

lebanon



Reconstruction of Nahr El-Bared Camp and UNRWA Compound

Second Progress Report and Work Plan
September 2007 to June 2012

About UNRWA

UNRWA is a United Nations agency established by the General Assembly in 1949 and is mandated to provide assistance and protection to a population of some 4.8 million registered Palestine refugees. Its mission is to help Palestine refugees in Jordan, Lebanon, Syria, West Bank and the Gaza Strip to achieve their full potential in human development, pending a just solution to their plight. UNRWA's services encompass education, health care, relief and social services, camp infrastructure and improvement, microfinance and emergency assistance. UNRWA is funded almost entirely by voluntary contributions

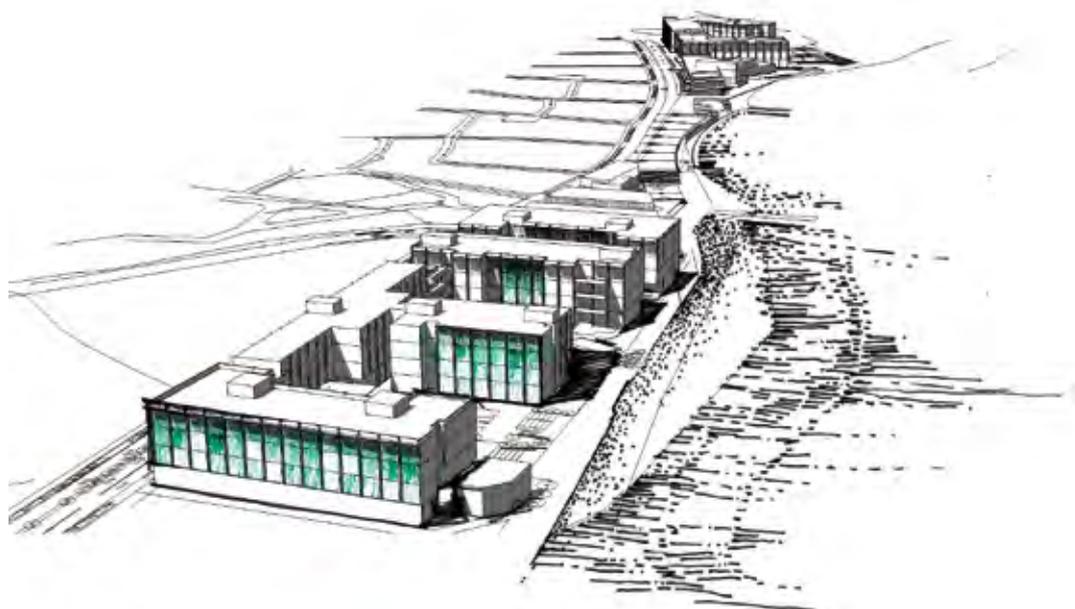


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I.Executive summary

Clashes between the militant group Fatah Al-Islam and the Lebanese Armed Forces (LAF) between May and September 2007 resulted in the destruction of Nahr el-Bared Camp (NBC) in North Lebanon. Nearly 26,000 Palestine refugees from NBC were forced to abandon their homes. UNRWA has committed itself to managing the reconstruction of the camp while simultaneously providing for the relief and recovery needs of NBC’s displaced residents. This report documents the largest project that has ever been implemented in any of UNRWA’s five fields of operations.

Rubble and unexploded ordnance (UXO) clearance, a complex, expensive and time-consuming exercise, is now firmly in the past and reconstruction is in full-swing. The reconstruction of the camp has been divided into eight separate “Packages” to facilitate a phased approach.¹ Reconstruction works are on-going on residential and commercial buildings in Packages 2 and 3 as well as at the UNRWA Compound site, with the focus on the remaining schools and the health centre.

While significant obstacles were faced during the reconstruction process and unforeseen delays were caused by the discovery of archaeological remains throughout the project site and by access restrictions imposed by the Lebanese Armed Forces (LAF), major milestones were reached during 2011. These included the

handover of reconstructed homes to families in Package 1 in April 2011 and the opening of three school complexes and a vocational training centre in time for the 2011-2012 school year. Reconstruction is continuing steadily with Package 2 nearing completion and handover to families scheduled to take place by the second quarter of 2013. The tendering process for the health centre is complete and construction will begin in July 2012. A further school complex is under construction, another is set to begin construction works in the coming months of 2012, while the final school remains to be funded.

Looking forward, the greatest obstacle is financial. The Agency faces a funding shortfall of 50 per cent of the total estimated project cost. Whilst the camp stays unconstructed, refugees remain displaced and in need of relief assistance. The execution of the project will be severely affected if funding requirements are not met. It will be felt not only in output but also in the total cost of the reconstruction and in relief costs while NBC residents remain displaced.

This report attempts to provide insight into the major components of the project, progress and challenges up to June 2012. The report illustrates the associated costs thus far, how funding has been used and what is still required. It further points to the implications should funding needs not be met.

¹ UNRWA is currently reviewing the NBC reconstruction process with the aim of accelerating the work, which may affect the division into packages as well as the work plan.



II. Background

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The destruction of Nahr el-Bared Camp (NBC) occurred between May and September 2007 as a result of clashes between the militant group Fatah Al-Islam and the Lebanese Armed Forces (LAF). Over 5,000 refugee families - a total of nearly 26,000 registered Palestine refugees from NBC and over a thousand Lebanese living in the camp, were forced to abandon their homes. Most of them remain displaced, living in temporary accommodation and dealing with the harsh economic consequences of their losses. Homes, commercial properties, mosques, NGO and community facilities were left in ruins. All roads, as well as water and sewerage networks, were badly damaged or destroyed. The UNRWA compound, which housed the Agency's local health clinic, schools and relief offices, was also left in ruins.

When the conflict ended, the Government of Lebanon (GoL) and the international community at large committed to rebuilding the destroyed camp. UNRWA was charged with leading the relief and reconstruction effort and set out to rebuild the camp and the UNRWA compound. In April 2008, contractors commissioned by the GoL conducted preliminary assessments on structural damage and UXO contamination. The assessments indicated that the camp contained large numbers of UXOs and determined that the entire camp would need to be rebuilt, amounting to over USD 200 million in damages and accounting for approximately 385,000m² of residential

and commercial property. UNRWA then developed a Preliminary Master Plan for the full reconstruction that was subsequently endorsed by the Lebanese Prime Minister and presented at the International Donor Conference in Vienna, Austria on 23 June 2008.

The conference – a collaborative effort between the GoL and UNRWA, with support from the Government of Austria – was held to mobilise funds for the reconstruction of the camp, the adjacent areas and the surrounding Lebanese municipalities that had been affected by the conflict. All stakeholders present at the conference unanimously supported the reconstruction of NBC and highlighted its interconnectedness to other recovery efforts in North Lebanon. At the time of the Vienna Conference, the cost of the reconstruction of NBC alone (excluding the adjacent area) was estimated at USD 277 million.

The current estimated reconstruction cost is USD 347.9 million (including USD 17 million in pre-reconstruction operations). These figures remain an estimate. The final cost will be determined after the tendering and contract awards of all packages and the UNRWA Compound have been finalized. At the end of June 2012, total confirmed pledges amounted to USD 171.8 million (including pre-reconstruction), or just under 50 percent of the to-

“ The current estimated reconstruction cost is USD 347.9 million ”

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tal amount needed for rebuilding the camp. Many of the same donors have also contributed a further \$132.7 million to life and dignity-sustaining relief since the onset of the crisis. This will continue to be a necessity until all residents are able to return to their new homes. The costs of this relief remain with the Agency every year that the displacement of the population persists, therefore the success and pace of the reconstruction has an immediate bearing on the budget needed for relief activities. Most directly, return to NBC reduces pressure on budgeting needs for rental cash subsidies (RCS) and emergency food assistance.

“ This will continue to be a necessity until all residents are able to return to their new homes

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The reconstruction of NBC is the biggest single project ever undertaken by UNRWA and is the first complete Palestine refugee camp in Lebanon ever to be rebuilt after its destruction. All the processes had to be designed from scratch in full coordination and



agreement with the community and the government. The pre-reconstruction operations alone took 18 months, finishing in March 2010 and resulting in the clearance of half a million cubic metres of rubble and over 12,000 pieces of unexploded ordnance (UXO). A milestone was reached last year (2011) when the first families moved back to the first reconstructed houses in Package 1, bringing life back to the camp. While the initial 2012 deadline for the project as set in the Vienna Conference will not be met, the ability to negotiate the logistical and political hurdles inherent in a project of this magnitude has been proven.





III. Socio-economic effects of the destruction of Nahr el-Bared Camp and UNRWA's response

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Housing and relief

The destruction of residences of Palestine refugees led to the displacement of nearly 26,000 registered Palestine refugees. The population now numbers over 27,000 persons. Over 17,000 of the displaced are living in the NBC adjacent areas and nearly 8,000 reside in temporary accommodations in nearby Beddawi Camp. The remainder of the NBC displaced are living in Tripoli and the surrounding areas or in other locations throughout Lebanon. Following the crisis, many families settled in areas adjacent to Nahr el-Bared, in some form of temporary accommodation, often in poor conditions. Some of the accommodation is provided by host families while some families reside in temporary units constructed or leased by the Agency. However, the largest proportion of refugees live in rented accommodation with support from UNRWA.

UNRWA provides rental cash subsidies (RCS) to all NBC displaced living in rented accommodation until their homes are reconstructed. Approximately 70% of the total displaced population lives on RCS; the total number of beneficiary families who benefited from the first distribution in 2012 was 3,472. UNRWA aimed to provide families with USD 200 per month but due to funding constraints the Agency has only been able to offer beneficiaries USD 150 since October 2008 (the current average rent in NBC and surrounding areas is USD 190). The number of RCS beneficiaries will be reduced as families return to NBC and a small reduction has already taken place. With the first returns to NBC, the

caseload was reduced by 129 families.

The return of families to Package 1 has also made a small impact on the emergency food assistance caseload, reducing it by 319 families. This will continue to reduce as more families return to NBC. Families that demonstrate needs after their return are encouraged to apply for food assistance under the Agency's regular food aid programme, the special hardship assistance programme (SHAP).

Livelihoods and economy

Prior to the conflict, NBC had the most robust economy of all the Palestinian camps in Lebanon. The loss of the camp has left many of NBC's former residents financially destitute and has had a profoundly negative impact on the surrounding areas. Unemployment remains high following the loss of livelihoods associated with the destruction of NBC and those that are able to find work are, on average, earning considerably less than they were before the crisis. The current unemployment level stands at 41 per cent. It was estimated that around 65 per cent of the customer base for businesses in NBC and its adjacent areas were Lebanese before the conflict. This relationship has been profoundly affected by access restrictions, as well as tensions between the communities as a result of the crisis.

UNRWA actively offsets some labour loss and helps revive livelihoods, including requiring

“ Approximately 70% of the total displaced population lives on rental cash subsidies ”

construction contractors to employ a majority of Palestinian labourers on site. Of those displaced from NBC who are employed, 9% are employed by UNRWA. Given the enormous constraints for Palestine refugees in general, and the NBC displaced in particular, to gain skills and find work, improving access to employment is one of UNRWA's key strategic objectives. Increased provision of placement and referral services to the Lebanese job market through employment service centres (ESCs) are complemented by instruction at the North Vocational Training Centre (NVTC) which is now situated in one of the newly constructed school buildings in the UNRWA compound.

Education and health

The destruction of the UNRWA Compound has profoundly affected UNRWA's ability to provide programmes and services to the community. This facility provided the majority of UNRWA's services prior to the crisis and included schools, health clinics and NGO buildings. Activities in the areas of health and education are particularly affected. The Agency has been able to develop alternative solutions to ensure the continuation of basic services through the provision of prefabricated schools and bus transportation to the schools for 10 per cent of the overall student population. Five pre-fabricated schools, established by UNRWA, have been operational in the adjacent areas of NBC and Beddawi Camp to service over 5,000 students from NBC; by necessity, these schools were operating on a double-shift system.

The summer of 2011 saw the opening of three newly constructed school complexes in the UNRWA compound allowing nearly half of the NBC student population to attend school at the

compound rather than in the pre-fabricated schools. 2,840 students still attend the prefabricated schools, which can now run on a single-shift system thanks to the opening of the new school complexes.

The Destruction of UNRWA's only health centre, situated in the same compound, greatly reduced the refugee's access to primary healthcare. Poor healthcare was exacerbated by the inferior housing standards amongst the displaced, which resulted in overcrowded, unsanitary conditions and an increase in disease. Gaps in service provision to those displaced from NBC were initially filled by facilities in Beddawi Camp; however the surge in clientele inundated the Beddawi facilities. In response, UNRWA established two temporary clinics in the NBC adjacent areas in 2008, which continue to provide services to the majority of the population as they await the reconstruction of the health centre. Reports from the two temporary health centres in the adjacent areas noted that with the return of NBC residents, the health situation, both in terms of communicable and non-communicable diseases is beginning to improve.

The destruction of NBC also impacted the population's mental health and in 2010, UNRWA began offering specialized mental health services in addition to providing hospitalization subsidies and medications free of charge. The newly reconstructed health centre within the UNRWA Compound will include modern medical equipment and examination rooms, designed in consultation with health professionals to accommodate the needs of the health department.





IV. Reconstruction Objectives

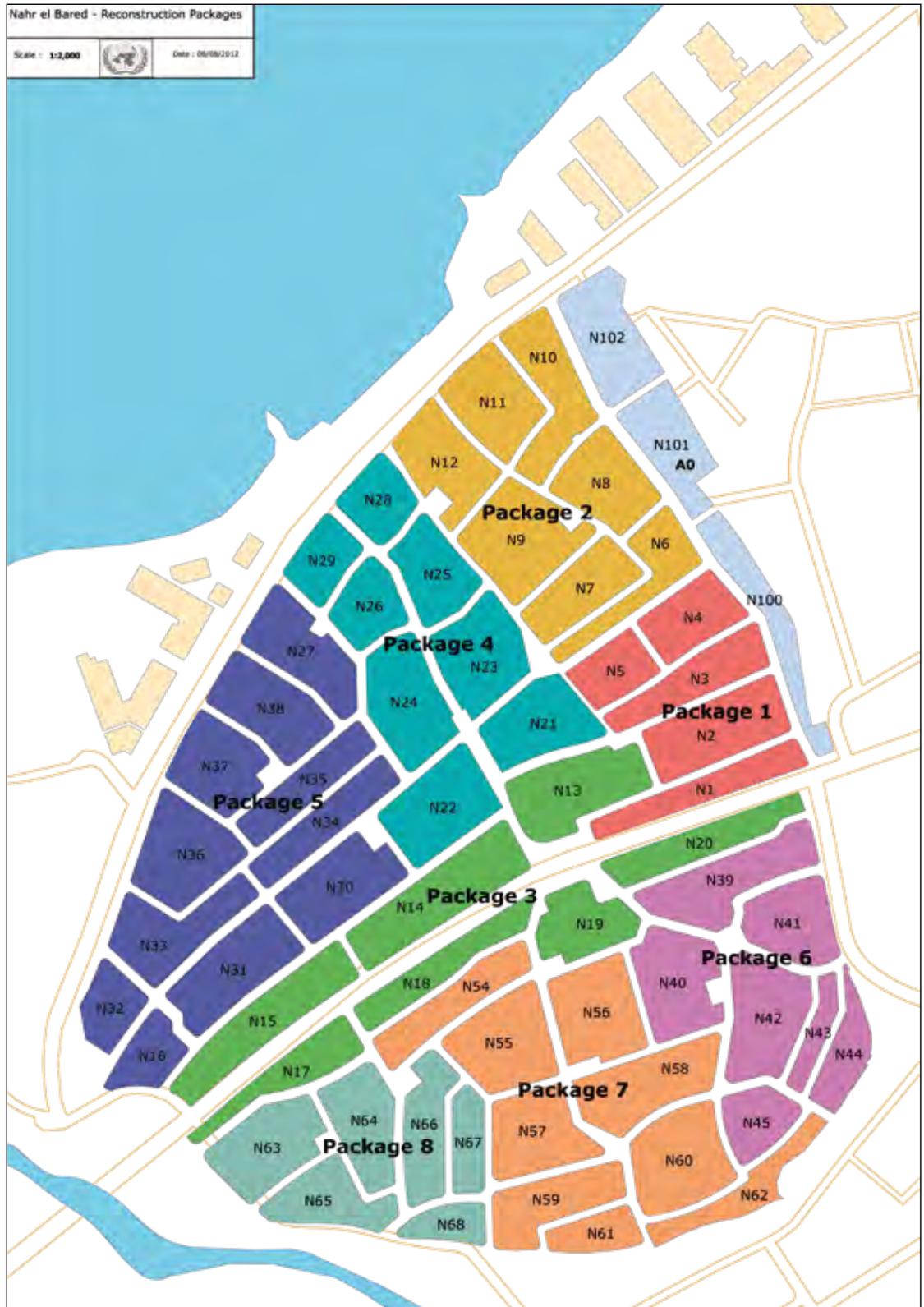
Fundamental to the reconstruction of homes and shops in NBC is the reestablishment of a new camp infrastructure network. This includes electrical systems, telecommunications networks, and a comprehensive water and waste management structure. Nahr el-Bared, like most camps in Lebanon, lacked dedicated systems for storm water drainage, adequate water supply to homes and had limited electrical and communications connections. The reconstruction effort allows UNRWA to improve all of these essential services, creating a better, healthier living environment for camp residents. Connecting NBC to northern Lebanon's principal transport artery is also essential to reviving the economic situation.

UNRWA has established and follows the following objectives for the reconstruction process:

- The reconstruction of NBC in its original location, in accordance with principles and guidelines agreed upon with the community and GoL.
- The reconstruction of residential and non-residential units in the same neighborhood pattern as before, with common area improvements and infrastructural installations.

- The improvement of residential units from their previous formulation, allowing proper ventilation and open public space.
- The re-housing of all those Palestine refugee families who lived in the camp prior to its destruction in 2007.
- The reconstruction of the UNRWA Compound with its various services and installations at its former location adjacent to the sea.

In order to achieve these objectives, UNRWA has divided the reconstruction of the camp into eight separate 'Packages' to facilitate a phased approach. Phasing the construction is necessary due to both funding constraints and limited management capacity. This approach also allows lessons learned in earlier packages to inform and improve the reconstruction effort in subsequent packages. While work begins with Package 1 (P1) and ends with Package 8 (P8), work proceeds on several packages in parallel, with each at a different stage of implementation. A-zero (A0), occupying the eastern edges of P1 and P2 as they meet the adjacent area, was created as a solution to some engineering and legal concerns in those packages. The reconstruction of the UNRWA compound proceeds in parallel with the prioritized building of school complexes and the permanent UNRWA health clinic.





To ensure that the reconstruction process includes input from the local community, UNRWA enlisted the support of the Nahr el-Bared Reconstruction Commission for Civil Action and Studies (NBRC), a grass-roots organization comprised of community activists and professionals from engineering and the social sciences that could act as a mediator between UNRWA and the NBC residents. NBRC had been collecting information and data on the destruction in NBC to serve as a blue-print for reconstruction efforts. Through its access and resources, NBRC was able to ensure that the needs of the community helped guide the unique master planning and reconstruction processes.

After signing a Memorandum of Understanding with NBRC in mid-2008, NBRC volunteers and UNRWA architects began mapping every house as it existed in NBC prior to the conflict, along with survey information on the number of family members and their village of origin. This information became the basis of the reconstruction plan. All stakeholders involved in the process – GoL, LAF, LPDC, PLO, popular committees, local civil society organizations, and the international donor community – have agreed that the rebuilt camp should be an improvement on the conditions that existed prior to the conflict.

An MoU between UNRWA, the Popular Committee and the community was signed in 2011 to work jointly in support of the reconstruction process of NBC with each party being duly represented. New Committees were established such as the governing body, appeal committee, technical committee, validation committee, furniture committee, and the adjacent area committee. Transparency is essential for the NBRC to demonstrate to the community that its processes and decisions are fair and not favouring any particular individuals or interests.

The NBRC is currently engaged in the complex and important task of dealing with complaints and appeals from some NBC displaced families regarding residences under construction and following construction. The most common disputes relate to the amount of living space due to reductions in the total area necessitated by restrictions imposed by the Master Plan. The mechanism also deals with less frequent disputes, for example cases of disabled access.

“ The rebuilt camp should be an improvement on the conditions that existed prior to the conflict ”





V. Reconstruction Phases

The reconstruction of NBC is a complex process involving both consecutive and overlapping steps. Below is a general outline of the process:

Preparatory Phase:

- A. Master Plan formulation and approval by NBRC, UNRWA, GoL (including LAF, LPDC) and PLO
- B. Expropriation of land by GoL and measures for the preservation of archaeological remains
- C. Preliminary design by UNRWA and NBRC:
 - Data collection on original family settlement pattern
 - Validation of family data
 - Preliminary design of reconstructed homes
 - Consultation on preliminary designs with individual families
 - Finalization of apartment/building/street/neighbourhood designs

Pre-reconstruction Phase:

- D. Rubble removal, UXO clearance, and archaeological preservation activities:
 - Demolition of destroyed structures
 - Rubble removal, processing (recycling), and disposal of non-recyclable waste
 - Simultaneous UXO clearance
 - Subsurface UXO survey, followed by certification of site clearance
 - Archaeology survey of package (once clear of rubble and UXO), and the

excavation, documentation, protection and re-covering of any revealed archaeological remains

- Final geophysical and resistivity surveys (for further archaeological investigation)

Reconstruction Phase:

- E. Detailed design by consultant (architectural drawings and submission to GoL) and approval by GoL (DGUP)
- F. Contracting process:
 - Pre-qualification of contractors and preparation of tender documents
 - Tendering and award contract
- G. Reconstruction:
 - Backfilling the entire site
 - Raft Foundations
 - Columns, slabs and masonry walls
 - Finishing works (plastering, tiling, glazing, waterproofing, wiring, plumbing)
 - Infrastructure works and connections

Handover Phase:

- H. Handover to the residents:
 - Family makes arrangements with GoL and UNRWA and signs electricity supply contract with Electricité du Liban (EDL)
 - UNRWA pays furniture grant and withdraws rental cash subsidy or temporary accommodation support
 - Family moves in



Overview of Challenges Faced:

- Large scale UXO contamination of whole site.
- Discovery of archaeological remains necessitating backfilling the entire camp in accordance with international standards.
- A challenging community-based planning process involving individual families in the planning of their homes.
- Engineering and legal difficulties in designing the interface between NBC and its adjacent areas in a manner consistent with the stipulations of the Master Plan.
- Shortfalls in willing and skilled labourers from the Palestinian community compounded by restrictions imposed by the Lebanese security forces.
- Poor project management and implementation on the part of contractors of initial packages that proved unable to meet timelines.
- Current funding will be totally committed by early 2013; additional funding is required by then for tendering new construction works.

Overview of Achievements and Progress:

- The GoL endorsed and has been supportive of the project.
- 12,506 UXO (including 72 that were booby-trapped) items were uncovered and defused; in June 2010 the camp was certified clear of UXO contamination according to standards set by GoL through the Lebanese Mine Action Committee (LMAC).
- Stipulations for the protection of archaeological remains were included in the Master Plan and integrated into construction planning.
- Direct consultations with 3,422 families who will reside in P1, 2, 3, 4 and 5 took place during 2008-9.
- As a workaround to difficulties in designing the interface between NBC and its adjacent areas, an area now known as A0 was annexed, allowing work on P1 and P2 to proceed.
- Close collaboration with the LAF and other stakeholders facilitated the issuance of a regular three-month permit to Palestinian construction workers.
- A total of 319 families have received keys to residences in P1 together with 56 local businesses
- Almost 50% of total surface area of P2 is due to be handed over to 340 families during 2012.
- UNRWA incorporated lessons learned from previous packages and the Agency is contracting P3 in smaller block-sized contracts in order to closely monitor contractor performance and quality; the small but complex area of A0 is also under construction.
- At the UNRWA compound three school complexes were handed over to UNRWA's education department and successfully opened for the 2011-2012 school year. Another two schools are on track and construction of the health centre will commence in July 2012.



VI. Progress Reports and State of Play by Area

Package 1 (P1)

April 2011 saw the most significant milestone of the project to date, with the return of 43 families to the first block completed in Package 1. Over the next five months, additional families were able to move into the newly reconstructed apartments; as of September 2011, 319 families had received the keys to their reconstructed homes in P1 and some 56 local businesses have been able to return. This

milestone saw displaced families moving out of cramped conditions in temporary housing and off the rental cash subsidy (RCS) provided by UNRWA.

UNRWA faced enormous challenges dating back to 2009 with the discovery of significant archaeological remains on the site and the absolute prohibition on excavation. Amendments were made to the construction contract and foundation designs were modified. The site was backfilled using crushed and compacted rock aggregate to protect any archaeological remains and the Directorate General of Antiquities (DGA) surveyed the entire site. The backfilling itself was temporarily suspended by the State Council during the same year in response to a political impasse over the method of preservation. In addition to the setbacks resulting from the requirement to protect archaeological remains, a key challenge remains designing the interface between NBC

and its adjacent areas in a manner consistent with the stipulations of the Master Plan and GoL requirements. The narrow strip of land where P1 and P2 meets the adjacent area has been annexed and is now referred to as A-zero (A0).

Labour force and security controls have proved to be further challenges during the construction of P1. UNRWA originally stipulated in the P1 contract that 90% of the labour force should be sourced from the Palestinian community, with the intention of ensuring that the reconstruction impacts positively on the economic recovery of the population. The NBC community often lacks adequate manpower in certain skilled construction jobs, and unskilled Palestinians are often less willing to work in low-wage construction positions than other nationalities. UNRWA attempted to improve the situation through the active use of its employment services centre (ESC); however, the contractor still found it difficult to fill quotas.

The lack of adequate labour was compounded by the restrictions imposed by the Lebanese security forces. Authorities required labourers to be vetted individually, often making them wait days to receive a permit; once received, permits were often of an inadequate time period. Close collaboration with the LAF and other stakeholders facilitated issuance of a regular three-month permit. However, the continued need for labourers, suppliers and others requiring permits remains a challenge

“ 319 families had received the keys to their reconstructed homes in P1

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throughout the construction process.

Poor project management and implementation on the part of the contractor were significant hurdles. Site management, coordination and mobilization of material and human resources often required negotiations with the contractor. During the construction period there were a number of complaints and appeals by P1 residents, including disputes over area, location and design. These appeals often resulted in design changes and required variation orders and modifications to be issued to the contractor. The Agency pursued these issues within the proper legal framework, though ultimately it resulted in extensions of time granted to the contractor.

Poor contractor performance and the contractor's inability to complete the works on time prompted UNRWA to remove the finishing works of block 1 from the contract, ultimately contracting a series of smaller firms to complete that part of the work. These amendments, coupled with the removal of 40 buildings, now tendered as part of A0, resulted in an ultimate reduction in the initial scope of the contractor's workload. Aside from these 40 buildings, P1 is complete.

Package 2 (P2)

The units in P2 are set to be handed over in stages with the most advanced blocks (N11 and N12) to be delivered in August 2012. The remaining blocks in the contract should be handed to the community a few months later, in September and November 2012. P2 was not immediately available for construction due to the discovery of a number of archaeological sites. As with P1, adjustments were made to contracts due to engineering challenges and lack of progress. Therefore, a number of areas are excluded from the timeframe above. The least developed areas (parts of N6, N8 and N10) are to be tendered and contracted during 2012 with expected completion in the middle to late part of 2013.

The reduction in the contractor's scope of work allowed UNRWA to better manage the quality and completion dates of the areas under construction. Ultimately, however, P2 was marked again with poor contractor performance and mismanagement. These contractor shortfalls were compounded by unavoidable archaeological delays and the need to change foundation designs during the construction process.



Special design challenges which exist in this package include a water tower and community mosque. Restrictions on space have made it particularly difficult to accommodate these buildings. In addition, UNRWA has taken great care to involve the community and, in the case of the mosque, the input of religious leaders, in the design process. Concept designs and detailed structural drawings should be produced by UNRWA's design unit by mid-2012 with construction to begin later in the year.

Package 3 (P3)

The camp's third package stretches along the main road and makes up the economic hub of the community. The buildings form the main artery of NBC's souk, or market, and will be essential to the economic rehabilitation of the camp, a milestone in the recovery of livelihoods. Setting out to build P3, UNRWA has made a point to incorporate lessons learned from previous packages. The Agency is contracting the package in smaller block-sized contracts in order to closely monitor contractor performance and quality. UNRWA hopes to improve the implementation and

management of this package with a more streamlined and tightly controlled process. This will also require resolving resident complaints and appeals prior to the construction phase to limit modifications and variation orders.

The first blocks to be built (N13 and N20), straddle the main road on the eastern side of the camp. Both blocks were tendered separately and contracts were signed on 10 November (N13) and 28 November 2011 (N20) respectively. Contractors began work with official commencement dates in December 2011. They are both scheduled for completion in March 2013. In an effort to improve efficiency, UNRWA has included the secondary infrastructure of these blocks in the contractors' scope of work. Primary infrastructure connections will still be provided by UNRWA's main infrastructure contractor. This approach will follow for the remainder of Package 3, all undergoing detailed design and tendering throughout 2012.

A-zero (A0)

Backfilling to protect the archaeological remains in P1 and P2 has caused a difference in levels between these areas and the surface level in A0, which can reach up to 11 metres. Though the block is relatively small in size, the narrow strip at the edge of the interface makes site access a particular challenge. It will also require extensive backfilling and retaining walls, making it a particularly complex project.

For this reason the block has been allotted a 15-month construction period which is set to end in March 2013. The site handover to the contractor was completed at the end of 2011 and includes 40 extra buildings originally tendered as part of P1. Creating the connection between NBC and its adjacent area is one of the biggest challenges in the current reconstruction efforts. Lessons being learnt at the first section of A0 under construction (N100) serve to inform future efforts in other areas of NBC at the immediate edge of the camp.

UNRWA Compound

The area, which housed UNRWA's schools, health facility and community-based centres before the conflict, is being rebuilt. September 2011 was another milestone in the reconstruction of the camp. In addition to the completion of the majority of Package 1, UNRWA marked the full reconstruction of three new school complexes and the North Vocational Training Centre (NVTC) in the UNRWA compound in time for the 2011-12 academic year. The completion of the schools was the first step in this process, aimed at getting students back to the camp and allowing life to return to normal as much as possible. Another two schools will be ready for the 2013 school year and construction of the health centre will commence in July this year. Only one of the six schools remains unfunded.





School Complex 1A

An individual donor expressed an interest in directly funding and implementing the reconstruction of school complex 1A and works began in May 2010 following the Council of Ministers approval. This was the first complex to be tendered for construction and houses two schools – Toubas Preparatory School and Ein Karem French School. The facility measures over 4,700 m² of total area across four floors. Works progressed with little difficulty over the 14-month construction phase. The building was scheduled for completion in June 2011, but received a short extension for the completion of external finishing works. The facility was handed over to UNRWA's education department upon completion and it successfully opened for the 2011-2012 school year.

School Complexes 4 and 5

School complexes 4 and 5 lie adjacent to each other in the area between the sea and blocks N37 and N38 of Package 5. The schools share a common playground area and their proximity to each other persuaded UNRWA to tender the project together in one contract. Some redesigns of the facility were made during the construction process in order to accommodate user needs. This was particularly important given the facility's use as a learning environment meant for a broad range of students. Complex 4 houses one school while

complex 5 holds two - a secondary education facility as well as a vocational training centre for secondary graduates. The design changes resulted in unforeseen delays and the contractor was granted a minor extension for the completion of external works; despite this, the two facilities, along with School 1A, began classes for the 2011-2012 school year. The opening of the schools marked the end of double-shift temporary schools for NBC displaced. All students are now taught either in the new facilities or single-shift temporary schools.

“ The opening of the schools marked the end of double-shift temporary schools for NBC displaced

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School Complexes 1, 2 and 3

UNRWA was able to secure full funding for both school complexes 1 and 2 in 2011. Given the similarities in design and engineering, the experience building School 1A should prove useful in completing these schools. The design for school 2 was prepared first and construction began in January of 2012. The project was granted a 12-month construction period. As of April 2012, the contractor had completed backfilling and the school's foundation. He has now commenced laying the “super-structure” of concrete columns and floor slabs. The school is on track for completion prior to the second semester of the 2012-2013 academic year. Funding for school 1 was secured later in 2011 and UNRWA immediately set to work

preparing preliminary and detailed designs of the facility. The school has been tendered, the contract is under preparation and work is set to commence in the coming months of 2012. The construction of the school 3 is conditional upon receipt of funding for Packages 4 to 8. The strategy is to build School 3 when Packages 6, 7, 8 are well underway. Most students are from these packages and currently live in and attend prefabricated schools in Beddawi. Thus, the school risks standing empty until those packages are completed and those students are able to return to their homes in the camp.

Health Centre

In addition to the schools, UNRWA is reconstructing the health centre which was present before the conflict. The facility is located adjacent to school complex 1A and has been designed in detailed consultation with UNRWA doctors and health professionals to accommodate the needs of the health department. The facility includes modern medical equipment, examination rooms and other medical needs spread across 1,400m² of built area. Preliminary and detailed designs were produced by UNRWA engineers and architects at the Agency's headquarters in Amman. The tendering process was completed in April 2012 and construction will commence in July 2012.

Infrastructure

The detailed designs for infrastructure include networks for water supply, stormwater, sewage and electricity. Additional infrastructure

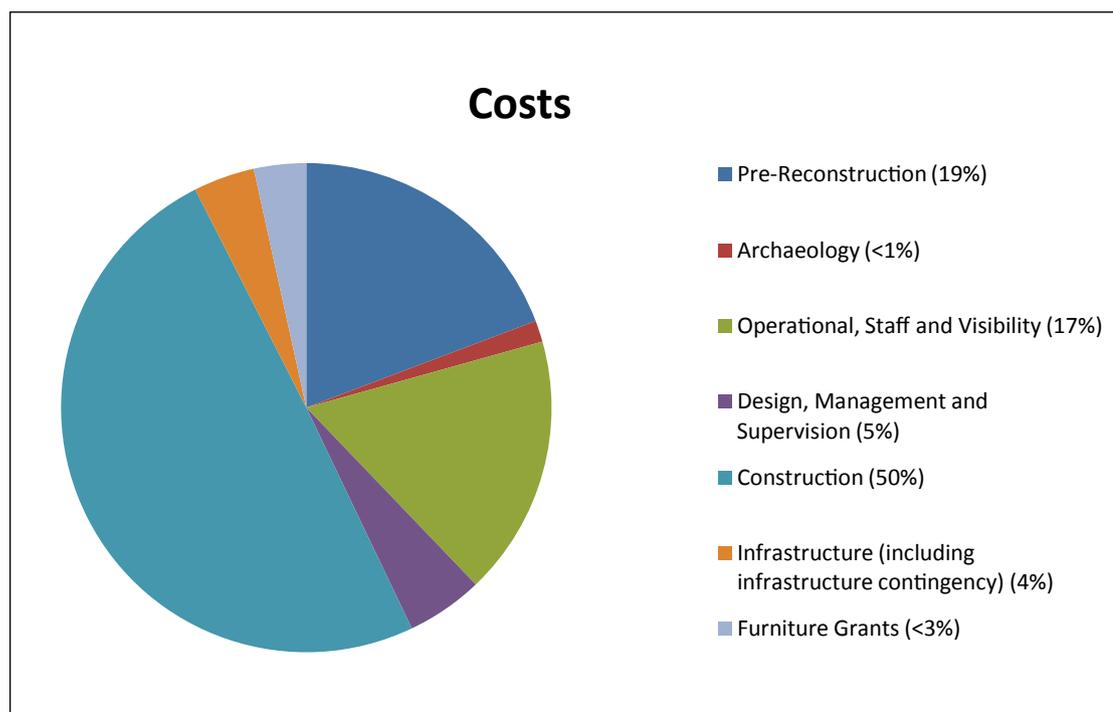
upgrades will include a redesigned road network that incorporates the water and telecommunications systems. The upgrades will also connect the infrastructure of NBC with the surrounding areas and with a major GoL project to install a waste water trunk-line along the coast that will connect to the new Tripoli Waste Water Treatment Plant. Detailed designs correspond to areas that are UNRWA's highest priorities in terms of reconstruction. Initially, UNRWA's main infrastructure contractor was responsible for both primary and secondary infrastructure. As previously noted, in an effort to improve efficiency UNRWA has included secondary infrastructure within the block contractors scope of work at P3, this approach will follow for the remainder of the package and where technically feasible throughout the project.

The establishment of infrastructure networks, both primary and secondary, is completed in parallel to the reconstruction of the buildings. In consideration for the construction of the schools at the UNRWA Compound, the Agency gave high priority to primary infrastructure in this area including construction of the sea road providing access to the schools and telecommunications cabling for access to telephone and internet, which was completed in advance of the opening of the schools. Package 1 (minus the 40 buildings) is complete including its secondary infrastructure. Secondary infrastructure at Package 2 is on track; its construction is ongoing in mid-2012 at the more advanced blocks.



VII Output, funding and timelines: The way forward

Overview of pre-reconstruction and reconstruction costs incurred to date (2008 to second quarter of 2012)

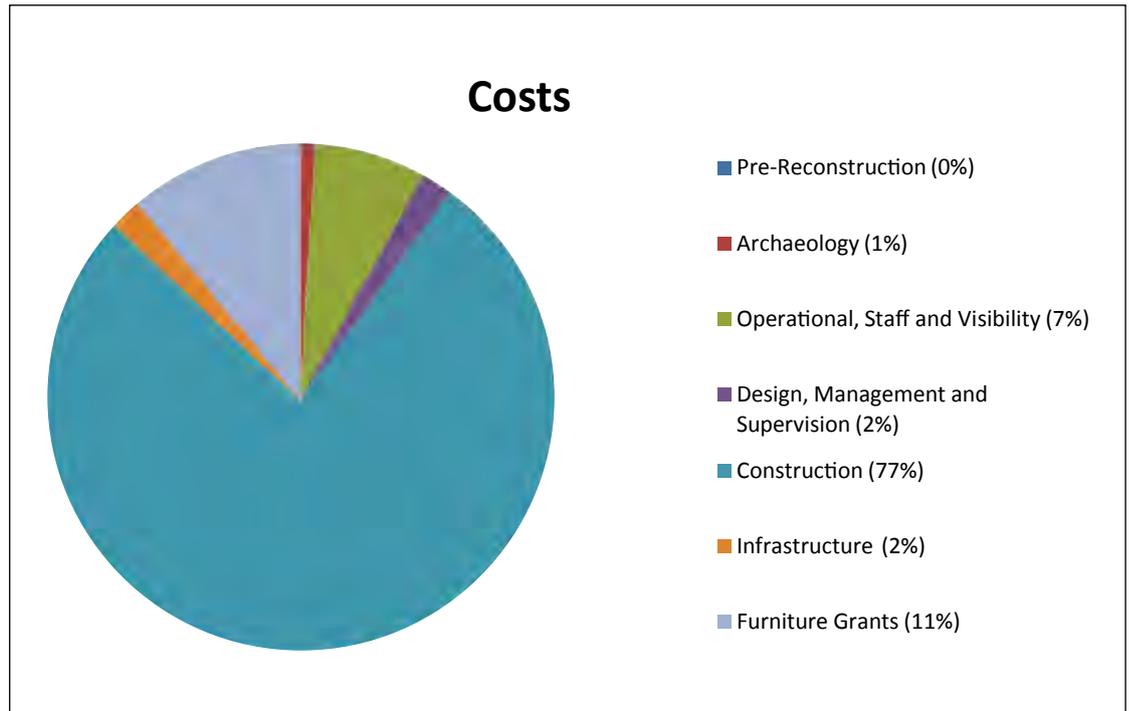


The pie chart shows proportions of costs incurred from 2008 until the end of the second quarter of 2012. Pre-reconstruction costs include both rubble removal and UXO clearance and amount to almost 20 per cent of the total over this time period. The work itself began in 2008 and extended into 2010. Pre-reconstruction works were both time consuming and costly, they involved engaging the services of both UNDP (for rubble removal) and Handicap International (specialising in UXO clearance activities). By June 2010, the camp was certified as clear of UXO contamination according to the standard set by GoL through the Lebanese Mine Action Committee (LMAC).

During the rubble removal process in April

2009, it first became apparent that NBC was rich in archaeological remains although associated costs have remained throughout the project. Construction costs stand at just under 50% of the total of costs to date; construction began and costs were incurred from 2010, subsequent to the pre-reconstruction works. Construction costs incurred to date include the works in Package 1 and those in progress Package 2, 3 and A0 as well as for the schools in the UNRWA compound. Furniture grants costs are incurred at the time of the handover to families following the end of construction of each residential area. The furniture grant costs incurred over this time period stem from the handover of Package 1. Expenses to date cover all the elements of the project, past and present.

Overview of projected reconstruction costs (third quarter of 2012 to fourth quarter of 2015)



The pie chart shows proportions of costs to be incurred from the last two quarters of 2012 through to the end of the project. These costs are based on the assumption that construction will be completed by the end of 2015 and the project itself, including wind down time, will be completed by the end of 2016. Pre-reconstruction costs are clearly absent during this time period as these activities were completed in 2010 and construction is fully underway. While costs to date (in the previous chart) show all elements of the project, costs moving forward are concentrated around construction. Archaeology remains an expense through to the beginning of the construction

of the last block.

The lower proportional costs in infrastructure here relate to the inclusion of secondary infrastructure within the block tender and construction, therefore the infrastructure portion in this graph shows primary infrastructure rather than all infrastructure. Compared to the previous pie chart, the weight of expenditure changes to a much larger proportion of construction costs and furniture grant costs, illustrative of the greater rate of construction in this period and the greater rate of handover of units that follows it.

Reconstruction timeline for residential and commercial units: Output and handover from the third quarter of 2012 to the end of 2015

The below work plans are subject to adjustments following the review of NBC reconstruction planning currently underway.

	2012		2013				2014				2015			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
P1	Complete													
P2	66%	84%	97%	100%										
P3*				31%	59%	90%								100%
P4					29%	92%	100%							
P5								22%	44%	100%				
P6										83%	100%			
P7											41%	89%	100%	
P8													62%	100%
A0				48%			100%							

* One block of P3 (N17) is reserved until later in the project in order to ensure constructors access to all areas of the camp

	Completion of preliminary designs, tender period and site handover
	Construction period, infrastructure work and finishing works
	Handover to families

The reconstruction timeline gives an overall picture of the rates of reconstruction by package, using the same timeframe as the pie chart above. As previously mentioned in this report, UNRWA is currently contracting packages in smaller block-sized contracts in order to closely monitor contractor

performance and quality. Packages are no longer uniform in their development and end dates vary within each package, as illustrated above. The figures in the red blocks give the cumulative percentage of families at handover.



Reconstruction timeline for the UNRWA compound: Output and handover from the third quarter of 2012 to the end of 2015

	2012		2013				2014				2015			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Green	Blue	Blue	Grey										
2	Blue	Grey												
3			Green	Blue	Blue	Blue	Blue	Grey						
4	Complete													
5	Complete													
1A	Complete													
HC	Blue	Blue	Blue	Grey										
CS											Green	Blue	Blue	Grey
NGO											Green	Blue	Blue	Grey

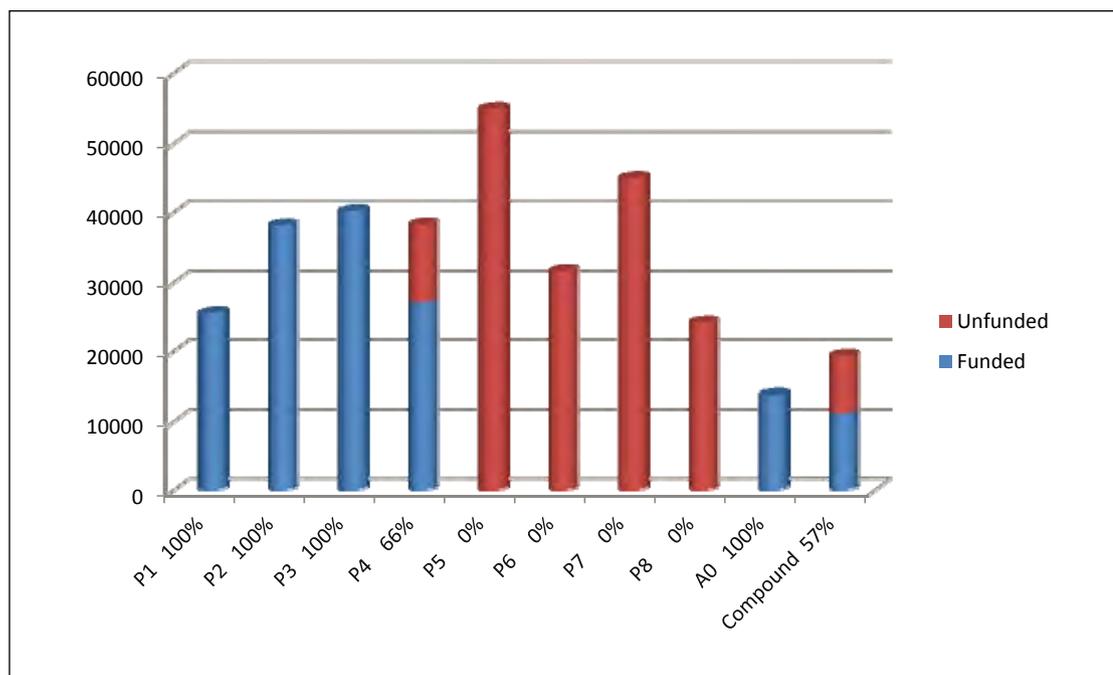
1, 2, 3, 4, 5, 1A	school complexes
HC	health centre
CS	camp services area
NGO	NGO area

Green	Completion of preliminary designs, tender period and site handover
Blue	Construction period, infrastructure work and finishing works
Grey	Ready for use

Funding requirements that allow the execution of the timeline

The second pie chart and the timeline above assume that construction will be finished at the end of 2015; this, in turn, assumes that funding will be consistently available when required. This planning **requires that USD**

176 million are secured to complete the reconstruction of Packages 5,6,7 and 8, as well as the remaining funds required for Package 4 and the UNRWA compound



With construction well underway and each process – preliminary design, rubble removal, UXO clearance, archaeological preservation, detailed design, preparation of tender documents, tendering process, backfilling, reconstruction including infrastructure, handover including withdrawal of relief support and receipt of furniture grant – having been completed at least once, **UNRWA is in an excellent position to move ahead at a strong pace and has gained significant experience in all necessary aspects of the reconstruction. This is absolutely dependant on an equally robust and timely response from donors.** As previously mentioned, the funding shortfall is currently almost 50 per cent of the estimated total project costs.

Responses to the critical needs of the population displaced from NBC continue to

run in parallel to the reconstruction of the camp. The Agency is entirely dependent on the continued support of the donor community for the funding of its annual relief costs associated with the displacement from NBC. The costs of rental cash subsidies, leasing fees for temporary facilities and emergency food assistance all remain with the Agency while families remain displaced from NBC. The total funding requirement for relief and recovery assistance in 2012 alone amounts to USD 16,658,070. Each handover, as indicated by the red squares on the timeline, reduces these costs. Total relief budget estimate is approximately USD 14.7 million for 2013.

“ The Agency is entirely dependent on the continued support of the donor community ”

Effects of any delays in pledges

Any funding scenario where levels fall below the needs indicated above will affect the execution of the project. The effect will be manifested in four ways:

“ Current funds will be fully committed by early 2013 ”

- Decreased rate of output
- Increased total cost of the reconstruction
- Increased proportion of management costs vis-a-vis construction costs
- Increased costs of relief programming

In mid-2014, the preliminary and detailed design processes will be complete for all packages and the compound and a reduction in design staff can begin. The second quarter of 2015 will see 12 blocks remaining

under construction, making a draw down of reconstruction operations possible. Current funds will be fully committed by early 2013.

Only with additional funding secured can reconstruction continue; blocks cannot be tendered for reconstruction in advance of the receipt of funds. If the rate of output is slowed, the total cost of the reconstruction will increase. Putting aside inflation, which affects the actual construction costs over an extended period, the operational and running costs and well as staffing will be required over a longer time period. Moreover, relief costs are inversely proportionate to the handover of units; the slower the handover of units, the slower the decrease in relief programming costs.



VIII. Challenges and Outlook

The reconstruction of Nahr el-Bared Camp is an immense undertaking for UNRWA. The size of the project is unlike anything that the Agency has ever embarked upon. Moreover, its significance is heightened by the particularly difficult situation faced by Palestine refugees in Lebanon as compared to UNRWA's other fields of operation. From the outset, the project has faced financial, political and logistical obstacles that have threatened to undermine the progress of the reconstruction.

The ongoing displacement, poor economic situation and continued access restrictions have led to increased tensions in the camp. Most recently, conflicts between the Lebanese Army and NBC residents have highlighted the urgent need to secure the remaining funding to complete the reconstruction of the camp and continuing relief operations for displaced families. The return of these families and reopening of businesses should help to restore a sense of stability to the lives of the returning residents that has been missing since 2007.

The community recently recognized the fifth anniversary of the onset of the conflict. Despite the challenges faced during that time, the pace of reconstruction is picking up with over 300 families receiving the keys to their new homes in Package 1. Nearly 600 families are expected to be able to return to their homes in Package 2 throughout 2012 and mid-2013. In addition, the completion of the fourth school complex at the end of this year will allow students to move from the prefabricated buildings back to their schools in the camp.

The Agency expects to complete the camp by the end of 2015. However, if we do not receive additional funding by early 2013, we will be unable to reach our goal and ensure that all of the displaced families are able to return. We hope that this report will give donors greater insight into the current state of the NBC reconstruction as well as UNRWA's plans moving forward. It is only with donor support that the Agency will be able to bring this plan to fruition.

IX. Financial Status

Breakdown of Expenditures Per Activity

1	Pre-reconstruction Activities	
	Pre-reconstruction Activities	15,160,024
	Sub Total	15,160,024
2	Construction of Units	
	Package 1-8 (including A0)	30,062,580
	UNRWA Compound (Schools, Clinics, Offices)	7,435,904
	Sub Total	37,498,484
3	Infrastructure	
	Infrastructure	3,271,831
	Retaining walls	0
	Sub Total	3,271,831
4	Contingency	
	Contingency	2,050,591
	Sub Total	2,050,591
5	Supervision and Design	
	Design/Housing	1,292,422
	Design/Infrastructure	700,170
	Supervision and management	2,602,242
	Sub Total	4,594,834
6	Household Furniture	
	Household Furniture	1,663,450
	Sub Total	1,663,450
7	NMU management Cost	
	Staff Salaries and Allowance	11,010,303
	Overtime	52,426
	Staff travel	55,251
	Equipment, Furniture, and other Capital Cost	237,984
	Utilities and Other Operational Services	929,672
	Others	508
	Sub Total	12,286,143
8	Communication and Visibility	
	Communication and Visibility	57,618
	Sub Total	57,618
9	Reserve	
	Reserve	0
	Sub Total	0
	SUB-TOTAL	76,582,976
10	Programme Support Cost	
	Programme Support Cost	4,789,102
	Total	81,372,078

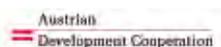
Breakdown per donor

Donor	Contribution	Expenditures
Australia	1,219,307	1,219,307
Austria	655,939	655,938
Belgium	2,917,347	2,917,347
Brazil	200,000	199,996
Cyprus	139,240	139,200
Czech Republic	32,998	32,997
Denmark	1,986,145	1,986,130
European Union	11,969,107	11,932,135
Finland through MDTF	137,167	52,862
France (AFD)	1,225,490	0
Germany	250,842	250,842
Iceland	50,000	49,999
Italy	1,347,709	1,347,709
Japan	2,458,415	2,369,081
Malta	31,600	31,599
Netherlands	2,027,000	2,027,000
Norway	1,010,287	881,821
Norway through MDTF	1,427,119	549,987
OPEC Fund for International Development (OFID)	6,250,000	4,999,915
Palestine Liberation Organisation (PLO)	2,205,877	2,117,532
Republic of Korea	300,000	299,994
Saudi Arabia (SFD)	35,000,000	2,100,000
Spain through MDTF	8,163,863	3,146,213
Sweden	1,157,575	0
Switzerland	1,772,686	1,772,680
UK / DFID	125,990	125,990
USA	85,000,000	38,249,079
Welfare Association / Cayan	2,092,298	1,916,725
Total	171,154,001	81,372,078

We would like to thank all the donors who have supported NBC reconstruction operations since 2007

Australia, Austria, Belgium, Brazil, Cayan, Cyprus, Czech Republic, Denmark, European Union, Finland, France (AFD), Germany, Iceland, Italy, Japan, Republic of Korea, Malta, Netherlands, Norway, OPEC Fund for International Development (OFID), Palestine Liberation Organisation (PLO), Saudi Fund for Development (SFD), Spain, Sweden, Switzerland, United Kingdom, USA, Welfare Association

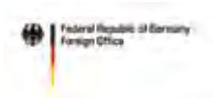
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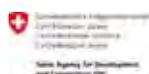
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اللاجئين الفلسطينيين في الشرق الأدنى