



Industrial Repair, Reconstruction and Rehabilitation Recommendations

William Cain, PRIZIM Project COP

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Assignment

- **Determine post-IDF incursion industrial reconstruction and upgrade needs in nine communities:**

Hebron	Ramallah	Tulkarem
Jericho	Nablus	Qalqilia
Bethlehem	Jenin	Gaza

- **Recommend priority interventions**
 - Repair/reconstruction of individual factories
 - Repair/reconstruction of industrial areas
 - Upgrading of existing industrial areas
 - New industrial areas & relocation assistance

Team Assignments

Consult with or Visit

1. Mayor/Chamber of Commerce
2. Industrial Areas (existing & proposed)
3. Damaged factories
4. Factories to be relocated

Identify & Verify Needs

1. Industrial Area repairs & reconstruction
2. Industrial Area utility up-grades
3. New Industrial Area sites
4. Factory repairs & replacements
5. Relocation of factories

Activities Completed

- **Hebron, Ramallah, Gaza, and Jericho**
 - Multi-day visits to industrial sites and factories
 - Consulted local gov't, chambers, and firms
 - Evaluated industrial needs
- **Bethlehem and Jenin**
 - Limited (½ day) access to sites
 - Supplemented with telephone interviews
- **Nablus, Jenin, Tulkarem, and Qalqilia**
 - No access to sites (closures/curfews)
 - Reliance on telephone interviews

Approach

- **Prioritize interventions**
 - Reconstruction → Upgrades → New Projects
- **Focus on near-term impacts**
 - Support existing industrial clusters that are most likely to use infrastructure
- **Maximize limited budget**
 - Supply shared infrastructure that supports multiple industrial users
- **Keep realistic expectations**
 - Avoid over-reliance on parallel implementation of major off-site infrastructure & feeder utility projects

General Findings

- **Low levels of direct damage to industry**
 - Especially in WB; Gaza damage pre-dates incursion
- **Assistance impacts limited by low levels of pre-incursion capacity utilization**
 - Firms may not recover in current environment
- **Significant repairs undertaken by firms over the past two months**
 - Viable businesses investing in repairs
- **Existing industrial base remains under-served by infrastructure**
 - Supporting infrastructure investment has both near- and long-term benefits

Criteria for Recommendations

- **Can be completed quickly (<12 months)**
- **Will have a positive impacts**
 - Production capacity
 - Employment
 - Environment/health
 - Rationalize municipal zoning
- **Provide utility upgrades to existing users**
- **No additional infrastructure needed to function**
- **High visibility for USAID**

Factory Repairs and Reconstruction

Town	Factory	Item	Amt	Cost
Hebron (Al Fahf)	Al Rahman Factory (cement blocks)	Casting Yard Equipmt	1,800M ² 4	27,000 74,000
Nablus (East/Balata)	K		1 ²	180,000 177,000
Bethlehem (Beit Sahour)	A		1 ²	45,000 70,000
Bethlehem (Cinema Sq)			1 ²	70,000 130,000
Jenin ()				0,000 0,000
			ng Building Equipmt	27,000 295,000 451,000
			Total	773,000

Recommend funding of all factory repairs and reconstruction, following individual assessment & negotiation

Industrial Area Repairs and Reconstruction

Town	IndArea	Item	Amt	Cost
Hebron	Al Fahf	Hywy 35 connection, telephone cable (400pr)	40 m	60,000
			50 m	10,000
Bethlehem			41 ea	7,175
Gaza			All	
			TOTAL	

Recommend funding of all industrial area repairs and reconstruction, with GLIE solution for Gaza

Upgrade Project Site Selection

Potential Sites	Industrial Base	Strong Partners	Suitable Projects
Hebron	Hebron	Hebron	Hebron
Jericho			
Bethlehem			
Ramallah	Ramallah	Ramallah	Ramallah
Al Bireh	Al Bireh	Al Bireh	Al Bireh
Nablus	Nablus		
Jenin	Jenin		
Tulkarem			
Qalqilia			
Gaza	Gaza	Gaza	

Potential Upgrade Projects

	Hebron	Ramallah	Al Bireh	Jenin	Total
Sewage	1,410,150		244,200	1,703,800	3,358,150
Water	590,000				590,000
Electricity	844,260	392,000	1,605,000		2,841,260
Roads	8,152,192	6,520,056	3,592,840		18,265,088
Storm Water			440,000		440,000
Totals	10,996,602	6,912,056	5,882,040	1,703,800	25,494,498

Recommended Industrial Area Infrastructure Upgrades

Town	Item	Cost	Mos
Hebron	- Al Maslakh Substation	844,260	12
	- Road Upgrade (3.5 km) (including sewer, water, lighting, storm run-off)	<u>2,310,812</u>	12
	TOTAL	<u>3,155,072</u>	
Ramallah	- Substation Upgrade	392,000	12
	- Road Upgrade (8.4 km) (including sewer, water, lighting, storm run-off)	<u>6,520,056</u>	12
	TOTAL	<u>6,912,056</u>	
Al Bireh	- New Substation	1,605,000	12
	- Main road upgrade (3.3 km)(including sewer, water, lighting)	2,102,250	12
	- Stormwater network	440,000	9
	- Extend sewage system	<u>244,200</u>	8
	TOTAL	<u>4,391,450</u>	

Recommended New Industrial Area Construction

- **Gaza: a new industrial area is required to serve the industrial infrastructure destroyed over the past 18 months**
 - 2/3 of all Palestinian industrial infrastructure damage identified

Cost-Level Options

- **\$5 mil: all factory and industrial area repairs and reconstruction, and up-grades at Hebron industrial area**
- **\$10 mil: \$5 mil PLUS up-grades at Ramallah industrial area**
- **\$12 mil: \$10 mil PLUS up-grades at Al Bireh industrial area**

Next Steps

- **Determine industrial component of available reconstruction funding**
- **Select implementation mechanisms**
 - Design
 - Supervision
 - Local construction contracting
- **Engage Palestinian partners in planning & implementation process**