



Ref: PAL10-00098764

Date: 17 May 2018

Subject: Rehabilitation of Electricity Power Distribution Networks in three areas in the Gaza Strip Completion Report

Your Excellency,

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 the Completion Report for the abovementioned project.

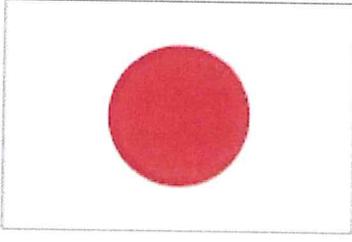
The report provides a summary describing the project activities that have been implemented since its commencement in March 2016 until its completion in December 2017. It also provides an overview of the achievements, challenges, lessons learned and final financial status.

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

Final Narrative Report

April 2018

Final Narrative Report

1. Introduction

- 1) Title of the Project: Rehabilitation of Electricity Power Distribution Network in Three Areas in the Gaza Strip
- 2) Approval Date of Funding: March 2016
- 3) Amount of the Approved Grant: USD 2,000,000
- 4) Scheme of the Grant: Supplementary Fund
- 5) Expected Period of the Project: March 2016 to December 2017
- 6) Palestinian Authority Responsible to the Project: Palestinian Energy and Natural Resources Authority (PENRA), Gaza Electricity Distribution Corporation (GEDCO)
- 7) Date of the report: 11 April 2018

2. Description of the Project

(1) Introduction and Background

The energy situation in the Gaza Strip is severe, where the vast majority of the population has experienced blackouts for two-thirds of the day for more than three years. For over seven years, the Gaza Power Plant has been functioning at no more than half-capacity. Since 2006, the siege and restriction on trade or transport of supplies to repair or maintain infrastructure have devastated the energy sector to the maximum.

The last 2014 hostilities impacted two million people living in the Gaza Strip and has resulted in immense physical destruction, affecting all aspects of personal, public and economic life. Damage was widespread, but the heaviest was in eastern Gaza, Northern Gaza Strip and Khan Younis Governorate. Significant damage affected over 60% of Gaza's housing stock, service infrastructure including energy, water, health and educational facilities as well as governmental buildings and private sector facilities and assets. As a result, the people of Gaza suffered reduced access to energy, water, food, employment, education, health and other services.

In addition to these damages and losses, Gaza was already suffering from huge deficits in electricity supply as a result of fuel scarcity, inadequate infrastructure, power leakage, limited financial resources and impediments on sector development caused by the Israeli siege.

The Project is in line with the Detailed Needs Assessment (DNA) and Recovery Framework for Gaza Reconstruction prepared by the Palestinian Ministerial Committee for Reconstruction of Gaza in August 2015. The Project will develop the transmission and distribution of an electricity networks system including the rehabilitation, development and repair of distribution electricity networks in the Gaza Strip.

In this regard, UNDP will work and coordinate with the Gaza Electricity Distribution Corporation and the Palestinian Energy and Natural Resources Authority (PENRA) to ensure that the Project's results and activities contribute to the realization of its policies and objectives, especially in terms of rehabilitation and development of the distribution system. The Project will upgrade the distribution networks in the three targeted areas (Beit Hanoun, Gaza, Khuza'a and Fukhari), which will reduce the losses in energy distribution and optimize the cost of energy services, increase the capacity of networks in all post-conflict affected areas, and improve the livelihoods of the targeted population.

(2) Objectives

The Project's main objective is to help address the needs of the energy sector in the Gaza Strip by improving and rehabilitating the electricity networks there. The Project targets three main areas of the Gaza Strip namely, East Gaza, Beit Hanoun, and Khan Younis.

(3) Activities and Expected Output

This intervention will increase the population's access to electricity in the three targeted areas and public services; such as education, health and water, will be improved consequently. This will be reflected positively on the socioeconomic conditions of the Palestine people.

The following actions will be implemented to achieve the Project outputs:

1. Supply and install of 51 km of cables and wires with different sizes.
2. Supply and install 30 electrical distribution transformers.
3. Supply and install 145 Medium and Low voltage poles.
4. Supply and install all accessories needed to connect new electricity networks to the existing electrical sources.

(4) **Budget:** USD 2,000,000.

3. Implementation Process and Results

(1) Implementation Process

- The Project design was prepared by the GEDCO and revised by UNDP. The tender documents were produced for the major two interventions to be implemented through two packages: Package #1: supplying of electrical and steel materials and Package #2: installation works for the supplied materials.
- The two packages were tendered by the UNDP procurement unit in April 2016 and the first package was signed with two contractors, M/S New East Supplies Company and M/S Electrical Industries Company on September 2016, while the second package was signed with three contractors, M/S El Khaesie Trading and Contracting LTD, M/S Golden Sand Company and M/S Al Shawa Trading and Contracting LTD on September 2017.
- The works commenced in October 2016 and were completed by December 2017. All works were handed over to GEDCO for the operation of the utility grid.

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

The following results have been achieved:

1. Total of 51 km of cables and wires with different sizes were supplied and installed.
2. Total of 30 electrical distribution transformers were supplied and installed.
3. Total of 145 medium and low voltage poles were supplied and installed.

Number of direct beneficiaries of the project activities within the targeted areas is 38,122 people and is expected to double upon connecting future electricity subscriptions through the provided extensions and upgraded electricity networks. The current beneficiaries are distributed as follows:

1. 4,585 people in Beit Hanoun
2. 26,950 people in East Gaza
3. 6,587 people in Khan Younis

(3) Remarks

- The Project was delayed for more than 4 weeks due to delays from GEDCO to prepare the list of priorities for the targeted electricity networks. The list was finalized on 20 April 2016 with the proposed scope and locations.
- Evaluation stage took two months because the submitted tenders needed further clarifications from different factories and suppliers in order to assure 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 the entry of materials into the Gaza Strip, with partial approvals for the materials received on 26 April 2017. The implemented works were closely monitored by the UNDP team on daily basis. The transformers entered into Gaza and the cables and wires were cleared by the Israeli Authorities and entered into Gaza on 10 July 2017. The steel materials manufactured in Jordan entered into Gaza on 10 August 2017.
- During the implementation period of the Project, the electrical materials were stored in UNDP warehouses in Carni and cordially managed by UNDP and GEDCO teams to assure proper control and efficient utilization and distribution of the materials in the 35 different locations, where electrical networks were implemented.
- The Project expenditures until the end of December 2017 were USD 1,999,686.65.

4. Financial Report

The below table shows the financial status of the Project including disbursements and balance up to December 2017.

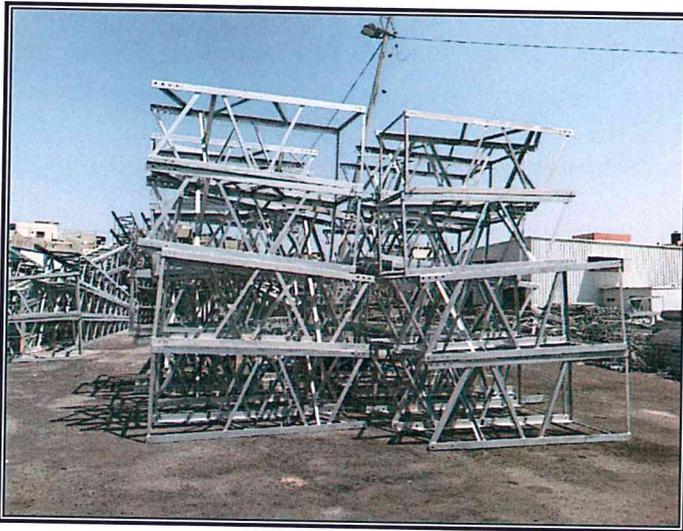
Budget Item	Description	A. Original Budget USD	B. Disbursement USD	C. Balance USD (A-B)	D. Rate of Disburse ment (%) (B/A*100)
Rehabilitation of Electricity Power Distribution Network in three areas in the Gaza Strip	➤ PACKAGE #1 - Supply of steel and electrical materials	1,677,000	1,669,724.12	7,275.88	99.57%
Project Implementation	Project Implementation	147,485	151,830.23	(4,345.23)	102.95%
Coordination and Reporting	Coordination and Reporting	27,367	30,000	(2,633)	109.62%
Sub -Total		1,851,852	1,851,554.35	297.65	99.98%
GMS (8%)^a		148,148	148,124.35	23.65	99.98%
Gain and Loss		-	7.94	(7.94)	99.98%
*Cumulative differential on GMS^b			0.01	(0.01)	
Total Budget		2,000,000	1,999,686.65	313.35	99.98%

*. Note :The Cumulative differential on GMS^b amount resulted from method of calculations. Our System calculated and collected GMS on monthly basis with a total amount of USD 148,124.36, while in our financial report we calculate the GMS as a total amount of USD 148,124.35 based on the total expenditure for a cumulative project period by the end of the project.

5. Publicity of the Project

- A press release “**USD 4.3 million Funding from Japan to support Projects in the Gaza Strip through UNDP**” was released in March 2016, posted on the UNDP official site and was shared with all donors.
- All project documents, tenders, site plans and site signboards carried the Japanese flag and indicated that all components of the Project are funded by the Government of Japan.
- When agreed, a ceremony will be held in the attendance of the representatives of the Japanese Government, UNDP, PENRA, GEDCO and the press to cover the event.

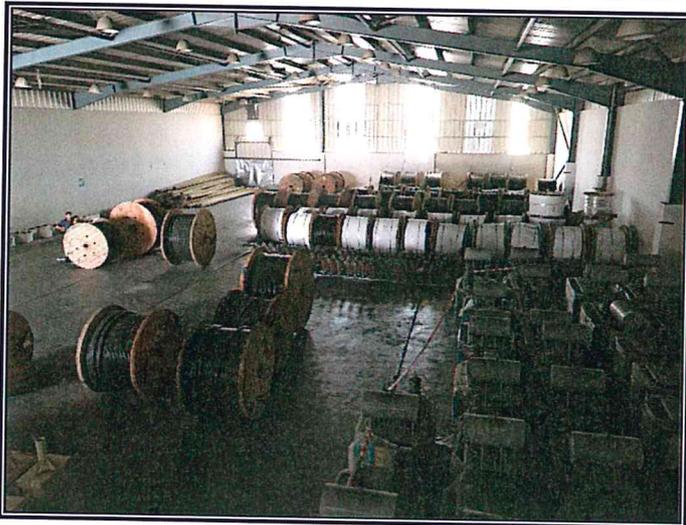
6. Pictures



Delivered Steel Materials



Delivered Switches Disconnectors



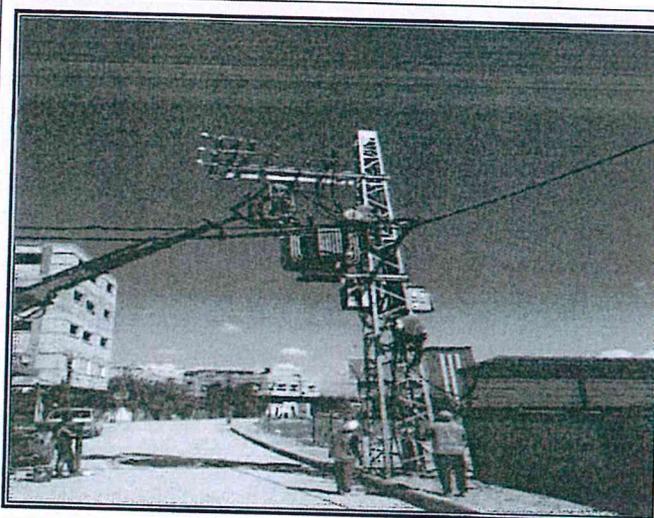
Delivered cables, wires and transformers



Installation of M.V Poles



Installation of Overhead Transformers



Installation of M.V Switch Disconnectors

7. Names of UNDP Officer in charge and Project Manager

Reporting person and title: Alaa Al Shalaby, Electrical Engineer	
Date of submission: 17/05/2018	
Supervisor staff with signature: Hekmat El Khairy, Deputy Head of Infrastructure Unit	
Iman Al Hussein, Infrastructure Specialist	
Head of Gaza Office: Basil Nasser	