

UNDP Japan-funded Project Completion Report

1. Introduction

- (1) **Title of the Project:** Re-housing Non-refugee Families in the Gaza Strip.
- (2) **Approval Date of Funding:** March 2006
- (3) **Amount of the Approved Grant:** US\$ 5,000,000
- (4) **Scheme of the Grant:** Emergency Grant Aid
- (5) **Expected Period of the Project:** Originally 12 months
- (6) **Palestinian Authority Responsible to the Project:** Ministry of Public Works and Housing
- (7) **Date of the report:** 31/12/2012

2. Description of the Project

1) Introduction and Background:

Since the outbreak of second Intifada in September 2000, the buildings and houses at Gaza Strip borders and buffer areas near the Israeli ex-settlements witnessed a mass destruction during the frequent military incursions. Rafah and Khanyounis are the most vulnerable cities in Gaza Strip which suffered from demolishing activities.

The principal goal of the re-housing project is to help and alleviate the extreme hardship which many Palestinian families had to endure following the destruction of their houses during Israeli military operations in the Gaza Strip.

Throughout this project, UNDP/PAPP planned to have built alternative housing for 200 families amongst the non-refugee families who are eligible for assistance according to the set criteria. These units are originally planned to be distributed to 122 families from Khanyounis and 78 families from Rafah whose homes were demolished by the Israeli Defense Force during military activities since 2000. The project's activities started late in 2006 but after blockade was imposed on Gaza Strip in June 2007, they were suspended until reactivated in 2010 when the Israeli authority approved entering the building materials for the project construction.

Due to the prolonged suspension of the project and because of rise in the building materials prices and depreciation of USD as well, the Japanese had approved reducing the scope of work for implementation of the project so that only 120 units were built in Khanyounis in addition to the necessary infrastructure services.

2) Objectives:

Throughout this project, 200 alternative housing units were built for the non-refugee families who are eligible for assistance according to the set criteria. These units are distributed to 122 families from Khan Younis and 78 from Rafah whose homes were demolished by the Israelis during the military activities.

Another objective is to generate urgently needed job opportunities in construction and other related sector at a time the unemployment rate in Gaza Strip has been extremely high as a result of the current crisis. Around 75,000 workdays of skilled and unskilled labors are generated in this project in the construction process.

3) Activities and Expected Output:

Output #1: Provision of adequate and efficient housing improved with priority given to the vulnerable groups.

Activity: Construction of 122 residential units in Khanyounis and 78 units in Rafah.

Output #2: Safe and secure access to water, sanitation, electricity and movement of people improved.

Activity: Construction of infrastructure such as roadway, water, sanitation, and electrical networks for the re-housing complex.

1. 11,000 square meters of roads have been tiled.
2. 1,100 meter length of water and wastewater pipelines have been installed
3. Electrical and telecommunication networks have been constructed

4) Original Budget Line:

Item	Cost in USD
1- Construction cost	
Construction of 200 units	3,600,000
Subtotal 1	3,600,000
2- Physical Infrastructure	
Roadway, water, sanitation, electrical network	526,000
Subtotal 2	526,000
3- Staffing cost	
Project manager (1*12 month*3000\$)	36000
Engineers No 10 (10*12*1500\$)	180,000
Administrative Assistant (1*12*1000)	12000
Subtotal 3	228,000
4- Design Cost	80,000
5- Emergencies	195,630
Programmable amount	4,629,630
6- UNDP general management cost (8%)	370,370
Grand Total	5,000,000

3. Implementation Process and Results

(1) Implementation Process:

The project was subjected to Direct Execution DEX modality and was implemented through contractors. The original budget of this project as set on March 2006 was to construct 200 residential units (120 in Khanyounis and 80 in Rafah) including the required infrastructure. The project was divided into 6 packages, four packages in Khanyounis and two in Rafah as follows:

- Package 1: Construction of 48 residential units in Khanyounis
- Package 2: Construction of 48 residential units in Khanyounis
- Package 3: Construction of 24 residential units in Khanyounis
- Package 4: Infrastructure (Roads, sewage, water, and electricity) in Khanyounis
- Package 5: Construction of 40 residential units in Rafah
- Package 6: Construction of 40 residential units in Rafah

The contract of Package# 1 was signed with Al Rewaq Co. on October 28, 2006. When the project started, the Palestinian Land Authority failed to clear the land allocated for the project which led to changing the land plot. Accordingly, the contract was terminated with the contractor in April, 2007 with no obligations on UNDP.

The contract of Package#2 was signed with Al Qelaa' Co. on Feb. 24th, 2007. The contractor completed 13% of the contract before being terminated as a result of the blockade imposed on the Gaza Strip in July 2007 that resulted from Hamas taking over the Gaza Strip.

In July 2010, Israeli decided to ease the blockade which has been imposed on Gaza Strip since 2007. Therefore, UNDP/PAPP sent a letter on 19th July, 2007 to the GoJ informing them about the reactivating of the project with two scenarios. The first scenario is to implement the original scope of work of the project, which will require a budget of US\$ 7,701,776 (an increase US\$2,701,776), while the second scenario is to limit the scope of work of the project only to the construction of 120 housing units in Khanyounis and to exclude the construction of 80 housing units in Rafah.

On August 23rd, 2010 a meeting was held with the Representative Office of Japan to the Palestinian Authority and consequently RoJ gave UNDP/PAPP no objection to launch the tendering process.

On September 16th, 2010 the bids of four packages were advertised on the UNDP/PAPP website. The construction packages were categorized as follows:

- Package 1: Construction of 48 residential units in Khanyounis
- Package 2: Construction of 48 residential units in Khanyounis
- Package 3: Construction of 24 residential units in Khanyounis

- Package 4: Infrastructure (Roads, sewage, water, and electricity) in Khanyounis

On October 5th, 2010 UNDP/PAPP succeeded to obtain the approval from the Israeli Ministry of Defense on the entry of materials for the project.

On October 26th, 2010 RoJ suggested that UNDP should prepare a revised plan for implementation of the project with the available USD 5000,000 and to limit the project to construction only 120 housing units in Khanyounis.

On December 30th, 2010 UNDP/PAPP submitted to RoJ the revised implementation plan with the limited budget of USD 5000,000 to construct 120 units in Khanyounis with its infrastructure. On January 25th, 2011 RoJ approved the revised implementation plan that was submitted by UNDP.

UNDP signed the contracts of the construction packages with the local contractors on December 22nd, 2010 and started coordination for the construction materials through the Israeli terminals. The implementation was as follows:

- Package 1: Construction contract of 48 residential units in Khanyounis was signed with Hittwai Company. It started on Feb. 21st, 2011 and was completed and handed over on March 20th, 2012.
- Package 2: Construction contract of 48 residential units in Khanyounis was signed with Hittwai Company. It started on Feb. 21st, 2011 and was completed and handed over on January 31st, 2012.
- Package 3: Construction contract of 24 residential units in Khanyounis was signed with Al Sharq Aljadeed Company. It started on March 28th, 2011 and was completed and handed over on January 18th, 2012.
- Package 4: Construction contract of infrastructure was signed with Mushtaha & Hasouna Company. It started on November 24th, 2011 and was completed and handed over on June 10th, 2012.

On March 20th, 2012 UNDP submitted a letter to RoJ regarding utilizing the remaining balance of budget in order to close the re-housing project within three months from date of approval. UNDP recommended reprogramming the budget balance to include to essential component as follows:

1. Construction of pumping station for carrying the sewage to the public network: The sewage pumping station was an obligatory component that the Coastal Municipal Water Utility (CMWU) insisted on because it is environment friendly and prevent the project from polluting the sand dunes in the area. Especially, since the beneficiaries who would reside the housing units are categorized under low income groups and they are not expected to continually clean the septic tanks and percolating pits. The cost estimate of this component was USD 92,000.

2. Installation of solar heating system for the residential units: In view of the chronic problem of electricity cuts in Gaza, utilizing the solar heat system to heat the water to the use of beneficiaries in their flats effectively contributes to reduction in the consumption of energy and secure to the low income beneficiaries, the reliable electricity supply for free, one additional attribute of a good means of decent life. The cost estimate of this component was USD 120,000.

Accordingly, UNDP received RoJ approval on May 7th, 2012 as an exceptional case. Implementation process of the activities was as follows:

- Construction of sewage pumping station started on April 19th, 2012, was completed and handed over on August 31st, 2012.
- Solar heating system for the residential units started on May 27th , 2012, was completed and handed over on July 25th, 2012

The main project activities that comprise of construction of 120 residential units as well as construction of the relevant infrastructure had completed according to the revised time plan.

The additional activities which were approved by Japan in May, 2012 had completed by the end of August, 2012.

The lottery draw was conducted on August 19th, 2012 at the Municipality of Khanyounis to identify the beneficiaries and their units' location at the neighborhood.

On September 11th, 2012 UNDP handed over the keys of the apartments to the beneficiaries in the presence of Mr. Yamamoto, Deputy Ambassador of Japan.

The name "Touhoku" of the new constructed neighborhood was recommended by the Japanese. "Touhoku" means north east in Japanese language where the mega quake and tsunami hit strongly in 2011.

(2) Results of the Activities (Output of the Project)

- 120 adequate housing units built for non refugee families who lost their homes during the military incursions
- Necessary infrastructure for the neighborhood constructed.
- 55,000 temporary job opportunities created.

(3) Remarks

- i. The project was exposed to two main obstacles since the beginning that can be briefed as follows:
 - o Changing the land acquisition of the project from Al Namasawi area to Al Satar Neighborhood due to failure of the Land Authority to evacuate the people who were taking over the land illegally.
 - o The imposed closure on Gaza Strip by the Israelis after Hamas control of Gaza in July 2007 caused a shortage of the construction materials in Gazan market. This led UNDP terminating the ongoing contracts and suspension of the remaining activities.
The blockade on Gaza Strip brought to stoppage of the project activities till October 2010

when the Israelis approved entry of materials for the project.

- ii. Due to the prolonged suspension of the project and because of rise in the building materials prices and depreciation of USD, the scope of work was reduced so that only 120 units were built in Khanyounis instead of 200 units in both Khanyounis and Rafah.
- iii. Design of the project was carried out by UNDP project team.
- iv. Due to reduction in the scope of work of the project from constructing 200 housing units in Rafah and Khanyounis to 120 housing units in Khanyounis, the number of job opportunities generated in the project reduced from 75,000 to 55,000 job opportunities.

(4) Financial Report

Item	Planned (USD)	Revised 1 (USD)	Revised 2 (USD)	Actual (USD)	Balance (USD)
1- Construction cost (Construction of Housing units including solar heating system)	3,600,000	3,002,241	3,104,907	3,089,708.99	15,198.01
2- Physical Infrastructure (Roadway, water, sanitation, electrical network, and construction of sewage pumping station)	526,000	588,389.00	670,040.00	679,133.54	-9,093.54
3- Staffing cost	228,000	608,995.00	648,995.00	645,187.39	3,807.61
4- Design Cost	80,000	50,000.00	0.00	0.00	0.00
5- Emergencies including miscellaneous	195,630	380,005.00	205,688.00	77,387.62	128,300.38
Programmable amount	4,629,630	4,629,630	4,629,630	4,491,417.54	138,212.46
6- UNDP general management cost (8%)	370,370	370,370	370,370.00	359,313.40	11,057.00
Grand Total	5,000,000	5,000,000	5,000,000	4,850,730.94	149,269.46

Notes:

1. It is important to highlight 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.
2. The remaining balance mainly comes from the miscellaneous budget item. As reported in the letter dated on Dec 30th, 2010 and approved on Jan 25th, 2011, we allocated the saving obtained as a

result of reduction in the scope of works into the Miscellaneous budget item in our Revised Budget in order to cover any unforeseen costs that might have arisen because of the uncertainty in the political situation, the fluctuating in materials' costs and lack of assurance on the steady supply of materials.

3. The saving in the project budget was made due to reduction in the scope of works that originally was to construct 200 residential units in Khanyounis and Rafah (122 units in Khanyounis and 78 units in Rafah). The closure imposed by the Israelis on Gaza Strip in July 2007 caused a shortage of the construction materials in Gaza market. Accordingly, UNDP found itself compelled to suspend the project from July 2007 till August 2010 the date that RoJ gave no objection to launch the tendering process.
4. However, during the suspension period, a significant increase in the prices of construction materials as well as depreciation in the US Dollar occurred. Accordingly, UNDP had to reduce the scope of works which produced some remaining amount that is not enough to construct more units. Subsequently, the remaining balance was reprogrammed as the contingency amount under the miscellaneous budget line.

(5) Publicity of the Project

UNDP took many measurements to make Japan's support to the project well known to the people that can be briefed as follows:

- During the Implementation period, each package of the construction activities had two sign boards at the project site showing the flag of Japan and information about the project.
- Fixation of marble plaque on one of the buildings showing the flag of Japan and information about the project.
- The lottery draw was conducted on August 19th, 2012 to identify the beneficiaries and their units' location at the neighborhood. This event was conducted in front of a big audience including the beneficiaries themselves, Municipality of Khanyounis, Ministry of Public Works and Housing and others.
- On September 11th, 2012 UNDP handed over the keys of the apartments to beneficiaries in the presence of Deputy Ambassador of Japan of Mr. Yamamoto and deputy special representative of UNDP. The event had been covered by the local media.

(6) Pictures



Picture 1: Handing over units' keys to beneficiaries in the presence of Mr. Yamamoto; Deputy Ambassador of Japan and Ms. Yasmine Sherif; Deputy Special Representative of UNDP.



Picture 2: Ms. Yasmine Sherif; Deputy Special Representative of UNDP with the benefited families



Picture 3: Handing over ceremony in the presence of Ms. Yasmine Sherif; Deputy Special Representative of UNDP



Picture 4: The project's plaque fixed on the building at the entrance of Touhoku Neighborhood



Picture 5: Banner advertising Touhoku Neighborhood



Picture 6: Touhoku Neighborhood Overview


(7) Names of UNDP Officer in charge and Project Manager

UNDP Officer in charge: **Trond Husby**

Signature: 

Date: 31.01.2013

Programme Specialist: **Iman Al Hussein**

Signature: 

Date:

Programme Manager: **Saleh Alhams**

Signature: 

Date: 31.01.2013

Project Manager: **Salem Al Wahaidi**

Signature: 

Date: 31/1/2013

(8) Clearance of the Representative Office of Japan

Name:

Signature:

Date: