

Implementation Status & Results
West Bank and Gaza
Northern Gaza Emergency Sewage Treatment (NGEST) Project (P074595)

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Operation Name: Northern Gaza Emergency Sewage Treatment (NGEST) Project (P074595) Project Stage: Implementation Seq.No: 21 Status: ARCHIVED Archive Date: 09-Jun-2014

Country: West Bank and Gaza Approval FY: 2005
 Product Line: Special Financing Region: MIDDLE EAST AND NORTH AFRICA Lending Instrument: Emergency Recovery Loan
 Implementing Agency(ies):

Key Dates

Board Approval Date 07-Sep-2004 Original Closing Date 30-Jun-2013 Planned Mid Term Review Date Last Archived ISR Date 09-Dec-2013
 Effectiveness Date 17-Nov-2004 Revised Closing Date 30-Jun-2014 Actual Mid Term Review Date

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project objectives are to: (i) mitigate the immediate gathering health and environmental safety threats to the communities surrounding the effluent lake at BLWTP; and (ii) Provide a satisfactory long-term solution to the treatment of wastewater for the Northern Government in Gaza.

Has the Project Development Objective been changed since Board Approval of the Project?

Yes No

Component(s)

Component Name	Component Cost
EFFLUENT TRANSFER	21.46
TECHNICAL ASSISTANCE TO EFFLUENT TRANSFER COMPONENT	3.37
CONSTRUCTION OF TREATMENT PLANT	45.98
TECHNICAL ASSISTANCE TO CONSTRUCTION OF TREATMENT PLANT	3.71

Overall Ratings

	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Unsatisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Moderately Unsatisfactory
Overall Risk Rating		Substantial

Implementation Status Overview

Part A of the Northern Gaza Emergency Sewage Treatment Project (NGEST) was completed in 2011 and the immediate objective to mitigate the health and environmental safety threats to communities surrounding the effluent lake at Beit Lahiya has been largely achieved. The lake is drained and most effluent from the old treatment plant is being pumped to new infiltration ponds at the site for Part B. The key issue now is timely implementation of Part B (construction of the North Gaza wastewater treatment plant, wastewater recovery

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scheme, and remedial activities at the former Beit Lahiya effluent ponds).

Maintaining close coordination with the Israeli Defense Force's (IDF's) Coordinator of Govt. Activities in the Territories (COGAT), along with our donor partners, is critical for ensuring predictable and timely delivery of goods, materials, and consultants across the Israeli border in order to avoid the serious delays and cost overruns that plagued implementation of Part A. An IDF-required work stoppage on very short notice for more than a week shortly after the contract commenced is a case in point. Currently, coordination through COGAT is moderately satisfactory. Constraints to entry of goods for the project continue to significantly impede implementation. However, lately after more than two years of delay they allowed the entry of the wheel loader and anti-freeze chemical to the site, which are both needed during the operation phase of the plant..

There is a critical need for a reliable supply of electricity (3 mega watt) for the treatment plant. The Gaza Electricity Supply Company is unable to provide needed power for the plant due to chronic and increasing fuel shortages, increasing overall demand in Gaza, and deteriorated power infrastructure. Negotiations have been underway with Israel for two years to secure a dedicated supply of electricity for the treatment plant and nor results yet. A feasibility study on using renewable energy sources (solar) to generate the 3 MW is under implementation by the energy team and in cooperation with the water team.

The work progress was exceptionally slow and at times static during the last five months for several reasons. The principal reason was the frequent and unannounced departure from site of the international contractor staff and result was because the international contractor had "opened file at court for possible insolvency on February 19, 2014. Works effectively stopped for the last two months, since all remaining works are electro/mechanical, which are managed by international contractor. As per the activities evaluated financially up to this report the overall progress is 96.27% against planned 100%. Civil works are at 99% while the mechanical and electrical works have stopped at 98.44% and 77.14%, respectively.

Despite the apparent progress financially, the physical works remaining to be done are extensive even if low value according to Tender. Additionally it should be stressed that without this relatively minor expenditure, and not inconsiderable efforts by the Contractor, the installed plant is unusable in its current form, despite claims by the Contractor as being ready for pre-commissioning.

The Contractor referred six cases to the Adjudicator. (i) Ventilation system, (ii) Workshop drawings, (iii) External road handing over, (iv) Disclaim of responsibility of facilities, (v) Commencement of works delay, and (vi) Validity of Memorandum of Agreement. To date, the Adjudicator gave his decisions in favor of the Contractor for the first three cases which PWA disputed and issued notices of intention to refer to arbitration. The fourth case in overall was awarded in the favor of PWA, however, there are two very critical points were judged against PWA. The fifth and the sixth case are still to be decided.

The project is at a critical stage, and PWA is anticipating huge challenges to ensure project completion, which is both very important, but also essential for future projects in Gaza. PWA has contracted a legal advisory service to provide them with legal advice on the insolvency matters and its effects on the existing contract. Due to the above mentioned obstacles, the completion date (which was intended on 10 Jan 2014 and the intended Operational Acceptance date was April 10, 2014) may be delayed for a year or so.

A detailed design study for effluent recovery and reuse, which will provide long-term protection for the underlying aquifer as well as irrigation water for about 1500 hectares of agricultural land, has been completed. The total cost for fully implementing the schemes is estimated at \$30 million. The first phase of the reuse scheme is estimated at \$12 million which is expected to prevent long-term impacts on aquifer water quality. Currently \$7.1 million is available for the first phase, leaving a financing gap of about US\$4.9 million. A third additional financing grant of US\$10.5 million has been approved. The Bank provided an additional financing of US\$3 million and Belgium through a trust fund provided 2 million Euros to cover a part of this gap and US\$ 5.00 million the Partnership for Infrastructure Development Multi-donor Trust Fund. The project will need to be extended for an additional four years to allow for support for operations and maintenance capacity building, which is part of the third additional financing.

An updated Environmental and Social Impact Assessment and RAP studies have been prepared for the recovery and reuse component.

Locations

Country	First Administrative Division	Location	Planned	Actual
WEST BANK& GAZA	Not Entered	Jabalya		

Country	First Administrative Division	Location	Planned	Actual
WEST BANK& GAZA	Not Entered	Bayt La'iya		
WEST BANK& GAZA	Not Entered	Bayt Hanun		
WEST BANK& GAZA	Not Entered	Umm an Nasr		
WEST BANK& GAZA	Not Entered	North Gaza		
WEST BANK& GAZA	Not Entered	Beit Lahiya sewage treatment plant		
Not Entered	Not Entered	Beit Lahiya sewage treatment plant		✓
WEST BANK& GAZA	Not Entered	Al Jadīdah		✓

Results

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Effluent lake is drained and no longer a threat to the surrounding communities at Beit-Lahia WWTP	<input type="checkbox"/>	Text	Value	Effluent lake is full and is an environmental and health threat to surrounding communities.	Achieved in December, 2010.	The construction of the infiltration basins and effluent transfer scheme (pipes and pumping station) is completed.
			Date	29-Oct-2004	23-May-2014	06-Nov-2008
			Comments		remedial work on dried ponds need to be done.	
Increase in quantities of wastewater treated and properly disposed	<input type="checkbox"/>	Text	Value	12000 cubic meters per day of sewage are poorly treated.	treatment/infiltration being maintained at 9,000	35000 cubic meters per day wastewater treated properly.
			Date	29-Oct-2004	23-May-2014	31-Dec-2013
			Comments		Ponds will need some rehabilitation to regain infiltration efficiency following completion of WWTP.	

Intermediate Results Indicators

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Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
EIA, EMP and remedial works studies are completed and recommendations adequately implemented	<input type="checkbox"/>	Text	Value	No Study was in place	Supplementary ESIA and EMP approved by the Bank	Remedial works study finalized, EIA and EMP implementation in progress.
			Date	29-Oct-2004	23-May-2014	31-Oct-2009
			Comments		Original ESIA and EMP completed 3/30/2006. Sufficient funds available to implement 2nd phase works.	
Effluent Transfer facilities : Terminal Pumping station, Pressure pipe and Infiltration basins are completed and operational	<input type="checkbox"/>	Text	Value	No facility	Effluent transfer facilities are completed and functioning	Construction of Part A - effluent transfer facilities (Terminal pumping station, pressure pipeline and Nine infiltration basins) are completed and operational.
			Date	29-Oct-2004	23-May-2014	12-Nov-2008
			Comments		indicator achieved in late 2010.	
North Gaza WWTP with a capacity of 35,000 cubic meters per days is constructed and operational	<input type="checkbox"/>	Text	Value	No facility	Construction is nearing completion with	Construction of North Gaza Wastewater treatment plant is completed and operational.
			Date	29-Oct-2004	23-May-2014	31-Dec-2013
			Comments		Based on contractor's original work plan, construction is about 20% behind schedule due to security issues and some limited redesign requirements. Dute to insolvency case of the contractor and some disputes between the PWA and the contractor the completion may bedelayed to another year or so.	
Risk Managemnet Facilities is constructed and operational	<input type="checkbox"/>	Text	Value	No facility		Construction of Risk management facilities is completed and operational.
			Date	29-Oct-2004	04-Nov-2013	31-Dec-2013
			Comments			
Volume(mass) of BOD pollution load removed by treatment plant under the project	<input checked="" type="checkbox"/>	Tones/year	Value	1000.00	4000.00	7000.00
			Date	29-Oct-2004	04-Nov-2013	30-Jun-2014

			Comments	The original (existing)WWTP is designed to treat 5,000 cubic meters of wastewater daily. This corresponds to a population of about81,000 people. At the time the project began, the connected population was about 226,000 people (85% of the service area population)	About 6,800 cubic meters of partially treated wastewater is being infiltrated in new infiltration ponds.	New wastewater treatment plant will be treating 35,000 cubic meters of wastewater daily to BOD level of 20 mg/l or less. The projected population served is 550,000.
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Data on Financial Performance (as of 15-May-2014)

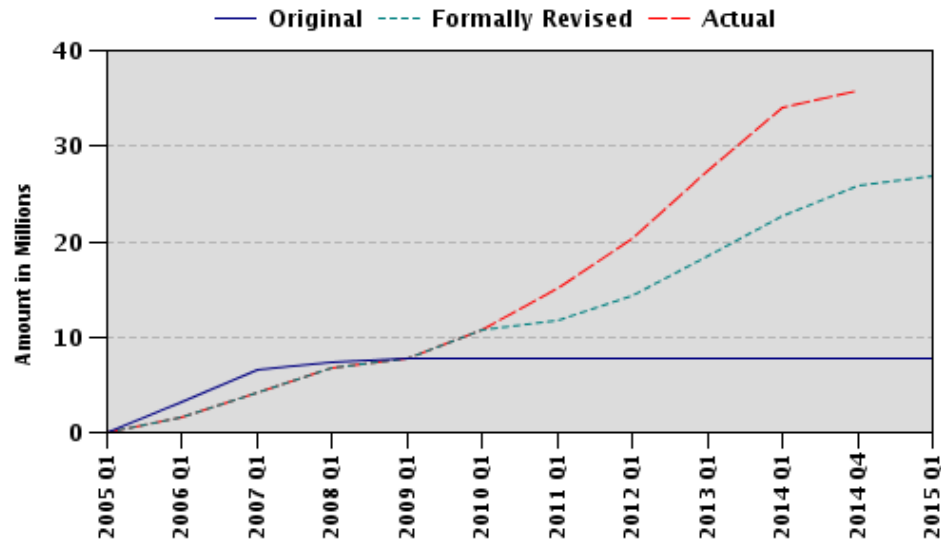
Financial Agreement(s) Key Dates

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P074595	TF-54208	Effective	27-Oct-2004	27-Oct-2004	17-Nov-2004	30-Jun-2010	30-Jun-2014
P074595	TF-56186	Closed	18-Jan-2006	18-Jan-2006	18-Jan-2006	31-Dec-2009	31-Dec-2013
P074595	TF-57109	Effective	02-Oct-2006	02-Oct-2006	02-Oct-2006	31-Dec-2013	31-Dec-2014
P074595	TF-57595	Closed	07-Dec-2006	07-Dec-2006	07-Dec-2006	31-Dec-2009	07-Apr-2014
P074595	TF-92196	Effective	30-Jun-2008	30-Jun-2008	30-Jun-2008	30-Jun-2012	30-Jun-2014
P074595	TF-97081	Effective	25-Oct-2010	25-Oct-2010	10-Nov-2010	30-Jun-2013	30-Jun-2014

Disbursements (in Millions)

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P074595	TF-54208	Effective	USD	7.80	7.80	0.00	7.80	0.00	100.00
P074595	TF-56186	Closed	USD	6.85	6.85	0.00	6.42	0.00	94.00
P074595	TF-57109	Effective	USD	5.35	5.35	0.00	5.17	0.00	97.00
P074595	TF-57595	Closed	USD	8.09	8.09	0.00	6.36	1.49	79.00
P074595	TF-92196	Effective	USD	12.00	12.00	0.00	4.37	7.63	36.00
P074595	TF-97081	Effective	USD	7.00	7.00	0.00	5.63	1.37	80.00

Disbursement Graph



Key Decisions Regarding Implementation

The Government of Belgium has signed Administrative Agreement with the World bank of two million Euros in additional financing for the NGEST Project, in addition to their previous contribution of four million Euros.

Restructuring History

Level two Approved on 29-Jun-2012, Level 2 RVP Decision on 24-Dec-2013

Related Projects

P091314-GZ-NORTH GAZA SEWERAGE TREATMENT PLANT ADDITIONAL FINANCING, P117446-GZ-North Gaza Emergency Sewage Treatment Project Additional Financing 2, P146037-North Gaza Emergency Sewage Treatment (NGEST) Project - Belgian Additional Financing, P146065-North Gaza Emergency Sewage Treatment Project - Third Additional Financing