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AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

WEST BANK

AND

GAZA STRIP

JOBS PROGRAM

DATED SIGNED: 07/07/93

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UNCLASSIFIED

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APPENDIX 3A, Attachment 1  
Chapter 3, Handbook 3 (TM 3:43)

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT DATA SHEET**

1. TRANSACTION CODE  
 A = Add  
 C = Change  
 D = Delete

Amendment Number \_\_\_\_\_

DOCUMENT CODE  
3

COUNTRY/ENTITY  
West Bank and Gaza Strip

3. PROJECT NUMBER  
294-0002

6. BUREAU/OFFICE  
Near East/Middle East  03

5. PROJECT TITLE (maximum 40 characters)  
JOBS Program

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)  
MM DD YY  
| | | 9 | 4 |

7. ESTIMATED DATE OF OBLIGATION  
(Under "B." below, enter 1, 2, 3, or 4)  
A. Initial FY 93 B. Quarter 4 C. Final FY 93

8. COSTS (\$000 OR EQUIVALENT \$1 = )

A. FUNDING SOURCE	FIRST FY 93			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	( )	( )	8,000,000	( )	( )	8,000,000
(Loan)	( )	( )	( )	( )	( )	( )
Other						
U.S.						
Host Country						
Other Donor(s)						
<b>TOTALS</b>			8,000,000			8,000,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ESF	N/A	N/A		-----		8,000,000		8,000,000	
(2)									
(3)									
(4)									
<b>TOTALS</b>						8,000,000		8,000,000	

10. SECONDARY TECHNICAL CODES (maximum 8 codes of 3 positions each)  
000 | 100 | 200 | 500 | 800 | 900

11. SECONDARY PURPOSE CODE  
100

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)  
A. Code  
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To generate employment quickly for Palestinians in the West Bank and Gaza Strip and to leave in place an improved infrastructure inventory.

14. SCHEDULED EVALUATIONS  
Interim MM YY Final MM YY  
| | | 12 | 9 | 4 |

15. SOURCE/ORIGIN OF GOODS AND SERVICES  
XXX 000  941  Local  Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of 5 page PP. (amendment))

17. APPROVED BY  
Signature: *Dennis M. Chandler*  
Title: Acting Assistant Administrator  
Near East Bureau

Date Signed: MM DD YY  
10/17/93

18. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  
MM DD YY  
| | | | |



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

July 6, 1993

**ACTION MEMORANDUM**

**TO:** Acting Assistant Administrator, Near East Bureau

**FROM:** Acting Director, Near East/Development Resources,  
Marcus Winter *M. Winter*

**SUBJECT:** West Bank and Gaza Strip - Jobs Program

**A. ACTIONS REQUESTED:** Your authorization is requested for:

1. \$8 million dollars for the subject project over a term of twenty four months with the understanding that the authorization will be amended in FY 1993 or FY 1994 to add a minimum of \$6 million of activities, most probably in sewage.
2. An Ad Hoc Delegation of Authority to the Director, Near East/Middle East (NE/ME), to approve discrete sub-project activities for an aggregate amount not to exceed the LOP level of \$8 million dollars.

**B. BACKGROUND:** The economies of the West Bank and the Gaza Strip territories have been hurt by the intifada and the Gulf War, and the late March closing of the borders by the Israeli authorities of both Territories has severely exacerbated the situation. Over 100,000 Palestinians were cut off from employment in Israel effectively reducing the GNP in the West Bank by approximately 30 to 35 percent, and in the Gaza Strip by approximately 50 percent. A ripple effect ensued which has negatively impacted nearly every household in both territories. The Assistant Secretary of State for Near Eastern Affairs requested the then A.I.D. Administrator Designate to respond quickly to this serious economic situation with a quick and effective program that will produce jobs, income, and also contribute in some measure to the economic infrastructure in both Territories. Originally, A.I.D. had intended to commit up to \$14 million to the program in FY 1993; however, only \$8 million in project activities were identified which both met A.I.D.'s technical requirements and which flowed through agencies acceptable to the Department of State on political grounds. In addition, given U.S.G. commitments to help address environmental problems in the territories, it was later decided to commit up to \$8 million in FY 93 to construction and rehabilitation activities that could commence immediately and approximately \$6 million in FY 94 to activities designed to improve sewage system infrastructure.

The Near East Bureau fielded a design team in May 1993 with the charge to produce a jobs program. The Project Review Committee

(PRC) reviewed the team's proposal in the form of a project paper, and recommended that it be forwarded to the Near East Advisory Committee (NEDAC) which approved the Jobs Program on 18 June 1993. This Memorandum requests your formal approval of the NEDAC's recommendations.

**C. SUMMARY PROJECT DESCRIPTION:** The goal of the Jobs Program is to improve the economic and social well-being of Palestinians in the West Bank and Gaza Strip. The purpose is to quickly generate employment for Palestinians in the West Bank and the Gaza Strip and to leave in place an improved infrastructure inventory. Activities recommended for funding fall within three general categories:

- repair and rehabilitation of private schools, clinics, and other social service infrastructure, which lends itself to rapid start-up and provides for a quick injection of cash into the West Bank and Gaza Strip economies;
- construction of small-scale agricultural infrastructure (e.g. small rainwater catchment tanks, farm roads), which lends itself to rapid start-up and provides for a quick injection of cash into the Gaza Strip economy;
- activities related to the rehabilitation of water distribution lines, which lend themselves to relatively rapid start-up, help to address the critical water scarcity issues in the Occupied Territories, benefit both individual and commercial consumers, improve health conditions, and raise few environmental concerns.

**D. ACCOUNTABILITY:** Accountability will be assured through an enhanced A.I.D. field staff (the addition of FSN Personal Services Contractors in the West Bank and Gaza Strip) and the procurement of engineering and institutional development capabilities through an 8(a) contractor.

**E. SUSTAINABILITY:** No sustainability issues were raised with respect to the repair and rehabilitation of social service infrastructure and the construction of small-scale agricultural infrastructure. Sustainability issues with regard to the water distribution systems should be minimal given that these systems are already in place and the project will primarily upgrade existing systems. Nevertheless, to ensure the sustainability of project-financed activities, A.I.D. will acquire the services of an institutional development/management specialist through the 8(a) monitoring contract.

**F. PROPOSAL REVIEW AND APPROVAL PROCESS:** Implementing agencies will submit activity proposals that will be reviewed and approved in A.I.D. Washington. The NEDAC proposed that you approve the overall Jobs Program, and provide an Ad Hoc Delegation of Authority to the Director NE/ME to (1) approve each discrete project activity

and (2) execute follow-on agreements with public international organizations (an Office of Procurement Grants Officer would execute agreements with PVO/NGOs). It was understood that this delegation of authority would be concurrent with that enjoyed by the AA/NE.

**G. INITIAL ENVIRONMENTAL EXAMINATION:** Since the replacement of pipeline in water distribution systems will have an impact (albeit modest) on the physical environment, the total project requires under AID Regulation 16 a Positive Threshold Determination (see Tab B). Environmental assessments of all sub-project activities, including the improvement of water distribution systems, will be required of agencies submitting proposals under the project. To assist in conducting the assessments, the Bureau has dispatched to the field, a Bureau environmental officer. This course of action meets the intent of Regulation 16, Section 216.3(a)(7).

**H. WAIVERS:** No waivers are anticipated for this project. As with other West Bank/Gaza activities, source/origin/nationality will be limited to the United States, West Bank/Gaza, and Israel.

**I. FINANCIAL SUMMARY:** The project paper anticipates the expenditure of \$8 million over a twenty four month period.

**J. SMALL AND DISADVANTAGED BUSINESS CONSIDERATIONS:** An 8(a) firm will be selected to provide two consultants (a construction engineer and an institutional development/management specialist) to monitor the portfolio, and make recommendations to A.I.D. for appropriate management action. The consultants will travel regularly to the field and provide reports to A.I.D. Washington.

**K. CONGRESSIONAL NOTIFICATION (CN):** A CN was forwarded to the Hill on June 30, 1993. Assuming no objections, obligation can be incurred after July 14, 1993.

**L. COMMITTEE ACTION AND FINDINGS:**

1. The project was approved by the Project Review Committee on 14 June 1993;
2. The project was approved by the NEDAC on 18 June 1993;
3. The project is socio-economically acceptable, technically sound, and has an acceptable mix of criteria through which discrete sub-project activities were selected;
4. Payment verification will be done by A.I.D. Washington for sub-project activities. Assistance will be provided by the USAID/Amman Controller as appropriate.

**M. RESPONSIBLE OFFICERS:** In A.I.D. Washington the NE/ME Project Officer will be the principal implementer. She will report to the OIC for West Bank and Gaza Strip. The Director, NE/ME will provide

overall guidance and will exercise sub-delegated authority, as described at paragraph F. above. In the field, the A.I.D Affairs Officers for the West Bank and the Gaza Strip will be responsible to monitor project activities under the terms of their respective letters of charge.

N. RECOMMENDATIONS: Based on the foregoing you sign:

1. the Project Authorization which includes the Ad Hoc Delegation of Authority to the Director, NE/ME (Attachment A);
2. the Initial Environmental Examination (Attachment B);
3. the Project Data face sheet (Attachment C).

Clearances:

NE/DR:GJackson HSA Date 7/3/93  
NE/ME:FMachmer AD Date 7/6/93  
          DSwain JS Date 6/6/93  
NE/DP:VMoldrem GM Date 7/6/93  
GC/NE:KODonnell Draft Date 28June93

KFM 7/6/93

<sup>AS</sup>  
Drafted:NE/DR/MENA:CSshorter:23June93:NEDRMENA\DOCS\JOBSAUTH:afs



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

**PROJECT AUTHORIZATION**

Name of Country/Entity: West Bank/Gaza Strip  
Name of Project: Jobs Program  
Project Number: 294-0002

1. Pursuant to Part II, Chapter 4, Section 531, of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Jobs Program for the West Bank and Gaza Strip. The Jobs Program ("the project") involves planned obligations of not to exceed Eight Million Dollars (\$8,000,000) in grant funds over a one year period from date of authorization, subject to the availability of funds in accordance with the A.I.D./OYB process, to help in financing foreign exchange and local currency costs of the Project. The planned life of the Project is two years from date of initial obligation of funds.
2. The Project consists of a series of grant agreements to private voluntary organizations, non-governmental organizations and public international organizations for the purpose of generating employment quickly for Palestinians and for leaving in place improved infrastructure.
3. There is hereby delegated to the Director, Office of Middle East Affairs, Near East Bureau, or to any officer acting in that capacity, authority (a) to approve all proposals for financing of specific activities under the Project and (b) to execute grant agreements with public international organizations for the undertaking of specific activities under the Project. Exercise of this authority shall include inter alia consideration, in accordance with A.I.D. regulations, and in consultation with appropriate staff, of the environmental consequences of each such specific proposed activity.
4. Except as A.I.D. may otherwise agree in writing: (a) commodities financed by A.I.D. under the Project shall have their source and origin in the West Bank, Gaza Strip, the United States or Israel;

(b) the suppliers of commodities and services, other than ocean shipping, financed under the Project, shall have the West Bank, Gaza Strip, the United States or Israel as their place of nationality; and (c) ocean shipping financed by A.I.D. under the Project shall be financed only on vessels of the United States registry.

Approved: Dennis M. Chandler

Dennis M. Chandler  
Acting Assistant Administrator  
Bureau for Near East

Date: 7 JULY 1993

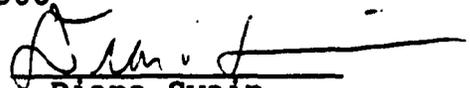
Clearances:	NE/ME:RMachmer	<u>RM</u>	Date	<u>7/6/93</u>
	NE/DP:VMoldrem	<u>VM</u>	Date	<u>July 6, '93</u>
	NE/DR:MWinter	<u>MW</u>	Date	<u>7/6/93</u>
	GC/NE:KO'Donnell	<u>KO</u>	Date	<u>7/6/93</u>

**THRESHOLD DECISION BASED ON  
INITIAL ENVIRONMENTAL EXAMINATION**

(A) PROGRAM: WEST BANK AND GAZA STRIP  
(B) ACTIVITY LOCATION: WEST BANK AND GAZA STRIP  
(C) PROJECT TITLE/No.: JOBS PROGRAM/294-0002  
(D) PROJECT LIFE: TWO YEARS FROM DATE OF INITIAL OBLIGATION  
(E) AMOUNT: \$8,000,000

(F) IEE PREPARED BY:

Signature



Diana Swain  
Officer-in-Charge  
West Bank and  
Gaza Strip

(G) ENVIRONMENTAL ACTION  
RECOMMENDED:

POSITIVE THRESHOLD DECISION  
WITHIN THE INITIAL  
ENVIRONMENTAL EXAMINATION  
per 22 CFR 216.3(2)(iii)

(H) DECISION OF NEAR EAST BUREAU ASSISTANT ADMINISTRATOR (A)

APPROVED:

Dennis M. O'Connell

DISAPPROVED: \_\_\_\_\_

DATE:

JULY 7, 1993

(I) DECISION OF NEAR EAST BUREAU ENVIRONMENTAL COORDINATOR

APPROVED:

Robert S. Jackson

DISAPPROVED: \_\_\_\_\_

DATE:

7/6/93

*SPed  
7-6-93*

**INITIAL ENVIRONMENTAL EXAMINATION**

**PROJECT LOCATION:** WEST BANK AND GAZA STRIP  
**PROJECT TITLE:** JOBS PROGRAM  
**FUNDING:** \$8,000,000  
**ENVIRONMENTAL ACTION RECOMMENDED:** POSITIVE THRESHOLD DECISION  
per 22 CFR 216.3(2)(iii)

**Discussion of Major Environmental Relationship of the Project  
Relevant to Attached Impact Identification and Evaluation Form:**

The purpose of the project is to generate employment quickly for Palestinians in the West Bank and Gaza Strip and to leave in place an improved infrastructure inventory. Through the project, A.I.D. will support the repair, rehabilitation, and construction of infrastructure. No significant environmental impact is anticipated except in the replacement of pipeline for water distribution systems. The cost of pipeline replacement (including materials and labor) is estimated at \$4 million. There is potential for adverse environmental impact during the removal and replacement of old, obsolete, or damaged pipe and the disposition of removed debris, solid waste, sludge and contaminated materials therefrom.

To determine appropriate actions that will minimize adverse impact, the Near East Bureau has dispatched an environmental officer to the field. It will be the responsibility of NE/ME/WBG to follow-up on recommendations made by the environmental officer.

**ENVIRONMENTAL IMPACT IDENTIFICATION AND EVALUATION FORM\*\***  
(see 2nd page)

**ENVIRONMENTAL IMPACT INDICATOR AREAS**

**A. LAND USE**

- |  |  |                    |
|--|--|--------------------|
| 1. Changing the character of the land through:     |  |                    |
| a. Land clearing                                   |  | M                  |
| b. Construction (roads, buildings)                 |  | M                  |
| c. Extraction of minerals                          |  | n/a                |
| d. Creation of Deposits for Unwanted Materials     |  | L (debris, sludge, |
| 2. Alteration of Natural Barriers (dunes, marshes) |  | n/a                |
| 3. Foreclosing Important Future Uses               |  | n/a                |
| 4. Potential for Endangering Populated Areas       |  | L                  |
| 5. Other Factors                                   |  |                    |
- solid waste,  
contaminated  
materials w/in  
pipes replaced)

**B. SURFACE AND GROUND WATER**

- |  |  |     |
|--|--|-----|
| 1. Effects on Quality                            |  |     |
| a. Introduction of industrial pollutants         |  | U   |
| b. Introduction of agricultural pollutants       |  | L   |
| c. Introduction of urban/sewage wastes           |  | M/H |
| d. Introduction of biomedically important wastes |  | n/a |
| e. Potential for Transnational Impacts           |  | n/a |
| 2. Effects on Quantity                           |  |     |
| a. Changes in Water Flow Rates                   |  | L/M |
| b. Increasing probability of floods              |  | L   |
| c. Potential for changing Demand/Supply Relation |  | U.  |
| d. Potential for Transnational Impacts           |  | n/a |

**C. AIR**

- |  |  |   |
|--|--|---|
| 1. Potential for increased NO <sub>x</sub> , SO <sub>x</sub> , HC, CO <sub>2</sub> /CO emissions |  | L |
| 2. Potential for increased Particulate emissions   |  | M |
| 3. Potential increase of noxious Odors, Vapors   |  | M |
| 4. Noise pollution   |  | L |
| 5. Other factors   |  |   |
| _____  |  |   |
| _____  |  |   |

**D. ENERGY**

- |   |  |   |
|---|--|---|
| 1. Potential for Increased Energy Demand    |  | L |
| 2. Use of Renewable Energy Sources          |  | L |
| 3. Plans for Energy Efficiency/Conservation |  | L |
| 4. Other Factors                            |  |   |
| _____                                       |  |   |
| _____                                       |  |   |



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## ATTACHMENTS

- A. Letter from the Department of State requesting project
- B. Narrative Summaries of Projects Considered
- C. Summary of Meeting with the Palestinian Technical Committee

## **I. EXECUTIVE SUMMARY**

Thousands of Palestinians were left jobless when the Government of Israel closed the territories in late March 1993. A ripple effect has jeopardized the jobs of countless other Palestinians. In order to generate employment opportunities in the Territories and, at the same time, further long-term economic development objectives, A.I.D. has agreed to support a construction and rehabilitation program of up to \$14 million. Of the \$14 million, \$8 million is proposed over a two year period in this Project Paper. The remaining \$6 million, which A.I.D. intends to commit to the improvement of sewage systems, will be the subject of a separate document which will be prepared when more information is available.

Preliminary proposals for construction and rehabilitation were informally solicited from groups which have experience managing construction activities and administering U.S. government funds. A two person team was sent to the field to review these proposals and to make funding recommendations. This document describes those recommendations and proposes processes for soliciting and reviewing final proposals, and managing/monitoring the resulting portfolio of activities.

Activities recommended for funding fall within three general categories:

- repair and rehabilitation of private schools, clinics, and other social service centers, which lend itself to rapid start-up and provides for a quick injection of cash into the West Bank and Gaza Strip economies;
- construction of small scale agricultural infrastructure (rainwater catchment ponds, farmer roads), which lends itself to rapid start-up and provides for a quick injection of cash into the Gaza Strip economy;
- activities related to the rehabilitation of water distribution lines which lend themselves to relatively rapid start-up, help to address the critical water scarcity issues in the Occupied Territories, benefit both individual and commercial consumers, improve health conditions, and raise few environmental concerns;

Assuming these recommendations are endorsed, A.I.D. will solicit from the proposing agencies formal proposals which will provide additional detail on implementation plans and expected outputs, and address issues of concern to A.I.D. These formal proposals will be reviewed and recommended for approval or disapproval by Near East Bureau review committees. Those recommended for approval will be grant-funded as quickly as possible.

An 8(a) firm will be employed to provide two consultants (an

engineer and an operations/management specialist) to monitor the portfolio and make recommendations to A.I.D. for management action. The consultants will travel to the field on a quarterly basis.

## II. BACKGROUND AND RATIONALE

### A. Statement of Problem

Still reeling from the impact of the intifada and the Gulf War aftermath, the economies of the West Bank and Gaza Strip are now faced with perhaps their greatest crisis yet: the closure of territories from Israel. UNRWA reports that before the closure, 80,000 to 100,000 West Bankers and over 30,000 Gazans were employed in Israel. Their income constituted 30 to 35 percent of the GNP in the West Bank and 50 percent of the GNP in the Gaza Strip. In dollar terms, UNRWA estimates that the West Bank is currently suffering directly related wage losses of approximately \$2 million per day while Gaza loses \$500,000 to \$750,000 dollars per day.

A ripple effect exacerbates the problem. With a gross excess of unemployed construction and agricultural workers, wages in the West Bank and Gaza Strip for those activities have dropped, particularly in the settlements. The transportation industry has also been hit hard. The Coordinating Committee of International NGOs (CCINGO) reports that 1000 jobs in the West Bank transportation industry are at risk. Taxis and buses which plied the routes to and through Jerusalem are sitting idle. Illustratively, the 60 year old Hebron Bus Company, which normally runs 38 buses between Hebron and Jerusalem, is operating at seven percent of normal capacity and close to shutting down. According to UNRWA, there are 87 bus companies operating 473 buses in the West Bank, 175 of which had routes to and from Jerusalem. Gaza is also affected as hundreds of truck drivers have lost seasonal work transporting Gaza citrus into Jordan.

By limiting access to Jerusalem, the authorities have, to a large extent, cut the West Bank in two. Travel between the North and South is now via a narrow, winding secondary road which by-passes Jerusalem. (A trip from Ramallah to Hebron, once an hour and a half hour drive, can now take as much as four hours.) As a result, farmers in the North stand by as crops rot in the field while consumers in the South face food prices that are prohibitively high.

Food purchases, other than for rice, sugar, flour, and lentils, are down fifty to seventy percent while sales of clothes, shoes, and electronics have slumped even further, forcing many small businesses to close down and number of wholesalers to open their warehouses as retail stores.

There are a number of signs that savings are being depleted. In

the West Bank, purchases are being made increasingly in Jordanian dinars rather Israeli shekels, as consumers are forced by circumstances to reach deep into their savings. In Gaza City, the price of gold has been held well below world rates by the flood of

gold onto the local market. In the West Bank, jewelers and money changers who before the closure received three or four offers per month to buy gold and other jewelry now receive an average of six to seven offers per day.

While the Government of Israel has issued an estimated sixty thousand work permits since the closure (many of which are unused by the Palestinians who receive them), it has repeatedly stated its intention to decrease its dependence on Palestinian labor. The policy has the support of most Israelis and there is public discussion of importing workers from Southeast Asia and Europe to train Israeli workers. Given the GOI's intention to wean the country from its dependence on labor from the territories, the start-up of activities that will generate as much employment as possible as quickly as possible is critical. The activities which best address employment generation needs are the construction and rehabilitation of physical infrastructure.

Functioning physical infrastructure is an important prerequisite to economic and social development. Unfortunately, infrastructure in the Occupied Territories is often:

- (1) not functioning at optimal capacity due to age and poor maintenance; or,
- (2) inadequate in size or reach to serve the Palestinian population, which has grown significantly over the past several decades.

Industry is particularly stymied by poor infrastructure. Power is inadequate, roads in many places are in moderately or seriously deteriorated condition, the telecommunications network falls far short of demand, and water shortages are common. Water is released in Bethlehem only two days a week. The same is true in Beit Jala. The Nablus municipal water system was built in 1934 to serve 18,000 people. The system now serves the 25,000 residents of the 'old city,' where about 17% of modern Nablus' population resides. The pipes, laid years ago, have corroded and are badly leaking. Together with inaccurate water meter registration and water theft, they account for water losses of approximately fifty percent.

The shortage of hospital infrastructure is equally dismal. Over the 21 year period from 1967 to 1988, the hospital bed per capita ratio has decreased in the West Bank from 2.2/1000 in 1967 to 1.9/1000 and in Gaza from 2.5/1000 to 1.4/1000. These ratios are low, even in the context of global trends toward non-hospital based care. (By way of comparison, the 1988 ratio in Israel was 6.2/1000.) The

lowest bed/population ratios are in the West Bank cities of Jenin, Tulkaram, and Hebron.

Schools too are in need of attention. Policy Research Incorporated, in its 1992 A.I.D.-financed analysis of the education sector, noted that, "They are often in considerable disrepair, with cracked ceilings, poor lighting and ventilation, leaking walls, and no heat." Moreover, there is a considerable shortage of classrooms, particularly in the Gaza Strip, where 50 percent of the schools operate on double shifts.

In sum, infrastructure needs are enormous. It is estimated that it will take ten to fifteen billion dollars to bring infrastructure up to developed world standards. While the contribution proposed herein is a relatively small one, it is a step in the right direction at a critical point in Palestinian history, and will be seen as a positive gesture by the USG to the address the current situation in the territories.

#### **B. Relationship to A.I.D. Strategy**

In late April 1993, the Assistant Secretary of State for Near Eastern Affairs wrote the A.I.D. Administrator-designate requesting that A.I.D. develop a proposal for construction activities that would "help create jobs in the territories and thereby provide some much needed support to the peace process." (See Attachment A) The request was made as a result of the late March closure of the Occupied Territories and the concurrent loss of over 100,000 jobs held in Israel by Palestinians from the West Bank and Gaza Strip.

A.I.D. agreed to the Assistant Secretary's request and, in early May 1993, the U.S. Government announced at the ninth round of the multilateral peace talks (regional economic development group) in Rome that A.I.D. would provide up to \$14 million "in a program for job creation and possibly other urgent needs for Palestinians in the West Bank and Gaza Strip." It was added that the focus would be on creating jobs through the construction of physical infrastructure. In June 1993, the U.S. Government announced at the multilateral peace talks (regional environmental group) in Tokyo that a portion of the \$14 million would go toward addressing environmental problems, with the intent of supporting the improvement of sewage systems.

This construction program has been developed in response to a situation that was not anticipated during the development of the A.I.D. Strategy for the West Bank and Gaza Strip. Nevertheless, many of the program activities selected support the Strategy's objectives of:

--the increased marketed production of agricultural and industrial goods; or,

--the improved delivery of health care services.

Recognizing that infrastructure facilities are only as good as the institutional capacity to operate and maintain them, the third Strategy objective, related to institutional development, will be an important element of each of the construction activities funded.

### C. Other Donor Support

The UNDP's 1992 Report on External Assistance to the Occupied Palestinian Territories estimates that out of \$166,422,983 of external assistance provided to the Occupied Territories in 1992 (including UNRWA's recurrent costs), approximately \$46,512,056 went towards capital assistance. (These estimates are rough given the difficulties associated with collecting consistent information from various donors with varying reporting systems.)

As a direct result of the ninth round of multilateral peace talks, the Governments of Italy and Japan have each pledged to make available an additional \$3 million in 1993. Assuming that last year's capital assistance levels are at least matched, the \$20 million pledged by the Governments of the United States, Italy, and Japan represent an almost 50 percent increase in capital assistance. (The EEC pledged \$2 million and the Government of Spain \$400,000 during the peace talks but these funds are expected to go primarily toward refuse collection and similar employment creation programs.)

The Israeli Civil Administration is speeding up the expenditure of NIS 200 million (about \$76 million) it had planned to commit toward infrastructure construction and, at the same time, increasing that budget by NIS 30 million (about \$11.5 million). It will support public housing (especially in the Gaza Strip), roads, classrooms, industrial parks, and communications infrastructure. UNRWA reports that "Tender advertisements are appearing in the local press, and the Civil Administration has asked municipalities to revive projects proposed (and rejected by the authorities) during the past 10 to 15 years."

While the UNDP has established donor committees for a number of sectors, little formal coordination is occurring at this time.

### III. PROJECT DESCRIPTION

The Project Goal is to improve the economic and social well-being of Palestinians in the West Bank and Gaza Strip

The Project Purpose is to generate employment quickly for Palestinians in the West Bank and Gaza Strip and to leave in place an improved infrastructure inventory.

## **A. Methodology for Activity Selection**

Upon taking the decision to move forward with a jobs creation program, A.I.D. contacted six agencies in the West Bank and Gaza Strip with experience in administering both construction activities and U.S. Government funds, advising them of A.I.D.'s interest in receiving proposals for activities that would result in as much employment as possible as quickly as possible and, at the same time, have some sustainable economic development benefit. These agencies included American Near East Refugee Aid (ANERA), Save the Children Federation (SCF), the United Nations Development Programme (UNDP), the United Nations Relief and Works Agency (UNRWA) in the West Bank and in the Gaza Strip (managed independently of each other and considered to be separate groups in the territories), and the Israeli Civil Administration.

A.I.D. then sent a two person team consisting of a direct hire project development officer and a consultant engineer to the field to: review the proposals; visit proposed activity sites; meet with proposing agencies, potential Palestinian implementing partners, and others with a knowledge of the Palestinian construction industry; and together with the A.I.D. Affairs Officers for Tel Aviv and Jerusalem and Embassy and Consulate General staff, make recommendations for funding "job creating" proposals. The team was also instructed to ensure that the decisions made reflected priorities identified by Palestinians.

While in the field, the team reviewed proposals for and/or visited the sites of three light industrial parks, three commercial centers, three sewage systems, four water distribution systems, two irrigation systems, five hospitals, three schools, and one small projects proposal in the West Bank (see attached Table 1), and five light industrial parks, three commercial centers, two sewage systems, six water delivery activities (including distribution networks, wells, and reservoirs), two clinic upgrade activities, six school-related activities (including maintenance and rehabilitation of old schools and construction of new schools), and one small projects proposal in the Gaza Strip (see attached Table 2). (See Attachment B for summary descriptions of all activities reviewed.)

All major cities in both territories were visited. The team met with staff of the four potential implementing agencies; staff of most of the potential Palestinian implementing partners; and the managing directors of three Palestinian engineering firms. The team also met with the Israeli Civil Administration authorities and representatives of the Palestinian technical committees. The technical committee representatives repeated their earlier proposal (first made in Rome) that A.I.D. commit the available funds to supporting the operational costs of Palestinian run universities, schools, and hospitals. (See Attachment C for a summary of the meeting with the technical committee representatives.)

Upon completion of meetings and site visits, proposals were scored against the following seven criteria. Readers will note that the first two criteria have been given more weight than the remaining five.

-- Cost to A.I.D. per person month of construction labor generated

- 8 - less than \$750
- 6 - \$750 to \$1500
- 4 - \$1501 to \$3000
- 2 - \$ over \$3,000

-- Estimated amount of time to tender

- 8 - less than one month
- 6 - 1 to 2 months
- 4 - 3 to 4 months
- 2 - 5 months or more

-- Cost per person month of estimated long term employment created

- 4 - less than \$15,000
- 3 - \$15,000 to \$50,000
- 2 - over \$50,000
- 1 - no permanent employment

-- Technical Need (measured against other proposals in the same sector)

- 4 - highest of sector among proposals reviewed
- 3 - high
- 2 - medium
- 1 - low (relative to other reviewed proposals in the sector)

-- Geographic Need (based on unemployment created as a result of the closure and past history as an underserved area)

- 4 - Gaza Strip, Northwest West Bank, and Jordan Valley
- 3 - Nablus
- 2 - Hebron
- 1 - Central

-- Environmental Concerns

- 4 - None
- 3 - Minor Review Required
- 2 - Impact Analysis Required
- 1 - Major Studies Required

-- Financial Sustainability/Operations and Maintenance Capability of Implementing Institution

- 4 - Good
- 3 - Adequate
- 2 - Poor
- 1 - Unlikely

After proposals were scored against the criteria (See Table 3 for West Bank scores and Table 4 for Gaza Strip scores), short-lists were developed. The short-lists were then discussed with the A.I.D. and Department of State staff in the Consulate General/Jerusalem and the Embassy/Tel Aviv. Final recommendations made in this paper are based on those discussions.

**B. Recommended Activities**

Predictably, the team found differences between what is possible to do in the West Bank and what is possible to do in Gaza Strip. West Bank institutions have greater experience in planning for physical infrastructure, undertaking and overseeing construction activities, and sustaining operations once the infrastructure is in place. Consequently, it was much easier to identify activities in the West Bank: engineering plans were further along, Government of Israel permits were more frequently in place, and confidence in the benefitting institution's ability to operate and maintain proposed infrastructure was more easily had. Nevertheless, the needs in the Gaza Strip are significantly greater than those in the West Bank and it was decided to recommend, for the Gaza Strip, as much as was possible to implement prudently and rapidly.

Recommendations direct a large share of resources in both the West Bank and Gaza Strip toward the renovation and upgrading of urban water distribution systems. These are labor intensive activities which can claim positive impacts on the environment, health status, and the increased marketed production of industrial goods (an A.I.D. strategy objective). Moreover, water is a resource which can benefit rich and poor alike. The municipalities have experience distributing water and, because it is something people pay for, financial sustainability issues are less worrisome and there is greater likelihood that there will be greater consumer pressure to address any operation problems that might exist.

Below are descriptions of each of the specific activities recommended for funding. Please note that budget figures provided

in this section are for the cost of construction only. They do not include the cost of proposing agency overhead rates or activity-associated overhead and training. Total cost figures will be solicited from proposing agencies once final decisions are made.

1. The West Bank

a. Small Projects

Proposing Agency: Save the Children Federation

Proposed A.I.D. contribution to labor/materials: \$500,000

Activity Start-Up: one to two months

Save the Children Federation proposes to advertise the availability of repair and renovation grants of up to \$25,000 for private schools, clinics, and community centers which are frequently --and now more so than ever-- starved for such resources.

**Sustainability; Institutional Capabilities; Technical Capabilities:** Save the Children, which has an excellent reputation in working with community and private groups in the West Bank and Gaza Strip, will ensure the sustainability and the institutional and technical capabilities of the benefitting institutions.

**Construction and Employment-Related Factors:** Save estimates that if \$500,000 worth of funding can be made available for the West Bank, 20 to 50 institutions can be assisted and approximately 750 person months of employment can be quickly created (assumes \$250,000 directly to labor, remaining funds in materials; \$15/day workdays; and, 22 day work months).

**Environmental Concerns:** Since the activity is primarily repair, no environmental impact is anticipated.

b. Nablus Municipality Water Distribution Network

Proposing Agency: UNDP

Proposed A.I.D. contribution to construction: \$1,700,000

Activity Start-Up: one to two months

Nablus is the West Bank's largest city (excluding Jerusalem). The water system in the old part of the city, where 25,000 people or almost 17 percent of the city's population resides, is almost 60

years old. Since the pipe was laid, there have been no major overhauls of the system, only minor maintenance and, when feasible, the repair of leaky pipes. Losses for the network (old city plus subsequent build-up) are in the 50 to 55 percent range (at an estimated value of \$330,000 to \$450,000 per year), with 25 to 30 percent of those losses attributed to leakage. The network is so overtaxed that most residents are served only a few hours a week at which time they fill their reservoirs. In the old city, the pipes absorb sewage creating an obvious health hazard. When asked to prioritize among proposals for renovating the old city water distribution network, constructing a light industrial park, and upgrading sewage systems, the city's chief engineer indicated that water was the top priority. The proposed activity is expected to save 500,000 cubic meters of water and decrease municipality water costs. The cost of replacing the existing distribution in the old city is estimated at \$1,700,000.

A.I.D. should condition its grant on the receipt of plans to (1) improve the collection of user fees and (2) coordinate related donor assistance. (GTZ intends to make a DM 9 million -- approximately \$6 million-- contribution for drilling a new well, improving an old well, improving connections from the wells to the distribution lines, and designing a sewage system. A German engineer will be assigned full time to Nablus to oversee the activity. It's possible the engineer could assume some responsibility for the UNDP activity.)

**Sustainability:** The water department has an annual operating expense budget of NIS 5.5 million (about \$2.1 million). In theory, these costs are covered by consumer fees and water line hook-ups. Sources other than the Nablus municipality indicated that collection rates were in the forty percent range. The Jerusalem Water Authority has demonstrated that collection rates as high as 99 percent are possible.

**Construction and Employment-Related Factors:** The work would be extremely labor intensive since buildings are close and streets are narrow and no heavy machinery could be used for excavation. A minimum of 2600 person months of labor, including laborers, technicians, and engineers, would be required to complete the activity. Tender documents could be completed in one to two months. It is anticipated that thirteen contractors will compete for work that will be sub-divided in five tenders. The municipality has the capability to manage the work of the five contractors; however, it would benefit from outside guidance and prompting.

**Environmental Concerns:** This is not an expansion but a replacement of existing pipeline. No negative environmental impact is anticipated. In fact, the impact will be a positive one as water contamination problems will occur less frequently.

**Institutional and Technical Capabilities:** The Nablus Municipality is rated by both UNDP and Anera as generally competent and the engineer in charge of the Nablus Water Department has a good reputation. The capabilities of technical and management staff below the engineer in charge are considered to be adequate but not strong.

**c. Jerusalem Water Undertaking Authority, Ramallah District**

**Proposing Agency:** Save the Children Federation

**Proposed A.I.D. contribution to construction:** \$1,500,000

**Activity Start-Up:** one to two months

The Jerusalem Water Authority is a non-profit organization formed in 1966 as the result of an agreement between the Government of Jordan and the International Development Agency. It serves 200,000 people (20 percent of the West Bank population) in 44 villages, 6 municipalities (primarily Ramallah and El-Bireh), and 5 refugee camps. The Authority proposes to replace the worn and leaking system put into place on an urgent basis to meet the needs of refugees after the 1948 war. Losses in these sections are at 50 percent compared to about 26.34 percent for the entire system and the leaking pipes tend to take in ground water sewage.

The projected cost estimate is \$5,747,233 and would result in savings (in water that would otherwise have to be purchased from the Government of Israel) valued at \$424,989 per year. The savings would be enough to provide service to 3846 families now dependent on cisterns or street vendors for their supplies.

A.I.D. should condition its grant on (1) the Jerusalem Water Authority's willingness to work with other water authorities (primarily municipalities) to help increase their water tariff collection rates and (2) the receipt of a donor coordination plan. (It is believed that the EEC will contribute funds for drilling a well and construction main lines to three villages. GTZ is organizing management planning meetings.)

Save the Children has provided approximately \$1.4 million to the Authority in the past.

**Sustainability:** The Jerusalem Water Authority is debt free and has a 99.2 percent collection rate. Given the high collection rates and the savings that will be achieved through the replacement of the old systems, the activity raises no sustainability issues.

**Construction and Employment-Related Factors:** The 5.7 million

activity would generate 900 jobs for one year and, as a result of expanded services, add approximately 16 permanent positions. The activity can be cut back or expanded as funds allow as any amount of pipe replaced will have some benefit. It is proposed that A.I.D. contribute \$1.5 million in support of the activity, creating an estimated 2500 person months of labor. Final designs for the \$1.5 million worth of work could be completed within one to two months. The Water Authority proposes to serve as the general contractor, managing construction with its own engineering staff and renting equipment as needed. This is unique, but given the Authority's capabilities, doable. (It will have the unintended benefit of speeding up activity start-up.)

**Environmental Concerns:** This is, for the most part, a replacement of an existing system. No negative environmental impact is anticipated. In fact, the impact will be a positive one as water contamination problems will occur less frequently.

**Institutional and Technical Capabilities:** The Jerusalem Water Authority is the most highly respected water authority in the Occupied Territories. It has requested assistance in upgrading its job classification system which A.I.D. should consider funding along with the construction activity.

## 2. The Gaza Strip

### a. Small Projects

**Proposing Agency:** Save the Children

**Proposed A.I.D. contribution to labor/materials:** 1,000,000

**Activity Start-Up:** one to two months

Save the Children Federation proposes to advertise the availability of repair and renovation grants of up to \$25,000 for private schools, clinics, and community centers which are frequently --and now more so than ever-- starved for such resources.

Save proposes that another \$500,000 be committed to a similar activity for the construction of small rainwater catchment ponds, small roads, and other agricultural promotion related activities.

**Construction and Employment-Related Factors:** Save estimates that if \$500,000 can be made available for the first activity mentioned above, 20 to 50 institutions can be assisted and approximately 750 person months of employment can be quickly created (assumes \$250,000 directly to labor, remaining funds in materials; \$15/day wages; and, 22 day work months).

It is expected that similar levels of employment can be generated through the second activity.

**Sustainability; Institutional Capabilities; Technical Capabilities:** Save the Children, which has an excellent reputation in working with community and private groups in the West Bank and Gaza Strip, will ensure the sustainability and the institutional and technical capabilities of the benefitting institutions and communities.

**Environmental Concerns:** No negative environmental impact is anticipated.

**b. Rafah Municipality Water Distribution**

**Proposing Agency:** UNDP  
**A.I.D. Contribution to Construction:** \$570,000  
**Activity Start-Up:** one to two months

Rafah has the lowest annual rainfall in the Gaza Strip. The efficient use of scarce water resources is critical. In order to decrease the losses from deteriorated pipes and cut down on the infiltration of sewage, the municipality proposes to replace sections of the pipeline at a cost of \$350,000. It also proposes to connect a city well to the city water grid at a cost of \$120,000 and run a small water line to serve about 400 families in a fishing village at a cost of \$100,000.

**Sustainability:** No information was gathered on fees or the rate of collection. It is safe to assume, however, that a well-managed system will be self-sustainable.

**Construction and Employment-Related Factors:** The tender documents are near completion. It is estimated that the activities will employ 300 workers for two months.

**Environmental Concerns:** The impact of expanding the grid should be examined; however, no negative impact is anticipated.

**Institutional and Technical Capabilities:** Rafah has an energetic mayor. Its engineering staff has the capability to manage the activities.

**IV. IMPLEMENTATION PLAN**

**A. Actions up to the Obligation of Funds**

Once decisions are made on which activities A.I.D. intends to support, the following actions will take place:

--the Bureau will prepare a Congressional Notification indicating its intention to obligate up to \$8 million in construction activities. The CN will provide an illustrative list of activities to be supported;

--the Bureau will send an environmental officer to the field to assist proposing agencies to complete environmental assessments;

--the Bureau will prepare a document authorizing the obligation of up to \$8 million for construction activities. The action memorandum accompanying the document will provide an illustrative list of activities to be supported and explain the proposal solicitation, review, and approval process;

--proposing agencies (Save the Children, UNRWA, etc.) will be invited to submit formal proposals for Washington review and final approval, first verbally immediately after recommendations above are approved or disapproved in order to expedite proposal preparation and shortly thereafter in writing. Proposals will be required to provide the following types of information:

description of problem

profile of benefitting institution(s)

proposed program of construction

implementation schedule

plan for managing/overseeing construction activities

plan for ensuring benefitting institution(s) have the capacity to operate and maintain infrastructure

review of environmental impact

quantified outputs/anticipated impact

response(s) to special issues identified by A.I.D.

detailed budget

Upon receipt of the formal proposals, A.I.D. will conduct a streamlined review and approval process. For the smaller, less complex activities (e.g., Save the Children's small projects proposal, UNRWA proposals), only a project committee review will be held. For the larger, more complex activities (e.g., water distribution systems), both project committee and Near East Project Advisory Committee reviews will be held. In all instances,

decisions regarding approval or disapproval will be made within seven working days of proposal receipt. To the extent proposals are received around the same time, they will be reviewed in clusters.

PIO/Ts will be prepared, cleared, and forwarded to FA/OP within seven working days of activity approval. To facilitate the FY 93 obligation of funds, NE/ME has indicated to FA/OP its willingness to finance a consultant negotiating officer.

#### **B. A.I.D. Management**

To assist in the management of the construction program proposed herein and the construction that will be proposed in Anera's soon-to-be submitted proposal, NE/ME will appoint one project manager. That manager will also be responsible for the ACDI grant (which along with the Anera grant provides support to cooperatives) and the AMIDEAST grant.

To support the project manager in overseeing the construction activities, A.I.D. will employ an 8(a) firm. The 8(a) firm will make available to NE/ME, sixteen person months of technical assistance over an eighteen month period. The technical assistance will include one program-specific engineer and one program-specific infrastructure management specialist. The engineer and the management specialist will travel to the field once a quarter to review and report on A.I.D.-financed construction activities. Each trip will last approximately three weeks, except the first which will be longer in order to collect baseline data and ensure adequate familiarization with the benefitting institutions. Two to three days will be spent before and after each trip with AID/Washington staff.

Given the many potential problems associated with construction activities, A.I.D. will also employ one local-hire PSC project monitor for the West Bank and one local-hire PSC project monitor for the Gaza Strip to assist the A.I.D. Affairs Officers in ensuring program accountability and effectiveness for the activities proposed herein and the activities approved under the ANERA V proposal.

#### **C. Schedule to Obligation**

Concept Paper is Reviewed and Approved	June 18
Potential Grantees are Advised Verbally of A.I.D. Decisions	June 21
Letters Inviting Formal Proposals are Issued	June 21 to 23
Environmental Officer Assists Proposers	June 28 to July 14

<b>Congressional Notification is Forwarded</b>	<b>July 1</b>
<b>Project Authorization is Signed</b>	<b>July 2</b>
<b>Proposals Received</b>	<b>July 8 to July 15</b>
<b>PIO/T for Management Contract is Forwarded to FA/OP</b>	<b>July 14</b>
<b>All Information Exchanges between A.I.D. and Administering Agency Completed</b>	<b>July 28</b>
<b>All Proposals are Reviewed and Approved</b>	<b>August 5</b>
<b>All PIO/Ts are Forwarded to Contracts</b>	<b>August 12</b>
<b>All UN Grants are Forwarded to AA/NE</b>	<b>August 12</b>
<b>All Funds Obligated</b>	<b>September 30</b>

#### **D. Monitoring and Evaluation Plan**

Grantees will carry primary responsibility for collecting, analyzing, and reporting data related to indicators included in the logical framework. They will submit reports to A.I.D. on a semi-annual basis.

The 8(a) monitoring contractor will assist grantees in establishing baseline data, specifying targets, and developing reporting formats. The contractor will assist A.I.D. in monitoring grantee activity and will submit quarterly reports to A.I.D. These reports will be based on quarterly visits to the field by the contractor's two person team (which will consist of an engineer and an infrastructure management specialist).

While the primary purpose of the project is the rapid generation of short-term employment in order to alleviate the severe economic distress of those in the West Bank and Gaza Strip, A.I.D. also has an interest in the longer-term development benefits of the infrastructure activities that will be funded. Through its grantees and monitoring contractor, A.I.D. will assess the outcomes of water system development and improvement, and private social infrastructure repair and rehabilitation. Indicators for water system development and improvement might include: permanent jobs created; percent reduction in water lost; new beneficiaries served; and for private social infrastructure repair and rehabilitation: increased usage by intended beneficiaries.

Where relevant, activities will be assessed to determine the extent to which they contribute to the achievement of A.I.D.'s strategic objectives in the West Bank and Gaza Strip.

A project logframe is found on the following two pages.

**AGENCY FOR INTERNATIONAL DEVELOPMENT  
JOBS PROJECT  
LOGICAL FRAMEWORK**

OBJECTIVES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Goal:</b></p> <p>Improved economic and social well-being of Palestinians in West Bank and Gaza</p>	<p>To be determined when the strategic plan indicators are developed</p>	<p>TBD</p>	<p>1). Political situation stabilizes and economic activity resumes on a more normal basis</p>
<p><b>Purpose:</b></p> <p>Short-term Employment generated quickly for Palestinians in the West Bank and Gaza Strip</p>	<p>1). 5,450 person months of employment created in the West Bank; 2100 person months created in Gaza Strip</p> <p>2). 1,500 Palestinians employed by the end of the fourth month after project authorization; disaggregated by West Bank and Gaza Strip</p> <p>3). 2,850 Palestinians benefit from Short-term employment of up to two months duration; disaggregated by West Bank and Gaza Strip</p> <p>4). 350 Palestinians benefit from short-term employment of more than 2 months duration but less than 2 years; disaggregated by West Bank and Gaza Strip</p>	<p>Grantee records, including Save the Children Federation, UNDP</p> <p>Contractor Reports</p>	<p>1). AID and State can reach agreement <u>expeditiously</u> on which infrastructure activities to fund</p> <p>2). Grant agreements are signed in a short time frame following project authorization</p>

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**AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**Development Resources, Bureau for the Near East**  
**Job Report**

OBJECTIVES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>Outputs:</b></p> <p><b>West Bank -</b></p> <ol style="list-style-type: none"> <li>1). 2 water systems repaired/updated</li> <li>2). 40 small rehabilitation activities completed</li> </ol> <p><b>Gaza Strip -</b></p> <ol style="list-style-type: none"> <li>1). 40 small rehabilitation activities completed</li> <li>2). 40 small agricultural activities completed</li> <li>3). 1 water system rehabilitated and extended</li> </ol>	<p><b>West Bank -</b></p> <ol style="list-style-type: none"> <li>1). 2 water systems repaired/updated</li> <li>2). 40 small rehabilitation activities completed</li> </ol> <p><b>Gaza Strip-</b></p> <ol style="list-style-type: none"> <li>1). 40 small rehabilitation activities completed</li> <li>2). 40 small agricultural activities completed</li> <li>3). 1 water system rehabilitated and extended</li> </ol>	<p>Grantee records, as listed above</p> <p>Contractor Reports</p>	<p>Situation in Gaza does not prevent construction activities and proper monitoring of activities</p>
<p><b>Activities:</b></p> <ol style="list-style-type: none"> <li>1). Choose infrastructure activities</li> <li>2). Negotiate/sign grant agreements</li> <li>3). Grantees tender bids, where necessary</li> <li>4). Construction/renovation initiated</li> <li>5). Monitoring of construction and Recordkeeping</li> </ol>	<ol style="list-style-type: none"> <li>1). Final list of infrastructure sites approved by AID and State</li> <li>2). \$7.5 million in grant agreements signed</li> <li>3). Tender documents released</li> <li>4). Construction underway</li> <li>5). Grantee site visits and records</li> </ol>	<p>AID project documents; grant agreements; tender documents; grantee records</p>	<p>Israeli authorities permit free flow of construction materials</p>

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## **V. ANALYSES**

### **A. Technical Capabilities of Benefitting Institutions**

The technical capability of the benefitting institutions varies considerably by type, size and region. Of the municipal organizations, the larger West Bank central cities have extensive infrastructure development experience backed by large public works organizations that are well staffed with engineers. The smaller cities tend to have minimal staffs and limited capacity to develop public works, although both large and small alike generally have experience in using engineering consultants and construction contractors. The strongest municipal public works organizations on the West Bank are in Bethlehem, Ramallah, and Nablus. The team did not meet with the Tulkarem municipality but was advised that it too was considered competent.

Of the benefitting institutions contacted, the Jerusalem Water Undertaking Authority, Ramallah District, a non-profit organization, appeared to be the most organized and institutionally strong with good financial planning, operations and maintenance capabilities. It has been especially adept at cost recovery. It has the advantage of serving a more affluent region.

The best of Gaza equates to the worst of the West Bank. Engineering staffs are, for the most part, small and experience is limited. The Rafah municipality appears to be the strongest, technically, in the Gaza Strip. It is located in one of the most arid areas of the region and its staff has honed its water supply skills, and embarked on a major water reuse program.

In summary, all organizations reviewed have the capacity to implement construction activities using local consulting engineers and local contractors and most use this approach for their public works projects.

### **B. Technical Capabilities of Proposing/Administering Agencies**

#### **1. Save the Children Federation**

Save has had good experience in developing infrastructure projects in the region over the past 20 years. Much of this has been on a small scale and developed by a previous generation of SCF managers. Save has a strong background in supporting water and wastewater projects. It has used the approach of working directly with municipalities, depending on the municipalities and their consultants to provide the necessary design and tendering documents. A primary weakness is its lack of experienced technical staff to manage major infrastructure development activities, although of its 30 person staff, two are civil engineers and four are agricultural engineers. Save noted that it would supplement this staff with consultants as needed. Its skills are well suited

to all projects programs. Given its experience and positive track record, it is judged to have the capability to administer larger scale construction activities.

### United Nations Development Program (UNDP)

The mission for the West Bank and Gaza Strip is unique in that it is reported to be the only one in the world developing infrastructure activities. Because of this uniqueness it must rely entirely on local resources and cannot call upon the home office or another regional office for needed engineering support.

The engineering office was organized by an expatriate engineer who now periodically assists on a consulting basis. The engineering staff totals eight professionals and consists of four civil engineers, one mechanical, one electrical and one architect.

The activities reviewed that were suggested by the UNDP, all of which are consistent with the UNDP's locally stated objectives of assisting primarily in the water and wastewater sectors, were those proposed by municipalities with which the UNDP felt comfortable working. UNDP staff had not yet reviewed plans in any detail and were relying on the work of the municipal engineers.

An example of standard plans, specifications and tender documents was provided for a sewage project financed directly by the UNDP for a municipality in Gaza. The plans were prepared by a Gaza consulting engineering firm in conjunction with a Jordan engineering consultant. The work appeared well done and all drawings were prepared with a computer-aided design and drafting program.

UNDP activities funded by A.I.D. will be directly tendered by UNDP's Jerusalem Office. UNDP engineers will be responsible for construction inspection, while contractor payments would be made directly by UNDP after municipality concurrence.

### **c. Operations and Maintenance Capacities**

The ability to manage, operate and maintain a facility after construction is as critical as the construction process itself. Key requirements are a trained and skilled staff and financing. The latter condition is the controlling factor in both the West Bank and Gaza Strip. Most of the area's infrastructure is so aged that replacement is the optimal solution yet, given funding constraints, this remains impossible. Skills are readily available and in some municipalities well developed. In others, funds are not available to hire an adequately trained or skilled staff. Our meetings, however, showed that most public works departments were eager and ready to do a better job and had ideas on how this could be done.

Water departments showed the greatest strengths as their funding was directly related to service and quantity of water delivered. Also most have had many years to develop. The high cost of obtaining and delivering water (about \$1 per cubic meter on the West Bank) leaves little margin for profit and capital investment. Many of the older systems are so corroded that leakage exceeds 50%, resulting in users paying for large amounts of lost water rather than capital improvements.

Sewerage departments are generally combined with water departments. Sewage collection and treatment has not been emphasized in either the West Bank or Gaza Strip, and thus skills and staff are limited. The extremely limited water supplies in the region require a change in this situation as water reuse is the only practical long range solution. Primary treatment for the irrigation of selected crops (e.g., flowers) is now being practiced and systems are being developed for secondary level treatment. The selling of treated water will in time be a financial resource to this sector, however in the near future one should not expect great or rapid changes.

The practice of dumping raw sewage into the wadis will continue and even increase as sewage collection increases. Investment in sewage collection is worthy in areas that are now flooding or contaminating the ground water and where the maintenance and operations are within the capabilities of the organizations responsible for this work. Treatment and reuse, however, should not be targeted for investment without both an environmental analysis and an institutional analysis supported by financial and training plans.

In summary, the Palestinians have the skills and training to manage the institutions with which they are familiar. Activities such as water distribution require minimal operating skills. Pumping stations and water reservoirs are common and should not be a concern. Wastewater treatment and reuse will require careful analysis before investment. Industrial and commercial facilities will generally be successful on the West Bank but should be tested by a needs analysis.

#### **D. Local Engineering Consultant and Construction Capabilities**

Palestinian engineers are well trained and active in a variety of consulting and construction activities. Almost 4000 engineers, many of whom are employees of municipalities, belong to the Engineers' Union (2345 West Bank engineers and 1557 Gaza Strip engineers).

Consulting engineers tend to be active in both the West Bank and Gaza Strip without regard to their home location. Many also shift back and forth between the construction contractor and the consulting engineer role, a somewhat unique practice by most country's standards. Most firms are small in size or made up of

part timers with other employment such as teaching.

In the West Bank, there are hundreds of "firms" which can handle assignments in the \$100,000 to \$200,000 range. There are six to seven firms capable of undertaking construction assignments exceeding \$3,000,000. Of those, three are reported to be large enough to undertake extremely large and comprehensive projects (construction values in excess of \$10 million). For the more complex or larger projects, local engineers have teamed with foreign partners, Jordanian firms being a close and popular source. Israeli engineers are sometimes employed for some specialty work.

Gaza contractors also have good experience and have performed well on the recent larger construction activities sponsored by the UNDP, CIVAD, UNRWA and the PVOs.

Both areas have a surplus of construction workers and skills resulting from the closure and reportedly there are experienced engineers who have returned from Kuwait. The local contractors will easily be able to handle the size and type of work being planned for the A.I.D. projects.

#### **E. Environmental Concerns**

There are minimal facilities for sewage treatment in the West Bank and Gaza Strip; instead, sewage is collected and dumped into wadis. Gaza abuts the Mediterranean Sea making it another site for sewage disposal. The city of Gaza has, in areas, sewage flooding the streets and ponding in garbage heaps on open areas. Sewage saturates the groundwater table in many areas of the West Bank and Gaza Strip and, where water lines are corroded and leaking, sewage is taken into the drinking water system. While consideration needs to be given to addressing the serious sewage collection and treatment issues, sewage systems have not been recommended for funding under this program. The lead time required for (1) the necessary environmental assessments and (2) the planning necessary to ensure sustainability and effective operations and maintenance clashed with the desired rapid program start-up. Replacing, upgrading and extending water lines, which is recommended for funding, will not resolve the serious sewage collection and treatment issues, but it will (in addition to reducing water waste) reduce the intake of sewage into the water system, greatly improving health conditions.

#### **VI. ESTIMATED BUDGETS**

Estimated budgets for the activities recommended for the West Bank and Gaza Strip are summarized on the following pages. Only the construction costs have been estimated by the proposing organizations. Other costs have been estimated by the design team. These costs include, as appropriate to each individual situation, engineering and construction management costs, an allowance for

training and start-up, and administering agency (PVO, UN organization) overhead. Contingencies estimates are minimal as the amount of money available will dictate how much pipe is replaced or how many repairs of private social infrastructure are financed. Any point of cut off of work will result in a beneficial and sustainable system. The contingency line item was included primarily to allow for increases over design team training and start-up estimates. Engineering design fees and construction management fees of 5 percent were also included when appropriate. Training and start-up cost allowances have been included for most activities except those that are maintenance/repair related. Overhead rates applied for these budgets are UNDP 11 percent; Save the Children 28.9 percent. All obligations are planned for FY 93. Expenditures are expected to take place over a two year period.

**ESTIMATED BUDGET  
(\$000)**

Item	Construc- tion Cost	Eng/ Const. Mgt.	Training /Start- Up	Over- head	Total
Small Projects/ West Bank	500			145	645
Nablus Water	1,700		100	198	1,998
Ramallah Water	1,500	75	50	470	2,095
Small Proj- ects/GS	1,000			290	1,290
Rafah Water	570	30	50	80	730
Subtotal	5,270	105	200	1,183	6,758
8(a) Monitoring Firm					600
Contingency					642
<b>TOTAL</b>					<b>8,000</b>

## **VII. PROGRAM ISSUES**

### **A. Master Plans**

There are no complete master plans for the development of infrastructure (water, sewage, roads, electricity, housing, etc.). As a result, construction activities are not planned in any larger, long-term context. The piecemeal approach currently being taken is inefficient and has negative long-term implications. A.I.D. should consider working with Palestinian counterparts to begin the development of master plans.

### **B. Donor Coordination**

Currently, there is no formal mechanism for active donor coordination at the operational level. UNDP has made some efforts to correct this situation but more must be done.

### **C. Beyond Water**

Three water distribution activities are proposed. Since water and sewage lines often run parallel, and sewage collection and treatment is of major concern, should A.I.D. consider providing concurrent support to the improvement of sewage lines?

**Attachment C**

**Meeting with Representatives**

Table 1  
WEST BANK  
Project Summary

PROJECT	COST	OUTPUTS	JOB	IMPL
<b>WATER</b>				
1. Nablus Dist. Syst. Replacement	\$1,700,000	impr. health clean water reduced losses	2600 mm/st	UNDP
2. Beth. Renov. & Expansion	\$ 600,000	water savings cost savings	240 mm/st	SCF
3. Ramallah Network Renewal	\$1,600,000	\$100,000 saved per yr-960 new fam. ser.	2500 mm/st 4 lt	SCB
4. Tulkarem Water Project	\$ 710,000	improv. health reduced losses	1200 mm/st	UNDP
<b>SEWERAGE</b>				
5. Nablus Indust. Sewer & Drain	\$2,360,000	health	120 mm./st	UNDP
6. Ramallah Sewage Treat.	\$1,500,000	impr. health irrig. water	low st high lt	ANERA
7. Salfit Sewage	\$2,500,000	impr. health clean water	1000 mm/st	ANERA
<b>IRRIGATION</b>				
8. El-Fara'a Irrigation	\$1,500,000	water savings more farms	300 mm/st 400 lt	ANERA
9. Jenin Area Basin Drainage	\$ 200,000	drains farm- land	180 mm/st 200 lt	ANERA
<b>LIGHT INDUSTRY</b>				
10. Indust. Site, Nablus (this project currently under constr. with \$750,000 from CIVAD)	\$1,500,000	18 units	600 mm/st 90 lt	ANERA

11. Light Indust., \$1,000,000 81 shops 1400 mm/st ANERA  
Nablus 100 lt

12. Light Indust. \$1,500,000 51 units 500 mm/st ANERA  
Park, Ramallah 100 lt

#### COMMERCIAL CENTERS

13. Commer. Ctr., \$5,000,000 86 shops 7200 mm/st ANERA  
Nablus 80 offices 360-700 lt

14. Beit Sahur \$1,750,000 50 shops 1350 mm/st ANERA  
Commer. Ctr. 50 lt

15. Tulkarem Whole- \$ 500,000 50-60 units 600 mm/st ANERA  
sale Mkt. II 60 lt

#### SCHOOLS

16. Girls School, \$ 500,000 needed repl. 640 mm/st ANERA  
Nablus

17. Jiftlik Sch. \$1,050,000 needed rpl. 720 mm/st UNWA

18. Agrabanieh Sch. \$ 300,000 needed exp. 600 mm/st UNRWA  
5 lt

(leverages \$487,000 from AGFUND)

#### HOSPITALS

19. Ramallah Dially. \$1,200,000 not now avail 2400 mm/st CIVAD  
Intens. Care health care 10 lt

20. Ramallah Card. \$2,000,000 not now avail 2400 mm/st CIVAD  
Cather. Ctr. health care 10 lt

21. Beit Jallah \$1,000,000 not now avail 2000 mm/st CIVAD  
Surgical Wing health care 120 lt

22. Hebron Hosp. \$1,775,000 improv. health 3155 mm/st ANERA  
Operating Wing care 30 lt

23. Qalqilia Hosp. \$ 270,000 improv. health 900 mm/st ANERA  
Exp./Rehab care 10 lt  
(leverages \$310,000 from UNRWA sources)

#### GENERAL

24. Small Proj. \$ 500,000 target poorest 1000 mm/st SCF  
Fund leverage \$  
quick resp.

**Table 2**  
**GAZA STRIP**  
**Project Summary**

<b>PROJECT</b>	<b>COST</b>	<b>OUTPUTS</b>	<b>JOBS</b>	<b>IMPL</b>
<b>WATER</b>				
1. Khan Younis new well	\$ 500,000	health	60 mm/st 5 lt	UNDP
2. Khan Younis new distr.	\$ 500,000	health	700 mm/st 2 lt	UNDP
3. Rafah Munic. Repl/Distrib.	\$ 350,000	needed repl. reduce loss	600 mm/st 1 lt	SCF
4. Rafah Munic. Distrib.	\$ 220,000	health	400 mm./st 1 lt	UNDP
5. Rafah Munic. Reservoirs	\$1,000,000	health clean water	720 mm/st 2 lt	UNDP
6. Gaza Munic. new well (3 new wells needed immediately)	\$ 500,000	health	60 mm/st 3 lt	CIVAD
<b>SEWERAGE</b>				
7. Middle Camps Sewer Main (Proposal for 3 camps; can be reduced to 2 saving 1/3)	\$3,000,000	health	3600 mm/st	SCF
8. Khan Younis Pump/Main	\$1,000,000	health	500 mm/st 1 lt	UNDP
<b>IRRIGATION</b>				
9. Rafah Munic. water reuse	\$6,000,000	water reuse clean water more farms	7000 mm/st 200 lt	UNDP
<b>LIGHT INDUSTRY</b>				
10. Beit Lahia Park	\$ 800,000	52 units	900 mm/st 100 lt	ANERA
11. Gaza Ind. Union Park	\$1,500,000	100 units	1800 mm/st 150 lt	ANERA

**COMMERCIAL CENTERS**

12. Beit Hanoun Produce Mkt.	\$ 750,000	37 units	525 mm/st 70 lt	ANERA
13. Gaza Munic. wholesale & market	\$1,750,000	50 units	1100 mm/st 50 lt	ANERA
14. Gaza Munic. Retail Mkt.	\$2,500,000	100-150 shops	2400 mm/st 200 lt	ANERA

**SCHOOLS**

15. Classroom Improvement	\$ 700,000	70 schools	950 mm/st	UNRWA
16. School Secur. Fence Rehab.	\$1,000,000	70 schools	1130 mm/st	UNRWA
17. School Floor Tiling	\$1,000,000	50 schools	1360 mm/st	UNRWA
18. New Schools	\$2,000,000	24 unit each	1500 mm/st 30 lt	CIVAD
(current catchup need is 34 new schools plus 5 each year)				
19. School Rehab, Beit Hanon	\$ 120,000	12 rooms	150 mm/st	SCF
20. Gaza Nursing School Rehab.	\$ 100,000	10-20 nurses Trained/yr	140 mm/st 10 lt	UNRWA

**HOSPITALS**

21. Rafah & Khan Younis Clinics Rehab	\$ 220,000	2 health ctrs.	250 mm/st	UNRWA
22. New Clinics	\$ 500,000	Basic health	850 mm/st 30 lt	CIVAD
(need 8 in areas without service, 6 expansion, 6 replacement)				

**GENERAL**

23. Small Projects	\$ 500,000	20-50 projs. target urg. empl. need	1000 mm/st	SCF
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Table 3

West Bank  
Project Evaluation Summary

(Factors A and B weighted by 2)

<u>Project</u>	<u>FACTOR A</u> <u>Short term</u> <u>cost/job</u>	<u>FACTOR B</u> <u>Time to</u> <u>Tender</u>	<u>FACTOR C</u> <u>Long Term</u> <u>job/creat.</u>	<u>FACTOR D</u> <u>Technical</u> <u>Need</u>	<u>FACTOR E</u> <u>Geograph.</u> <u>Need</u>	<u>FACTOR F</u> <u>Envr.</u> <u>Needs</u>	<u>FACTOR G</u> <u>Sustain-</u> <u>ability</u>	<u>Total</u>
<u>Water</u>								
1. Nablus Dist. System Replacement	8	8	1	4	3	3	2	27
2. Bethlehem Renov. Expansion	6	6	1	3	1	4	3	24
3. Ramallah Network Renewal	8	6	2	2	1	3	3	25
4. Tulkarem Water Project	8	6	1	1	4	3	1	24
<u>Sewage</u>								
5. Nablus Indust. Sewer and Drain	2	6	3	1	3	2	3	20
6. Ramallah Sewage Treatment	2	2	4	3	1	1	3	16
7. Salft Sewage	2	8	1	4	3	2	1	21
<u>Irrigation</u>								
8. El-Fara's Irrigation	2	2	4	2	4	2	2	18
9. Jenin Area Basin Drainage	6	2	4	4	4	1	2	23
<u>Light Industry</u>								
10. Indust Site Nablus	8	8	3	3	3	3	3	31
11. Light Indust. Nablus	8	2	4	1	3	3	3	24
12. Light Indust. Park Ramallah	4	6	3	3	1	3	4	24
<u>Commercial Centers</u>								
13. Commercial Center Nablus	8	6	3	2	3	3	3	28
14. Beit Sahur Commercial Center	6	6	3	2	1	3	4	25
15. Tulkarem Wholesale Market II	6	6	4	1	4	3	2	26

Table 3 (cont)

<u>Schools</u>								
16. Girls School Nablus	6	4	1	1	3	3	3	21
17. Jiftik School	6	4	1	2	4	4	2	23
18. Aqrabanieh School	2	2	3	1	1	1	3	13
<u>Hospitals</u>								
19. Ramallah Dialy Intensive Care	8	8	2	2	1	3	4	28
20. Ramallah Card. Cather. Ctr.	6	2	2	1	1	3	4	19
21. Beit Jallah Surgical Wing	8	6	2	2	1	3	3	25
22. Hebron Hosp. Operating Wing	8	8	2	4	2	3	3	30
23. Qalqilia Hospital Exp./Rehab	8	8	3	4	4	3	2	32
<u>General</u>								
24. Small Project Fund	8	8	1	4	4	4	4	33

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Table 4

Gaza Strip  
Project Evaluation Summary

(Factors A and B weighted by 2)

<u>Project</u>	<u>FACTOR A</u> <u>Short term</u> <u>cost/job</u>	<u>FACTOR B</u> <u>Time to</u> <u>Tender</u>	<u>FACTOR C</u> <u>Long Term</u> <u>job creat.</u>	<u>FACTOR D</u> <u>Technical</u> <u>Need</u>	<u>FACTOR E</u> <u>Geograph.</u> <u>Need</u>	<u>FACTOR F</u> <u>Envr.</u> <u>Needs</u>	<u>FACTOR G</u> <u>Sustain-</u> <u>ability</u>	<u>Total</u>
<u>Water</u>								
1. Khan Younis New Well	2	6	2	3	4	3	2	22
2. Khan Younis New Distr.	8	6	2	4	4	4	3	31
3. Rafah Munic. Rep/Distr.	8	6	2	4	4	4	3	31
4. Rafah Munic. Distr.	8	6	2	4	4	4	3	31
5. Rafah Munic. Reservoirs	6	4	2	3	4	4	3	26
6. Gaza Munic. New Well	2	6	2	3	4	3	3	23
<u>Sewage</u>								
7. Middle Camps Sewer Main	6	2	1	3	4	2	1	19
8. Khan Younis Pump Main	4	4	2	4	4	4	2	24
<u>Irrigation</u>								
9. Rafah Munic.	6	2	3	4	4	1	3	23
<u>Light Industry</u>								
10. Beit Lahia Park	6	4	4	4	4	3	3	28
11. Gaza Ind. Union Park	6	2	3	4	4	3	3	25
<u>Commercial Centers</u>								
12. Beit Hanoun Produce Market	6	4	4	2	4	4	3	27
13. Gaza Munic. Wholesale and Market	4	2	3	2	4	3	3	21
14. Gaza Munic. Retail Market	6	4	4	1	4	3	3	25

Table 4 (cont)

<u>Schools</u>								
15. School Repair and Paint	8	8	1	3	4	4	3	31
16. School Secur. Fence Rehab.	6	8	1	3	4	4	3	29
17. School Floor Tiling	8	8	1	2	4	4	3	30
18. New Schools	6	8	2	4	4	4	4	32
19. School Rehab. Beit Hanoun	6	4	1	4	4	4	2	25
20. Gaza Nursing School Rehab.	8	8	4	3	4	4	3	34
<u>Hospitals</u>								
21. Rafah and Khan Younis clinics Rehab.	6	8	1	3	4	4	4	30
22. New Clinics	8	8	3	4	4	4	4	35
<u>General</u>								
23. Small Projects	8	8	1	4	4	4	4	33

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United States Department of State

ATTACHMENT A

Assistant Secretary of State for  
Near Eastern Affairs

Washington, D.C. 20520-6258

*Jean Mitchell*  
*Pls see me.*  
*S*

Dear Brian:

After trying to reach you by phone and considering the urgency of this request I am writing you because we need AID's help to deal with the serious economic situation resulting from Israel's closure of the occupied territories. Until the closure, over 100,000 Palestinians earned their livelihood working in Israel. Their wages represented about half the GNP of Gaza and about a third in the West Bank.

We want to help create jobs in the territories and thereby provide some much needed support to the peace process. Secretary Christopher has asked me to find some way to help on an urgent basis. Unfortunately, as you know from your days with the National Democratic Institute, AID operates on multi-year time frames. Our need is for a program which can be implemented in a matter of weeks.

The money is there. AID has approximately \$14 million in funds appropriated for the West Bank and Gaza Strip which it does not plan to obligate this year. We would like to use this money for urgent infrastructure needs, i.e. road construction and repair, sewage lines and treatment facilities, electrical lines and power generation equipment, industrial facilities and schools. All of these projects would create much-needed jobs in the near term and support economic growth in the long term.

I would like your help in putting together a joint proposal to the Secretary using this money. One possible approach would be a fast-track effort to hire a U.S. contractor to oversee the work and sub-contract with local construction firms. However, under current circumstances, this could take three months or longer to get off the ground. It would take even longer if engineering plans are not available off the shelf. We need to move more quickly.

An alternative would be to channel the money through UNDP, which has experience in the territories. If there are engineering plans already drawn up, AID could obligate the money to UNDP relatively quickly.

Mr. Brian Atwood  
Administrator-designate  
Agency for International Development

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**Attachment B**

**Construction Activities Considered  
in the West Bank**

**Sewage Activities**

**Ramallah Sewage Treatment and Recycling**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction:** \$1,500,000

Ramallah is the first (only?) town in the territories to have a sewage treatment facility. It was built in 1976 and serves 10,000 people. The municipality would like to expand the aerated pond sites to increase the number of families served to 40,000 and further refine its treatment so that water could be used for irrigation.

**Sustainability:** Approximately 60 farmers owning about 50 dunams of land each would be charged for treated irrigation water.

**Construction-Factors Capabilities:** The municipality has an engineering staff of nine. Not much detailed planning as of yet.

**Environmental Concerns:** An assessment would be necessary.

**Institutional and Technical Capabilities:** Ramallah is one of the more capable municipalities.

**Salfit Sewage System**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction:** \$2,500,000

Sewage is seeping into Salfit's water supply, which comes from springs at the low end of town. The municipality proposes to construct sewage collectors, laterals, and a main trunk line to transmit the sewage to a future treatment site. Costs were estimated to be \$1.5 million for the collectors and laterals and \$1 million for the main. The future aerated lagoon treatment system is estimated to cost \$4.5 million.

**Sustainability:** No information.

**Construction-Related Factors:** Finished tender documents are well done. It is estimated that the proposed work will take 80 to 110 laborers 8 months to a year to complete.

**Environmental Concerns:** An assessment would be necessary.

**Institutional and Technical Capabilities.** Salfit is a small town of about 12,000 people. The municipality is judged to be capable but the engineering staff is weak.

#### **Nablus Municipality Sewage System**

**Proposing Agency:** UNDP

**Proposed A.I.D. contribution to construction:** \$2,000,000

Currently, sewage is being channeled in open drains to wadis draining away from each side of the city. Under the proposed activity, sewage collection networks would be constructed and dumped into those same wadis. Over the longer term, two treatment plants would be constructed.

Of the three activities proposed by Nablus Municipality (water distribution in the old city, light industry park, sewage system), the chief engineer ranked the sewage system as the lowest priority. Sewage is not yet a severe problem and no land is currently available for the treatment plants.

**Sustainability:** No information.

**Construction-Related Factors:** Tender documents are reportedly complete but were not available for review.

**Environmental Concerns:** An assessment would be required.

**Institutional and Technical Capabilities:** Nablus Municipality is judged to be capable. The city has 50 engineers on its staff.

#### **Water Distribution Activities**

**Nablus Municipality:** (See Main Body of Report)

**Jerusalem Water Undertaking Authority, Ramallah District:** (See Main Body of Report)

#### **Bethlehem Municipal Water and Sewage Authority**

**Proposing Agency:** CIVAD but could go through Anera or Save the Children

**Proposed A.I.D. contribution to construction:** \$600,000 to \$1,000,000

The Bethlehem Municipal Water and Sewage Authority serves 100,000 people in Bethlehem, Beit Sahour, Beit Jallah, and three refugee camps. Water is also provided to the Israeli army. The mayor of

the city, Elias Friej, estimates that losses from leakage are in the 30 to 45 percent range. As a result of shortages, Bethlehem consumers get water only twice a week. The same is true for Beit Sahour and Beit Jallah. The refugee camps get water three times a week. Leakage would be reduced by about 10 percent by the replacement of existing pipeline.

**Sustainability:** The minimum charge for water is for 10 cubic meters every two months plus a NIS 1 charge for meter maintenance, resulting in a minimum bimonthly payment of NIS 31. 75 percent of consumers pay the minimum. Collection rates, according to other than Bethlehem sources, are about 45 percent.

**Construction-Related Factors:** Construction-related capabilities are judged to be adequate; however, Save the Children, which in the past provided the municipality with approximately \$700,000, reports that financial controls are not as tight as they could be. A GTZ engineer indicated that the sewage side of the authority was stronger than the water side.

**Environmental Concerns:** This is not an expansion but a replacement of existing pipeline. No negative environmental impact is anticipated. In fact, the impact will be a positive one as water contamination problems will occur less frequently.

**Institutional and Technical Capabilities:** The Bethlehem Municipality was ranked as the most competent in the Territories by almost everyone with whom we spoke. Its water and sewage authority was ranked as the second best, after the Jerusalem Water Undertaking. It is the only municipality with an elected mayor and he receives consistently high marks.

The Water and Sewage Authority is overseen by an 11 person board of directors with five members from Jerusalem, 3 from Beit Sahour, and 3 from Beit Jallah.

**Other Donors:** The GTZ is engaged in a joint activity with the Government of Italy to improve the sewage system. Each donor is putting up approximately \$6 million.

#### **Tulkarem Municipal Water Authority**

**Proposing Agency:**

UNDP

**Proposed A.I.D. contribution to construction: \$275,000 (plus \$435,000 for reservoirs)**

We were unable to meet with the Tulkarem Municipal Water Authority, however, the plan showing the layout of the upgrading and pipe replacement was reviewed. It is estimated that tender documents could be put together in one month.

#### **Irrigation Activities**

**Proposing Agency:**

**Anera**

**Proposed A.I.D. contribution to construction: \$1,500,000**

The Fara Irrigation Committee (of the Jordan Valley) requested assistance in replacing open irrigation channels with underground pipe. The activity was begun with a \$10 million grant from Kuwaiti sources which was supposed to have covered completion of the entire system. Only the first three phases of the 54 km pipeline were completed. Assistance now required for the last 18 km. This assistance would bring 8,000 to 10,000 dunams of land, or the largest chunk of the entire system, under irrigation. This last section supposedly has the most fertile land. (Total irrigated land in the West Bank is 100,000 dunams.)

We were told by the Fara Committee that most families along the last section had 30 dunams (or about 7 acres) of land. Another source indicated that the section consisted primarily of large landowners.

**Sustainability:** The Committee has a budget of JD 30,000 per year. Benefitting farmers pay one JD for each dunam of land irrigated. Repairs are made by in-kind contributions of labor.

**Construction-Related Factors:** Construction-related capabilities are probably adequate; however, during the first three phases there were problems with contractors which have yet to be resolve. Reports are that funds were not tightly controlled. It is estimated that laying the pipe will take 100 laborers six months to complete.

**Environmental Concerns:** There should be no negative environmental impact.

**Institutional and Technical Capabilities:** The Fara Irrigation Committee has 8 members elected from a total of four villages. The chairman of the committee, Wahil Masri, was an articulate spokesperson for the group.

### **Sanor Flood Drainage**

**Proposing Agency:**

**Anera**

**Proposed A.I.D. contribution: \$200,000**

Sanour is a town in the north of the West Bank, near Jenin. Heavy rains of two years ago flooded the area and created a small lake. The soils are such that infiltration is low and rainfall has been keeping up with evaporation. While the lake is gradually receding, 1,000 dunams of land are under water. Maximum depths are reported to be up to two meters.

The plan is to drain the water into a wadi where it is expected to

percolate into the ground water table. Farmers could then reclaim their land. With an average farm size of 5 dunams, 200 farm families would benefit.

**Construction-Related Factors:** Plans will take three months to complete.

**Environmental Concerns:** An environmental assessment would be necessary.

### **Light Industrial Parks**

#### **Nablus Light Industrial Park**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction:** \$1,000,000

Nablus Municipality proposed the construction of a light industrial park on the east side of town, close to three refugee camps and the largest concentration of labor in the area. The park would provide space for over 80 workshops.

A park financed by the Japanese through the UNDP was completed about six months ago. It has cold storage facilities and over 90 workshops, only 4 or 5 of which have been rented to date. JD 20,000 to 30,000 per shop was paid in key money to get in.

CIVAD had supposedly agreed to provide NIS 7 million for another park that would house 18 medium sized workshops. Municipality officials reported that, after construction began, CIVAD decreased its planned contribution to NIS 2 million. Construction seems to have ceased.

**Sustainability:** We have been told that the parks are money makers. Although Nablus has yet to fill its first park, no one with whom we spoke (CIVAD, the municipality) seems concerned that it will not eventually be able to fill all the parks.

**Construction-Related Factors:** An estimated 1400 person months of employment would be created during the two year construction period. It is expected to be six months before tenders could be offered.

**Environmental Concerns:** Depending upon the types of factories anticipated, an assessment would be necessary.

**Institutional and Technical Capabilities:** Nablus municipality is judged to be capable. The city has 50 engineers on its staff.

#### **Ramallah Light Industrial Park**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction: \$1,500,000**

Ramallah proposes the construction of a second industrial park. The first park has space for thirty small shops (or a lesser number of shops taking up more than one space) Each space is about 60 square meters rents out for approximately \$1500/year. At the first park, we visited car repair shops, a carpentry shop, and a plastics factory. Because of the park, the carpentry shop was able to increase business and hire more employees. The plastics factory did not exist before the park. It now employs 21 people in three shifts. The owner had made a \$300,000 investment in equipment.

The new park would have space for 51 small shops.

**Sustainability:** The first park takes in revenues of \$45,000 per year. It is assumed that this more than covers the cost of operations and maintenance.

**Construction-Related Factors:** The plans are done except for plumbing. Tendering could be undertaken within a month.

#### **Commercial Centers**

##### **Nablus Commercial Center**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction: \$5,000,000**

The plan calls for 86 shops, 80 offices, and a 90 car parking garage.

**Sustainability:** Assuming demand for the space, the commercial center would be sustainable.

**Construction-Related Factors:** The design was done by the in-house engineering staff. It is estimated by the staff that construction would take three years with an average of 200 workers.

**Environmental Concerns:** Assuming there are no problems with the site, environmental concerns would be minimal.

**Institutional and Technical Capabilities:** Nablus municipality is judged to be competent.

##### **Beit Sahour Commercial Center**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction: \$1,750,000**

The plan calls for 14 shops, offices, and underground parking to be built on 2850 square meters of city-owned land in the center of the

city. The mayor believes CIVAD would be willing to contribute some funding. He indicated though that the center was a second priority behind the development of an industrial park. (Plans for the park are not yet ready.)

**Sustainability:** Assuming demand for space, the center would be sustainable.

**Construction-Related Factors:** Detailed drawings were complete and in good order as was a bill of quantities. Final tender documents have not yet been prepared but at most would take a month or two. Construction would take 18 to 24 months using 50 to 100 laborers.

**Environmental Concerns:** Assuming there are no problems with the site, environmental concerns would be minimal.

**Institutional and Technical Capabilities:** Beit Sahour is considered to be one of the most competent municipalities.

#### **Tulkarem Commercial Center**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction:** \$500,000

We were unable to meet with Municipality staff but we did visit the site where Anera had already funded the construction of a small industrial park. The commercial center would be built as the second story of the park. The wholesale produce market is in the courtyard.

The expansion would create about 10 six room office units. Plans are not yet suitable for tendering but could be completed in one to two months. Construction would employ 600 person months of labor.

#### **Hospitals**

##### **Qalqilia Hospital**

**Proposing Agency:** UNRWA

**Proposed A.I.D. contribution to construction:** \$267,550

**Activity Start-Up:** less than one month

Qalqilia Hospital is a 43 bed facility in the Northwest region of the West Bank, on the green line with Israel. It provides surgical, ob/gyn, and internal medical care. Over 90 percent of the patients are refugees. Non-refugee patients are taken on an emergency basis and at the request of the municipality.

UNRWA proposes to remodel the existing structure (the original building was constructed in 1949) and add a new two story

structure. The renovations will enable the hospital to provide better nursing care (currently there is one nursing station plus one sub-station for all 43 beds), separate men's from women's wards, and create a currently non-existing pediatric ward. While the number of beds will not increase, the potential to increase the number of beds will, with the renovation, exist.

The cost of construction is estimated at \$578,000. UNRWA has pledged of \$310,450 from other donors. It is recommended that A.I.D. contribute the remaining \$267,550 to permit construction to commence. The hospital is in an underserved area that because of its location near the green line was hit hard economically by the closure. A.I.D.'s contribution will leverage other funds and thus create more employment than would otherwise be possible with the level of funds requested.

A.I.D. should condition its grant to UNRWA on the receipt of acceptable plans to ensure the: (1) timely delivery of required medicines and supplies to the hospital; (2) adequate staffing of the hospital; and (3) the safe disposal of drugs and other potentially toxic refuse.

**Sustainability:** The hospital is owned by the municipality which provides funds for maintenance and the cost of utilities. UNRWA supplies the hospital and pays staff salaries. This arrangement has been operational since 1949.

In FY 1992, municipality support totalled NIS 47,000 (about \$1800) and UNRWA support totalled \$515,471. No patient fees were charged. Operating expense costs will increase as occupancy rates climb. The hospital director indicated that both UNRWA and the municipality have factored this into future budgets. He noted that community interest in raising money for the hospital is beginning to grow and that the municipality may, in the future, pay for some of the salaries of an increased staff. Beginning January 1, 1994, UNRWA plans to begin charging patients 25 percent of the daily cost of their respective stays.

**Construction and Employment-Related Factors:** UNRWA has very detailed engineering plans and could tender immediately. It is anticipated that completion will take about 18 months and provide employment for at least fifty construction workers (900 person months of labor). Additional short-term employment will be required for landscaping and paving. UNRWA has the capability to manage the construction.

**Environmental Concerns:** No negative environmental impact is anticipated as a result of the renovation and expansion of the hospital on the existing site. A.I.D. should ensure that hospital wastes are disposed of in a safe manner.

**Institutional and Technical Capabilities:** UNRWA considered closing the hospital in 1992 when two patients died as a result of staff negligence. Instead, given the desperate need for hospital

facilities in the area, it assigned an expatriate (American) director who has been in place for the past 14 months. The director indicated that hospital occupancy has increased steadily since June 1992. Average occupancy in 1992 was 69 percent of capacity. During the first three months of 1993, occupancy averaged 86 percent. In April, occupancy exceeded 100 percent of capacity. The director anticipates that by the end of 1993, occupancy will have averaged 98 percent of capacity.

The hospital has a staff of 55 employees, including 3 doctors and 18 nurses. No new employees have been hired despite the increases in occupancy rates. The director indicated that the employee/bed ratio in the U.S. is 2/1. He is seeking a 1.6/1 ratio in Qalqilia. He is particularly interested in employing a bio-medical engineer for equipment maintenance and repair.

The director indicated that, due to logistical problems, the hospital was frequently ill-stocked with supplies and medicines.

There is a history of cooperation with other medical groups in the area, particularly the Zakat Committee and the Red Crescent. These groups borrow supplies from each other and provide back-up ambulance service.

An in-service training program for nurses is being prepared.

While no technical analysis was undertaken, the increasing occupancy rates indicate the target population's increasing confidence in the technical capabilities of the hospital.

#### Hebron Patients' Friends Society Hospital

Proposing Agency: Anera

Proposed A.I.D. contribution to construction: \$1,775,000

Construction of the Hebron Patients' Friends Society Hospital began in March 1987. Funding has been provided by A.I.D. (through the Jordan program and Anera), the government of Kuwait, and local donors (the Society sold 120 rooms for \$10,000). Construction to date has cost approximately \$9 million.

The hospital opened its emergency department and its delivery wing in April of this year. In the first month of operation 120 babies were delivered and in the first two months of operation about 1500 patients were served. The hospital currently has 40 beds and seven satellite centers which were financed in large part by A.I.D.

Most of the skeletal structure for the remainder of the hospital has been completed, however, a critical part remains which is estimated to cost \$475,000. This is part of the funding request. The balance is to finish the surgical department by adding finished facilities for 60 beds at a cost of \$1,300,000.

Hebron has one of the worst bed:patient ratios in the Occupied Territories. The hospital serves a population of 300,000 people. There are only two other hospitals in the area: the government hospital with 130 beds and a pediatric hospital with 25 beds.

**Sustainability:** The Society has been very innovative in raising funds and finding ways to cut costs. It believes by charging fees of NIS 400 per night it can be totally self-supporting.

**Construction-Related Factors:** The hospital has a staff of 8 engineers and 5 technicians overseeing the construction and hospital maintenance. It cut \$10 million in costs during the first phase by doing its own general contracting and direct procurement. The A.I.D. consultant engineer was impressed by the engineering staff capabilities. To complete the hospital it is expected to take less than one year and over 3100 person months of labor.

**Environmental Concerns:** These, we assume, have been addressed by A.I.D. when it made its earlier contributions.

**Institutional and Technical Capabilities:** The hospital has a staff of 80 employees, including 20 nurses from Gaza. AMIDEAST has provided academic training for one staff member and technical training for 24 staff members. Both the chief of the X-Ray department and the head of the bio-engineering department are AMIDEAST beneficiaries. Reportedly the Society has had some institutional difficulties over the past two years but these reportedly have been resolved.

### Beit Jallah Hospital

Proposing Agency:

CIVAD

Proposed A.I.D. contribution to construction: \$1,000,000

The Beit Jallah Hospital has 64 beds and serves a population of 110,000 for general services and 500,000 for specialized services (oncology, urology, hematology, allergies, and neurology). The building is owned by the Swedish Jerusalem Society which rents it to the Civil Administration. (The rent is used to fund an adjacent school.) The Society will not permit the CIVAD to fund any construction at the site for fear that CIVAD would then claim the hospital as its own. Before 1967 the hospital was run by the Government of Jordan.

A new five story wing, the skeleton of which was put up 1980 to 1984, is now being completed. Completion of three of the stories is being completed by SIDA and will be turned over in July. A.I.D. is being asked to complete the fifth floor surgical area. Once it is completed, CIVAD will equip it.

**Sustainability:** The hospital budget is provided by CIVAD. All individual with government health policies are treated at the

hospital for free. (Government employees pay NIS 80 per month for the policy on a mandatory basis. Non-government employees may enroll on a voluntary basis for for NIS 90 to 100 per month.) Non-insured patients pay NIS 655 per night.

**Construction-Related Factors:** Laborers could begin finishing the fifth floor almost immediately.

**Environmental Concerns:** The disposal of hospital waste should be reviewed.

**Institutional and Technical Capabilities:** The hospital has 25 doctors half of whom are specialists.

#### Dialysis and Intensive Care Units for Ramallah Hospital

**Proposing Agency:** CIVAD

**Proposed A.I.D. contribution to construction:** \$1,200,000

The hospital was not visited. It is owned by the Ramallah Foundation in New York and leased to CIVAD. Construction plans and tender documents are complete.

#### Cardiac Catherization Center for Ramallah Hospital

**Proposing Agency:** CIVAD

**Proposed A.I.D. contribution to construction:** \$2,000,000

Ramallah Hospital is the only one in the world which does open heart surgery without a catherization center. Patients are sent to Jordan for such work prior to surgery. Plans were not available.

#### Schools

##### Agrabanieh Coeducational School

**Proposing Agency:** UNRWA

**Proposed A.I.D. contribution to construction:** \$291,400

**Activity Start-Up:** Less Than One Month

Agrabanieh School is in a deprived area of the Jordan Valley. It has eight classrooms which accomodate approximately six hundred students, mostly refugees and Beduins, in three shifts. UNRWA has for three years had the permits but not the funding required to build a new sixteen classroom school on land adjacent to the existing school.

The cost of construction is estimated at \$778,400. The Arab-Gulf

Fund has pledged \$487,000 toward construction (including \$45,000 for furniture and equipment). It is recommended that A.I.D. contribute the remaining \$291,400 to permit construction to commence. The school is in an underserved area that has been hit hard by the closure because of the decreased market for agricultural produce. A.I.D.'s contribution will leverage other funds and thus create more employment than would otherwise be possible with the level of funds requested.

**Sustainability; Institutional Capabilities; Technical Capabilities:** The team met only with the UNRWA engineer on this specific activity and was unable to collect detailed information on school operations. UNRWA will ensure the sustainability of the school and that institutional and technical capabilities are up to standard.

**Construction and Employment-Related Factors:** Very detailed engineering plans exist and the tender process could be initiated immediately. It is anticipated that completion of the school would take 12 to 14 months and provide employment for at least 40 laborers (560 person months of labor). UNRWA has the capability to manage the construction.

**Environmental Concerns:** The school will be constructed on land adjacent to the existing structure. No negative environmental impact is anticipated.

#### Jiftlik School

Proposing Agency:

UNRWA

Proposed A.I.D. contribution to construction: \$1,000,000

The Jiftlik School is in the Jordan Valley. It has 18 classrooms and 700 students. Originally constructed in the 1950s, it appears to be in very bad shape. There are cracks in most of the walls and large holes in others. The laboratory is a small space which doubles as a kitchen and the library is a storage cabinet. UNRWA intends to build a replacement school on adjacent land. The A.I.D. consultant engineer indicated that the building looked to be in worse shape than it probably actually was.

#### Nablus School

No information.

**Construction Activities Considered  
in the Gaza Strip**

**Water Activities**

**Khan Younis Municipality: (a) Well, and (b) New Water Distribution System**

**Proposing Agency: UNDP**

**Proposed A.I.D. contribution to construction: (a) \$500,000  
(b) \$500,000**

Tenders were let to drill a well in the northern part of Khan Younis but an award was not made because of a lack of funds and CIVAD approval. The well would feed the proposed water distribution system. Preliminary CIVAD approval for both activities is in place.

**Sustainability: Assuming adequate management, water user fees could ensure sustainability of the system.**

**Construction and Employment Factors: The schematic work and pipe sizing for the water distribution system have been done. It would take approximately two months to prepare tender documents. The well drilling activity would not be labor intensive, the water distribution system activity would be labor intensive. The latter is not viable without the former.**

**Environmental Concerns: Running water lines in advance of sewerage often leads to flooding problems. No environmental assessment work has been done.**

**Institutional and Technical Capabilities: Khan Younis Municipality is one of the weakest in the territories. It has one engineer.**

**Rafah Municipality Rehabilitation and Extension of Water Distribution System: (See Main Body of Report.)**

**Rafah Municipality Reservoirs**

**Proposing Agency: UNDP**

**Proposed A.I.D. Contribution to Construction: \$1,000,000**

Rafah Municipality proposes the construction of an elevated 300 cubic meter water tower and a 4500 cubic meter concrete ground reservoir. Both structures will be adjacent to existing reservoirs.

**Sustainability: Assuming adequate management, sustainability would be assured by the collection of water user fees. The availability**

of additional water for industry and business could have a substantial impact on long-term job creation.

**Construction and Employment-Related Factors:** Preliminary design is done and both the tower and the reservoir will be copies of existing facilities. Tender documents could be completed in one month. Still required are detailed structural and geotechnical analyses. Each activity would require about 30 workers for one year with one or two long term jobs created upon completion of the tanks.

**Environmental Concerns:** An assessment would be required.

**Institutional and Technical Capabilities:** Rafah appeared to be one of the more capable municipalities in the Gaza Strip.

#### **Gaza City Municipality Wells**

**Proposing Agency:** CIVID

**Proposed A.I.D. contribution to construction:** \$500,000/well

Gaza groundwater is high in salt content and often contaminated by sewage and garbage. Three new wells are planned on clean sites as soon as funding can be found. Time constraints did not permit a site visit.

**Sustainability:** Assuming adequate management, sustainability could be ensured through the collection of water user fees.

**Construction and Employment Factors:** This activity could be tendered in two months. It would not be a high employment generator, creating only about 60 person months of employment per well.

**Institutional and Technical Capabilities:** Gaza City has a staff of competent engineers but the municipality is not considered strong.

#### **Sewage Activities**

##### **Middle Camps Sewer Main**

**Proposing Agency:** Save the Children

**Proposed A.I.D. contribution to construction:** \$2 to 3.5 million

Nuseirat, Bureij, and Maghazi are refugee camps located halfway between Gaza City and the town of Deir Balaheh. About 80,000 people, refugees of the 1948 war, live in these camps. Currently the camps are served by an open canal sewerage system for wastewater and small soaking pits for toilets. The canals send sewage to the Gaza Valley where it is absorbed by the sandy soil. The cost of the

activity for all three camps is \$3.5 million, however, if work in the more isolated Maghazi camp is not undertaken, the cost would drop to \$2 million.

**Sustainability:** No information.

**Construction and Employment Factors:** Save estimates that the activity would create approximately 450 jobs for two years (300 if Maghazi is dropped). Planning for this activity is only at a preliminary stage.

**Environmental Concerns:** Thought would need to be directed toward sewage treatment. An environmental assessment would be necessary.

**Institutional and Technical Capabilities:** No information.

#### **Khan Younis Sewage Pumping Station**

**Proposing Agency:** UNDP

**Proposed A.I.D. contribution to construction:** \$1,000,000

Proposed is the construction of a sewage pumping station and force main to the existing treatment ponds. Unfortunately, the treatment ponds, a CIVAD activity, have not been completed and there is no collection system in place to which to connect a pumping station and force main.

**Sustainability:** No information.

**Construction and Employment Factors:** No information.

**Environmental Concerns:** An assessment would be required.

**Institutional and Technical Capabilities:** Khan Younis Municipality is one of the weakest in the territories.

#### **Light Industrial Parks**

##### **Beit Lahia Light Industrial Park**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction:** \$800,000

**Activity Start-Up:** Two to Four Months

Light industrial parks have several advantages. By concentrating industry in zoned areas, the parks free residential areas of industrial clutter and contaminants and, at the same time, facilitate more efficient delivery of water, electricity and other

utilities in industry. The parks also generate revenue.

Anera proposes to construct a light industrial park in Beit Lahia that would house 52 workshops of 50 to 100 square meters each. This is Phase I of a larger activity which would eventually see the construction of 200 units. The site has been selected and utilities are available.

The proposal should include a plan for managing the facility.

**Sustainability:** Assuming adequate management, the park should be a self-sustaining facility.

**Construction and Employment-Related Factors:** The activity is in the conceptual stage and two to four months would be required to get to the tendering stage (the shorter time frame assumes that plans from other parks could be quickly adapted). The Phase I project would employ, on average, a 50 person workforce for approximately 18 months. Approximately 100 permanent jobs would be created.

**Environmental Concerns:** An environmental assessment should be completed but no negative impact is anticipated.

**Institutional and Technical Capabilities:** The Beit Lahia Village Council is perhaps a bit stronger than the average municipality in the Gaza Strip. It has a city engineering staff of three (one civil).

#### **Gaza City Municipality Light Industrial Park**

<b>Proposing Agency:</b>	<b>Anera</b>
<b>Proposed A.I.D. contribution to construction:</b>	<b>\$1,500,000</b>
<b>Activity Start-Up:</b>	<b>Five Months</b>

Light industrial parks have several advantages. By concentrating industry in zoned areas, the parks free residential areas of industrial clutter and contaminants and, at the same time, facilitate the more efficient delivery of water, electricity and other utilities to industry. The parks also generate revenue.

Anera proposes to construct a light industrial park in Gaza City that would house 100 workshops of 40 to 50 square meters each. The park would be built in the industrial zone, on land adjacent to the Gaza Municipality Slaughterhouse. Currently there are no utilities (water, electricity, etc.) available in the industrial zone. The Civil Administration has indicated that it will ensure the availability of the utilities if the park is built.

It is recommended that construction of the park be approved provided:

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(1) the Civil Administration guarantees in writing that it will ensure the availability of needed utilities;

(2) the construction proposal is accompanied a plan which indicates:

(a) how the facility will be managed once it is erected; and,  
(b) what steps will be taken to ensure the management capability of the Union of Industrialists; and,

(3) the relationship between the Union and the Municipality is defined and the issue of park ownership is resolved to A.I.D.'s satisfaction. (Anera proposes that the park be owned and managed by the Gaza Strip Union of Industrialists, a private group registered with the Government of Israel in December 1990. It was the sense of the team that ownership of the facility should rest with the municipality which could choose to lease it to the Union.)

**Sustainability:** Assuming adequate management, the park should be a self-sustaining facility.

**Construction and Employment-Related Factors:** It would take a minimum of five months to complete detailed design work. Construction would provide about 18 person months of employment with approximately 150 permanent jobs created once the park is operational.

**Environmental Concerns:** An environmental assessment should be completed but no negative impact is anticipated.

**Institutional and Technical Capabilities:** The Gaza City Municipality is one of the weakest in the Occupied Territories. It is for this reason that Anera is proposing the Union of Industrialists as its implementing partner. The Union of Industrialists represents more than 500 factories operating in the Gaza Strip. It was established in 1986 and approved by the Israeli authorities in 1990. Its primary accomplishment to date is an exhibition of local industrial products. It is also setting up a data base of industrial and marketing information. It has a strong reputation but no experience managing an on-going undertaking such as an industrial park.

The Union would need to define its relationship with the municipality during both the construction and operational phases of the activity. Gaza City has a competent engineering staff which should be taken advantage of during the construction phase.

**Commercial Centers**

**Beit Hanoun Village Council Retail Produce Market**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction:** \$750,000

The Beit Hanoun Retail Fruit and Vegetable Market will consist of 37 shops to be sold by auction. Unemployment in Beit Hanoun is reportedly at 85 percent as a result of the closure.

**Sustainability:** Assuming adequate management, sustainability could be assured through the collection of rent for the shops.

**Construction and Employment Factors:** Construction of the market would take about fifteen months and employ an average of 35 workers. About 70 permanent positions would be generated. It would take at least four months to reach the tender stage.

**Environmental Concerns:** Concerns should be minimal.

**Institutional and Technical Capabilities:** No information.

#### **Gaza City Wholesale and Vegetable Market**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction:** \$1,750,000

The Market would contain about 50 units and would be located on land near the slaughterhouse and the light industrial park.

**Sustainability:** Assuming adequate management, sustainability could be assured through the collection of rent for the units.

**Construction and Employment Factors:** Construction would require about 1100 person months of labor and create approximately fifty permanent jobs. It would take four to six months to reach tender stage.

**Environmental Concerns:** Concerns should be minimal.

**Institutional and Technical Capabilities:** The capabilities of the Gaza City Municipality are weak.

#### **Gaza Municipality Retail Market**

**Proposing Agency:** Anera

**Proposed A.I.D. contribution to construction:** \$2,500,000

100 to 150 shops would be constructed on the site of an existing market of stalls and tents.

**Sustainability:** Assuming adequate management, sustainability could be assured through the collection of rent for the units. Thought would need to be given to the fate of the existing market during the construction period.

**Construction and Employment Factors:** Construction would employ 2400 person months of labor over a 24 to 30 month construction period. No plans have been completed and it would take four to six months to reach the tender stage.

**Environmental Concerns:** Concerns should be minimal.

**Institutional and Technical Capabilities:** Gaza City has a weak municipality.

### **Schools**

#### **Classroom Improvement**

**Proposing Agency:** UNRWA  
**A.I.D. contribution to labor/materials:** \$2,700,000  
**Activity Start-Up:** Less Than One Month

Schools in the Gaza Strip are in dire need of repair and improvement. UNRWA proposes to employ laborers to paint, patch cracks, and fill holes in the classrooms of 70 schools (\$700,000), to tile the floors of 50 schools (\$1,000,000), and to build security walls (\$1,000,000). These activities would need to be started immediately and completed before schools reopened later this summer. UNRWA has no funds for these classroom improvement activities.

**Sustainability:** UNRWA has the funds to ensure the operations of the schools.

**Construction and Employment-Related Factors:** It is anticipated that 950 person months of labor will be required for painting and repairing schools, 1360 person months of labor will be required for tiling schools, and 1130 person months of labor will be required to construct security walls. UNRWA has the capability to manage the activity.

**Environmental Concerns:** No negative environmental impact is anticipated.

**Institutional and Technical Capabilities:** UNRWA is judged to have the capabilities to manage this activity and to manage the on-going operations of the schools.

#### **Rehabilitation of Gaza Nursing School**

**Proposing Agency:** UNRWA  
**A.I.D. contribution to labor/materials:** \$100,000

**Activity Start-Up:**

**Less Than One Month**

Because of funding constraints, the Baptist Hospital recently ceded operational authority for the Gaza Nursing School to UNRWA. The school, which has graduated ten to twenty trained nurses per year and employed a ten person staff, needs a full range of patching, painting, and upgrading of electrical and mechanical systems.

**Construction and Employment-Related Factors:** UNRWA estimates that the activity will provide 140 person months of employment for skilled workers.

**Environmental Concerns:** No negative environmental impact is anticipated.

**Institutional and Technical Capabilities:** UNRWA is judged to have the capabilities to manage this activity and the on-going operations of the school.

#### **New Schools**

**Proposing Agency:**

**CIVAD**

**Proposed A.I.D. contribution to construction:** \$2,000,000/school

CIVAD indicates that 34 new schools are required in the Gaza Strip government school system. Double shifting at the schools runs at 50 percent. The population growth rate, plus the transfer of UNRWA schools to CIVAD, is such that five new schools per year are required. A standard plan has been developed with 24 classrooms on three floors. Three schools are currently under construction using these plans.

**Sustainability:** The schools proposed would be operated by CIVAD, at least in the short-term.

**Construction and Employment-Related Factors:** Each school construction activity would generate approximately 1500 person months of short-term employment and 30 permanent positions. A site and utilities plan are all that would be needed for tendering.

**Environmental Concerns:** Concerns would be minimal.

**Institutional and Technical Capabilities:** CIVAD has demonstrated its capability for construction. No information was collected on the quality of the school system.

#### **School Rehabilitation/Beit Hanoun**

**Proposing Agency:** Save the Children

**Proposed A.I.D. contribution to construction:** \$120,000

Save indicated that this twelve room school was the only one available for high school girls in Beit Hanoun. The site was not visited and little detail was provided.

• **Sustainability:** No information.

**Construction and Employment Factors:** Approximately 150 person months of short-term construction jobs would be created. Three to four months would be required to complete necessary tender documents.

**Environmental Concerns:** Concerns would be minimal.

**Institutional and Technical Capabilities:** No information.

**Gaza Nursing School Rehabilitation:** (See Main Body of Report.)

## **Clinics**

### **Rehabilitation of Rafah and Khan Younis Clinics**

**Proposing Agency:** CIVAD

**Proposed A.I.D. contribution to construction:**

No information available.

### **New Clinics**

**Proposing Agency:** CIVAD

**A.I.D. contribution to construction:** \$500,000 each

According to CIVAD, there is a need for eight clinics in areas not now being served, six clinics to replace inadequate facilities, and the expansion of six clinics. Standard plans are available for clinics with basic services plus delivery and for poly-clinics which provide specialty services such as x-ray.

**Sustainability:** Clinics are currently operated by CIVAD.

**Construction and Employment Factors:** Construction of a poly-clinic takes about one year and generates about 850 person months of employment. (Figures for the basic clinics are about 25 percent less.) Approximately 30 long-term positions are created. Tenders could be issued immediately.

**Environmental Concerns:** Concerns should be minimal.

**Institutional and Technical Capabilities:** CIVAD has the capability to manage the construction. No information was collected on the quality of services delivered.

**General**

**Small Projects:** (See Main Body of Report.)

Meeting with Representatives  
of the  
Palestinian Technical Committees

The Palestinian technical committee representatives proposed that A.I.D. commit the available funds to the operational costs of Palestinian run universities, schools, and hospitals identified by the committee. The representatives argued that \$14 million would have little impact on the Occupied Territories' infrastructure needs and unemployment problems while it would go far toward permitting the continued operations of institutions that were symbols of national identity. They pointed out that there were no master plans for infrastructure development and the ad hoc approach being taken by donors had negative long term implications, particularly given the limited institutional capacities of the municipalities and village councils. They noted that infrastructure by law was the responsibility of the "occupying force" whereas there was no equivalent obligation to maintain Palestinian institutions.

To keep the universities open, approximately 18,000 students who before were paying 9 dinars per term are now being asked to pay between 40 and 300 dinars per term, depending upon ability to pay. The cost per student is about 1600 dinars per term. To operate the universities, the Higher Council for Education requires \$1.5 million per month. About 70 percent of that goes to salaries with the remainder covering student fees and other costs.

A.I.D. and State Department representatives stressed that the Palestinians needed to begin planning for the self-sustainability of Palestinian institutions and that, even if funds were found, it would not be in their long-term best interest to revert to nominal student fees.

The technical committee representatives provided a report on The Status of Palestinian Educational Institutions, a proposal for Manpower Development in the West Bank and Gaza (objective: to prepare manpower needed "to handle adequately and efficiently the educational services, health services, as well as management and supervision in the various areas of development including housing and preparing the infrastructure."); and, a proposal for Upgrading of School Teachers from Two Year Diplomas to B.A.s.