete work	18300
4	Construction work	64940
5	Sealing work	169395
6	Carpentry and steel metalwork	159730
7	Sanitary work	474317
8	Electrical work	1693959
9	Plastering work	55865
10	Flooring and covering work	207726
11	Painting work	106380
12	Aluminum work	81490
13	Stone work	112275
14	Air conditioning work	528364
15	Central heating	569352
16	Prefabricated members in the building	179260
17	Furniture and fixed equipment in the building	69300
18	Stainless steel kitchen equipment (ground floor)	2200
19	Elevators	370000
20	Site development and landscaping works	188689
	Total	5,976,300

UNITED NATIONS DEVELOPMENT PROGRAMME

BUDGET DOCUMENT

UNDP - Programme of Assistance to the Palestinian People

Funding : 31

Project No : PAL/99/J21/R/53/31

Title : Development of Northern Wing at princes Alia hospital

Line Description	T O T A L		1999		2000		2001		2002					
	WM	Budget	AOS	WM	Budget	AOS	WM	Budget	AOS	WM	Budget	AOS		
10. PERSONNEL														
17. LOCALS														
17. LOCAL PROFESSIONALS														
1701 UNDP Site Engineer	14.0	35000	2800	0.0	0	2.0	5000	400	12.0	30000	2400	0	0.0	0
1702 UNDP Elect. Engineer (Part-time)	12.0	10000	800	0.0	0	0.0	0	0	12.0	10000	800	0	0.0	0
1703 Ministry of Health Engineers	0.0	57500	4608	0.0	0	0.0	28800	2304	0.0	28800	2304	0	0.0	0
1749 SUBTOTAL. LOCAL PROFESSIONALS	26.0	102500	8208	0.0	0	2.0	33800	2704	24.0	68800	5504	0	0.0	0
1799 SUBTOTAL	26.0	102500	8208	0.0	0	2.0	33800	2704	24.0	68800	5504	0	0.0	0

1999 COMPONENT TOTAL	26.0	102500	8208	0.0	0	2.0	33800	2704	24.0	68800	5504	0	0.0	0

20. SUB-CONTRACT														
2101 Construction Contracts		2500000	200000		0		500000	40000		2000000	160000			0
2102 Engineering/Complementary Works		30000	2400		0		0	0		30000	2400			0
2399 COMPONENT TOTAL		2530000	202400		0		500000	40000		2030000	162400			0

40. EQUIPMENT														
45. LOCAL PROCUREMENT														
4501 Procurement (Proj. vehicle, gas, etc		26500	2120		0		18000	1440		8500	680			0
4599 SUBTOTAL		26500	2120		0		18000	1440		8500	680			0

4999 COMPONENT TOTAL		26500	2120		0		18000	1440		8500	680			0

UNITED NATIONS DEVELOPMENT PROGRAMME

BUDGET DOCUMENT

UNDP - Programme of Assistance to the Palestinian People

Funding : 31

Project No : PAL/99/J21/A/53/31

Title : Development of Northern Wing at princes Alia hospital

Line	Description	T O T A L		1999		2000		2001		2002		
		WM	Budget	AOS	WM	Budget	AOS	WM	Budget	AOS	WM	Budget
50.	MISCELLANEOUS											
5201	Project Evaluation		10000	800	0	0	10000	800	0	0	0	0
5301	Sundries		16085	1287	0	7000	9085	727	0	0	0	0
5999	COMPONENT TOTAL		26085	2087	0	7000	19085	1527	0	0	0	0
99	PROJECT TOTAL		2685185	214815	0	558800	2126385	170111	0	0	0	0
999	UNDP CONTRIBUTION		2685185	214815	0	558800	2126385	170111	0	0	0	0

PROJECT APPRAISAL COMMITTEE MINUTES

Project Code & Title: PAL/99/J21 – Development of the Northern Wing at Princess Alia Hospital in Hebron District

Meeting Date & Place: Wednesday 8/9/1999 at 10:00 AM at UNDP office in Jerusalem


Participants:

UNDP: Mr. Timothy Rothermel, Special Representative (Chair) 
Mr. Willi Scoll, Deputy Special representative
Ms. Lana Abu Hijleh, Head of Infrastructure Unit 
Mr. Walid Hasna, Chief Engineer 
Mr. Abdul Munem Salem, Project Management Officer 
Mr. Maher Kaloti, Project Manager 
Mr. Khalil Ghanem, Finance Officer 
Ministry of Health: Dr. Fahid Al-Sayyed, Director General of MOH 
Dr. Fathi Abu Maghli, Projects Director 
Mr. Mohammed Abu Ajamiyeh, Head of Engineering 
Municipality of Hebron: Mr. Mustafa Natshe, Mayor
Mr. Tawfiq Arafah, Chief Engineer

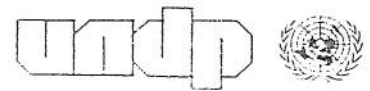
1. Presentation of Project: **Origion, Background, and General Justification**

The development of the Northern Wing at Princess Alia Hospital in Hebron represents a major step in the implementation of the Palestinian Authority's Health Master Plan to develop eight government hospitals in the West Bank.

Hebron District is among the most heavily populated districts in the West Bank, with a present population of approximately 300,000. The hospital-bed population ratio is one of the lowest in the West Bank, namely 0.51 per 1000 population, versus an overall average of 1:1000 for Palestine. Due to the above, Princess Alia Hospital was selected for assistance through this project.

The Project proposal was prepared by UNDP and submitted to the Italian Government in October 1996 for funding consideration. Since then, UNDP has been engaged in discussions with the Palestinian Ministry of Health (MOH) and the Italian Government on various issues concerning funding and implementation of the project. In April 1998, the Italian Government approved funding of the project for a total contribution of US\$ 7.0 million, and the Trust Fund Agreement was signed between UNDP and Italian Government in November 1998. In May 1999, the UNDP received a partial payment from the Government of Italy in the amount of approximately US\$ 3.3 million towards the implementation of the project. 

Funds under this project will be utilized to implement the first stage of Princess Alia Hospital's Master plan, which entails the construction of the first two floors (ground and first floors) of the Northern Wing covering an area of approximately 4,840 m².



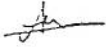
The new building will house delivery rooms, emergency department ICCU and ICU intermediate, physiotherapy, main lobby, archives and reception area, kitchen and dining room, as well as electro-mechanical equipment, and elevators. Future development of the Master Plan will include the completion of the second and third floors of the Northern Wing housing obstetrics, gynecology department and pediatric wards.

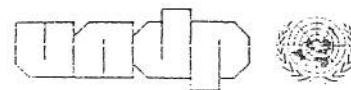
The project aims at assisting the Palestinian Authority to carryout its National Health Plan through the construction of the first stage of the Northern Wing at Princess Alia Hospital. In particular, the project aims at improving medical services and hospitalization conditions for the residents of Hebron District leading to increased access to quality hospital treatment and care.

The project will be implemented by UNDP through its Engineering Department with close cooperation with the Ministry of Health and Hebron Municipality. A Memorandum of Understanding (MOU) between UNDP and the Ministry of Health will be prepared in order to undertake the agreed upon works.

Prepared by: Abdul Munem Salem

ii. Records of Discussion: General

- Mr. Timothy Rothermel, opened the session by welcoming the participants and stressing the importance of the project for the residents of Hebron District.
- Abed Salem presented the project to the PAC by giving a brief background summary on the project, its funding, outputs, implementation arrangements, and duration as discussed in the previous section.
- Willi Scholl explained the rationale behind holding PAC meetings. He said that it is a UNDP procedure in order to provide UNDP and its counterparts with an opportunity to jointly review and discuss the project document in order to ensure agreement amongst all parties involved, and to make changes, if necessary, before signing the document.
- Abed Salem pointed out that out of the US\$ 7.0 million contribution for this project, UNDP has received only a partial payment of approximately US\$ **3.3** million from Italy with a commitment that other payments will follow in the near future. 
- Dr. Fahid Al-Sayyed expressed concerns over the 32-months duration of the project. He mentioned that perhaps two years would be adequate. He also expressed concerns over the budget components, particularly, the amount at UNDP disposal, the site engineer, and the technical assistance costs. He asked why the site engineer and the technical assistance costs are not included in the UNDP support cost. He also mentioned the need for more coordination between UNDP and MOH in this project than previous projects, and requested that the MOH have a direct role in the supervision of the project.
- Mohammed Abu Ajamiyeh asked if the project budget would allow for additional works such as additional floor, water reservoir, and upgrading of the archives in the Hospital.
- Lana Abu Hijleh talked about the duration of the project. She explained that the 32-months period covers not only the construction period which is estimated at 24 months, but also a project preparation and tendering period as well as a project closing after the building is completed and handed over to the MOH. Lana also addressed Dr. Fahid's concerns over the cost of the site engineer in the budget. She explained that the 8% UNDP support cost is intended to cover the cost of the UNDP core team providing engineering support and backstopping, project administration and monitoring, as well as programme support and finance. She also reiterated that specific project costs such as that of the site engineer and project vehicle, if any, are always borne by the project itself. Otherwise, the support cost will not cover UNDP expenses related to the project.
- Walid Hasna talked about the technical assistance component (\$200,000) and the amount at UNDP disposal (\$220,181) in the budget. He explained that technical assistance funds will be utilized to cover the cost of various training activities (medical, management, and maintenance) for the hospital staff, which will be identified and planned in the future. He also explained that the amount at UNDP disposal in the budget is intended for contingency works, if needed, such as engineering services to update the drawings, purchase of additional copies of drawings, purchase of equipment, etc.
- Lana also clarified that funds at UNDP disposal will also be used to cover variation orders in the contract, if any, as well as additional necessary works that might be needed.



- Mr. Rothermel added that any interest amounts accrued on the project funds could also be used to cover contingency works.
- Dr. Fahid indicated that some information in the Project Document is out-dated. It was agreed that he will mark the corrections on a copy of the document and send it to UNDP for incorporation by Monday 13 September 1999.
- Dr. Fathi Abu Maghli requested to have another meeting between MOH and UNDP, before the signing of the MOU, to discuss the technical aspects of the project and possibly reach an agreement on the supervision issue. He also requested to have the site engineer under the responsibility of the MOH so that the MOH has a direct involvement in the implementation of the project, and in order to benefit from the engineer's experience for similar future projects.
- Walid also stressed the need for a better coordination between UNDP and MOH, and requested the MOH to have more official involvement in the project in order to avoid unnecessary delays in the project. He also added that a second site engineer representing the MOH could be assigned under the project. This issue will be discussed in the next meeting and will be clearly stated in the MOU.
- At this point, Mr. Mustafa Natshe, Mayor of Hebron and Mr. Tawfiq Arafah arrived to the meeting. Lana Abu Hijleh briefed them of what had been discussed in the meeting so far.
- Mayor Natshe asked if the work will be carried out under one contract or perhaps divided into several contracts. Walid answered that it will be carried out in one contract.
- Maher Kaloti requested that the MOH review the engineering drawings and provide UNDP with their comments, if any, before the contract is awarded in order to avoid delays and costly changes later during implementation. Dr. Fathi and Mohammed said that drawings will be reviewed within the next few days and comments will be given to UNDP with a week or two weeks at the latest.
- Mayor Natshe asked if there will be a need for services from Hebron Municipality such as water, electricity, sewers, etc., and Mohammed mentioned the need to improve the road leading to the Hospital possibly by widening the road and easing some of the sharp curves. Tawfiq responded that minor improvements such as widening of the road can and will be done by the Municipality. Tawfiq then asked if the new construction includes adequate parking areas and, if so, requested the MOH to start working on the permits for the parking. Mohammed responded that due to space limitation, adequate parking can not be provided in the hospital and residents will have to use street parking. The two sides agreed to discuss this issue later.
- Willi Scholl stressed the need to hold another meeting in the near future to clearly define each party's responsibilities, including technical staff.
- Tawfiq requested to have a copy of the drawing for the Municipality of Hebron, and Mohammed promised to provide it to them in the near future.
- Finally, it was agreed that the UNDP will draft the MOU and send it to the MOH for review before the next meeting.



In conclusion, the project was approved by the PAC subject to the points noted in the recommendation section.

iii. Recommendations

1. MOH will mark corrections in the Project Document and send it to UNDP for incorporation by Monday 13/9/1999
2. Another meeting will be scheduled between UNDP and MOH within the next two weeks to discuss technical issues and agree on the responsibilities of the parties in the implementation of the project.
3. MOH will review the engineering drawings and provide UNDP with comments within 1 - 2 weeks
4. UNDP will provide MOH with a draft MOU for review within next week
5. MOH will provide Hebron Municipality with a set of the drawings in the near future

Follow-UP

Dr. Fahid Al-Sayyed & Abed Salem
(done)

Abed Salem
(done)

Mohammed Abu Ajamiyeh

Abed Salem
(done)

Mohammed Abu Ajamiyeh

Date: Fri: Wed, 09 Jun 1999 15:13:56 -0400
From: "Olivier Adam" <olivier.adam@undp.org>
To: Timothy Rotharmel <pappitcr@pappl.papp.undp.org>,
Willi Scholl <papplwis@pappl.papp.undp.org>,
Nader Atta <papplnaa@pappl.papp.undp.org>
Subject: [Fwd: Italy Query]
boundary="-----35A80E2DC03C1B517F914B00"

Please see message below from Gertruda. Could you confirm to her the
which sub trust fund you were waiting for the money. I assume it is
for the water project in Jericho but I am not sure as I know you are
also waiting for the funds for the Hospital in Hebron.

Gertruda Cruz wrote:

> Hello Olivier,
>
> A deposit of US\$3,305,324.15 (equiv. of Liras 5.4 billion) was
> deposited on 14 May 1999 by the Govt. of Italy for "annual
> initiative for Palestine." Is this one of the activities under
> PAPP? Please advise.
>
> Thanks and regards.

Thanks a lot. Olivier