

Ref: UNDP/ PAL10-00099398
02 April 2019

Subject: Final Report – Rehabilitation and Consolidation of the Gaza Industrial Estate (RCGIE)

Dear Ms Viezzer,

Reference is made to the delegation agreement ENI/2016/374-421 between the European Union (EU) and UNDP's Programme of Assistance to the Palestinian People for the Rehabilitation and Consolidation of the Gaza Industrial Estate project, effective 18 October 2016.

I am pleased to submit herewith the final narrative and financial report. The report summarizes the progress of the project until December 2018 and provides an overview of the achievements, challenges, lessons learned, financial status and way forward.

I seize this opportunity to thank the European Union (EU) for their partnership and support to the Palestinian People through UNDP.

Sincerely yours,



Geoffrey Prewitt
Officer in Charge
UNDP/PAPP



Attached:

Final report - Rehabilitation and Consolidation of the Gaza Industrial Estate

Ms Alessandra Viezzer
Principal Administrator
Head of Cooperation
European Commission, DG enlargement
Jerusalem

Final report

RCGIE – Rehabilitation and Consolidation of the Gaza Industrial Estate

Reporting Date: December 2018

Reporting Period	September 2016 to December 2018	
Donor	The European Union (EU)	
Country	Occupied Palestinian territory	
Project Title	RCGIE – Rehabilitation and Consolidation of the Gaza Industrial Estate	
Project ID (Atlas Award ID) Outputs (Atlas Project ID and Description)	PAL10-00099398 1. Rehabilitate GIE transformer rooms. 2. Repair out-of-order power cables. 3. Rehabilitate GIE wastewater collection system. 4. Rehabilitate two water wells. 5. Replacement and upgrading of the GIE Desalinisation unit.	
Implementing Partners	Palestinian Industrial Estates and Free Zones Authority(PIEFZA), Palestinian Energy Authority(PEA) and Gaza Electricity Distribution Company (GEDCO).	
Project Start Date	September 2016	
Project End Date	July 2018	
Annual Work Plan Budget	€ 2,373,884.00	
Total Resources Required	€ 2,373,884.00	
Revenue Received	Regular	USD
	Other	
	Donor	€
	2,373,884.00	
	Trust Fund Cost Sharing	USD
	Thematic Trust Fund C/S	USD
	Special Activities	USD
	EU funding	USD
	Total	€ 2,373,884.00
Unfunded budget	USD 0.0	
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I. Executive summary

Gaza Industrial Estate (GIE) is the first Palestinian industrial zone that has been established and managed by the Palestinian Industrial Estates and Free Zones Authority (PIEFZA) through a private operator (Palestinian Industrial Estate Development Company: PIEDCO) since 1997. The Gaza Industrial Estate then received support from the Palestinian government and the international donor community.

The Gaza Industrial Estate was severely destroyed during the 2014 hostilities. The desalination plant was damaged and was out of order, 16 out of 24 transformer rooms were demolished, one water well was targeted, the sewage treatment plant was also destroyed in addition to most of the lighting poles and cables.

UNDP, in close cooperation with PIEFZA, and with funding from the EU, launched a programme to rehabilitate and consolidate the GIE infrastructure. To complement the Programme, UNDP also produced an incentives manual to support PIEFZA and the transfer of industries to GIE. The aim of the Programme is to enable the GIE to become fully operational and contribute to the national economy.

During the reporting period, UNDP carried out the detailed needs assessment for the targeted interventions and developed detailed works' description and technical specifications for the works. The tendering stage was finalized for five packages designed to implement the planned scope of activities. All activities are completed and handed over to the final beneficiary: Palestinian Industrial Estates and Free Zones Authority (PIEFZA) by December 2018.

An operation and maintenance manual was developed that includes all the project's interventions and two capacity building workshops were conducted targeting the PIEFZA and the Operator's technicians.

The planned intervention included the development of the Palestinian manual for the Gaza incentives programme to different industrial enterprises. Currently, the programme is pending the approval by the Ministry of Economy.

Finally, an external consultant was hired to assess the progress made towards the achievement of the RCGIE Project's overall objective and respective outcomes and outputs. The general principles underlying the evaluation approach were: Impartiality and independence, credibility of the evaluation, participation of stakeholders and usefulness of the evaluation findings and recommendations.

II. Background

Gaza has gone through three devastating hostilities that followed many years of border closures and have left people isolated, impoverished, and vulnerable. Gaza was already in the grip of a humanitarian and environmental crisis and an eleven-year blockade had already suffocated the private sector, creating widespread dependency. The United Nations estimates that around 1.2 million people in Gaza are in need of humanitarian assistance, with 80% of Gaza residents are dependent on aid, 47% are food insecure, and over 40% unemployed.

The National Consensus Government has developed the “Palestinian National Early Recovery and Reconstruction Plan” to provide a roadmap through the current humanitarian crisis to long-term development. The Gaza Early Recovery and Reconstruction Rapid Needs Assessment formed the backbone of the plan that was conducted by Palestinian ministries and agencies, with the support of local and international partners. The assessment uses the situation prior to the 2014 hostilities as a baseline but contextualizes it within Israel’s long and continuing blockade of Gaza.

The Gaza Strip has a very low level of industrialization and high level of unemployment. The industrial sector contributes to only 8% of the GDP, and currently faces many serious obstacles. Movement of goods and services is often blocked by border closures. Serviced land and physical infrastructure for industry are also in short supply and prohibitively expensive.

The Gaza Industrial Estate (GIE) is designed to provide the investors with the necessary infrastructure, and support facilities as well as services since it is connected to both national grid system and a direct feed line from Israel. There is an advanced water and sewage system serving the whole area. GIE is the first Palestinian industrial zone that has been established and managed by PEIFZA through a private operator; the Palestinian Industrial Estate Development Company PIEDCO since 1997.

The Programme outcome is in line with UNDP’s Strategic Plan (2018-2021), contributing to the achievement of:

- Outcome 1: Advance poverty eradication in all of its forms and dimensions. Through this programme UNDP/PAPP seeks to alleviate poverty through the rehabilitation of the Gaza Industrial Estate and the creation of job opportunities and economic empowerment.

Moreover, the project activities also are in line with Strategic Priority 3 - Leaving no one behind: Supporting sustainable and inclusive economic development. Marginalised

groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs.

Project activities include:

1. Rehabilitate GIE transformer rooms.
2. Repair out-of-order power cables.
3. Rehabilitate GIE wastewater system.
4. Rehabilitate one water well.
5. Rehabilitate the GIE Desalinisation unit.
6. Establish and incentive programme for the private sector.

III. Achievements Review

UNDP initiated a task team to survey the rehabilitation needs for the GIE within the scope of works approved by the EU. The team carried out many site visits to consolidate the requested works needed for the rehabilitation and to produce some detailed bills of quantities for tendering and procurement. Hence, five packages were produced:

- I. Transformers' rooms.
- II. External lighting.
- III. Sewage pump station and water well.
- IV. Desalination plant.
- V. Construction of a new water well.

In the meantime, UNDP uploaded the lists of materials for the four project components and provided all the requirements needed for COGAT's approval.

Four complete tendering packages were produced and reviewed by UNDP senior engineers and rechecked on the ground. The packages were announced for local contractors through UNDP site and the Contractors' Union. four contractors were identified to carry out the transformers rooms, external lighting, sewage and well rehabilitation and the desalination plant upgrading projects. The fifth package, which targeted the construction and drilling of a new water well, was signed later in September in 2018 following the approval of budget reallocation by the EU.

The five contractors started the implementation process under UNDP's direct supervision and quality assurance. All activities are implemented in close coordination with PIEFZA and PEIDCO

in order to facilitate the movement of labours and engineers within the GIE premises, using well-planned security measures.

Following the UNDP procurement process, three budget amendments were necessarily made, including no cost extension, and approved by the EU for reallocation of funds between the activities. The five contracts were signed with local contractors and works were commenced and completed by December 2018. It is important herewith to note that the delays were out of the control of UNDP such as the approval for the access of materials to enter into the Gaza Strip or the movement of people and contractors in the GIE due to security measures.

On the other hand, TORs for project evaluation external consultant and the most qualified consultant was recruited according to the UNDP procurement process. The general principles underlying the evaluation approach were: Impartiality and independence, credibility of the evaluation, participation of stakeholders and usefulness of the evaluation findings and recommendations. Primary information was obtained from **semi-structured interviews** with Palestinian Industrial Estates company (PIEDCO), PIEFZA, Gaza Electricity Distribution company (EDCO), Palestinian Water Authority (PWA) and UNDP, **focus group** with GIE tenants, and **participatory observations** from field audits. The scope of evaluation included material review of the project documents and reports as well as other references in the concerned field. The evaluation procedure included tools design, data collection and analysis, feedback presentation, conclusions, recommendations and lessons learned. The main result of the evaluation was **"In general, the project has achieved its overall objectives to a great extent.** In addition, UNDP has contracted an external consultant to prepare Operation and Maintenance manual and conduct two training workshops for 15 GIE technicians.

Moreover, UNDP has produced six short videos about the intervention and activities of the project including capacity building highlighting the role of the EU to support Palestinians' people resilience and the accomplishments of the project.

Finally, through separate financing by UNDP, Terms of Reference were set for a national consultant to develop the manual of development services of Partnerships for Regional Investment, Development and Employment (PRIDE) programme in the GIE. The consultant was hired and developed the draft Gaza PRIDE manual for the GIE along with the needs assessment.

PROGRESS TOWARDS PROJECT OUTPUTS

Activity 5: Other costs, services				
Output Indicators	Baseline	Target	Status	
5.1 Publications, Media	No publications or videos highlighting the RCGIE intervention	A final publication will be published to document the entire rehabilitation of GIE which include a short video clip for the entire project life circle and accomplishments. Other publications will be published on the events mainly reached in the project implementation	Complete: a professional media company was hired to produce five short videos highlighting the components of the intervention and the impact on the beneficiaries including women. A complete Operations and Maintenance manual was produced and delivered to PIEFZA highlighting the EU logo and funding. The link to the produced videos: https://drive.google.com/open?id=10AX_T0NE3XIRWnQY-W0aMdeIGBYbe80x . The link to the O&M manual: drive.google.com/drive/folders/1uLR3Dt_gj4XP-xY-Ugz_e1Z-Au3Wi8l8?usp=sharing	100%
5.2 Evaluation costs	No evaluation for the RCGIE available.	Final evaluation will be conducted by an external consultant/firm.	Complete: an external consultant was hired through a transparent and competitive process to to assess the progress made towards the achievement of the RCGIE Project's overall objective and respective outcomes and outputs, examining the result chain, processes, contextual factors and	100%

			causality, to understand the achievements or the lack thereof. An evaluation report is produced by the consultant and ready for publishing. The evaluation report is included in Annex I.	
5.3 Costs of conferences/ seminars	Limited capacities available for running the new premises.	Two seminars/conferences will be organized during the lifetime of the project, in coordination with PIEFZA: -Seminar on planning in situ for maintenance and management of the rehabilitated premise and collection of feed backs from the participants; - Final conference presenting the results of the project.	Complete: one seminar was conducted by professional consultant for the training on maintenance and management of the rehabilitated premises. A second seminar was conducted for the feedbacks from the participants and presenting the results of the project.	100%

<u>Activity 6.1: Rehabilitate GIE transformer rooms</u>				
<u>Output Indicators</u>	<u>Baseline</u>	<u>Target</u>	<u>Status</u>	<u>Rate of completion of works</u>
6.1.1 Construction of 8 destroyed transformers rooms with all required installations	16 transformer s rooms destroyed	Construction of 8 transformers rooms	Completed: the 8 transformers' rooms were constructed, and all finishing works were completed,	100%

			and transformers were replaced inside the rooms	
6.1.2 Supply and installation of 1600KVA/2100A transformers	16 transformer s destroyed and out of order.	Supply, installation and commissioning of 8 transformers	Completed: 8 new transformers were installed with all their related accessories. The transformers were commissioned under the attendance and participation of PIEFZA and GEDCO which approved the specifications for the transformers. The handing over for PIEFZA was also attended by GEDCO and PIEDCO.	100%
6.1.3 Supply and installation of High and Low Tension Electrical Board and cables.	16 High and low-tension transformer s boards and their cables destroyed	8 High and low-tension transformers' boards and their cables installed and operated	Completed: all the 8 related electrical boards with the transformers were commissioned in close cooperation with GEDCO to connect to the national grid after they approved the specifications for the high and medium voltage boards and cables. The handing over was done successfully to PIEFZA.	100%

- The contractor had his final payment and submitted a one-year maintenance guarantee.

Activity 6.2: Repair out-of-order power cables				
Output Indicators	Baseline	Target	Status	Rate of completion
6.2.1 supply and installation of cables. And lighting poles	<ul style="list-style-type: none"> ▪ 36 Lighting poles destroyed out of 109 poles ▪ 90 Lighting lanterns destroyed/out of 	<ul style="list-style-type: none"> ▪ 40 New lighting poles complete with 	<ul style="list-style-type: none"> ▪ Completed. 54 new lighting poles and 195 LED and Halogen lighting lanterns were installed and commissioned. 	100%

	order from 109 lanterns	lanterns and cables ▪ 90 New lighting lanterns installed	▪ PIEFZA and PIEDCO had a training on the operation of the lighting system and handed over the system.	
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- The contractor had his final payment and issued a maintenance guarantee.

Activity 6.3: Rehabilitate GIE wastewater system				
Output Indicators	Baseline	Target	Status	
6.3.1 Debris removal and site reinstatement.	About 90 cubic meters of debris of the wastewater pumping station.	Removal of 90 cubic meters of debris	Completed: 91 cubic meters of debris removed from the site to dumping location.	100%
6.3.2 Rehabilitation of the existing wastewater pumps	<ul style="list-style-type: none"> ▪ 1 Pump partially operating out of 2 ▪ Substation out of order 	▪ Rehabilitation of the existing pumps in the main and Substation	Completed: the sewage pumping station was completely rehabilitated and upgraded. Two new pumps were installed, and the two existing old pumps were completely refurbished. One of the refurbished is reinstalled along with the two new pumps as a stand by. The sewage collection system can collect up to 1 million litres per day. Moreover, a remote monitoring and operation control system is installed and commissioned.	100%
6.3.3 Supply and installation of a new pump to cover the	▪ 1 pump is partially operating in	Supply and installation of a pumping set of	Completed: two new pumps were installed with new control panel connected with remote monitoring	100%

GIE wastewater quantities	the main pumping station.	2 pumps with bar screen.	and control system. A new manifold was installed, and a new pumping pit was constructed complete with two bar screens.	
6.3.4 Rehabilitation of all related electrical controls and cables necessary to operate the pumping station including electrical meter	▪ 1 pump is partially operating in the main pumping station.	Supply and install all required controls and cables to operate the new pumping set and the existing.	Completed: a new low voltage cable was installed for the sewage pumping station and was connected to the new installed transformer room. A new electrical control panel was manufactured to operate the new pumps and the old one. The whole system is no connected by remote monitoring and operation system. The new pumping station was handed over to PIEFZA.	100%
6.3.5 Construction of fencing around the station	▪ Destroyed sewage station building without fencing	External boundary fencing for the wastewater pumping station constructed	Complete: a steel grid fencing was constructed to protect the new sewage pumping station, where the new control panels are also protected by a steel cage for more safety.	100%

- The contractor had the final payment of the contract and issued a one year maintenance guarantee.

Activity 6.4: Rehabilitate of two water wells				
Output Indicators	Baseline	Target	Status	
6.4.1 Supply, installation and commissioning of a submersible pump of 80 m ³ /hour with	Well No.1: The existing well's pump is not operating.	Supply, installation and commissioning of a submersible pump of 80 m ³ /hour	▪ Complete: the new pump for well #1 is installed and commissioned. It was handed over to PIEFZA in	100%

all required accessories		with all required accessories.	the presence of PIEDCO and PWA	
6.4.2 Construction of well's room	Destroyed well room	New well's room with enough space for manifold and control board	▪ Complete: a complete fencing was constructed for well #1 with lockable gate.	100%
6.4.3 Installation of required electrical and mechanical equipment to operate ideally the well	<ul style="list-style-type: none"> ▪ No control panel for the well ▪ Small manifold and not operational 	<ul style="list-style-type: none"> ▪ New control panel ▪ New manifold. 	▪ Complete: the manifold and the electrical panel were installed. The control panel was connected via a remote monitoring system with PIEFZA operations staff.	100%
6.4.4 construction of a new water well	<ul style="list-style-type: none"> ▪ There are only two wells and one of them is with bad quality 	<ul style="list-style-type: none"> ▪ To construct one new water well to cover the water demand for the GIE and replace the bad quality well 	▪ Complete: a new borehole was drilled complete with pump, piping, manifold, disinfection system and a control panel. A concrete room was constructed to host the new well.	100%

- The contractor had the final payment of the contract and issued a one-year maintenance guarantee.

Activity 6.5: Rehabilitate the GIE Desalination unit				
Output Indicators	Baseline	Target	Status	
6.5.1 Supply, installation and commissioning of a complete desalination unit and connect to the existing water supply system.	The current capacity of the desalination plant is 40 cubic meters per hour	To increase the capacity of the desalination plant to 70 CM/H	Complete: an international company was hired through the contractor to design and manufacture the new desalination unit. UNDP approved the design and type and the unit was manufactured and inspected. The new unit was installed in September and commissioned. A training was conducted for	100%

			technicians from PIEFZA, PIEDCO and PWA for the operation of the whole plant. The unit was handed over to PIEFZA.	
6.5.2 Rehabilitation of the existing monitoring and control systems for the desalination unit.	▪ The desalination plant is out of order	To maintain and replace the damaged parts and make the existing plant operational	Complete: a complete rehabilitation and repair for all mechanical and electrical equipment in the existing plant was conducted. A complete replacement of the damaged parts was performed by specialized workshops and reinstalled. The existing plant was commissioned and was handed over to PIEFZA	100%
6.5.3 Restoration of the civil damages of the tanks	Damaged building	To maintain the plant's building and restore all the damages.	Complete: all broken glass, windows, floor tiles and walls were replaced and painted. The internal and external water tanks were cleaned and rehabilitated and disinfected. The main entry gate was replaced. The main storage tank was also rehabilitated.	100%

- The contractor had the final payment of the contract and issued a one year maintenance guarantee.

IV. Project Risks and Issues

- All stainless-steel (S.S) items (pipes and rods), which are used for desalination and sewage rehabilitation activities were prevented from entering Gaza due to the blockade and access restrictions on materials entry.

All materials matrix was uploaded on the CLA web site with all requirements needed to obtain the Israeli side approval in January 2016. The initial approval was granted on 21 July 2016 with exception for many electrical and stainless steel (S.S) items. UNDP proceeded with the implementation of the project with the locally available materials and postponed the works for the imported materials after resolution is reached with CLA.

- The Israeli prevention to access the location of the waste water pumping station and water well due to security reasons and the March of Return impact as being close to the Project's site.

a. Updated project risks and actions

Project Risk 1: Access of materials

Actions taken:

After receiving COGAT's approval, the Israeli Authorities prevented the stainless-steel items that will be used for the desalination plant's rehabilitation and sewage pumping station, including stainless -steel rods for pumps, steel bars for the sewage bar screen and all sewage steel pipes that severely affected the progress of the programme and resulted in delay of implementation. Moreover, the water well drive motor was also denied entry to operate the water well. On the other hand, the contractor claimed that this is a coordinated project and the delay is not his responsibility. UNDP procurement and the contractor have conducted market survey for the items that could not be accessed and found acceptable alternative for the denied items that was mutually agreed upon to be supplied from the local market.

Project Risk 2: Access to the site

Actions taken:

The location of both the water well and the main sewage pumping station are already located in the Yellow Zone at the borders. A daily coordination for security clearance is requested by both the Israeli side and the local forces. About 30% of the requests were not approved by the IDF to enter into the area. A weekly plan was submitted of all the anticipated activities to obtain approval. However, there was a need for daily permission which was not always granted especially in the current prevailing political situation.

On the other hand, the March of Return camp is being located 50 meters close to the Project's site, and UNDP had to secure the project's works and equipment from any damages due to the escalations in the area on daily basis starting from March 2018.

b. Updated project issues and actions

Project Issue 1:

Actions taken: UNDP conducted the necessary market survey to assess the submitted claim of the contractor on extra cost due to purchase from the local market. The difference in market prices versus coordinated prices were considered according to procurement standard processes.

Project Issue 2:

Actions taken: a weekly plan was submitted to the Coordination and liaison Authority (CLA) by UNDP and the local coordination unit of PIEDCO is involved in the coordination for entry of personnel and equipment to both the well and sewage pumping station locations.

An extra security measures were requested from the contractors to secure their works especially at weekends during the weekly demonstrations near the site location. UNDP kept close monitoring of such events and was keen to strengthen the safety measures of the works.

Project Issue 3:

According to the signed delegation agreement (Article4); the first pre-finance payment received from the EU was EUR 769,549 and further second payment was EUR 1,183,206.07 while the amount of disbursement for the project is EUR 2,121,526.65. The final payments for the contractors were paid to close the project on due time of 31 December 2018 and the deficit of EUR 168,771.53 was covered by the UNDP till reimbursement from the third payment of the delegation agreement.

Project Issue4:

Due to the current prevailing situation in the Gaza strip and restrictions imposed by the Israeli Authority movement of materials, there was delay in the implementation of the project especially that most components such as all high voltage transformers, switch gears, cables, the sewage pumps and the desalination plant were imported from outside. The anticipated status of the project progress and the expected delay was shared with the EU and after UNDP clarifications, the EU approved no cost extension till end of December 2018. UNDP had extended efforts to coordinate entry of materials and boosting the progress on site within the limited allowable period and could meet the deadline.

V. Lessons Learned

- Providing key infrastructure of industries in the Gaza Strip is a key to economic empowerment. Providing basic infrastructure contributes to enhancing social and environmental work conditions of laborers including women and vulnerable groups.
- Management, communication skills, cooperation of all concerned parties and quality assurance are the key factors for the success of this Project.

- The working environment in Gaza is very harsh especially when it comes to electromechanical works. Denial of access for people and materials as well as power shortages are the main obstacles that caused delay in the implementation of any project in the Gaza Strip.
- Despite developing materials lists and preparing the necessary documents for the different activities as a first step for initiating Project activities with the Israeli authorities; certain materials such as SS pipes, motors were suspended by the Israeli authorities. Such materials require more time for implementation to obtain, and thus a modified framework must be considered.
- Project ultimate outcome and long-term impacts should be evaluated after the project benefits have been sustained for some longer time period.
- Efficient financial management system leads to cost savings and added benefits for the project's targets.

VI. Conclusions

After completion of all project activities, the GIE is in a status ready to:

- Be fully operational and works as a catalyst for industrial development.
- Increase direct and indirect employment in the Gaza Strip.
- Contribute to Gaza's GDP by creating conditions conducive to private sector industrial investment, including appropriate physical infrastructure.
- Enable Palestinian utilities and agencies to provide necessary services to the GIE, including water, wastewater, sewage and storm water disposal, electric power, and access roads.
- The expected long-term success indicators are
 1. Increased number of laborers, operation hours and expansion.
 2. Increased salaries and profitability.

Those indicators are materialized because of the following:

- The new eight transformers rooms will increase the capacity of the GIE to provide power to double the current commercial and industrial facilities and will serve to distribute the future power supply through the planned solar power Project. In addition, the main switch gear of the Israeli power and Gaza Power Plant supplies are transferred to the western side of the GIE away from the borders to provide more safety and ease for control and maintenance. The new installed 8 transformers will decrease the interruption of power supply and will save operational costs of generators that will be reflected on the production costs for the GIE tenants.
- Through the rehabilitation of the sub and main sewage pumping stations, the sewage collection efficiency for the GIE is improved and can handle the current and future discharge of waste water. The intervention included the construction of a fence around the



upgraded pumping station and the electrical distribution boards to provide security for the intervention.

- The rehabilitation and construction of two water wells and the desalination plant will provide potable water, with acceptable quality, for all the food and beverage factories.
- There is a strong interest in the project results by PIEFZA and PIEDCO and tenants, therefore it is anticipated that the benefits of the projects will continue after the funding has ended.

VII. Way Forward

- The GIE is still in need of further infrastructure investment to safely manage the chemical waste discharged from industries and factories inside the GIE. There is also a need to rehabilitate and upgrade the storm water collection lagoon to prevent flooding during the storms.
- Approving the PRIDE for Gaza incentives programme developed by the UNDP will boost the transfer of investors into the GIE and will be reflected positively on the Gaza economy. The PRIDE incentives programme was developed and financed by the UNDP as a completing soft component for the RCGIE project.
- With the new improved services provided, it is expected to have more requests from industries to reallocate in GIE. Hence, it is recommended to construct new hangers to host more industries and secure more jobs for youth and women.



VIII. Financial Status¹

Budget for the Action ¹	MODIFIED (3) All Years - EUR .				B. Disbursement (Year I)	C. Balance
Costs	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Costs (in EUR)	Costs (in EUR)
1. Human Resources						
1.1 Salaries (gross salaries including social security charges and other related costs, local staff) ⁴						
1.1.1 Technical						
1.1.1.1 Engineering Analyst (30%)	Per month	6	€ 6,000	€ 36,000.00	€ 36,000.00	0.00
1.1.1.2 Programme Analyst (20%)	Per month	4	€ 6,000	€ 24,000.00	€ 24,000.00	0.00
1.1.1.3 Electrical Engineer (50%)	Per month	14	€ 3,250	€ 45,500.00	€ 44,527.43	972.57
1.1.1.4 Project manager (100%)SB 4/3	Per month	26	€ 4,900	€ 127,400.00	€ 114,451.60	12,948.40
1.1.1.5 Resident Site Engineer (100%) SB4/1	Per month	26	€ 3,250	€ 84,500.00	€ 80,644.74	3,855.26
1.1.2 Administrative/ support staff				€ -		
Subtotal Human Resources				€ 317,400.00	€ 299,623.77	17,776.23



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2. Travel⁶						
Subtotal Travel				€ -	€ -	0.00
3. Equipment and supplies⁷						
3.1 Furniture, computer equipment (Desk(EUR 150), Chair(EUR 50), Laptop (EUR 800))	Per Unit	2	€ 1,000	€ 2,000.00	€ 280.63	1,719.37
3.2 Other (Maintenance of photocopier, scanner, and printers)	Per Year	2	€ 1,000	€ 2,000.00	€ 2,348.50	-348.50
Subtotal Equipment and supplies				€ 4,000.00	€ 2,629.13	1,370.87
4. Local office						
4.1 Vehicle costs (Insurance, Maintenance, and fuel)	Per month	20	€ 455	€ 9,100.00	€ 3,962.51	5,137.49
4.3 Consumables - office supplies	Per month	20	€ 250	€ 5,000.00	€ 2,785.80	2,214.20
4.4 Other services (tell/fax, e-mail and mobile)	Per month	20	€ 250	€ 5,000.00	€ 4,809.66	190.34
Subtotal Local office				€ 19,100.00	€ 11,557.97	7,542.03
5. Other costs, services⁸						
5.1 Publications, Media ⁹	Per activity	1	€ 15,000	€ 15,000.00	€ 9,109.82	5,890.18
5.2 Evaluation costs (Audit)	Per activity	1	€ 10,000	€ 10,000.00	€ 6,012.36	3,987.64
5.3 Costs of conferences/seminars ⁹	Per activity	2	€ 10,500	€ 21,000.00	€ 7,251.75	13,748.25
Subtotal Other costs, services				€ 46,000.00	€ 22,373.93	23,626.07
6. Other						
6.1 - Activity 1.1 -Rehabilitate GIE transformer rooms						
6.1.1 construction of new transformers rooms with all	No.	8	€ 13,325	€ 106,600.00	€ 115,243.70	-8,643.70



required installations with reinstatement of the access road							
6.1.2 supply and installation of 1600KVA/2100A transformers	No.	8	€ 27,025	€ 216,200.00	€ 157,381.68	58,818.32	
6.1.3 supply and installation of High Tension Electrical Board	No.	8	€ 11,500	€ 92,000.00	€ 111,135.80	-19,135.80	
6.1.4 Installation of MV&LV Cables with its accessories	Set	1	€ 225,472	€ 225,471.95	€ 174,950.22	50,521.73	
6.1.5 Supply and installation of Low Tension electrical board	No.	8	€ 13,800	€ 110,400.00	€ 122,358.89	-11,958.89	
6.1.6 Supply and installation of main switch gears	No.	1	€ 20,240	€ 20,240.00	€ 66,272.06	-46,032.06	
Sub-Total				€ 770,911.95	€ 747,342.35	23,569.60	
6.2 - Activity 1.2 - Repair out-of-order power cables							
6.2.1 Supply and installation of high tension cable type 50	No	0	€ 625.00	€ -	€ -	0.00	
6.2.2 supply and install low tension cables1*240	No	0	€ 4,403.38	€ -	€ -	0.00	
6.2.3 supply and install junction box for the main cable	No	0	€ 687.50	€ -	€ -	0.00	
6.2.4 supply and install copper cables1*24	Meters	0	€ 77.08	€ -	€ -	0.00	
6.2.5 Supply and install steel poles according to GEDCO standards	No.	0	€ 4,545.41	€ -	€ -	0.00	
6.2.6 supply and install copper cables 1*150	Meters	0	€ 69.56	€ -	€ -	0.00	
6.2.7 Supply and install electrical cables 16*5	Meters	0	€ 39.76	€ -	€ -	0.00	



6.2.8 Supply and install steel poles, Arms according to GEDCO standards	Set	1	€ 6,478.09	€ 6,478.09	€ 6,706.80	-228.71
6.2 .9 Supply and installation of high tension cable type 400mm2	Meters	540	€ 25.90	€ 13,984.00	€ 24,699.47	-10,715.47
6.2.10 Supply and installation of Hight & Low Tension Cable Accessories	Set	1	€ 3,864.00	€ 3,864.00	€ 3,323.50	540.50
6.2.11 Supply and install External Lighting Poles with cables	Set	1	€ 183,008.03	€ 183,008.03	€ 149,910.02	33,098.01
Sub-Total				€ 207,334.12	€ 184,639.79	22,694.33
6.3 - Activity 2.1- Rehabilitate GIE wastewater system				€ -	€ -	
6.3.0 Rehabilitation of the existing wastewater pumps site and access clearance	Sq. meters	0	€ -	€ -	€ -	0.00
6.3.1 Rehabilitation of all mechanical parts of the sewage pumping station	Set	1	€ 132,480.03	€ 132,480.03	€ 89,121.03	43,359.00
6.3.2 Supply and installation of a new pump to cover the GIE wastewater quantities	Pumping set of two pumps complete with their accessories	1	€ 35,880.00	€ 35,880.00	€ 33,466.77	2,413.23
6.3.3 Construction of concrete fencing around the station (360 meters) and side walk (360 meters)	meters	0	€ -	€ -	€ -	0.00



meters) and reinstatement of access roads (360 meters)						
6.3.4 Installation of boundary fence with steel shed	meters	60	€ 251.47	€ 15,088.00	€ 8,779.66	6,308.34
6.3.5 Rehabilitation of all related electrical controls and cables necessary to operate the pumping station including electrical meter	complete set	1	€ 60,720.00	€ 60,720.00	€ 54,884.01	5,835.99
Sub-Total				€ 244,168.03	€ 186,251.47	57,916.56
6.4 - Activity 3.1 - Rehabilitate one water well		1		€ -	€ -	
6.4.1 Supply, installation and commissioning of a submersible pump of 80 m3/hour with all required accessories	set	1	€ 23,000.00	€ 23,000.00	€ 21,424.88	1,575.12
6.4.2 Construction of well's room	No.	1	€ 17,571.54	€ 17,571.54	€ 8,630.33	8,941.21
6.4.3 Installation of required electrical and mechanical equipment to operate ideally the well.	set	1	€ 59,800.00	€ 59,800.00	€ 56,609.51	3,190.49
6.4.4 Construction of new water well	set	1	€ 76,113.04	€ 76,113.04	€ 56,400.22	19,712.82
Sub-Total				€ 176,484.58	€ 143,064.94	33,419.64
6.5 - Activity 3.2 - Rehabilitate the GIE Desalination unit		0		€ -		



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6.5.1 Supply, installation and commissioning of a complete desalination unit and connect to the existing water supply system	set	0	€ -	€ -	€ -	0.00
6.5.2 Rehabilitation of the existing monitoring and control systems for the desalination unit	set	1	€ -	€ -	€ -	0.00
6.5.3 Restoration of the civil damages of the desalination building.	No.	1	€ 57,357.39	€ 57,357.39	€ 47,271.71	10,085.68
6.5.4 increase the capacity of the desalination plant to produce 80 cubic meters per hour with a new set.	set	1	€ -	€ -	€ -	0.00
6.5.5 Total of Mechanical Works including instalation of a new desalination unit	set	1	€ 261,160.00	€ 261,160.00	€ 258,662.97	2,497.03
6.5.6 Total of electrical works including monitoring and control system	set	1	€ 81,880.00	€ 81,880.00	€ 79,317.14	2,562.86
Sub-Total				€ 400,397.39	€ 385,251.82	€ 15,145.57
Subtotal Activities				€ 1,799,296.07	€ 1,646,550.37	€ 152,745.70
7. Subtotal direct eligible costs of the Action (1-6)				€ 2,185,796.07	€ 1,982,735.17	€ 203,060.90
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)	-	0.015	€ 2,185,796.07	€ 32,786.94	€ -	32,786.94



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9. Total direct eligible costs of the Action (7+ 8)				€ 2,218,583.02	€ 1,982,735.17	235,847.84
10. Indirect costs (maximum 7% of 9, total direct eligible costs of the Action)	Per percentage	7%	€ 2,218,583.02	€ 155,300.81	€ 138,791.46	16,509.35
11. Total eligible costs (9+10)				€ 2,373,883.83	€ 2,121,526.63	252,357.19
12. Total accepted¹¹ costs of the Action (11+12)				2,373,883.83	€ 2,121,526.63	252,357.19

Note:

IX. Annex

Project Photos:



Desalination plant on the site training



Two international experts commissioning and training for the operation of the new desalination plant



Construction works of the new well room



Drilling works of the new water well



Drilling works of the new water well





Main grit removal screen



Control panel installation for the sewage station



Construction works for the sewage pumping station



Main gate of the sewage pumping station



Inspection of a lighting poles

Operation of lighting poles



Connecting the lighting network to the main electricity network



Installation of LED lights



install of lighting control panel box



Main Metal Clad



Handing over of the main switch gear(Metal Clad) of GIE

	
Testing and commissioning a transformer	Installation of MV & LV cables

Report Authorization by the UNDP/PAPP:

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Approved by: Iman Al Hussein, Acting Head of Gaza office

For [Signature]
[Signature]
[Signature]



Annex I

Final Project Evaluation of the Rehabilitation and Consolidation of the Gaza Industrial Estate Project



Annex II

Consultancy Services for conducting two technical workshops and Developing Palestinian Industrial Estate and Free Zones (PIEFZA) manual for the operations and maintenance of the new developed facilities report