Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

DRAFT FOR DISCUSSION
Confidential

الجمهورية اللبنانية
مكتب وزير الدولة لشؤون التنمية الإدارية
مركز مشاريع ودراسات القطاع العام

REPUBLIC OF LEBANON

Urban Water and Wastewater Sector Note

Public Expenditure Review

November 18, 1998

Infrastructure Development Group
Middle East and North Africa Region

CURRENCY EQUIVALENTS

(As of September, 1998)
Currency Unit = Lebanese Pound (LL)
US$1.0 = LL 1,512

FISCAL YEAR

January 1 - December 31

WEIGHTS AND MEASURES

Metric System

ABBREVIATIONS AND ACRONYMS

BOT	=	Build Operate and Transfer
CDR	=	Council for Development and Reconstruction
EIB	=	European Investment Bank
GOL	=	Government of Lebanon
MHER	=	Ministry of Hydraulic and Electric Resources
MOE	=	Ministry of Environment
MPH	=	Ministry of Public Health
NERP	=	National Emergency Rehabilitation Program
OAD	=	Office Ein El Delbeh
OEB	=	Office des Eaux de Beirut
UFW	=	Unaccounted-for Water
WWE	=	Water and Wastewater Enterprise
O&M	=	Operation and Maintenance

REPUBLIC OF LEBANON

URBAN WATER AND WASTEWATER SECTOR NOTE

PUBLIC EXPENDITURE REVIEW

TABLE OF CONTENTS

ANNEXES

This document was prepared by a team consisting of Jamal Saghir, Sector Leader (MNSID), Alex McPhail, Senior Economist (MNSID), and Ashok Subramanian, Senior Institutions Specialist (MNSRE). It is based on findings from a mission to Lebanon in July 1998. Inputs, insights and valuable comments were provided by: Messrs. Jean-Francois Barres, Principal Agricultural Economist (MNSRE) and Joe Fuleihan, Consultant. Editorial support was provided by Elisabeth Sherwood and the report was produced by Sonia Wheeler (MNSID). The team would like to express grateful thanks to staff of the Ministry of Hydraulics and Electric Resources, Council for Development and Reconstruction, the water authorities, and the Ministry of Finance for their cooperation, and for sharing information and insights.

REPUBLIC OF LEBANON

URBAN WATER AND WASTEWATER SECTOR NOTE

PUBLIC EXPENDITURE REVIEW

EXECUTIVE SUMMARY

Since the early 1990s, the Government of Lebanon (GOL) has made significant progress restoring water and wastewater infrastructure damaged during the civil strife and meeting the rapidly growing demand for services in urban areas. GOL has also taken some early steps in addressing water quality problems and pollution, and has made the water sector a priority area.

Water service coverage in Lebanon is high, with 90 percent of municipal households connected to the public water system. However, service is often of poor quality and unreliable. Infrastructure is generally old and deteriorated, and the overall system is inefficient, with unaccounted-for water (UFW) losses around 40 percent – a level that has remained constant over the last several years.

This Urban Water and Wastewater Sector Note looks at the structure of urban water and wastewater services and GOL's current and planned investment program. These investments, approximately US$3.0 billion over the next few years, are expected to address significant infrastructure needs of the sector, including system expansion in those areas that do not yet have service, and rehabilitation of the existing system, which suffered not only damage during the war, but also, perhaps more importantly, significant neglect of basic maintenance.

The main text of this Note addresses more fully the issues facing the sector. In summary, these issues are as follows:

- Although 90 percent of municipal households have access to water services, water quality and quantity is inadequate. Water supply is intermittent in most urban centers.

- Management of the sector and its institutions remains fragmented and uncoordinated.

- Operating efficiencies of the water system is low, with limited metering of water use, and unaccounted-for water in the range of 40 percent.

- Annual water tariffs have risen (about 40 percent over 4 years), but from a low base. Tariffs are not based on rational criteria.

- Operating revenues do not cover costs and, in most cases, make up less than 70 percent of operating costs, even excluding depreciation; collections are only a portion of amounts billed.

- Financial management of water service institutions is weak, with few management controls or business plans.

- Investment decisions are not based on sound economic criteria or financial and environmental analysis, and are ad hoc in practice.

Projected public investments by CDR and MHER of about $3 billion over the next few years are clearly ambitious and are out of proportion to the government's fiscal capacity and sectoral constraints such as implementation and institutional capabilities. In addition, the investment program lacks a long-term strategy based on clear economic and environmental criteria. In view of the projected debt service burden, already inadequate operations revenue, and low sector efficiency, the investment program is likely to be unsustainable. Moreover, it is uncertain whether the required external financing to support the investment program is available.

Institutional reforms proposed by GOL would limit MHER to policy, bulk water supply, strategic planning and regulatory functions, while regional Water and Wastewater Enterprises (WWEs) would serve as autonomous, commercial entities retailing water services. They would be financially self-reliant. The institutional reform program, together with systematic efforts to improve operational efficiency (for instance, through metering) and financial viability (for instance, through improved billings and collections and the introduction of appropriate tariffs) would be the building blocks of investment effectiveness and sustainability. In addition to those reforms, a sector investment program based on long-term priorities needs to be developed.

Recommendations

Given the above issues facing the sector, the Note recommends several key actions to be taken as part of a program of sector reform. These actions include:

- Formulation of a long-term strategy for the sector: The strategy would target the achievement of realistic goals by the year 2020, including limited system expansion and modest system rehabilitation, together with an aggressive demand management program.

- Preparation of a short-term program in line with the long-term strategy: This would include steps for achieving self-financing of the sector within a limited period of time.

- Define realistic investment program and timeframe for implementation, taking into account fiscal constraints, availability of funds and implementation capacity.

- Acceleration of the pace of institutional reforms: There is urgent need to move quickly on the institutional reforms already agreed upon in order to rationalize sector management and reach certain standards of UFW, unit costs, cost recovery, staffing, etc.

- Improvement of financial viability through commercialization of WWEs and promotion of private sector participation: A sequenced strategy of building corporate entities that are self-financed and commercially oriented must be implemented; private sector participation in investments and management should be introduced as soon as possible.

- Improvement of operational efficiency: With increased coverage and improved services, metering is crucial. The capital cost of metering could be recovered in a few years through rationalized and improved fee collection.

Upgrade of the quality of water information: Performance benchmarks are difficult to set, achieve, and monitor without basic data and a transparent information system. A concerted effort to upgrade the database, improve the information system, and disseminate water data is urgent.

If implemented, these elements would help the GOL to rebuilt the country's fragile infrastructure, while at the same time ensuring the effectiveness of its investment and management.

REPUBLIC OF LEBANON

URBAN WATER AND WASTEWATER SECTOR NOTE

PUBLIC EXPENDITURE REVIEW

I. Introduction

1. This Urban Water and Wastewater Sector Note is part of the Public Expenditure Review requested by the Government of Lebanon (GOL). It examines the water and wastewater sector in Lebanon, with brief reference to the country's overall water resources and demand and uses outside of urban areas. It discusses the structure of water and wastewater services in urban areas and the planned investment program of the Council for Development and Reconstruction (CDR) and of the Ministry of Hydraulic and Electric Resources (MHER). A separate Note on the Public Expenditure Review of the Agriculture/Irrigation Sector is under preparation by MNSRE. Together, these two documents provide an overview of the water sector in Lebanon.

2. Section II of the Note examines the country's overall balance between supply and demand, in particular, vis-à-vis the needs of the urban centers. This section also examines the coverage and quality of water and wastewater services. Section III briefly describes the country's institutional setting and legal framework for water and wastewater service provision. Section IV then looks at CDR's and MHER's sector investment program, including an analysis of the fiscal issues. Major issues facing the sector are discussed in Section V. Recommendations for further action to address these challenges are also discussed. Finally, the Note contains a series of Annexes with detailed technical and financial information.

3. While the purpose of the public expenditure review is in general to assess current government expenditures in the sector – both for sector operations and investments – during the preparation of this note it was impossible to gather sufficient expenditure data to make that fully possible. As is noted in detail in Section V – Major Issues and Priorities for Action – there is no tracking or collection of the most basic data for the sector. Where data does exist, it is usually in the aggregate, not providing any breakdown by region, by category of expenditure, or by user. As this has been the case, this review necessarily focuses on available information on proposed investment, and institutional and managerial aspects of the sector, including recommendations for improvements in the collection and tracking of data.

II. Water Resources and Use and Sector Coverage

The imbalance between supply and demand will widen by 2020, especially in the dry season...

4. Estimates of the balance between water resources and use are not current, nor are they precise. One reason for this is because many rainfall- and river-gauging stations were destroyed or abandoned during years of civil strife, and have yet to re-established. For example, of the six comprehensive meteorological stations that existed in 1974, only two are operational today (at the American University of Beirut and the Beirut International Airport). In addition, Lebanon

seems to go through a cycle of wet and dry years, but most detailed records date only to the 1970s – too short a history to make good predictions for the future. Finally, precipitation varies widely across the country (by as much as a factor of 10), reflecting wide regional differences. Countrywide aggregates, therefore, should be seen as indicative estimates rather than precise projections.

5. Estimated water supply and demand for Lebanon is presented in Table 2.1. As shown in the Table, there was an overall surplus of water in 1990, but this was due largely to heavy supply during the winter months. The overall summer demand in 1990 was an estimated 10 percent less than supply, but this surplus could be the result of statistical errors. The implication is that, at the start of this decade, Lebanon was already showing signs of water shortage in the dry months of the year, despite aggregate statistics showing a modestly comfortable position on an annual basis.

Table 2.1: Estimated Annual and Dry Season Water Balance
1990 and 2020 (MCM)

	1990		2020	
DEMAND	Annual	Dry Season	Annual	Dry Season
Potable and Municipal	310	155	850	425
Irrigation	875	875	1500	1500
Industrial	130	65	240	120
Total Demand	1315	1095	2690	2045
SUPPLY				
Surface Water	1900	800	1900	800
Groundwater	800	400	800	400
Total Supply	2700	1200	2700	1200
BALANCE	**1385**	**105**	**10**	**-845**

Sources: Ziad Hajjar, "Lebanon Waters and Peace in the Middle East," Beirut, 1997 (selected chapters translated and adapted by Nejdet Al Salihi); Ministry of Agriculture (MOA); World Bank estimates.

6. In contrast with 1990, the estimates for the year 2020 show a near zero annual balance and a 40 percent deficit during the summer months (generally defined as April through October, but this varies somewhat by region). Key assumptions here are: (i) use of about 260 liters/capita/day (l/c/d) for potable and municipal needs (200 l/c/d plus 30 percent for unaccounted for water); (ii) about 30 percent of potable and municipal use for industrial use; and (iii) a projected increase in irrigated land between 1990 and 2020 of about 60,000 hectares, bringing the total irrigated area to 147,000 ha.[1] These estimates appear to be realistic. We should also note that the water deficit will widen if water quality aspects – which further aggravate demand for water – are taken into account.

7. In short, despite data limitations, countrywide and aggregate data mask important *seasonal* variation. The shortages in the dry season, already experienced in the early 1990s, will

[1] A MOA study places irrigated area in mid-1990s at 117 000 ha. This comes from the addition of privately irrigated area now not shown in public records.

worsen by the early years of the coming century and, certainly by 2020. In addition, this aggregate data masks critical regional variation. Regional analysis shows significant water deficits for the Greater Beirut/Mount Lebanon area.[2]

Expansion and rehabilitation of water and wastewater services and reduction of pollution are urgent needs...

8. There are around 650,000 subscribers in the urban water sector in Lebanon. Water service coverage is thought to be at least 90 percent in all the country's main urban areas (Annex 1). In the major cities, the coverage ratio is nearly universal, but water supplied is of poor quality and service is unreliable. In general, the water supply infrastructure is in disrepair following years of civil strife. Operation and Maintenance (O&M) has been a major casualty of the civil strife, leading to poor operational efficiency. Distribution systems have deteriorated, and around 60 percent of total distribution systems are in need of rehabilitation. Notional unaccounted-for water (UFW) losses are around 40 percent. Water quality is unsatisfactory and can be a health hazard – about 80 percent of public water supplies are polluted. Intermittent services are a common problem, making it difficult to install metering systems, encouraging wasteful use when water service is available, and increasing chances of contamination (due to pipes' running partially full or under low water pressure).

9. Rehabilitation of water service infrastructure is an urgent social need, and an ambitious program of water supply service improvements has been planned. These improvements include, inter alia, increasing the supply of water to urban areas, leak reduction programs, and distribution improvements. However, because of the limits on water resources and the growing demand from urban areas, these improvements must be accompanied by concerted efforts at water conservation and efficient utilization.

10. Almost every urban resident has access to wastewater services, either through a private cesspit or through connection to the piped sewer network. However, organized conveyance and wastewater treatment remain a serious problem. Municipal solid waste collection and disposal services are provided by the private sector, but access to solid waste services is largely limited to Greater Beirut, and is biased against smaller cities and rural areas because of selective financial support from the central government.[3] There are no wastewater treatment plants providing secondary treatment, and only one plant provides primary treatment.[4] As a result, there are a large number of sewage outfalls discharging at or near the shoreline along the whole of the Lebanese coast, and, except for the flow at Ghadir, none of it is treated in any way. Some idea of the scope of the problem can be gained from the fact that between the Ghadir pretreatment plant and central Beirut, twelve major discharges enter the sea. Treatment works are planned for all of the major cities along the coast – Tripoli, Kesrouan area, Beirut (north and south), Saida, and Sour – but implementation of interim treatment to control sea pollution and clean up the

---

2 Examined in this context were: GIBB-KA-KCIC Joint Venture, "Awali Conveyor Project for Beirut Water Supply", April 1997; Dar al-Handasah, Feasibility Study for Water Supply of the Area Between Damour River and the Southern International Boundary", December 1995; and figures for the Litani River measured at the Lac de Karaoun supplied by MHER in June 1998.

3 PER Report on the Waste Management Sector, Draft Report, October 1998.

4 The Barcelona Convention requires that discharges from all towns of 100,000 or more should be treated to secondary standards before discharge to the sea.

shoreline is urgently needed. The pollution load entering the Mediterranean from Lebanon is small compared to other countries; however, this does not mitigate the need to treat sewage properly. Once the present random discharges have been brought under control, further planning can be based on properly recorded data.

III. The Legal and Institutional Framework

Urban water institutions are fragmented...

11. MHER was established by Law No. 20/66 enacted in March 1966.[5] This law, together with Decree No. 5469 (September 1966) gave MHER and its Administrative Directorates wide ranging powers of supervision and control of companies working in the water and electricity sectors. It was this law that established the "administrative tutorship authority" of MHER over the water authorities. It also grants the MHER Technical Department the power to ensure permanent supervision over hydrological constructions.

12. Within this legal framework, the current allocation of responsibilities for urban water and wastewater is fragmented. MHER has the primary responsibility for master planning, project planning, and project implementation for water resources and potable water supply, but other authorities or ministries can share in this task in specific areas. For example, the Litani River Authority is responsible for the planning, implementation and operation of all water uses in the Litani River basin, while CDR is responsible for coordinating water projects financed through development agencies and international financial institutions. There are also some 22 urban Water Authorities and about 200 local Water Committees responsible for irrigation and/or water supply operation and maintenance. Water Authorities provide water services in the country's principal urban areas, while Water Committees are organized in rural communities to coordinate water use and to oversee riparian rights and responsibilities.

13. Until recently, the municipal councils were responsible for the day-to-day operation of wastewater systems. In practice, they depend for investments almost entirely on CDR or several ministries that, by law or tradition, have acquired some responsibility in the sector. The Ministry of Municipalities and Rural Affairs is the tutelage ministry of municipalities and, until recently, also for wastewater items. It works with the Ministry of Public Works and Transport, which is in charge of municipal sewer design. Recently, these powers were transferred to MHER. However, the actual construction of sewer networks is sometimes done by the Ministry of Housing and Cooperatives or MHER. In recent years, CDR has assumed responsibility for planning, arranging financing, and implementing most wastewater investments across the regions.

14. In general, MHER or CDR is usually responsible for the planning and implementation of large civil works programs, while the Water Authorities and Water Committees are responsible for the operation and maintenance of the water supply systems in their areas. In addition, there

---

5 As amended by decree No. 3044 dated 25 March 1972. Applicable laws for the water and wastewater sector include Decree No. 4517 (12 December 1972), "General Code for Public Organizations", that governs the actions of Water Authorities (attached as Annex 2). Decree Nos. 9626, 9627, 9628, 9629 and 9630 created five regional WWEs in December 1996, but not yet effective (attached as Annex 3).

are several specialized agencies with local responsibilities, such as the "Grands Projets du Liban" which sometimes assist municipalities with sewer construction and other capital works.

15. Finally, the Ministry of the Environment (MOE) is responsible for regulating the environmental impacts of waste disposal, while the Ministry of Public Health (MPH) is concerned with regulating and monitoring the quality of potable water supplies. The MPH is also involved with controlling the public health aspects of waste disposal practices.

A framework for institutional reform for better management and coordination is being approved...

16. To overcome fragmentation of the sector, the Government has recently adopted a framework for institutional reform. A new draft law to reorganize the water sector was approved by the Council of Ministers on June 24, 1998, but is not yet enacted by the Parliament (Annex 4). These reforms would rationalize sector operations responsibilities. It envisages the restructuring of the five regional Water Authorities created in 1996 into Water and Wastewater Enterprises (WWEs)[6] to be governed by the country's commercial law. Although the relevant decrees for this shift have been adopted, they are not yet effective or operational.

17. Under the proposed sector organization, MHER would retain sector planning, regulatory and oversight functions, approve tariffs proposed by the WWEs, manage the country's bulk water resources, be responsible for setting standards and assuring the quality of water and wastewater, and collect pollution fines. It would also have important policy functions, such as outlining the conditions for private sector participation, preparing and issuing property ownership regulations, and formulating strategies to ensure cost recovery. It also would evaluate the performance of the WWEs.

18. With implementation of the proposed new law, WWEs would be responsible for the direct operation, management and maintenance of water, wastewater and in some cases irrigation infrastructure, for proposing tariffs to meet cost recovery requirements, and would have the power to execute projects, identify opportunities for private sector participation, and enter into financial arrangements. Other duties would include monitoring water, wastewater and drainage water quality, and submitting annual reports on operations to the MHER.

19. Each WWE would have a Board of Directors of seven members, appointed by the Council of Ministers upon recommendation of the MHER. The Board of Directors would function under commercial law. This last provision would effectively give WWEs the ability to enter into contracts, including loans to finance investments and operations, and to determine employment principles (e.g., hiring, firing, etc.) and remuneration levels.

20. In sum, the reforms aimed at strengthening coordination and improving efficiency of sector management are expected to be sequenced over the next few years as follows:

- Phase 1 is to be completed with the enactment of the draft law. It includes a review of legislative and regulatory requirements, preparation of a draft law, the broad design

[6] Northern Lebanon, Southern Lebanon, Beirut and Mount Lebanon, Northern Bequa and Southern Bequa drinking, irrigation and wastewater public enterprises.

of the proposed organizational arrangements and, as an interim measure, the establishment of five WWEs.

- Phase 2 is to include actions needed for the establishment of regulatory and regional institutions and the restructuring of the MHER. Action plan for implementation of the next phase would also be prepared.
- Phase 3 is to support the various WWEs in their start-up and initial operations, together with corporatization, technical assistance, training, and, if possible, private sector participation.

There are large gaps in planning and management skills...

21. The new thrust of entities in the water supply and wastewater sector implies a new orientation for existing staff and the introduction of new capacities. Currently, there are 2,057 staff positions allocated to the urban water sector. However, only 50 percent of these positions are filled. Providing an adequate number of qualified staff to work in the sector is a significant problem, and will become even more serious with the assumption of wastewater activities by the WWEs.[7] Top management in the Water Authorities is usually considered to be well-qualified from an engineering perspective, but lacks finance, economic, and management training.

22. This level of sector management is also untested with regard to operating both water and wastewater systems simultaneously. In this regard, additional strengthening measures are indicated. At the ministerial level, there are significant weaknesses as well, particularly with regard to medium- to long-range planning (both physical and financial) and implementation.

IV. Sector Investment Program

Investments have begun with rehabilitation, but now also address expansion needs...

23. Many years of damage from the war, neglect of maintenance, and limited investments in distribution have left the water and sewerage networks unable to meet current demand levels. Between the end of the war and 1996, there were almost no substantial water or wastewater investments. The sector's first major investments came with the National Emergency Rehabilitation Program (NERP) in 1994/5, but most investment contracts were awarded in 1996/97 or later. As a result, most of the planned program is still at the early stages. For example, as of the end of 1997, the ongoing water and wastewater investment programs were only 58 and 20 percent completed, respectively. Initial works under the NERP necessarily concentrated on rehabilitation of water systems, and CDR's program totaled about $210 million.[8] Approximately three-quarters of this amount went for water projects, and the remainder for wastewater. Investments totaling approximately $120 million were completed by MHER during this period, again concentrated in the water sector.

---

[7] Every Water Authority visited in connection with this Note mentioned staff shortages as one of the biggest constraints to improving day-to-day operations.

[8] Of which $64 million (almost 25 percent) was/is funded by the World Bank and European Investment Bank.

Box 1: GOL's Priorities Since 1992

Priorities in Lebanon's water sector program were based on the following criteria:

- Rehabilitation of existing facilities to meet urgent needs.
- Expansion of current installations to cover previously unserved areas and to improve service levels.
- Study of major water projects to increase available amounts of water to meet the population's needs in the medium and long term.
- Reorganizing management of water authorities by integrating the current committees and authorities into five regional authorities responsible for providing water, sewerage and irrigation services.

The sewerage sector program was designed to achieve the following goals:

- Rehabilitation and expansion of wastewater disposal systems and pumping, lifting, and treatment plants.
- Establishment of main collection lines and treatment plants for all inhabited coastal areas to protect Lebanese shores from pollution.
- Protection of water sources in interior areas by building sewerage systems and treatment plants.
- Establishment of departments concerned with water source control, identification of pollutants, and standard setting in order to protect the environment at the national level.

Investment is growing to keep pace with demand, and is planned to reach $3.0 billion in the next few years...

24. Total current and expected investments of CDR and MHER are summarized in the following table. The estimates for CDR are for the 1998-99 period. MHER has not yet established a clear timeframe for implementation of its proposed investment program. So far, a comprehensive list of investments has been prepared, and indications are that its implementation could take between 5 and 10 years.

Table 4.1: Investment Program: Water Supply and Wastewater
(US$ Million)

Sub-Sector	CDR (98-99)	MHER (98--)
Water Supply	441	1400
Wastewater	291	1000
Total	732	2400

Source: CDR and MHER estimates; World Bank data.

25. About 60 percent of the investment program is estimated to be water-related, and 40 percent is for the wastewater sector (Figure 1). Unfortunately, few details are available on each project, nor are disbursement details given for any year past 1999 (a summary of expected investments in both sub-sectors for CDR is attached in Annex 5). Even with the limited information available and no specific time frame established by MHER, it is clear that investment expenditures are rising quickly. For example, CDR's projected disbursements for water will increase by 112 percent from 1998 to 1999 ($60 to $127 million), while those for

wastewater will rise by an estimated 131 percent over the same two years ($39 to $90 million). There are no projected disbursements for MHER proposed investments.

Figure 1

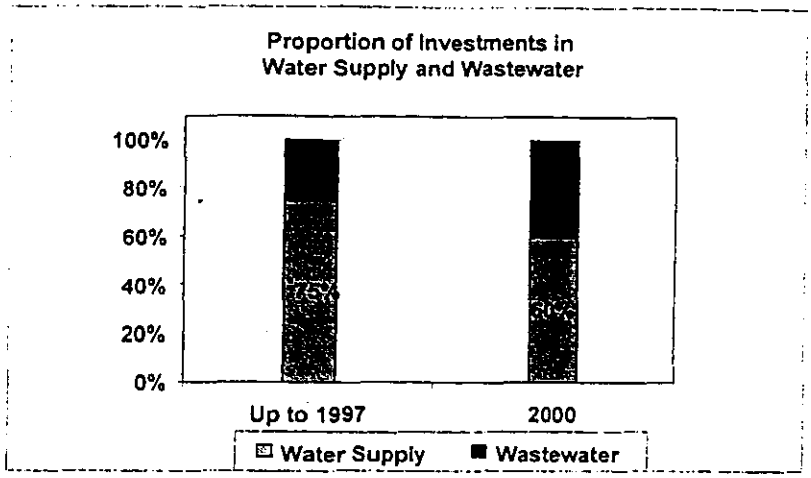
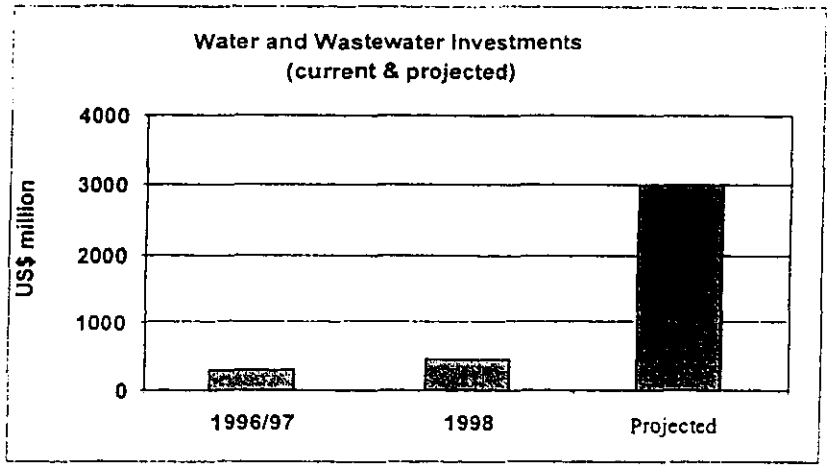


Figure 2



26. The total investment program is projected to be around $3.0 billion over the next few years (see Figure 2). Given CDR's and MHER's concern with meeting current and projected demand, this trend will most likely continue over the next decade, depending on access to capital.

The investment program is ambitious, exceeds fiscal constraints, and will impose a significant debt service burden...

27. The potential for translating plans into investment action remains uncertain. Of the total investment required, commitments from foreign sources are at present estimated to be only about $1.3 billion, or about 40 percent of expected investments. Moreover, debt service burdens resulting from projected investments would be unsustainable.

28. GOL had loan commitments of $714.6 million as of December 31, 1997 for the water and wastewater sector.[9] Eighty percent of the total is represented by four donors (EIB, France, IBRD, and Japan). The average annual debt service on this amount is about three percent, and the term is about 15 years. If one assumes there is no grace period (in order to simplify the calculations), then annual debt service is already approximately $60 million per year.

29. Taking only CDR's investment program, it is clear that it represents a significant fiscal burden. For example, if 60 percent of CDR's current annual program of $300 million (i.e., $180 million) were financed at a 3 percent interest rate, over 15 years with no grace period, then annual debt service requirements would be in the range of $87 million per year by 2003.[10] Based on current total external debt service for the country at $700 million to $1 billion for this period, the debt service for this sector would be 8 to 12 percent of total debt service. There is some "relief" in that many financing partners are extending loans at below-market interest rates, but on the other hand, this sends inaccurate signals regarding the cost of capital.

Investment decisions are rational in theory, but ad hoc in practice...

30. The financing of water and wastewater investments is approved in a four-step process and can then be implemented via three entities. First, the investment program of the WWEs must be approved by its Board of Directors. It must be then approved by MHER (under Law No. 20/66). MHER then asks for Parliament to approve the investment program, and finally provisions for the investment must be included in the budget prepared by the Ministry of Finance, which is in turn passed by Parliament. The approved budget does not normally list specific projects, only lump sums for investment for each ministry. Thus, there may or may not be a close correlation between the approved MHER investment plan and its approved budget.

31. Implementation of water and wastewater investments can be via three routes: (i) CDR, for most donor-financed projects; (ii) MHER, for projects financed from the budget with little or no donor assistance; and (iii) the Water Authorities or community organizations, when the amounts are small and the funding is raised locally.

32. When the budget is insufficient to finance the approved investment plan, investments are usually prioritized, first according to environmental considerations, then by the amount of donor financing available, and, finally, in line with political considerations. However, in practice, investment priorities are often determined on an ad hoc basis.

...they are not backed by economic analysis, nor do they systematically quantify impacts and benefits ...

33. Investment decisions and allocations are made by CDR and MHER mainly on the basis of socio-political considerations rather than on economic, financial, and environmental analyses. The most serious problems with the investment program are that there is no economic analysis, criteria for prioritization are not clear, and there are no medium-term projections for investment

---

9 CDR, "Progress Report: January 1998", page 66.

10 If the average interest rate were six percent, then annual debt service would be over $96 million per year by 2003.

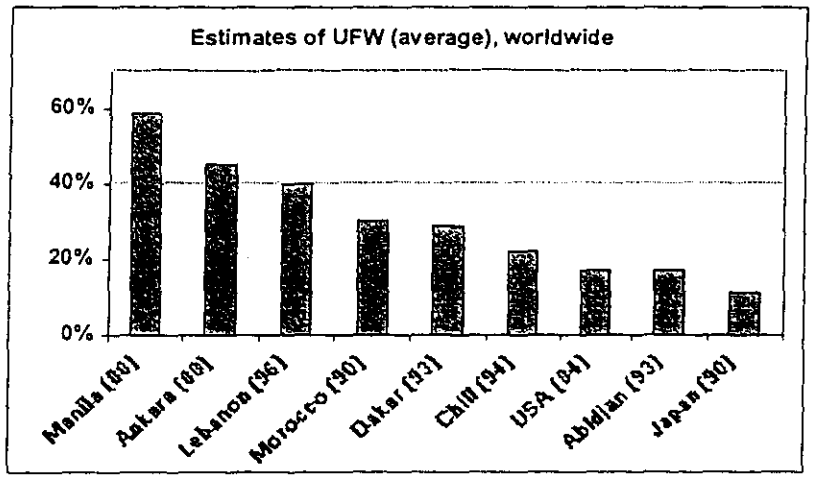
needs or for disbursements. Thus, it is difficult to capture the sector's ability to implement and maintain these investments and to project its ability to pay for them.

34. There is little analysis of the technical effects of the investment program. For example, there is little information as to how much of the country's potable water supply is treated, and how this situation might change as a result of the investment program. Unaccounted-for water is not quantified. As for wastewater, it is not possible to project what proportion of the country's urban population will switch from cesspit to sewer systems as a result of the wastewater investment program. Nor is it possible to state how many cubic meters of wastewater are collected and treated, or how much this amount would increase over the next five years. In sum, there are few attempts to quantify the impact of investments on people's access to water services or on the enhancement of the quantity and quality of the resource. Selection of optimal options for investment, therefore, remains an ad hoc and informal process.

Investment capacity is eroded by poor operating efficiency...

35. It is futile to pursue such high levels of investment if operating efficiencies are not improved. For instance, UFW is estimated at about 40 percent – a level that has remained constant over the last several years. Such performance places Lebanon in the category of unsatisfactory service-providers (see Figure 3) worldwide, and significantly below the performance levels of the developed world and even some cities in the developing world (e.g., Abidjan).

Figure 3



...and by insufficient and ad-hoc tariff increases, inadequate cost recovery and unsatisfactory financial management...

36. Currently, Decree No. 4517 permits the Board of Directors of each Water Authority to set water and wastewater tariffs. However, the tariff must then be approved by MHER and the

Ministry of Finance.[11] Where there is no active Board of Directors (this is the situation for 9 of the existing 22 Water Authorities), then MHER acts as a de facto Board of Directors.

37. Although rates have been increased recently, procedures remain ad hoc and do not meet rational criteria of ensuring recovery of operating and resource supply costs. Under the proposed law reorganizing the sector, MHER will form a Tariffs Committee to "propose and justify" water and wastewater tariffs put forward by the Board of Directors of the five regional Investment Enterprises. The MHER Tariff Committee shall comprise three members: a representative of the Minister of MHER, a representative of the Minister of Finance, and a representative from the private sector. Final approval of tariffs is vested with the Minister of MHER.

38. Tariffs are applied to customers (i) based on the volume of water used as registered by a meter (mainly applies to industries) or (ii) based on a volume estimated by a gauge. For customers with meters, there is an annual fee (approximately US$146 for *Office des Eaux de Beirut* (OEB) and US$87 for the *Office Ein El Delbeh* (OAD)) that includes usage up to a certain volume of water. Usage above that volume is billed at a per cubic meter rate. For customers with gauges, a flat rate for the year includes usage up to a certain volume of water, but does not allow consumption above that amount.

39. Tariffs vary among the water authorities, but in general there is a correlation between poor services (intermittent supply, uneven water pressure, low water quality) and low tariffs. Authorities recognize the need for higher tariffs to cover operational costs, and increases in tariffs are being proposed. According to the management of a few water authorities, approval by the Ministry has not proved to be a constraint in the recent past.

40. Over time, water tariffs in the 20 cities (Table 4.2) for which there is data have increased on an average by about 40 percent, from a low annual average of $57.69 in 1995 to $81.15 in 1998. Seven of the 20 water authorities under review have raised tariffs less than 10 percent; 5 of them have raised tariffs from 11 to 25 percent; and 8 of the authorities raised tariffs by more than 25 percent. These increases are important, however, they have been introduced on a low base, and significant further increases are still necessary.

Table 4.2: Water Tariffs in 20 Utilities
(average annual charges US$)

Year	1995	1996	1997	1998
Average tariff	57.69	66.93	72.23	81.15
Range of tariff (lowest to highest)	40 to 68	41 to 83	42 to 99	42 to 119

Sources: MHER, CDR

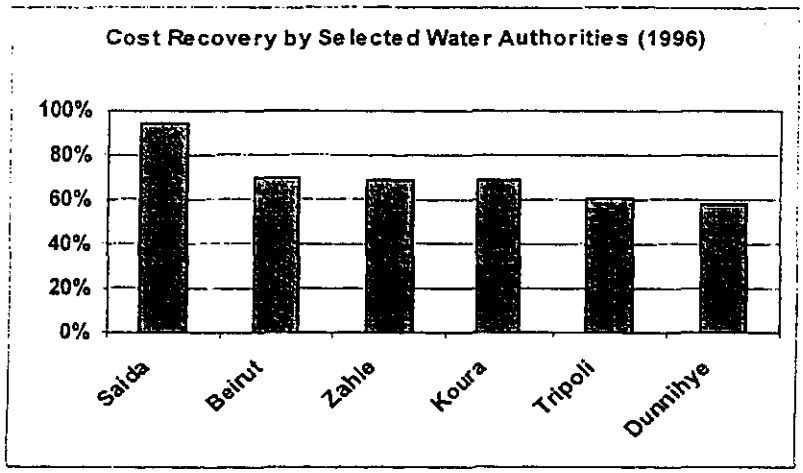
42. Metering of water use is a prerequisite for designing and implementing an appropriate tariff structure, yet only 6 percent of total subscribers are metered. Almost none of the Greater Beirut area's estimated 300,000 domestic customers is metered. Within Greater Beirut, a comprehensive program to meter all customers would take approximately six years, and would

[11] The Ministry of Finance must take action on a tariff proposal within one month. If it fails to do so within this period, then the request is considered approved. There is also a provision for a one-time only 15-day extension of the one-month review period if clarification is requested by the Ministry of Finance (Decree 4517, Chapter 2, article 29).

enable OEB – the water utility for Beirut – to identify areas of loss. Provided this identification resulted in subsequent system rehabilitation, UFW could be cut in half, from 40 percent to 20 percent. The resulting increase in revenues would fully cover the cost of the metering program. After only five years, the internal rate of return on such a program would be about 40 percent (see Annex 6 for a full description of investment and returns as estimated). In addition, metering would counter the effects of a widespread flat rate – the promotion of wasteful water use and increased costs without additional revenues.

43. All indications are that the existing accounting system (and its inability to track or generate financial information) are reinforcing the inefficiencies and cost-ineffectiveness of the system. The sector is not currently financial viable (Figure 4). No utilities recover O&M costs, even excluding depreciation charges. Although the degree to which cost estimates reflect true costs is not clear, most utilities are in the 50 to 70 percent cost recovery range (Annex 7).

Figure 4



Source: MHER, Water Authorities
O&M costs excluding depreciation

44. OEB, which has a reputation as one of the better-managed utilities in Lebanon, collects about 80 percent of its billings. This reduces cash flow, in turn obligating the deferment of some expenses. For example, in 1996 only about 15 percent of the power bill was paid.[12] (this was subsequently paid in 1997 and 1998). However, even with the lower cash receipts, in 1996 OEB still cleared about LB 9 million on a cash basis, illustrating that the availability of cash was only one determinant of whether or not the power bill would be paid. During 1996, OEB also invested about LB 3 million, and repaid some of its debt service. These two items reduce the free cash flow amount.

[12] This likely also reflects poor collections, particularly to public agencies or authorities, on the part of power utilities.

Table 4.3: OEB 1996 Income Statement: Accrual and Cash Basis
(in Lebanese Pounds, Millions)

	Accrual	Cash	% Cash Accrual
Revenues			
Water sales	34,246	23,228	68
Miscellaneous	2,240	2,006	90
Extraordinary	-		
Total Revenues	***36,486***	***25,234***	***69***
Expenses			
Salaries, Wages & Benefits	6,637	6,440	97
General & Administrative	1,213	1,213	100
Maintenance	5,894	5,895	100
Electricity	13,251	1,751	13
Consumables	327	326	100
Miscellaneous	4,718	602	13
Total Expenses (excluding depreciation)	***32,040***	***16,227***	***51***
Net Income (Loss)	**4,446**	**9,007**	

Source: MHER and OEB.

45. The figures for OEB most likely characterize almost every Water Authority in Lebanon. Thus, the following can be said about the sector generally concerning its finances:

- there is very little up-to-date information available, so there is incomplete information about the financial situation for the whole sector;
- there is no systematic financial auditing by independent auditors, so even the few figures that exist cannot be relied upon and may differ according to the source;
- financial controls and procedures used in the sector do not appear to meet commercial standards (including universal metering);
- O&M costs are not covered by operating revenues;
- Tariff-setting procedures are ad hoc;
- the sector's financial capacity to assume wastewater operations is questionable; and
- the sector's ability to finance its own capital investments in the short term is doubtful.

V. Major Issues and Priorities for Action

46. In sum, the key issues in the provision of urban water and wastewater services are shown in Box 4. These operational, institutional, and financial issues point to a set of priority reforms, within the context of a long-term plan, for the sector.

Box 4: Water and Wastewater Management Issues in Lebanon

Resources:

- Shortages of water, especially during the summer season, due to seasonal variability of water from current sources.

Services:

- Poor water and sewerage network conditions as a result of the civil war, with inadequate O&M, high losses, and poor water quality.
- Limited water main (bulk) transmission and storage infrastructure, especially in north and south Greater Beirut.
- Pollution and health hazards from discharge of untreated wastewater in sewered areas into seashore outfalls, wadis, and open terrain, and disposal of raw sewage in unsewered areas into cesspits, deep wells and drainage channels.

Institutions and Finances:

- Fragmented responsibilities for water and wastewater, which affect operational efficiency and impede coordinated planning and prioritization of investments.
- Lack of clear and transparent regulatory arrangements.
- Overambitious investment program in the context of weak finances, poor commercial operations, and inefficient management.
- Poor operating efficiency and lack of commercial viability of water authorities and inefficient billing and collection.

A long-term sector strategy needs to be formulated...

47. A long-term strategy needs to be formulated for sector investments and operations through 2020. Such a strategy should be implemented in phases, with the first phase covering activities of immediate priority. Objectives should be agreed upon, and detailed action programs prepared for their achievement. Sustainability of the reform process being implemented in the short term is dependent on the sector's ability to formulate policies that focus primarily on demand management together with limited expansion of the system. The long-term strategy could be articulated along the following lines:

- formulate a sustainable long-term investment program;
- prepare geological and hydrological maps of groundwater sources in order to monitor aquifers;
- study the potential of developing underground water storage, protecting against seawater intrusion, controlling water loss by evaporation, constructing waterworks, and taking measures to recharge aquifers;
- prepare and implement specific water conservation policies;

- prepare short-term targets in tandem with long-term ones, focusing on operational and financial targets to be achieved by existing operational entities and on an action program for accomplishing these targets;
- design and implement a sound regulatory framework;
- systematically corporatize WWEs; and
- introduce private sector participation in WWEs (management contracts, concessions, BOTs, etc.).

48. This approach would ensure that appropriate short-term activities take place within the framework of long-term sector development, and that short- and long-term activities proceed concurrently.

...a more modest short-term investment program should be instituted...

49. As of the end of 1997, Lebanon had loan commitments of $714.6 million for the water and wastewater sector. If the total water and wastewater investment program remains in the current range of about $0.5 billion per year for the next five years, this, plus current obligations, would represent a large fiscal burden.

...and urgent financial improvements need to be made...

50. The level of direct budgetary support for water service operations is much too high. If the goal is to cover O&M costs (including depreciation or debt service) out of revenues – which is the only way to ensure long-term sustainability of systems – GOL needs to either: (i) reduce planned investment; and/or (ii) make the various WWEs much more financially self-sufficient. The latter would have to be achieved through a combination of measures – raising tariffs, reducing expenses, collecting arrears, and carefully planning sector investment and financing. Operationally:

(i) MHER should request that up-to-date financial statements for all Water Authorities be completed and audited by independent auditors. Financial statements should be available to the Ministry of Finance, CDR, and the public no later than June 30 for the previous year's results.

(ii) Water Authorities should start adopting commercial standards of financial practice, including full collection of revenues and payment of amounts owed.

(iii) GOL needs to track and project the sector's finances, with the goal of making the sector self-financing within five years.

Accelerate the pace of institutional reforms...

51. Water and wastewater management is fragmented and poorly coordinated. As a result, policy planning and implementation is limited to the short-term. Accountability is diffused, with lines of authority and responsibility not clearly defined at the local and national levels. The long delays in forming the WWEs and the much-delayed passage of the draft water law are two examples.

52. A clear regulatory framework should be implemented. This would allow WWEs to operate under sound commercial rules, with the greatest possible exposure to the discipline of the market, while meeting essential economic and social criteria. The regulations should address:

- Physical performance targets: Regulations should set standards for sector operators in terms of water produced and distributed, level of UFW, staff per 1,000 connections, repair and service time responses, services to the poor, and network expansion.
- Operational structure and performance of WWEs: Regulations should set standards for: (a) accounting procedures, including the establishment of accrual and cost accounting systems; stock control and valuation; asset recording, valuation, and depreciation; and audit requirements; (b) tariff structures that cover costs and promote water conservation yet take into consideration consumers' willingness to pay and the need to preserve social equity; (c) performance criteria, including working ratio, debt service level, and contributions to capital investment; and (d) public disclosure requirements.
- In accordance with the decrees creating the five regional WWEs, it is urgent that the General Manager/Chairman of the Board and members of the Board be appointed for each of the entities.
- Even before the new sector reform arrangements are definitively in place, and during the transition period, existing Water Authorities should immediately be exempted from civil service regulations and allowed to hire personnel as needed.
- Each WWE should prepare a formal business plan (Box 5).
- The strategic leadership for the sector has to come from MHER. Thus, MHER must take control of long-range water resource planning for the entire country and act as a regulator for the urban Water Authorities.

Improve financial viability through commercialization and private sector participation...

53. GOL is not yet ready to consider significant private sector participation in the WWEs in the short term due to political and legal constraints. For this reason, focusing on the corporatization and commercialization of WWEs is the next best way of improving overall management of services while preparing the ground for increased private sector participation. Thus:

- A strategic business plan for each WWE is needed, together with systematic introduction of demand analysis to guide development of each WWE's commercial operations.
- Accounting practices similar to those used by private commercial enterprises should be developed and implemented in each WWE.
- Billing and collection systems should be strengthened to:

  ⇒ establish a clear policy for the reduction of arrears (which might consider different options, including out-sourcing); and

⇒ develop better billing procedures;

- Contracting out billing and collection functions should be considered.
- Private sector participation should be considered in the form of performance management contracts, leases (affermage), or concessions. Large private sector participation schemes should be developed as early as possible for one or two selected cities (Annex 8 provides examples of best practices in private sector participation). This would be expanded to WWEs after corporatization has begun and adequate incentives and a regulatory regime have been put in place.
- Tariff reform needs to be part of the corporatization program, and is essential to attract private participation and investment. In addition, private investor involvement in the sector would require that the institutional and regulatory framework offer a sufficient degree of protection against short-term risk.

Box 5: Business Plan – Rationale, Methodology, and Key Elements

Why a Business Plan?

In order to succeed in implementing the reforms it is necessary to prepare a Business Plan for each WWE. A Business Plan would consist of: (i) operating functions; (ii) objectives to be met; (iii) means to achieve the objectives; (iv) controls to be set up regarding operating and investment activities; and (v) economic and financial performance indicators.

How is a Business Plan prepared?

In the first stage, a summary of the current situation of each existing water authority should be prepared. This summary will encompass all areas of activity: technical, commercial, administrative and financial, human resources and legal. In the second stage, a projection, for a period to be defined, should be prepared. The projection will be the framework that the WWE will have to abide by over the following years. A timeframe of 5 years appears reasonable, although in certain areas (long-term investments) it will prove useful to make longer projections. This would require some documents (e.g. financial statements) to be prepared for a longer period of time. This is generally addressed by preparing detailed projections for the initial period and summarized projections for the long term.

Main Components of the Business Plan

The plan would encompass the main following topics:

- Conditions on which the plan is being set up and its objectives, stressing the iterative process of the exercise and its use as a management tool.
- The current situation of the WWEs, in particular:
  - Their current position in terms of other sector participants and stakeholders (customers, Ministry and State agencies, staff, other suppliers of water); and
  - Every aspect of operating activity – technical (including the quality of the water supplied), commercial (including tariffs), financial and administrative, human resources - taking into account investment (currently controlled by MHER).
- The strategic framework in which the activities of the WWE will be carried out.
- The main operational and institutional objectives: (i) coverage targets (quantity and quality); (ii) geographic coverage, including degree of priority; (iii) the phase-in of actions agreed upon and the available resources (financial and human); and (iv) communications and lines of authority between the tutelage ministries and the new enterprise.
- Staff (conditions of pay, skills, etc.)
- Participation of the private sector
- Information systems adequacy and implementation (billing and collection sector and internal financial reporting are two key matters)
- Participation of end-users in some aspects of the operations (survey on quality of service, tariff changes)

Improve operational efficiency through water conservation and metering...

54. Metering becomes increasingly important as water services are expanded in order to design and implement appropriate water and sewerage tariffs. In Lebanon, full metering will require around 8-10 years, during which period other improvements, including expansion of the water service network, should also be completed. Metering should be perceived as an essential part of a demand management strategy, which would, if successful, reduce wastewater volumes, sewerage operating costs, and water pollution.

55. Metering should be considered as an integral part of a program to reduce UFW. Such a program would also include:

- identification and isolation of waste districts;
- rehabilitation of all defective segments of the distribution system;
- leak detection (contracted out to specialized private companies);
- replacement of all leaking service connections and repair of leaks on distribution mains;
- detection of illegal connections;
- mapping and upgrading of the network;
- installation of bulk meter and pressure control devices;
- implementation of a demand management program;
- establishment of an efficient system for connection, billing and collection; and
- preventive maintenance programs.

56. In addition to metering, a systematic program of public information and communication should be launched to stimulate widespread interest in and support for water conservation.

And, finally, upgrade the quality of water information...

57. The generation, management and dissemination of basic data is a serious problem in the sector. Basic facts concerning investment programs – kms of pipe, size of storage facilities, number of people affected, etc. – are not easily available. The GOL does not have information on how many cubic meters of water and wastewater are treated every year in the country or to what standard, or how many cubic meters are actually consumed. There is no accurate basis for estimating UFW, or for determining what percentage of UFW results from technical losses and what percentage from commercial losses. It is unclear how many wells are used for water production or the degree of their exploitation. Very little customer surveying has been completed.

58. There are at least three serious consequences of the lack of information. First, policy makers are obligated to make decisions without the benefit of necessary parameters. For example, basic consumer attitudes about the level and quality of service and tariff levels are unknown. It is also impossible to estimate income and price elasticities. Ignorance about either of these could lead to an inadvertent worsening of the financial situation through tariff setting

that encourages customers to seek out independent supplies – leaving the water authority with a shrinking customer base.

59. Second, without the benefit of a comprehensive data base on the sector it is very difficult for policy makers to coordinate and sequence major investments. For example, it appears that the Nahr el-Kalb, Awali and Bisri projects should all be completed over the short tem. However, it is impossible to determine the most cost-efficient sequencing without an accurate financial picture for OEB and OAD, or without knowing the sector's long-term supply options, in particular, groundwater sources in the greater Beirut area.

60. Finally, without detailed and comprehensive data about the sector, it is much more difficult and time consuming to raise donor financing. Donors interested in long-term support to the sector often feel more comfortable when there is a shared vision and strategy. Developing this mutual confidence and a targeting of the important issues is a prerequisite for identifying a project pipeline. Without a good overall sector context for their operations, donors are likely to participate only on an ad-hoc basis, particularly at early stages, and delay large investments until basic information is available. Lebanon needs to:

- Invest the time and resources to build up a basic database of the sector. The compilation and maintenance of this database should be done in one place, but there should be free access to the data for all that need the information.
- Invest in rebuilding the country's hydrologic information system infrastructure. This would include re-establishing a comprehensive network of river gauging and snowpack measuring stations, plus strategically placed meteorological stations.
- Initiate and fund research programs to deepen knowledge about the sector and also develop predictive models.

61. As a rule of thumb, from one to three percent of a sector's investment program should be allocated to basic data gathering, maintenance of data banks and research. An initial list of priority activities that should be addressed is included in Annex 9.

VI. Conclusion

62. Lebanon, with a capable workforce, a donor community eager to provide assistance, and, most important, comparatively rich water resources in the short- and medium-term in a region characterized by water scarcity, has a unique opportunity to dramatically improve the quality, quantity and management of its water and wastewater services. In reaching this objective, it faces the twin challenges of (i) simultaneously rehabilitating and expanding infrastructure in a rational, planned and financeable way and (ii) improving – technically, financially and managerially – existing operations. Successful implementation of the recommendations made in this report would result not only in better services, but in an overall sector context of a sound investment program, autonomous regional management, corporatization and private sector participation, equitable tariffs, and rational water use – in short, a model of sector management and operations.

Annex 1: Water Coverage in Main Areas

The Urban Centers Covered in the Note. Given the scarcity of information about the sector, this note limits its examination and discussion to the 12 largest cities in the country. However, these cities comprise about 2.5 million people, or about 70 percent of the country's urban population. Thus, using these cities in our sample will most likely be indicative of the entire sector's status and trends. A summary of the cities covered is shown in Table 1.

Table 1. Characteristics of Cities Included in the Review

City Name	Population	Name of Water Authority	Coverage Ratio		Annual Water Demand (MCM)
			Water	Sewer	
Greater Beirut	1,300,000	Beirut & Ain el Delbe	90%	80%	178.00
Tripoli El Mina & Suburbs	487,000	Tripoli W.A	90%	80%	66.6
Zahle & Suburbs	86,000	Zahle W.A	90%	40%	11.78
Saida & Suburbs	167,000	Saida W.A	90%	80%	22.87
Zgharta	35,000	Nabaa El Kadi W.A	90%	80%	4.79
Sour & Suburbs	102,000	Sour W.A	90%	60%	13.97
Nabatiya	42,000	Nabaa El Tasse W.A	90%	60%	5.75
Baalbeck & Suburbs	99,255	Baalbeck El Hermel W.A	90%	50%	13.59
Bcharre	35,000	Bcharre W.A	90%	60%	4.79
Jeil	24,000	Jbeil W.A	90%	10%	3.29
Jounie & Surrounding	117,000	Kessrouane W.A	90%	80	16.02
Chhime	24,000	Barouk W.A	90%	50%	3.29

Source: CDR, 1998.

Water demand in Table 1 is equal to 375 l/c/d, which is consistent with estimates that have been developed by the World Bank and consultants for Beirut over the last two years. The estimated breakdown of the total demand is as shown in Table 2.

Table 2 Components of Total Demand

Demand Component	Liters/Capita/Day
Domestic Demand	140
Non-Domestic Demand -as a percent of domestic demand -l/c/d	 35% 49
Unaccounted For Water -as a percent of total demand -l/c/d	 50% 186
Total Demand	375

ANNEX 2:

DECREE 4517
LE REGLEMENT GENERAL DES INSTITUTIONS PUBLIQUES

REPUBLIQUE LIBANAISE

DECRET NO 4517
(Traduction non officielle)

LE REGLEMENT GENERAL DES INSTITUTIONS PUBLIQUES

Le Président de la République,
Vu la constitution,
Vu le projet de Loi mis en application par Décret n° 3275 en date du 31 Mai 1972 relatif à la création d'offices autonomes pour les eaux potables, à leur réglementation et à l'établissement d'un règlement général des Institutions Publiques et des Offices autonomes,
Le conseil de la Fonction Publique entendu, après consultation du Conseil d'Etat,
Arrêt n° 71 en date du 12/12/72,
Sur proposition du Président du Conseil des Ministres,
Et après approbation du Conseil des Ministres en sa séance tenue en date du 2/12/1972

décrète ce qui suit:

TITRE PREMIER

DISPOSITIONS GENERALES

Article premier: Sont assujetties à ce Décret, les Institutions Publiques établies et celles qui seront créées après la date de sa mise en application, y inclus les personnes de droit public autonomes vis-à-vis de l'Etat et des municipalités.

Article 2: Sont considérées comme Institutions Publiques, en vertu des dispositions de ce Décret, les Institutions Publiques en charge d'un Service Public et disposant de la personnalité morale et de l'autonomie financière et administrative.

Article 3: La création des Institutions Publiques, leur fusion et leur dissolution se font par Décret pris en Conseil des Ministres. Le texte portant création de l'Institution Publique comprend la spécification de son genre, son but, sa mission, son siège, son champ d'action; et les moyens techniques, administratifs et financiers qui lui sont nécessaires; comme il comprend son rattachement, selon la nature de ses travaux, à un des Ministères qui exerce sur elle la tutelle administrative; et dans ce but, le Ministère qui exerce le pouvoir de tutelle nomme un commissaire du Gouvernement près de l'Institution Publique.

TITRE DEUXIEME

ADMINISTRATION DES INSTITUTIONS PUBLIQUES

Article 4: Sont chargées de l'administration des institutions publiques:
- une autorité de décision constituée d'un Conseil d'Administration
- une autorité exécutive présidée par un Directeur Général ou un directeur.

CHAPITRE PREMIER

L'AUTORITE DE DECISION

Article 5: 1- Le Conseil d'Administration est composé de trois à sept membres y compris le Président et le vice- Président (s'il existe).

2- Le Conseil d'Administration est nommé par Décret pris en Conseil des Ministres sur proposition de l'Autorité de tutelle, après consultation du Conseil de la Fonction Publique en ce qui concerne les fonctionnaires et les employés assujettis à son autorité.

3- Les conditions suivantes doivent être remplies par le Président et par chacun des membres:

a- Etre libanais depuis 10 ans au moins.

b- Avoir un âge de 25 ans accomplis et n'excèdent pas les 64.

c-Etre exempt de maladies et de tares qui l'empêcheraient de remplir son office, et devant à cet effet, exhiber un certificat de la Commission Médicale Officielle.

d-Etre en possession de ses droits civiques et ne pas avoir été condamné pour un crime ou une tentative de crime de n'importe quel genre, ou pour un délit infamant ou de tentative de délit infamant prévu par les dispositions de

l'article 4 (alinéa E) du décret-loi N° 72 en date du 12/6/1959.

e- Ne pas avoir été radié ou licencié d'un poste ou d'un emploi dans une des Administrations Publiques, des Institutions Publiques ou des municipalités, en vertu d'une décision prise par un des Conseils de Discipline; et ne pas avoir été mis à la retraite, ou avoir été sujet à une mise de fin de services en vertu des dispositions de l'article 2 de la Loi No 49/65 en date du 6/9/1965 et des dispositions des articles 2 à 8 et de l'alinéa premier de l'article 12 de la Loi No 54/65 en date du 2/10/1965.

f- Ne pas avoir personnellement, ni par l'intermédiaire de ses parents jusqu'au quatrième degré, un intérêt personnel direct ou indirect dans aucun des travaux de l'Institution Publique.

g- Etre titulaire d'une licence universitaire reconnue, ou posséder une expérience pratique dans le domaine relatif à la compétence de l'Institution Publique.

f- Le Président et quelques membres du Conseil d'Administration peuvent être choisis parmi les fonctionnaires des trois premières catégories des Administrations Publiques ou parmi les catégories équivalentes des Institutions Publiques et des municipalités.

Article 6: Le Président et les membres du Conseil d'Administration sont nommés pour un mandat de trois ans renouvelable.

- Deux mois au moins avant la fin du mandat du Conseil d'Administration, l'autorité de tutelle présentera au Conseil des Ministres une proposition de composition d'un nouveau Conseil d'Administration.

- Le Conseil d'Administration en titre continue d'exercer ses fonctions jusqu'à la nomination du nouveau Conseil.

- Nul ne peut être nommé Président ou membre du Conseil d'Administration dans plus d'une Institution Publique.

Article 7: 1- Le Président et les membres du Conseil d'Administration ne reçoivent pour leur travaux aucun traitement ni indemnité quels qu'ils soient, si ce n'est une indemnité de présence dont le montant sera fixé par Décret pris en Conseil des Ministres sur proposition de l'Autorité de tutelle et après consultation du Conseil de la Fonction Publique.

2- L'indemnité de présence, prévue à l'alinéa premier de cet article comprend les frais de transport, et l'indemnité de déplacement et les travaux supplémentaires nécessaires pour l'exécution de leurs travaux. Hors cela, ils n'ont droit à aucune autre indemnité quelle qu'elle soit; comme sont appliqués aux membres fonctionnaires et aux employés les textes relatifs à l'établissement du plafond des indemnités perçues dans les Administrations Publiques.

3- Il est possible de donner au Président du Conseil d'Administration, en sus de l'indemnité mentionnée à l'alinéa précédent, une indemnité de représentation et une indemnité de motorisation, qui seront fixées par Décret pris en Conseil des Ministres sur proposition de l'autorité de tutelle et après consultation du Conseil de la Fonction Publique, à condition qu'elle ne dépasse pas en aucun des cas le taux de l'indemnité de représentation et l'indemnité de motorisation accordées aux fonctionnaires de la première catégorie des Administrations Publiques.

4- Le Président du Conseil d'Administration nommé parmi les fonctionnaires des Administrations Publiques ou les employés des Institutions Publiques et des municipalités n'a pas le droit de percevoir une indemnité de représentation ou une indemnité de déplacement s'il percevait de telle indemnités en vertu de sa fonction d'origine.

Article 8: Le Gouvernement a la faculté de décider du principe du plein temps pour le Conseil d'Administration ou pour son Président. Le principe du plein temps et ses conditions sont déterminés par Décret pris en Conseil des Ministres.

Article 9: 1- Le Président du Conseil d'Administration est en charge de:
- établir l'ordre du jour des séances du Conseil, y convoquer, les présider et y diriger les discussions,
- déposer auprès de l'autorité exécutive de l'Institution Publique des décisions du Conseil d'Administration pour exécution,
- exercer les prérogatives dont le Conseil d'Administration l'investit,
- surveiller l'exécution des décisions du Conseil d'Administration ,

- représenter l'Institution Publique devant la justice.

2- Le Président doit soumettre au Conseil d'Administration les formalités relevant de la compétence du Conseil, et ce, durant un délai de trois semaines à partir de la date de la réception de ces formalités.

3- En cas d'absence du Président ou de vacances de son poste, le vice-président, s'il existe, fait office de Président et exerce toutes ses prérogatives, sinon c'est au plus âgé des membres de le faire.

Article 10: a- Le Conseil d'Administration est chargé de veiller à l'exécution de la politique de l'Institution Publique, de diriger son activité et de prendre de façon générale, et dans le cadre des Lois et règlements, les décisions nécessaires pour l'accomplissement du Service pour lequel à été créée l'Institution Publique et pour assurer le bon fonctionnement de ses travaux.

Le Conseil d'Administration entérine de façon plus particulière, et sans que cette énumération ne soit limitative:

1- Le statut des employés, le cadre de l'office, les conditions de nomination et l'échelle des catégories des grades et des traitements, le statut des salariés et le règlement intérieur.

2- Le règlement financier, le plan comptable, le règlement d'exploitation sous condition qu'il prévoit les règles d'exploitation et la manière de dresser les contraventions et fixer les amendes et les pénalités .

3- Les programmes d'action.

4- Le budget annuel, l'arrêté des comptes, la balance générale annuelle, le compte des Pertes et Profits, la balance générale des comptes, l'inventaire global annuel du matériel.

5- L'utilisation de la réserve générale, la détermination du mode d'emploi des profits et du mode de couverture des pertes.

6- Les demandes d'avance du Trésor.

7- Les prêts et les emprunts.

8- Les tarifs et les prix d'achat et de vente et la valeur des services rendue par l'Institution.

9- Les transactions portant sur les fournitures et les travaux et les services effectuées soit par voie d'adjudication ou d'appel d'offres ou de gré à gré quand leur valeur dépasse 20.000 Livres libanaises, de même les accords à l'amiable ou l'arbitrage concernant des procès ou des différends quand le montant, objet de litige, dépasse 25.000 livres libanaises.

10- L'accord des participations et d'aides financières à d'autres que les employés et les salariés de l'Institution.

11- L'acceptation des dons et des donations.

12- L'appropriation des biens meubles et immeubles.

13- Ester devant la justice.

b- Le Conseil d'Administration se réunit au siège central de l'Institution Publique sur convocation de son Président deux fois au moins par an et au besoin et en cas de demande de la moitié des membres. Les séances sont présidées par son Président, et en cas d'absence, par le vice-président, s'il existe, sinon par le membre le plus âgé.

Exceptionnellement, en cas d'urgence, le conseil peut se réunir dans un des sièges secondaires de l'Institution Publique.

c- Un procès verbal sera établi pour toute séance tenue par le Conseil d'Administration, où seront consignés les noms des membres présents, l'ordre du jour de la séance, les discussions du Conseil et les décisions prises. Comme seront notés, les avis exprimés par chaque membre.

Et en cas d'une décision prise à la majorité, les membres opposants ont la faculté de noter dans le procès-verbal leur avis avec justification.

Article 11: 1- Le Gouvernement peut, en tout temps, mettre fin aux services du Président et des membres du Conseil d'Administration par Décret pris en Conseil des Ministres sur proposition de l'Autorité de Tutelle.

Sera également mis fin aux services du Président et des membres du Conseil d'Administration dans les deux cas suivants:

a- Si le Président ou le membre ne remplit plus une des conditions prévues pour sa nomination, et ce, après consultation du Conseil de la Fonction Publique.

b- En cas de démission de la personne concernée.

Article 12 : Le Président et les membres du Conseil d'Administration ne peuvent avoir aucun intérêt personnel direct ou indirect dans les transactions effectuées par l'Institution Publique ou par les Institutions avec lesquelles il traite.

CHAPITRE 2

L'AUTORITE EXECUTIVE

Article 13:1- L'autorité exécutive, dans l'Institution Publique, est présidée par un Directeur Général aidé par des services administratifs, techniques et financiers.

2- Le Directeur Général ou le directeur est nommé par Décret pris en conseil des Ministres sur proposition de l'Autorité de tutelle, après consultation du Conseil de la Fonction Publique. Il peut être nommé par contrat d'une durée de trois ans soumise à renouvellement ou à prorogation, à condition que ses traitements et indemnités soient stipulés dans le contrat et que ce dernier acquiert sa force exécutive par Décret pris en Conseil des Ministres.

3-Le Directeur Général ou le Directeur de l'Institution Publique doit:

a- Etre libanais depuis 10 ans au moins.

b- Avoir un âge de 25 ans accomplis.

c- Etre exempt de maladies et de tares qui l'empêcheraient de remplir son office, et il doit, à cet effet, produire un certificat de la Commission Médicale Officielle.

d- Etre en possession de ses droit civiques et ne pas avoir été condamné pour un crime ou une tentative de crime de n'importe quel genre, ou pour un délit infamant ou pour une tentative de délit infamant prévu par les dispositions de l'article 4 (alinéa E) du décret-loi No 112 en date du 12/6/1959.

e- Ne pas avoir été radié ou licencié d'un poste ou d'un emploi dans une des Administrations Publiques ou des Institutions Publiques ou des municipalités en vertu d'une décision d'un des Conseils de Disciplines. Et qu'il n'ait pas été mis à la retraite ou qu'on ait mis fin à ses services en vertu de l'article 2 de la Loi No 49/65 en date du 6/9/1965 et des dispositions des articles 2 à 8 et de l'alinéa premier de l'article 12 de la Loi No 54/65 en date 2/10/1965.

f- Etre titulaire d'une licence universitaire reconnue.

g- Dans le cas où il est fonctionnaire dans les Administrations Publiques, il devrait être fonctionnaire de deuxième catégorie ou moins ou son équivalent dans les Institutions Publiques et les municipalités. Si le poste à pourvoir est celui de Directeur Général, et fonctionnaire de troisième catégorie au moins ou de son équivalent dans les Institutions Publiques et les municipalités, si le poste à pouvoir est celui de directeur .

Sont exemptés des conditions de l'âge et de la licence, le Directeur Général ou le directeur nommés en vertu des dispositions de cet alinéa.

4- Les fonctionnaires des Administrations Publiques mis hors cadre, en vue de les rattacher à une Institution Publique, n'ont pas le droit de percevoir, à la fin de leurs services dans l'Institution Publique, aucune indemnité de licenciement du budget de l'Institution concernant la durée de leur exercice.

Article 14: Les directeurs généraux et les directeurs des Institutions Publiques sont nommés au dernier échelon de l'échelle des traitements. Au cas où ils sont fonctionnaires dans les Administrations Publiques ou employés dans les Institutions Publiques ou les municipalités, ils sont nommés au dernier échelon de la catégorie et si leur traitement est inférieur au traitement de ce grade et au grade dont le traitement est équivalent à leur traitement et si leur traitement dépasse celui du dernier échelon. Ils conservent dans ce cas le droit d'ancienneté qui leur permet de monter en grade.

Et en cas d'absence de grade équivalent à leur traitement, ils sont nommés au grade le plus proche à condition que la date de mérite de leur promotion soit avancée ou retardée au

prorata de ce qui affecte leur traitement comme augmentation ou diminution.

Les dispositions de cet article ne s'appliquent pas aux directeurs généraux ni aux directeurs nommés par contrat.

Article 15: Sont accordées aux directeurs généraux des Institutions Publiques soumis aux dispositions de ce Décret, les indemnités de représentation et de déplacement prévues pour les directeurs généraux dans les Administrations Publiques.

Est accordée au Directeur Général ou au directeur qui remplit les conditions stipulées dans l'article 22 du Décret -Loi No 112 en date du 6/12/59 une indemnité particulière identique à l'indemnité fixée dans cet article.

Article 16: Les directeurs généraux et les directeurs des Institutions Publiques soumis aux dispositions de ce Décret, font partie d'un corps unique, et, en cette qualité, l'autorité qui les nomme peut les muter d'une Institution Publique à une autre Institution Publique.

Article 17: Sous réserve des dispositions de ce Décret, les directeurs généraux et les directeurs des Institutions Publiques sont soumis aux dispositions du statut du personnel.

Le Président du Conseil d'Administration exerce vis-à-vis du Directeur Général ou du Directeur de l'Institution Publique les prérogatives accordées au Directeur Général ou au directeur vis-à-vis de tous les employés de l'Institution Publique.

Article 18: Le Directeur Général ou le directeur est déféré devant le Conseil Général de Discipline par un Décret pris par l'autorité qui a le droit de le nommer.

Il est également déféré par décision de l'organe d'Inspection Centrale et ils est soumis aux dispositions relatives à la discipline appliquée aux fonctionnaires permanents des Administrations Publiques.

Article 19: Le Directeur Général ou le Directeur de l'Institution Publique est dans le cadre des Lois et règlements, le chef hiérarchique de toutes les unités dépendants de l'Institution Publique et de tout le personnel et il exerce en cette qualité, les prérogatives exercées par le Directeur Général en vertu du décret-loi No 112 en date du 12/6/59, et il est en charge plus particulièrement de :nommer :

-les employés, à l'exception du questeur, après l'approbation des candidatures par le Conseil de la Fonction Publique conformément aux conditions requises. La nomination n'est effective qu'après avoir été entérinée par l'Autorité de Tutelle.
-tous les salariés

- Exécuter les décisions du Conseil d'Administration et administrer les affaires de l'Institution Publique.

- Coordonner les travaux entre les différentes unités d'exécution, les employés et tous les salariés de l'Institution Publique, et surveiller la marche du travail.

- Veiller à la sauvegarde et au bon usage des avoirs, du matériel et des appareillages appartenant à l'Institution Publique.

- Présenter des propositions et des études et mettre au point des projets et préparer des documents relatifs à tous les sujets entrant dans la compétence du Conseil d'Administration.

Le Directeur Général ou le Directeur doit présenter au Conseil d'Administration un rapport périodique chaque trois mois et un rapport annuel exposant les travaux effectués et ceux non effectués, et les difficultés rencontrées dans l'exploitation et son évolution, ainsi que l'état de l'Institution Publique sur le plan administratif, financier, et technique; les résultats de l'année financière écoulée et les programmes préparés pour le futur comme tout autre sujet qu'il juge utile d'étudier.

Le Président du Conseil notifie ce rapport avec les observations du Conseil à l'Autorité de tutelle et au Ministère des Finances et au Ministère du Plan Général et à la Commission de Contrôle annuel des Institutions Publiques et à l'Inspection Centrale.

Le Directeur Général ou le directeur peut déléguer une partie de sés prérogatives aux chefs des unités qui dépendent directement de lui, à l'exception des compétences qui lui délègue le Conseil d'Administration.

Article 20: Le Directeur Général ou le Directeur participe à titre consultatif aux séan-

ces du Conseil d'Administration et n'assiste pas aux séances du Conseil dans le cas où le Conseil débat d'une affaire qui le concerne personnellement.

Son assistance à ces séances est considérée comme faisant partie essentielle de sa fonction, et cette participation ne lui donne pas droit à une indemnité au cas où les séances sont tenues durant l'horaire officiel de travail.

Au cas où ces séances sont tenues en dehors de l'horaire officiel de travail, il peut percevoir une indemnité de présence dont le montant est fixé par Décret pris en Conseil des Ministres après consultation du Conseil de la Fonction Publique. Cette indemnité est soumise aux dispositions de l'alinéa 2 de l'article 7 de ce Décret.

TITRE TROISIEME

L'AUTORITE DE TUTELLE ADMINISTRATIVE

CHAPITRE PREMIER :

L'EXERCICE DE L'AUTORITE DE TUTELLE

Article 21: Le Ministre concerné exerce l'Autorité de tutelle sur toutes les Institutions Publiques dépendantes de son Ministère, selon les dispositions du présent Décret et des autres dispositions relatives à la tutelle et cela par voie des directives et des recommandations dans tout ce qui revêt un caractère de principe.

Article 22: a- Sont soumises à l'approbation de l'Autorité de tutelle les décisions du Conseil d'Administration relatives aux sujets suivants:

1- Le statut des employés, le statut des salariés, le règlement intérieur .
Le projet de statut des employés et ses amendements doivent être soumis au Conseil de la Fonction Publique pour obtenir son approbation préalable avant d'être ratifié par le Conseil d'Administration.
Ce statut doit prévoir que la nomination des jurys d'examen et des commissions de contrôle revient au Président du Conseil de la Fonction Publique et que, les listes de candidats acceptés pour participer aux concours et aux examens n'aient été soumises à aucune voie de recours y compris les demandes d'annulation pour abus de pouvoir.

2- Le règlement financier, le plan comptable, et le règlement d'exploitation.

3- Les programmes d'action.

4- Le budget annuel, l'arrêté des comptes, la balance générale annuelle, le compte des Pertes et Profits le bilan général des comptes, l'inventaire global annuel du matériel.

5- L'utilisation de la Réserve générale, la détermination du mode d'emploi des profits et du mode de couverture des pertes.

6- Les demandes d'avances du Trésor.

7- Les prêts et les emprunts.

8- Les tarifs, les prix de vente et d'achat, et la valeur des services rendue par l'Institution Publique.

9- Les transactions portant sur le matériel, les travaux et les services, qu'elles soient opérées par voie d'adjudication ou d'appel d'offres quand leur montant dépasse 100.000 Livres libanaises et les transactions effectuées de gré à gré quand leur montant dépasse 50.000 Livres libanaises. De même les accords à l'amiable ou l'arbitrage des procès et des différents quand le montant objet de litige dépasse 25.000 Livres libanaises.

10- L'accord des participations et d'aides financières à d'autres qu'aux employés et salariés de l'Institution.

11- L'acceptation des dons et donations.

12- Les autres décisions que, par Décret pris en Conseil des Ministres, le Gouvernement assujettit à l'approbation de l'Autorité de tutelle.

b- Les cadres des Institutions Publiques et les conditions de nomination des employés et l'échelle de leurs catégories, grades et traitements y compris ceux du Directeur Général de l'Institution Publique qui seront déterminés par Décret pris en Conseil des Ministres sur proposition du Ministre de la Tutelle après consultation du Conseil de la Fonction Publique. Les amendements seront effectués de la même manière.

Article 23: 1- L'Autorité de Tutelle doit trancher à propos des décisions soumises à son approbation durant un délai d'un mois à partir de la date de réception de ces décisions.

2- Le délai est ramené à 15 jours en ce qui concerne l'approbation des transactions.

3- Les décisions soumises à l'approbation sont considérées comme approuvées d'office une fois écoulé le délai stipulé dans les alinéas 1 et 2 précités.

4- Si l'Autorité de tutelle a besoin d'éclaircissements écrits ou de documents relatifs aux décisions soumises à son approbation, le délai est prorogé pour une seule fois, pour un délai ne dépassant 10 jours pour les transactions et 15 jours pour toutes les autres décisions, et cela à partir de la date de réception de ces éclaircissements et de ces documents.

CHAPITRE 2

LES COMMISSAIRES DU GOUVERNEMENT

Article 24: 1- Le Ministre de tutelle nomme un commissaire du Gouvernement auprès de chaque Institution Publique.

2- Le commissaire du Gouvernement doit être un des fonctionnaires du Ministère de tutelle en service actif et à la troisième catégorie au moins.
S'il est de la troisième catégorie, il doit être du premier ou second échelon de ladite catégorie.

3- Nul ne peut être commissaire du Gouvernement dans plus d'une Institution Publique. L'Autorité qui le nomme, peut confier à un commissaire du Gouvernement et de façon temporaire la charge d'assurer le poste d'autres commissaires en cas de leur absence.

4- Le Commissaire du Gouvernement assiste aux séances du Conseil d'Administration et y possède le droit de vote, il a le droit à faire enregistrer son avis dans le procès verbal de la séance.

5- Le Commissaire du Gouvernement ne perçoit du budget de l'Institution Publique où il est nommé aucun traitement, ni indemnité, ni gratification, quelle que soit sa nature, sauf une indemnité de présence suivant ce qui est fixé pour les membres du Conseil d'Administration et selon les dispositions de l'alinéa 2 de l'article 7 de ce Décret.

Article 25: 1- Le Directeur Général ou le Directeur de l'Institution Publique doit notifier à l'Autorité de tutelle par l'intermédiaire du Commissaire du Gouvernement une copie de tous les procès-verbaux du Conseil d'Administration dans un délai de 8 jours à partir de la date de leur approbation par le Conseil.

2- Le Commissaire du Gouvernement doit notifier par l'intermédiaire de l'Autorité de tutelle des copies de tous les procès verbaux des séances du Conseil d'Administration à la Cour des Comptes et au Conseil de la Fonction Publique ainsi qu'à l'Inspection Centrale.

TITRE QUATRIEME

LES AUTORITES DE CONTROLE DES INSTITUTIONS PUBLIQUES

Article 26: En sus de la tutelle mentionnée au Titre précédent, les Institutions Publiques sont soumises au contrôle de chacun des conseils de la Fonction Publique, et l'Inspection Centrale, et du Ministère des Finances, suivant les dispositions de ce Décret et des Lois et des règlements en vigueur et au contrôle postérieur de la Cour des Comptes.

Article 27: 1- Le Ministre des Finances délègue auprès de chaque Institution Publique un contrôleur financier parmi les contrôleurs financiers du Ministère (Direction Générale des Finances) appartenant à la troisième catégorie au moins, à la condition qu'il ait exercé un office financier dans cette catégorie durant une durée de cinq ans au moins.

2- Le traitement du contrôleur financier lui est versé à partir du budget du Ministère de Finances, et il n'a pas le droit de percevoir aucune indemnité ou gratification de quelle nature que ce soit, du budget de l'Institution Publique où il est délégué.

3- En sus des prérogatives fixées dans le règlement financier de toute Institution Publique, le contrôleur financier peut, à tout moment qu'ils veuille, demander à ce qu'on

dépose auprès de lui les registres et les factures et les contrats, et de façon générale, tous les documents qui exposent l'état financier de l'Institution Publique.

4- Le contrôleur financier notifie immédiatement au Ministre des Finances et le Ministre de tutelle de toute infraction qu'il décèle dans les affaires financières de l'Institution Publique.

5- Le contrôleur financier doit déposer auprès du Ministre de Finances, avant le 15 du mois de Mai de chaque année un rapport exposant les états financiers et les résultats économiques de l'Institution Publique durant l'année financière écoulée. Le Ministre des Finances notifie d'une copie de ce rapport à tout un chacun de l'Autorité de tutelle, et du Ministère du Plan général et le Président de la Cour des Comptes et le Président du Conseil de l'Inspection Centrale.

6- Il n'est pas permis de déléguer le même contrôleur financier auprès de plus de deux Institutions Publiques.

7- Le contrôle financier des Institutions Publiques est réglementé par Décret pris en Conseil des Ministres sur proposition du Ministre des Finances et après consultation de la Cour des Comptes.

Article 28: L'Institution Publique doit notifier au Ministère des Finances, par l'intermédiaire du contrôleur financier d'une copie des décisions du Conseil d'Administration dans un délai de 8 jours à partir de la date de leur approbation par ledit Conseil.

Article 29: 1- Sont soumises à l'approbation du Ministère des Finances, les décisions suivantes du Conseil d'Administration:
- Le règlement financier, le plan comptable, le règlement d'exploitation.
- Le budget général, l'arrêté des Comptes, le budget annuel général, le Compte des Pertes et Profits, le bilan général des Comptes, et l'Inventaire global annuel du matériel.
- L'utilisation de la Réserve générale, la détermination du mode d'emploi des profits et du mode de couverture des pertes.
- Les prêts et les emprunts.
- Les tarifs et les prix de vente et d'achat, et la valeur des services rendus par l'Institution Publique.

2- Le Ministère des Finances doit trancher à propos des décisions soumises à son approbation dans un délai d'un mois après la date de sa réception de ces décisions.
Les décisions sont considérées approuvées d'office à la fin de ce dit délai.

3- Si le Ministère des Finances a besoin de demander des éclaircissements ou des documents concernant les décisions soumises à son approbation, le délai est alors renouvelé pour une seule fois pour une durée ne dépassant pas 15 jours à partir de la date où ces éclaircissements et documents lui parviennent.

Article 30: 1- En cas de divergence de vues entre le Ministère de tutelle et le Ministère des Finances à propos de l'approbation des décisions du Conseil d'Administration, le Ministère de tutelle soumet le différend au Conseil des Ministres pour les résoudre, et cela, sur demande du Conseil d'Administration de l'Institution Publique. Dans ce cas, la décision du Conseil des Ministres tient lieu et place de l'avis des deux ministères.

2- En cas de concordance d'avis entre les deux Ministères, le Conseil d'Administration doit tenir compte de cet avis.

Article 31: 1- Il est crée à la Cour des Comptes une commission spéciale appelée Commission de Contrôle Annuelle des Institutions Publiques chargée de la révision annuelle des Comptes envoyés à la Cour des Comptes par le questeur de l'Institution avant le premier Juin de chaque année.

2- Cette Commission est désignée par Décret pris sur proposition du Président du Conseil des Ministres et elle est composée de la manière suivante:
- Le Président de la Cour des Comptes: le Président.
- Deux conseillers de la Cour des Comptes.
- Le Directeur Général concerné dans le Ministère de tutelle de l'Institution soumise à la tutelle de ce Ministère et un fonctionnaire technique de la troisième catégorie au moins de ladite administration.
- Le chef de service de Comptabilité Générale au Ministère des Finances (Direction Générale des Finances).

3- On ne peut cumuler entre la qualité de Président ou de membre de la Commission de

Commission de Contrôle Annuelle des Institutions Publiques et celle de Président ou de membre d'un Conseil d'Administration d'une Institution Publique.

4- Les rapports de la Commission relatifs aux comptes de l'Institution Publique sont notifiés au Ministre qui exerce la tutelle et au Ministre des Finances et au Procureur Général près la Cour des Comptes dans un délai de six mois au maximum à partir de la date où les Comptes de l'Institution Publique sont transmises à la Commission.

Ces rapports forment les documents de base ou pour faire paraître un arrêté commun des deux dits Ministres approuvant le bien fondé de ces comptes de façon définitive et de donner *quitus* aux responsables de l'Institution Publique pour leur administration durant l'année en question, ou bien pour déclarer leur responsabilité suivant les conditions fixées dans le code du Commerce.

Quant à la déclaration de la responsabilité financière par rapport au questeur de l'Institution Publique, elle n'est émise que par le Conseil de la Cour des Comptes.

5- Le Président de la Commission de Contrôle Annuelle des Institutions Publiques et ses membres perçoivent une indemnité fixée par Décret pris en Conseil des ministres après consultation du Conseil de la Fonction Publique.

TITRE CINQUIEME

DISPOSITIONS DIVERSES

Article 32: 1- L'administration des avoirs de l'Institution Publique est prise en charge par un questeur appartenant à la troisième catégorie au moins qui en est responsable et qui est soumis au contrôle postérieur de la Cour des Comptes.

2- Les prérogatives du questeur, ses devoirs et sa responsabilité sont fixées d'après le règlement financier de chaque Institution Publique.

3- A titre exceptionnel, et en ce qui concerne les Institutions Publiques dont le budget ne dépasse pas un plafond fixé par un arrêté commun pris par les deux Ministres de tutelle et des Finances, il est permis de cumuler entre le poste de questeur et celui de comptable.

4- Le contrôle de l'engagement des dépenses dans l'Institution Publique revient à un employé appartenant à la troisième catégorie au moins chargé de vérifier:
- la disponibilité du crédit.
- la conformité aux Lois et règlements.

5- Le questeur et le contrôleur de l'engagement des dépenses sont nommés par décision du Président du Conseil d'Administration après approbation de l'Autorité de tutelle et du Conseil de la Fonction Publique.

Article 33: Les avoirs de l'Institution Publique sont déposés dans un compte qui lui est particulier dans le cadre du compte ouvert auprès de la Banque du Liban au nom du Trésor Libanais.

Article 34: La manière de tenir les comptes de chaque Institution Publique est fixée en vertu de son règlement financier et suivant la nature de ses travaux et activités.

Article 35: 1- Les projets des programmes des activités et des travaux des Institutions Publiques doivent être présentés durant le mois de Janvier de chaque année au Ministère du Plan Général et cela pour assurer l'harmonie entre ces projets à la lumière du Plan Général et afin d'empêcher par conséquent qu'il y ait empiétement ou double emploi entre les projets d'une Institution Publique et d'une autre.

2- Le Ministère du Plan Général doit exprimer son avis à propos de ces projets dans un délai de deux mois au maximum à partir de la date de leur réception.

Si cet avis n'est pas exprimé durant ledit délai, cela est considéré comme une approbation tacite.

3- Si le Conseil d'Administration de l'Institution Publique concerné décide de ne pas tenir compte de l'avis du Ministère du Plan Général, s'il est appuyé en cela par l'Autorité de tutelle, le Ministère de tutelle doit exposer la question devant le Conseil des ministres pour la trancher.

Article 36: Sous réserve des dispositions relatives à la tutelle et aux autorités de tutelle, le Mohafez ou le Caïmacam supervise, chacun

dans le cadre de ses prérogatives, les Institutions Publiques ou ses services ... dans le périmètre du Mohafazat ou du Casa, et cela à l'exception du Mohafazat de la ville de Beyrouth.

Les détails d'application de l'alinéa précédent sont fixés par Décret pris en Conseil des Ministres sur proposition des deux Ministres de la tutelle et de l'Intérieur.

Article 37: Il est prohibé aux Institutions Publiques de nommer auprès d'elles par contrat ou sous n'importe quelle autre forme, des avocats ou des conseillers juridiques dont les postes ne sont prévus dans leur cadre. Toute nomination contraire à ces dispositions est considérée nulle.

Quant à tous les textes et contrats concernant les avocats ou les conseillers juridiques nommés auprès des Institutions Publiques ou contractuels auprès d'elles et qui sont en vigueur en date d'application de ce Décret, leur effet prend fin d'office aussitôt après l'application des dispositions de l'article 79 du projet de Loi mis en application en vertu du Décret No 15704 en date du 6/3/64 et relatif à l'organisation du Ministère de la Justice.
Aucune indemnité n'est due aux personnes concernées du fait de l'annulation de l'effet des textes et contrats susdits.

Article 38: En sus des règlements spéciaux en vigueur dans les Institutions Publiques et relatifs à la perception des dus en retard et des amendes incombant aux abonnés, il est permis à ces Institutions d'exercer les prérogatives prévues dans la Loi de perception des Impôts directs. Les questeurs et les percepteurs des Institutions Publiques jouissent pour la perception de ses avoirs des prérogatives accordées aux questeurs et percepteurs du Ministère des Finances pour la perception des Impôts directs.

L'Institution a le droit de dresser des ordres de perception suivant les dispositions de l'article 45 de la Loi de comptabilité générale.

Article 39: Sont appliqués aux directeurs généraux et aux directeurs et à tous les employés des Institutions Publiques, les dispositions relatives au plafond autorisé pour les indemnités des fonctionnaires des Administrations Publiques.

Article 40: La Banque du Liban, la Caisse Nationale de Sécurité sociale, la coopérative des fonctionnaires du Gouvernement, le Conseil National des Recherches Scientifiques, le Conseil Exécutif des Projets de Développement, le Conseil Exécutif des grands travaux de la Ville de Beyrouth et l'Université Libanaise, et le Centre Pédagogique de Recherche et de Développement demeurent chacun assujetti à sa Loi de constitution et aux textes réglementaires pour sa mise en application.

Article 41: Par dérogation aux dispositions de l'alinéa 9 de l'article 22 du Décret, demeurent en vigueur les textes relatifs à l'Office d'Electricité du Liban et concernant la teneur des dispositions du dit alinéa.

Article 42: Dans le cas du plein temps du Président du Conseil d'Administration de l'Institution Publique, et selon les dispositions de l'article 8 de ce Décret, il est adopté pour la nomination du Directeur Général l'une des deux méthodes suivantes:

a- ou bien la nomination du Président du Conseil d'Administration lui-même comme Directeur Général de l'Institution ,

b- ou bien la nomination du Directeur Général aux côtés du Président du Conseil d'Administration plein temps.

Article 43: Il est permis à l'employé ou au salarié muté d'une Institution Publique à une autre Institution Publique, durant un délai de trois mois à partir de la date d'entrée en fonction dans l'Institution où il est muté, de demander d'inclure ses services effectués dans l'Institution d'où il est muté, et cela, en vue du compte de son indemnité de licenciement du service.

Cette inclusion est effectuée par décision du Directeur Général ou du Directeur de l'Institution après approbation de l'Autorité de tutelle et du Ministre des Finances, et dans ce cas, seront virées au budget de la dernière institution, les crédits nécessaires pour couvrir l'indemnité de licenciement pour ses années de service dans l'Institution d'où il est muté et cela sur base du dernier traitement qu'il avait perçu avant sa mutation.

Le transfert de crédit cité dans l'alinéa précédent est effectué par arrêté de l'Autorité de tu-

telle après consultation des deux institutions concernées.

Article 44: 1- Chaque employé ou salarié dans les institutions soumises aux dispositions de ce Décret a le droit de demander son licenciement de son service durant un délai de trois mois à partir de la date d'application de ce Décret.

2- La demande en est formulée au Directeur Général ou au Directeur de l'Institution concernée, et ce dernier doit l'étudier et le référer à l'Autorité de tutelle accompagné de son avis, et cela dans un délai de 15 jours au maximum de la date de réception de la demande.

3- L'Autorité de tutelle doit déposer la demande auprès de la Présidence du Conseil des Ministres durant un délai de 15 jours au maximum après la date de sa réception de la demande.

4- La Présidence du Conseil des Ministres doit exposer la demande du licenciement du service devant le Conseil des Ministres pour en décider. Le Conseil des Ministres peut accepter la demande ou la refuser.
L'acceptation de la demande de démission est consacrée par un texte de l'Autorité qui a le droit d'embauche.

5- S'il court un délai de trois mois à partir de la date d'enregistrement de l'employé ou du salarié auprès du bureau de la Présidence du Conseil des Ministres sans qu'il en soit décidé, cette demande est considérée comme acceptée d'office en date de la fin du délai précipité et le service du fonctionnaire ou du salarié est considéré comme terminé d'office sans avoir besoin de faire paraître aucun texte spécial. Les droits du fonctionnaire ou du salarié sont règle pour l'indemnité de licenciement suivant les textes en vigueur.

6- Il est accordé au fonctionnaire ou au salarié, en cas de son licenciement du service, en vertu des dispositions de cet article, une somme supplémentaire équivalente à son dernier traitement de base avec l'allocation familiale pour six mois seulement, à verser du Compte des Traitements.

Article 45: Il est possible par Décret pris en Conseil des Ministres, de décharger de son poste le Directeur Général ou le Directeur de l'Institution pour lui confier une des charges énumérées ici-bas et son poste est considéré dans ce cas comme vacant:

a- Présider ou être membre du Conseil d'Administration d'une Institution Publique.

b- Etre à la disposition du Ministre de la tutelle ou du Président du Conseil des Ministres ou pour tous les autres ministres pour une pour une durée de deux ans.

S'il n'est pas ramené à son poste de sa catégorie durant cette période, ou si on ne lui confie pas une des charges citées dans l'alinéa a de cet article, il est proposé à la fin de ce délai un poste inférieur aux postes de sa catégorie dans une des Institutions Publiques.

S'il accepte ce poste, il garde son traitement et s'il ne l'accepte pas, il est licencié du service et on lui règle ses droits pour l'indemnité de licenciement suivant les textes en vigueur.

Article 46: Le Directeur Général ou le Directeur auquel s'applique les dispositions de l'article 45 de ce Décret conserve le grade et le traitement de son poste précédent et continue à avoir droit à la promotion selon l'échelle des échelons et des traitements relatifs à ce poste et suivant les dispositions y relatives et il continue de bénéficier de tous les avantages et services dont bénéficient les salariés dans les Institutions Publiques à laquelle il appartenait, à l'exception des avantages désignés spécifiquement pour son poste précédent.

Article 47: Le Directeur Général ou le Directeur auquel s'applique les dispositions de l'article 45 de ce Décret, a le droit en tout temps de demander son licenciement du service.
Le Gouvernement doit accepter cette demande dans un délai d'un mois à partir de la date de sa présentation, sinon cette demande est considérée comme acceptée d'office.
Il bénéficie alors de son plein droit dans l'indemnité de licenciement suivant les textes en vigueur et de montant supplémentaire équivalent à son dernier traitement de base avec l'allocation familiale pur six mois seulement, à verser du Compte des Traitements.

Article 48: Sont appliqués aux directeurs généraux et aux directeurs de l'Institution Publique et à ses fonctionnaires et employés et à tous ses salariés les dispositions de la Loi mise en application par le Décret No 2732 en date du 3/2/1972 relatif à la fixation du plafond des indemnités.

Article 49: Sous réserve des dispositions de la Loi No 7/71 en date du 1/2/1971 relative à la désignation du Siège Central de l'Office des Recherches Scientifiques Agronomiques et des dispositions des deux articles 33 et 38 du Décret No 6474 en date du 26/1/1967 :

1- Est annulé le Décret No 6474 en date du 26 Janvier 1967 et ses amendements, à l'exception de son article 33.

2- Sont annulés tous les textes législatifs et réglementaires et tous les règlements contradictoires aux dispositions de ce Décret ou non conformes à son contenu.

3- Sont annulés tous les textes législatifs spéciaux concernant le mode de composition et de nomination des Conseils d'Administration des Institutions Publiques soumises aux dispositions de ce Décret, et sont appliqués à ces Institutions, les dispositions de l'article 5 et 39 de ce Décret.

Article 50: Ce Décret est promulgué et notifié où nécessaire et entre vigueur dès sa parution dans le Journal Officiel.

ANNEX 3:

DECREE NOS. 9626 through 9631
ESTABLISHMENT OF WATER AND WASTEWATER
ENTERPRISES IN THE WATER SECTOR

مرسوم رقم ٩٧٢٦

انشاء مؤسسة عامة تدعى « مصلحة مياه بيروت وجبل لبنان »
ودمج بعض مصالح ولجان المياه فيها.

ان رئيس الجمهورية
بناء على الدستور،

بناء على المرسوم رقم ٤٥١٧ تاريخ ١٩٧٢/١٢/١٣ (النظام العام للمؤسسات العامة)،
بناء على المرسوم رقم ٣٩٧١ تاريخ ١٩٥١/١/١٧ (انشاء مصلحة خاصة تدعى مصلحة مياه بيروت)،
بناء على المرسوم رقم ١٣٠٨ تاريخ ١٩٥٩/٥/٢٠ (انشاء مصلحة تدعى مصلحة مياه عين الدلبة)،
بناء على القانون الصادر بتاريخ ١٩٥٩/٣/٢١ (انشاء مصلحة مياه الباروك في اقضية عاليه، بعبدا، الشوف)،
بناء على المرسوم رقم ٨٩٠ تاريخ ١٩٥٩/٣/٢١ (انشاء مصلحة مياه المتن)،
بناء على المرسوم رقم ١٤٨٧٢ تاريخ ١٩٥٧/٢/٢ (انشاء مصلحة تدعى مصلحة مياه كسروان الفتوح)،
بناء على المرسوم رقم ١١٠ تاريخ ١٩٨٩/٦/٢٢ (انشاء مؤسستين عامتين استثماريتين باسم مصلحة مياه جبيل للشفة والري ومصلحة مياه شمسين)،
بناء على اقتراح وزير الموارد المائية والكهربائية،
وبعد استطلاع رأي مجلس شورى الدولة (الرأي رقم ٢١/٩٦-٩٧ تاريخ ١٩٩٦/١٠/٢١)،
وبعد موافقة مجلس الوزراء بتاريخ ٩٦/٦/٢٧ و ١٩٩٦/١٢/٤،

يرسم ما يأتي :

المادة الاولى : تنشأ مؤسسة عامة تدعى « مصلحة مياه بيروت وجبل لبنان » تتمتع بالشخصية المعنوية والاستقلال الاداري والمالي، وتعرف فيما يلي « بالمصلحة ».

المادة الثانية : مركز المصلحة مدينة بيروت ويشمل نطاقها محافظتي بيروت وجبل لبنان وفقا للخريطة المرفقة بهذا المرسوم، ولها ان تنشئ فروعا ومكاتب لها في المناطق الداخلة في حدود نطاق عملها.

المادة الثالثة : تدمج في « مصلحة مياه بيروت وجبل لبنان » مصالح المياه التالية : مصلحة مياه بيروت - مصلحة مياه عين الدلبة - مصلحة مياه الباروك في اقضية عاليه ، بعبدا ، الشوف - مصلحة مياه المتن - مصلحة مياه كسروان الفتوح - مصلحة مياه جبيل للشفة والري .
كما تدمج فيها جميع المشاريع ولجان مياه الشرب والري الواقعة والمنشأة في نطاق محافظتي بيروت وجبل لبنان .

المادة الرابعة : تتولى المصلحة في حدود نطاقها الجغرافي ووفقاً للقوانين والانظمة المرعية الاجراء تخطيط ودرس وادارة واستثمار مياه الشفة والري والمياه المبتذلة وتنفيذ المشاريع المتعلقة بها واعمال التشغيل والصيانة اللازمة لها .

المادة الخامسة : ترتبط المصلحة بوزارة الموارد المائية والكهربائية التي تمارس الوصاية الادارية عليها .

المادة السادسة : تتكون واردات المصلحة من :

- المساهمة المخصصة لها في موازنة الدولة.
- الواردات والبدلات الناتجة عن ادارة واستثمار مشاريعها.
- التبرعات والهبات والوصايا.
- ما يخصص لها من اعتمادات واموال بموجب نصوص خاصة .

المادة السابعة : تخضع المصلحة للنظام العام للمؤسسات العامة ، ويراعى في وضع انظمتها الاعراف والقواعد التجارية المعتمدة في تحقيق المهام المناطة بها .

المادة الثامنة : تطبق على المصلحة احكام المادة الثامنة والبند (أ) من المادة الثانية والاربعين من النظام العام للمؤسسات العامة لجهة تفرغ رئيس مجلس ادارتها وتوليه مهام المدير العام .

المادة التاسعة : تنتقل حكماً الى « مصلحة مياه بيروت وجبل لبنان » حقوق وموجبات جميع مصالح المياه والمشاريع واللجان المدموجة فيها. ويلحق العاملون في المصالح المدموجة في مصلحة مياه بيروت وجبل لبنان ويستمرون بالعمل لديها ويتقاضون رواتبهم وتعويضاتهم منها الى حين تسوية اوضاعهم او انهاء خدماتهم وفقاً لما تنص عليه انظمة المصلحة.

المادة العاشرة : في حال تداخل شبكات المياه بين المصلحة ومصلحة اخرى او اكثر ، يعود لوزير الموارد المائية والكهربائية تعيين حدود شبكات كل مصلحة .

المادة الحادية عشرة :

تستمر المصالح والمشاريع واللجان القائمة في العمل الى حين مباشرة مصلحة مياه بيروت وجبل لبنان ممارسة نشاطها .
ويحدد تباعاً بقرار من وزير الموارد المائية والكهربائية تاريخ توقف كل مصلحة او مشروع او لجنة عن العمل وذلك فور مباشرة مصلحة مياه بيروت وجبل لبنان ممارسة المهام التي كانت مناطة بالمصلحة او بالمشروع او باللجنة المعنية .

المادة الثانية عشرة :

تلغى جميع المراسيم والقرارات المخالفة لاحكام هذا المرسوم او التي لا تتفق مع مضمون النصوص التطبيقية المتعلقة به .

المادة الثالثة عشرة :

يعمل بهذا المرسوم فور نشره في الجريدة الرسمية .

بعبدا في ١٣ كانون الاول ١٩٩٦

صدر عن رئيس الجمهورية
رئيس مجلس الوزراء
الامضاء : رفيق الحريري

الامضاء : الياس الهراوي

وزير الموارد المائية والكهربائية
الامضاء : الياس حبيقه

الجمهورية اللبنانية
مكتب وزير الدولة لشؤون التنمية الإدارية
مركز مشاريع ودراسات القطاع العام

مرسوم رقم ٩٦٢٧

انشاء مؤسسة عامة تدعى « مصلحة مياه لبنان الشمالي »
ودمج بعض مصالح ولجان المياه فيها.

إن رئيس الجمهورية
بناء على الدستور،

بناء على المرسوم رقم ٤٥١٧ تاريخ ١٩٧٢/١٢/١٣ (النظام العام للمؤسسات العامة)،
بناء على المرسوم رقم ١٠٢٣١ تاريخ ١٩٥٥/٩/١٣ (انشاء مصلحة مياه طرابلس)،
بناء على القانون رقم ٨١/١٤ تاريخ ١٩٨١/٧/١٠ (انشاء مصلحة مستقلة تدعى مصلحة مياه القبيات)،
بناء على المرسوم رقم ١١٣ تاريخ ١٩٩٤/٤/٢٧ (انشاء مصلحة مياه البترون للشفة والري)،
بناء على المرسوم رقم ١١٤ تاريخ ١٩٩٤/٤/٢٧ (انشاء مصلحة مياه الكورة للشفة)،
بناء على المرسوم رقم ١١٥ تاريخ ١٩٩٤/٤/٢٧ (انشاء مصلحة مياه الضنية-المنية للشفة والري)،
بناء على المرسوم رقم ١١٦ تاريخ ١٩٩٤/٤/٢٧ (انشاء مصلحة مياه عكار للشفة والري)،
بناء على المرسوم رقم ٧٩٢ تاريخ ١٩٩٤/١٠/١٢ (انشاء مصلحة مياه بشري للشفة والري)،
بناء على المرسوم رقم ٦٣٢٣ تاريخ ١٩٩٥/١/٣١ (انشاء مصلحة مياه زغرتا وقضائها للشفة والري)،
بناء على اقتراح وزير الموارد المائية والكهربائية،
وبعد استطلاع رأي مجلس شورى الدولة (الرأي رقم ٩٦/٢٥ تاريخ ١٩٩٦/١٠/٢١)،
وبعد موافقة مجلس الوزراء بتاريخ ٩٦/٦/٢٧ و ١٩٩٦/١٢/٤،

يرسم ما يأتي :

المادة الاولى : تنشأ مؤسسة عامة تدعى « مصلحة مياه لبنان الشمالي » تتمتع بالشخصية المعنوية والاستقلال الاداري والمالي ، وتعرف فيما يلي « بالمصلحة ».

المادة الثانية : مركز المصلحة مدينة طرابلس ويشمل نطاقها محافظة لبنان الشمالي وفقا للخريطة المرفقة بهذا المرسوم ، ولها ان تنشئ فروعا ومكاتب لها في المناطق الداخلة في حدود نطاق عملها .

المادة الثالثة : تدمج في « مصلحة مياه لبنان الشمالي » مصالح المياه التالية: مصلحة مياه طرابلس - مصلحة مياه القبيات - مصلحة مياه البترون للشفة والري - مصلحة مياه الكورة للشفة - مصلحة مياه الضنية - المنية للشفة والري - مصلحة مياه عكار للشفة والري - مصلحة مياه بشري للشفة والري - مصلحة مياه زغرتا وتضامنها للشفة والري .
كما تدمج فيها جميع المشاريع ولجان مياه الشرب والري الراقدة والمنشأة في نطاق محافظة لبنان الشمالي .

المادة الرابعة : تتولى المصلحة في حدود نطاقها الجغرافي ووفقاً للقوانين والانظمة المرعية الاجراء تخطيط ودرس وادارة واستثمار مياه الشفة والري والمياه المبتذلة وتنفيذ المشاريع المتعلقة بها واعمال التشغيل والصيانة اللازمة لها .

المادة الخامسة : ترتبط المصلحة بوزارة الموارد المائية والكهربائية التي تمارس الوصاية الادارية عليها .

المادة السادسة : تتكون واردات المصلحة من :

- المساهمة المخصصة لها في موازنة الدولة .
- الواردات والبدلات الناتجة عن ادارة واستثمار ممتلكاتها .
- التبرعات والهبات والوصايا .
- ما يخصص لها من اعتمادات واموال بموجب نصوص خاصة .

المادة السابعة : تخضع المصلحة للنظام العام للمؤسسات العامة ، ويراعى في وضع انظمتها الاعراف والقواعد التجارية المعتمدة في تحقيق المهام المناطة بها .

المادة الثامنة : تطبق على المصلحة احكام المادة الثامنة والبند (أ) من المادة الثانية والاربعين من النظام العام للمؤسسات العامة لجهة تفرغ رئيس مجلس ادارتها وتوليه مهام المدير العام .

المادة التاسعة : تنتقل حكماً الى « مصلحة مياه لبنان الشمالي » حقوق وموجبات جميع مصالح المياه والمشاريع واللجان المدموجة فيها. ويلحق العاملون في المصالح المدموجة في مصلحة مياه لبنان الشمالي ويستمرون بالعمل لديها ويتقاضون رواتبهم وتعويضاتهم منها الى حين تسوية اوضاعهم او انهاء خدماتهم وفقاً لما تنص عليه انظمة المصلحة .

المادة العاشرة : في حال تداخل شبكات المياه بين المصلحة ومصلحة اخرى او اكثر ، يعود لوزير الموارد المائية والكهربائية تعيين حدود شبكات كل مصلحة .

المادة الحادية عشرة :

تستمر المصالح والمشاريع واللجان القائمة في العمل الى حين مباشرة مصلحة مياه لبنان الشمالي ممارسة نشاطها .
ويحدد تباعاً بقرار من وزير الموارد المائية والكهربائية تاريخ توقف كل مصلحة او مشروع او لجنة عن العمل وذلك فور مباشرة مصلحة مياه لبنان الشمالي ممارسة المهام التي كانت مناطة بالمصلحة او بالمشروع او باللجنة المعنية .

المادة الثانية عشرة :

تلغى جميع المراسيم والقرارات المخالفة لاحكام هذا المرسوم او التي لا تتفق مع مضمون النصوص التطبيقية المتعلقة به .

المادة الثالثة عشرة :

يعمل بهذا المرسوم فور نشره في الجريدة الرسمية .

بعبدا في ١٢ كانون الاول ١٩٩٦
الامضاء : الياس الهراوي

صدر عن رئيس الجمهورية
رئيس مجلس الوزراء
الامضاء : رفيق الحريري

وزير الموارد المائية والكهربائية
الامضاء : الياس حبيقه

مرسوم رقم ٩٦٢٨

إنشاء مؤسسة عامة تدعى

" مصلحة مياه البقاع الجنوبي "

ودمج بعض مصالح ولجان المياه فيها .

إن رئيس الجمهورية

بناء على الدستور ،

بناء على المرسوم رقم ٤٥١٧ تاريخ ١٩٧٢/١٢/١٣ (النظام العام للمؤسسات العامة) ،

بناء على المرسوم رقم ١٨٠٢٣ تاريخ ١٩٥٧/١٢/٩ (إنشاء مصلحة تدعى مصلحة مياه زحلة وجوارها) ،

بناء على المرسوم رقم ١٤٨٩ تاريخ ١٩٥٩/٦/١٠ وتعديلاته (إنشاء مصلحة تدعى مصلحة مصلحة مياه جبل عامل) ،

بناء على المرسوم رقم ١١٠ تاريخ ١٩٨٩/٦/٢٢ (إنشاءمؤسستين عامتين استثماريتين باسم مصلحة مياه جبيل للشفه والري ومصلحة مياه شمسين) ،

بناء على إقتراح وزير الموارد المائية والكهربائية ،

وبعد إستطلاع رأي مجلس شوري الدولة (الرأي رقم ٩٦/٢٣ تاريخ ١٩٩٦/١٠/٢١) ،

وبعد موافقة مجلس الوزراء بتاريخ ٩٦/٦/٢٧و ١٩٩٦/١٢/٤ ،

يرسم ما يأتي :

المادة الاولى :

تنشأ مؤسسة عامة تدعى " مصلحة مياه البقاع الجنوبي " تتمتع بالشخصية المعنوية والاستقلال الاداري والمالي ، وتعرف فيما يلي " بالمصلحة " .

المادة الثانية :

مركز المصلحة مدينة زحله ، ويحدد نطاق عملها الجغرافي وفقا للخريطة المرفقة بهذا المرسوم ، ولها أن تنشىء فروعا ومكاتب لها في المناطق الداخلة في حدود نطاق عملها .

المادة الثالثة :

تدمج في " مصلحة مياه البقاع الجنوبي" مصلحة مياه زحلة وجوارها ومصلحة مياه شمسين .

كما تدمج فيها جميع المشاريع ولجان مياه الشرب الواقعة والمنشأة في نطاق عملها .

المادة الرابعة :

تتولى المصلحة في حدود نطاقها الجغرافي ووفقا للقوانين والانظمة المرعية الاجراء تخطيط ودرس وإدارة وإستثمار مياه الشفه والمياه المبتذلة وتنفيذ المشاريع المتعلقة بها وأعمال التشغيل والصيانة اللازمة لها .

المادة الخامسة :

ترتبط المصلحة بوزارة الموارد المائية والكهربائية التي تمارس الوصاية الادارية عليها .

المادة السادسة :

تتكون واردات المصلحة من :

- المساهمة المخصصة لها في موازنة الدولة.
- الواردات والبدلات الناتجة عن إدارة وإستثمار مشاريعها .
- التبرعات والهبات والوصايا .
- ما يخصص لها من إعتمادات واموال بموجب نصوص خاصة .

المادة السابعة :

تخضع المصلحة للنظام العام للمؤسسات العامة ، ويراعى في وضع لنظمتها الاعراف والقواعد التجارية المعتمدة في تحقيق المهام المناطة بها .

المادة الثامنة :

تطبق على المصلحة أحكام المادة الثامنة والبند (أ) من المادة الثانية والاربعين من النظام العام للمؤسسات العامة لجهة تفرغ رئيس مجلس ادارتها وتوليه مهام المدير العام .

المادة التاسعة :

تنقل حكما الى " مصلحة مياه البقاع الجنوبي " حقوق وموجبات جميع مصالح المياه والمشاريع واللجان المدموجة فيها . ويلحق العاملون في المصلحتين المدموجتين في مصلحة مياه البقاع الجنوبي ويستمرون بالعمل لديها ويتقاضون رواتبهم وتعويضاتهم منها الى حين تسوية أوضاعهم أو إنهاء خدماتهم وفقا لما تنص عليه أنظمة المصلحة .

المادة العاشرة :

في حال تداخل شبكات المياه بين المصلحة ومصلحة أخرى أو أكثر ، يعود لوزير الموارد المائية والكهربائية تعيين حدود شبكات كل مصلحة .

المادة الحادية عشرة :

تستمر المصالح والمشاريع واللجان القائمة في العمل الى حين مباشرة مصلحة مياه البقاع الجنوبي ممارسة نشاطها .

ويحدد تباعا بقرار من وزير الموارد المائية والكهربائية تاريخ توقف كل مصلحة أو مشروع أو لجنة عن العمل وذلك فور مباشرة مصلحة مياه البقاع الجنوبي ممارسة المهام التي كانت متناطة بالمصلحة أو بالمشروع أو باللجنة المعنية .

المادة الثانية عشرة :

تلغى جميع المراسيم والقرارات المخالفة لأحكام هذا المرسوم أو التي لا تتفق مع مضمون النصوص التطبيقية المتعلقة به .

المادة الثالثة عشرة :

يعمل بهذا المرسوم فور نشره في الجريدة الرسمية .

بعبدا في ١٣ كانون الاول ١٩٩٦

الامضاء : الياس الهراوي

صدر عن رئيس الجمهورية
رئيس مجلس الوزراء
الامضاء : رفيق الحريري

وزير الموارد المائية والكهربائية
الامضاء : الياس حبيقه

مرسوم رقم ٩٦٢٩

انشاء مؤسسة عامة تدعى « مصلحة مياه البقاع الشمالي » ودمج بعض مصالح ولجان المياه فيها

ان رئيس الجمهورية

بناء على الدستور،

بناء على المرسوم رقم ٤٥١٧ تاريخ ١٩٧٢/١٢/١٣ (النظام العام للمؤسسات العامة)،

بناء على المرسوم رقم ٤٤١٩ تاريخ ١٩٧٨/١٢/١٠ (انشاء مصلحة تدعى مصلحة مياه بعلبك - الهرمل للشفة والري)،

بناء على اقتراح وزير الموارد المائية والكهربائية،

وبعد استطلاع رأي مجلس شورى الدولة (الرأي رقم ٩٦/٢٣ تاريخ ١٩٩٦/١٠/٢١)،

وبعد موافقة مجلس الوزراء بتاريخ ٩٦/٦/٢٧ و ١٩٩٦/١٢/٤،

يرسـم ما يأتـي :

المادة الاولـى :

تنشأ مؤسسة عامة تدعى « مصلحة مياه البقاع الشمالي » تتمتع بالشخصية المعنوية والاستقلال الاداري والمالي ، وتعرف فيما يلي « بالمصلحة » .

المادة الثانية :

مركز المصلحة مدينة بعلبك ويحدد نطاق عملها الجغرافي وفقًا للخريطة المرفقة بهذا المرسوم ، ولها ان تنشىء فروعاً ومكاتب لها في المناطق الداخلة في حدود نطاق عملها .

المادة الثالثة :

تدمج في « مصلحة مياه البقاع الشمالي » : مصلحة مياه بعلبك -الهرمل للشفة والري ، وجميع المشاريع ولجان مياه الشرب والري الواقعة والمنشأة في نطاق عملها .

المادة الرابعة :

تتولى المصلحة في حدود نطاقها الجغرافي ووفقاً للقوانين والانظمة المرعية الاجراء تخطيط ودرس وادارة واستثمار مياه الشفة والري والمياه المبتذلة وتنفيذ المشاريع المتعلقة بها واعمال التشغيل والصيانة اللازمة لها .

المادة الخامسة :

ترتبط المصلحة بوزارة الموارد المائية والكهربائية التي تمارس الوصاية الادارية عليها .

المادة السادسة :

تتكون واردات المصلحة من :

- المساهمة المخصصة لها في موازنة الدولة.
- الواردات والمبدلات الناتجة عن ادارة واستثمار مشاريعها .
- التبرعات والهبات والوصايا.
- ما يخصص لها من اعتمادات واموال بموجب نصوص خاصة .

المادة السابعة :

تخضع المصلحة للنظام العام للمؤسسات العامة ، ويراعى في وضع انظمتها الاعراف والقواعد التجارية المعتمدة في تحقيق المهام المناطة بها .

المادة الثامنة :

تطبق على المصلحة احكام المادة الثامنة والبند (أ) من المادة الثانية والاربعين من النظام العام للمؤسسات العامة لجهة تفرغ رئيس مجلس ادارتها وتولية مهام المدير العام .

المادة التاسعة :

تنقل حكماً الى « مصلحة مياه البقاع الشمالي » حقوق وموجبات جميع مصالح المياه والمشاريع واللجان المدموجة فيها .

ويلحق العاملون في مصلحة مياه بعلبك - الهرمل للشفة والري في مصلحة مياه البقاع ويستمرون بالعمل لديها ويتقاضون رواتبهم وتعويضاتهم منها الى حين تسوية ارضاعهم او انهاء خدماتهم وفقاً لما تنص عليه انظمة المصلحة .

المادة العاشرة :

في حال تداخل شبكات المياه بين المصلحة ومصلحة اخرى او اكثر ، يعود لوزير الموارد المائية والكهربائية تعيين حدود شبكات كل مصلحة .

المادة الحادية عشرة :

تستمر المصالح والمشاريع واللجان القائمة في العمل الى حين مباشرة مصلحة مياه البقاع ممارسة نشاطها .

ويحدد تباعاً بقرار من وزير الموارد المائية والكهربائية تاريخ توقف كل مصلحة او مشروع او لجنة عن العمل وذلك فور مباشرة مصلحة مياه البقاع الشمالي ممارسة المهام التي كانت مناطة بالمصلحة او بالمشروع او باللجنة المعنية .

المادة الثانية عشرة :

تلغى جميع المراسيم والقرارات المخالفة لاحكام هذا المرسوم او التي لا تتفق مع مضمون النصوص التطبيقية المتعلقة به .

المادة الثالثة عشرة :

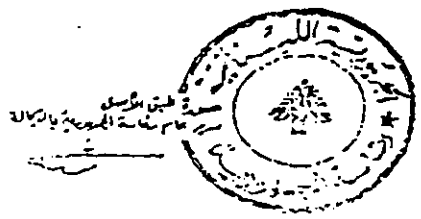
يعمل بهذا المرسوم فور نشره في الجريدة الرسمية .

بعبدا في ١٣ كانون الاول ١٩٩٦

الامضاء : الياس الهراوي

صدر عن رئيس الجمهورية
رئيس مجلس الوزراء
الامضاء : رفيق الحريري

وزير الموارد المائية والكهربائية
الامضاء : الياس حبيقه



مرسوم رقم ٩٦٣٠

إنشاء مؤسسة عامة تدعى

" مصلحة مياه لبنان الجنوبـــــي "

ودمج بعض مصالح ولجان المياه فيهـــا .

إن رئيس الجمهورية

بناء على الدستور،

بناء على المرسوم رقم ٤٥١٧ تاريخ ١٩٧٢/١٢/١٣ (النظام العام للمؤسسات العامة)،

بناء على المرسوم رقم ١٢٩٨ تاريخ ١٩٥٩/٥/٢٠ (إنشاء مصلحة تدعى مصلحة مياه صيدا)،

بناء على المرسوم رقم ١٤٨٧٣ تاريخ ١٩٥٧/٢/٢ وتعديلاته (إنشاء مصلحة تدعى مصلحة مياه صور وملحقاتها)،

بناء على القانون رقم ٨٥ تاريخ ١٩٩٧/١٢/٢٨ (إنشاء مصلحة تدعى مياه نبع الطاسة وترابيحا)،

بناء على إقتراح وزير المواصلات السلكية واللاسلكية،

وبعد إستطلاع رأي مجلس شورى الدولة (الرأي رقم ٩٦/٢٤ تاريخ ١٩٩٦/١٠/٢١)،

وبعد موافقة مجلس الوزراء بتاريخ ٩٦/٦/٢٧ و ١٩٩٦/١٢/٤،

يرسم ما يأتي :

المادة الاولى :

تنشأ مؤسسة عامة تدعى " مصلحة مياه لبنان الجنوبي " تتمتع بالشخصية المعنوية والاستقلال الاداري والمالي ، وتعرف فيما يلي " بالمصلحة " .

المادة الثانية :

مركز المصلحة مدينة صيدا ، ويحدد نطاق عملها الجغرافي وفقا للخريطة المرفقة بهذا المرسوم ، ولها أن تنشيء فروعا ومكاتب لها في المناطق الداخلة في حدود نطاق عملها .

المادة الثالثة :

تدمج في " مصلحة مياه لبنان الجنوبي" مصالح المياه التالية :مصلحة مياه صيدا – مصلحة مياه صور وملحقاتها – مصلحة مياه نبع الطاسة و توابعهـــا – مصلحة مياه جبل عامل .

كما تدمج فيها جميع المشاريع ولجان مياه الشرب الواقعة والمنشأة في نطاق عملها .

المادة الرابعة :

تتولى المصلحة في حدود نطاقها الجغرافي ووفقا للقوانين والانظمة المرعية الاجراء تخطيط ودرس وإدارة وإستثمار مياه الشفه والمياه المبتذلة وتنفيذ المشاريع المتعلقة بها وأعمال التشغيل والصيانة اللازمة لها .

المادة الخامسة :

ترتبط المصلحة بوزارة الموارد المائية والكهربائية التي تمارس الوصاية الادارية عليها .

المادة السادسة :

تتكون واردات المصلحة من :

- المساهمة المخصصة لها في موازنة الدولة .
- الواردات والبدلات الناتجة عن إدارة وإستثمار مشاريعها .
- التبرعات والهبات والوصايا .
- ما يخصص لها من إعتمادات واموال بموجب نصوص خاصة .

المادة السابعة :

تخضع المصلحة للنظام العام للمؤسسات العامة ، ويراعى في وضع انظمتها الاعراف والقواعد التجارية المعتمدة في تحقيق المهام المناطة بها .

المادة الثامنة :

تطبق على المصلحة أحكام المادة الثامنة والبند (أ) من المادة الثانية والاربعين من النظام العام للمؤسسات العامة لجهة تفرغ رئيس مجلس ادارتها وتوليه مهام المدير العام .

المادة التاسعة :

تنقل حكما الى " مصلحة مياه لبنان الجنوبي " حقوق وموجبات جميع مصالح المياه والمشاريع واللجان المدموجة فيها . ويلحق العاملون في المصالح المدموجة في مصلحة مياه لبنان الجنوبي ويستمرون بالعمل لديها ويتقاضون رواتبهم وتعويضاتهم منها الى حين تسوية أوضاعهم أو إنهاء خدماتهم وفقا لما تنص عليه أنظمة المصلحة .

المادة العاشرة :

في حال تداخل شبكات المياه بين المصلحة ومصلحة أخرى أو أكثر ، يعود لوزير الموارد المائية والكهربائية تعيين حدود شبكات كل مصلحة .

المادة الحادية عشرة :

تستمر المصالح والمشاريع واللجان القائمة في العمل الى حين مباشرة مصلحة مياه لبنان الجنوبي ممارسة نشاطها .

ويحدد تباعا بقرار من وزير الموارد المائية والكهربائية تاريخ توقف كل مصلحة أو مشروع أو لجنة عن العمل وذلك فور مباشرة مصلحة مياه لبنان الجنوبي ممارسة المهام التي كانت مناطة بالمصلحة أو بالمشروع أو باللجنة المعنية .

المادة الثانية عشرة :

تلغى جميع المراسيم والقرارات المخالفة لأحكام هذا المرسوم أو التي لا تتفق مع مضمون النصوص التطبيقية المتعلقة به .

المادة الثالثة عشرة :

يعمل بهذا المرسوم فور نشره في الجريدة الرسمية .

بعبدا في ١٣ كانون الاول ١٩٦٦

الامضاء : الياس الهراوي

صدر عن رئيس الجمهورية
رئيس مجلس الوزراء
الامضاء : رشيد الصلح

وزير الموارد المائية والكهربائية
الامضاء : الياس حبيقه

مرسوم رقم ٩٦٣١

إضافة مهام الى المصلحة الوطنية لنهر الليطاني .

ان رئيس الجمهورية

بناء على الدستور،

بناء على المرسوم رقم ٤٥١٧ تاريخ ١٩٧٢/١٢/١٣ (النظام العام للمؤسسات العامة)،

بناء على القانون الصادر بتاريخ ١٩٥٤/٨/١٤ وتعديلاته (انشاء مصلحة خاصة تدعى المصلحة الوطنية لنهر الليطاني)،

بناء على إقتراح وزير الموارد المائية والكهربائية،

وبعد استطلاع رأي مجلس شوري الدولة (الرأي رقم ٩٦/٢٦-٩٧ تاريخ ١٩٩٦/١٠/٢١)،

وبعد مرافقة مجلس الوزراء بتاريخ ١٩٩٦/٦/٢٧ و١٩٩٦/١٢/٤،

يرسم مايأتي :

المادة الأولى : تضاف الى مهام المصلحة الوطنية لنهر الليطاني المهمة التالية:

تخطيط ودرس وادارة واستثمار مياه الري في المنطقة المحدد نطاقيا وفقا للخريطة المرفقة بهـــذا المرسوم .

المادة الثانية : تدمج في المصلحة الوطنية لنهر الليطاني جميع لجان ومشاريع مياه الري الواقعة والمنشأة في النطاق الجغرافي المحدد بموجب الخريطة المذكورة اعلاه .

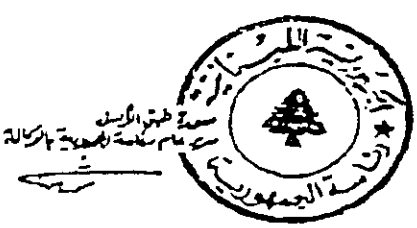
المادة الثالثة : يعمل بهذا المرسوم فور نشره في الجريدة الرسمية .

يعبدا في ١٢ كانون الاول ١٩٩٦

الامضاء : الياس الهراوي

صدر عن رئيس الجمهورية
رئيس مجلس الوزراء
الامضاء : رفيق الحريري

وزير الموارد المائية والكهربائية
الامضاء : الياس حبيقة



m:\leb\de9626.doc

Official Gazette Volume 63 December, 1996

Decree No. 9626

Establishment of a public enterprise cited as

"The Beirut and Mount Lebanon Water Authority" and the Merger

of some water authorities and commissions therein

The President of the Republic,

Pursuant to:

The Lebanese Constitution;

Decree No. 4517 of 12/13/1972 (Regulations Concerning Public Enterprises);

Decree No. 3971 of 1/17/1951 (Establishment of a Special Authority cited as "Beirut Water Authority";

Decree No. 1308 of 5/20/1959 (Establishment of an Authority cited as "Ein El-Dilbeh Water Authority");

The Law enacted on 3/21/1959 (Establishment of the Barouk Water Authority in the Aley, Baabda and El-Shouf Districts);

Decree No. 890 of 3/21/1959 (Establishment of El-Matn Water Authority);

Decree No. 14872 of 2/2/1957 (Establishment of water authority cited as "Kisrwan El-Fatouh Water Authority");

Decree No. 110 of 6/22/1989 (Establishment of two public investment enterprises cited as "Jubeil Drinking and Irrigation Water Authority & Shamseen Water Authority");

The recommendation of the Minister of Hydraulic and Electric Resources;

The Opinion of the State Consultative Council (Opinion No. 21/96-97 of 10/21/1996); and

Upon the approval of the Council of Ministers on 6/27/1996 and 12/4/1996,
Hereby decrees as follows:

Article I: A public enterprise cited as "The Beirut and Mount Lebanon Water Authority" shall hereby be established, which shall be a legal person endowed with administrative and financial autonomy, hereinafter referred to as "the Authority".

Article II: The Authority's main office shall be in the City of Beirut, and its jurisdictional competence shall include the Beirut and Mount Lebanon governorates as delineated in the map attached hereto. The Authority shall have the power to establish branches and offices thereof in districts falling under its operational competence.

Article III: The following water authorities shall be merged into the "Beirut and Mount Lebanon Water Authority":
Beirut Water Authority; Ein El-Dilbeh Water Authority; Barouk Water Authority for Aley, Baabda and El-Shauf Districts; El-Matn Water Authority; Kisrwan El-Fatouh Water Authority; and Jubeil Drinking and Irrigation Water Authority.

All projects as well as drinking and irrigation water commissions located and established within the boundaries of the Beirut and Mount Lebanon governorates shall also be merged into the Authority.

Article IV: The Authority shall undertake - within its geographical competence boundaries and in accordance with the applicable laws and regulations - the planning, study, management and exploitation of drinking and irrigation water as well as wastewater resources. It shall also implement projects related thereto and undertake the operational and necessary maintenance activities in respect of such projects.

Article V: The Authority shall report to the Ministry of Hydraulic and Electric Resources, which shall exercise administrative tutelage thereover.

Article VI: Revenues of the Authority shall comprise the following:

- Share allocated thereto in the State budget;
- Revenues and returns on the management and operation of its [the Authority's] projects;
- Contributions, donations and bequests; and
- Allocations and funds earmarked for the Authority under special provisions.

Article VII: The Authority shall be subject to the Regulations concerning Public Enterprises. Formulation of the rules and regulations of the Authority shall take into account the conventions and commercial practices adopted for fulfilling the functions assigned to the Authority.

Article VIII: The Authority shall be subject to the Provisions of Article (8) and Section (A) of Article (42) of the Regulations Concerning Public Enterprises in

respect of its Chairman of the Board of Directors assuming the position of full-time General Manager thereof.

Article IX: All the rights and obligations of the water authorities, projects and commissions merged into the Authority shall legally be transferred thereto. Workers at the authorities merged into the Beirut and Mount Lebanon Water Authority shall be reassigned thereto, and shall continue to work therefor and receive salaries and compensations therefrom until the adjustment of their status or the termination of their employment in accordance with the provisions of Authority regulations and rules.

Article X: In the event of an overlap in water systems between the Authority and one or more other authorities, the Minister of Hydraulic and Water Resources shall have the competence to determine the boundaries of the system belonging to each of the authorities involved.

Article XI: Existing authorities, projects and commissions shall continue operations until the Beirut and Mount Lebanon Water Authority starts its operations.

The Minister of Hydraulic and Electric Resources shall issue successive decrees specifying the date of ceasing operations by each of the said authorities, projects or commissions as soon as the Beirut and Mount Lebanon Water Authority commences undertaking the functions previously assigned to the authority, project or commission involved.

Article XII: All decrees and decisions running counter to the provisions of this Decree or in disagreement with the provisions of the regulations related hereto shall hereby be revoked.

Article XIII: This Decree shall come into force upon its publication in the Official Gazette.

Baabda, December 13, 1996

Signature: Elias El-Hrawi

Issued by the President of the Republic

The Prime Minister

Signature: Rafik El-Hariri

The Minister of Hydraulic and Electric Resources

Signature: Elias Hobeika

* * * *

Decree No. 9627

Establishment of a public enterprise to be cited as "North Lebanon Water Authority" and the merger of some water authorities and commissions therein

---

The President of the Republic

Pursuant to:

The Lebanese Constitution;

Decree No. 4517 of 12/13/1972 (Regulations Concerning Public Enterprises);

Decree No. 10231 of 9/13/1955 (Establishment of the Tripoli Water Authority);

Law No. 14/81 of 7/15/1981 (Establishment of an autonomous authority cited as "El-Qbayyat Water Authority");

Decree No. 5113 of 4/27/1994 (Establishment of El-Batron Drinking and Irrigation Water Authority);

Decree No. 5114 of 4/27/1994 (Establishment of El-Koura Drinking Water Authority);

Decree No. 5115 of 4/27/1994 (Establishment of El-Dhnayyeh - El-Minieh Drinking and Irrigation Water Authority);

Decree No. 5116 of 4/27/1994 (Establishment of Akkar Drinking and Irrigation Water Authority);

Decree No. 5792 of 10/12/1994 (Establishment of Bshirri Drinking and Irrigation Water Authority);

Decree No. 6323 of 1/31/1995 (Establishment of Zgharta City and District Drinking and Irrigation Water Authority);

The recommendation of the Minister of Hydraulic and Electric Resources;

The Opinion of the State Consultative Council (Opinion No. 25/96 of 10/21/1996); and

Upon the approval of the Council of Ministers on 6/27/1996 and 12/4/1996,

Hereby decrees as follows:

Article I: A public enterprise cited as "North Lebanon Water Authority" shall hereby be established, which shall be a legal person endowed with administrative and financial autonomy, hereinafter referred to as "the Authority".

Article II: The Authority's main office shall be in the City of Tripoli, and its jurisdictional competence shall include the North Lebanon Governorate as delineated in the map attached hereto. The Authority shall have the power to establish branches and offices thereof in districts falling under its operational competence.

Article III: The following water authorities shall be merged into the "North Lebanon Water Authority":

Tripoli Water Authority; El-Qbayyat Water Authority; El-Batron Drinking and Irrigation Water Authority; El-Koura Drinking Water Authority; El-Dhnayyeh - El-Minieh Drinking and Irrigation Water Authority; Akkar Drinking and Irrigation Water Authority; Bshirri Drinking and Irrigation Water Authority and Zgharta City and District Drinking and Irrigation Water Authority.

All projects as well as drinking and irrigation water commissions located and established within the boundaries of North Lebanon Governorate shall also be merged into the Authority.

Article IV: The Authority shall undertake - within its geographical competence boundaries and in accordance with the applicable laws and regulations - the planning, study, management and exploitation of drinking and irrigation water as well as wastewater resources. It shall also implement projects related thereto and undertake the operational and necessary maintenance activities in respect of such projects.

Article V: the Authority shall report to the Ministry of Hydraulic and Electric Resources, which shall exercise administrative tutelage thereover.

Article VI: Revenues of the Authority shall comprise the following:

- Share allocated thereto in the State budget;
- Revenues and returns on the management and operation of its [the Authority's] projects;
- Contributions, donations and bequests; and
- Allocations and funds earmarked for the Authority under special provisions.

Article VII: The Authority shall be subject to the Regulations Concerning Public Enterprises. Formulation of the rules and regulations of the Authority shall take into account the conventions and commercial practices adopted for fulfilling the functions assigned to the Authority.

Article VIII: The Authority shall be subject to the provisions of Article (8) and Section (A) of Article (42) of the Regulations Concerning Public Enterprises in

respect of its Chairman of the Board of Directors assuming the position of full-time General Manager thereof.

Article IX: All the rights and obligations of the water authorities, projects and commissions merged into the Authority shall legally be transferred thereto. Workers at the authorities merged into the North Lebanon Water Authority shall be reassigned thereto, and shall continue to work therefor and receive salaries and compensations therefrom until the adjustment of their status or the termination of their employment in accordance with the provisions of Authority regulations and rules.

Article X: In the event of an overlap in water systems between the Authority and one or more other authorities, the Minister of Hydraulic and Water Resources shall have the competence to determine the boundaries of the system belonging to each of the authorities involved.

Article XI: Existing authorities, projects and commissions shall continue operations until the North Lebanon Water Authority starts its operations.

The Minister of Hydraulic and Electric Resources shall issue successive decrees specifying the date of ceasing operations by each of the said authorities, projects or commissions as soon as the North Lebanon Water Authority commences undertaking the functions previously assigned to the authority, project or commission involved.

Article XII: All decrees and decisions running counter to the provisions of this Decree or in disagreement with the provisions of the regulations related hereto shall hereby be revoked.

Article XIII: This Decree shall come into force upon its publication in the Official Gazette.

Baabda, December 13, 1996

Signature: Elias El-Hrawi

Issued by the President of the Republic

The Prime Minister

Signature: Rafik El-Hariri

The Minister of Hydraulic and Electric Resources

Signature: Elias Hobeika

* * * *

Decree No. 9629

Establishment of a Public Enterprise Cited as "Northern Beqaa Water Authority" and the merger of some water authorities and commissions therein

---

The President of the Republic

Pursuant to:

The Lebanese Constitution;

Decree No. 4517 of 12/13/1972 (Regulations Concerning Public Enterprises);

Decree No. 4419 of 12/10/1978 (Establishment of an authority cited as "The Baalbek-Hirmel Drinking and Irrigation Water Authority;

The recommendation of the Minister of Hydraulic and Electric Resources;

The Opinion of the State Consultative Council (Opinion No. 23/96 of 10/21/1996); and

Upon the approval of the Council of Ministers on 6/27/1996 and 12/4/1996,

Hereby decrees as follows:

Article I: A public enterprise cited as "Northern Beqaa Water Authority" shall hereby be established, which shall be a legal person endowed with administrative and financial autonomy, hereinafter referred to as "the Authority".

Article II: The Authority's main office shall be in the City of Baalbek, and its jurisdictional competence shall be as delineated in the map attached hereto. The Authority shall have the power to establish branches and offices thereof in districts falling under its operational competence.

Article III: The following water authorities shall be merged into the "Northern Beqaa Water Authority":

Baalbek-Hirmel Drinking and Irrigation Water Authority as well as all drinking and irrigation water projects and commissions located and established within the boundaries of the Authority's operational Competence.

Article IV: The Authority shall undertake - within its geographical competence boundaries and in accordance with the applicable laws and regulations - the planning, study, management and exploitation of drinking and irrigation water as well as wastewater resources. It shall also implement projects related thereto and undertake the operational and necessary maintenance activities in respect of such projects.

Article V: the Authority shall report to the Ministry of Hydraulic and Electric Resources, which shall exercise administrative tutelage thereover.

Article VI: Revenues of the Authority shall comprise the following:

- Share allocated thereto in the State budget;
- Revenues and returns on the management and operation of its [the Authority's] projects;
- Contributions, donations and bequests; and
- Allocations and funds earmarked for the Authority under special provisions.

Article VII: The Authority shall be subject to the Regulations Concerning Public Enterprises. Formulation of the rules and regulations of the Authority shall take into account the conventions and commercial practices adopted for fulfilling the functions assigned to the Authority.

Article VIII: The Authority shall be subject to the provisions of Article (8) and Section (A) of Article (42) of the Regulations Concerning Public Enterprises in

respect of its Chairman of the Board of Directors assuming the position of full-time General Manager thereof.

Article IX: All the rights and obligations of the water authorities, projects and commissions merged into the Authority shall legally be transferred thereto. Workers at the authorities merged into the North Lebanon Water Authority shall be reassigned thereto, and shall continue to work therefor and receive salaries and compensations therefrom until the adjustment of their status or the termination of their employment in accordance with the provision of Authority regulations and rules.

Article X: In the event of an overlap in water systems between the Authority and one or more other authorities, the Minister of Hydrawlic and Water Resources shall have the competence to determine the boundaries of the system belonging to each of the authorities involved.

Article XI: Existing authorities, projects and commissions shall continue operations until the [Northern] Beqaa Water Authority starts its operations.

The Minister of Hydraulic and Electric Resources shall issue successive decrees specifying the date of ceasing operations by each of the said authorities, projects or commissions as soon as the Northern Beqaa Water Authority commences undertaking the functions previously assigned to the authority, project or commission involved.

Article XII: All decrees and decisions running counter to the provisions of this Decree or in disagreement with the provisions of the regulations related hereto shall hereby be revoked.

Article XIII: This Decree shall come into force upon its publication in the Official Gazette.

Baabda, December 13, 1996

Signature: Elias El-Hrawi

Issued by the President of the Republic

The Prime Minister

Signature: Rafik El-Hariri

The Minister of Hydraulic and Electric Resources

Signature: Elias Hobeika

Decree No. 9631

Adding to the Functions of the National Litani River Authority

---

The President of the Republic,

Pursuant to:

The Lebanese Constitution;

Decree No. 4517 of 12/13/1972 (Regulations Concerning Public Enterprises);

Law enacted on 8/14/1954 and the amendments thereto (Establishment of a special authority cited as "the National Litani River Authority:);

Recommendation by the Minister of Hydraulic and Electric Resources;

Opinion of the State Consultative Council (Opinion No. 26/96-97 of 10/21/1996); and

Upon the approval of the Council of Ministers dated 6/27/1996 and 12/4/1996,

Hereby decrees as follows:

Article I: The following functions shall hereby be added to the functions already assigned to the National Litani River Authority:

The planning, study, management and exploitation of irrigation water in the area as delineated in the map attached hereto.

Article II: All irrigation water commissions and projects located and established in the geographical jurisdiction as specified by the above-mentioned map shall be merged into the National Litani River Authority.

Article III: This Decree shall come into force upon its publication in the Official Gazette.

Baabda, December 31, 1996

Signature: Elias El-Hrawi

Issued by the President of the Republic

The Prime Minister

Signature: Rafik El-Hariri

The Minister of Hydraulic and Electric Resources

Signature: Elias Hobeika

ANNEX 4:

DRAFT LAW:
WATER SECTOR REORGANIZATION

Draft Law
Water Sector
Reorganization

Section I: General Principles

Article 1:

Water constitutes an important common resource of the Lebanese society; Thus, the protection and the development of this natural resource is at the heart of the protection of the environment and ecosystems that benefit general interest.

Article 2

The purpose of this law is to set up water resources management by providing an adequate supervision on the basis of the following principles by:

1. Managing water resources in a rational and scientific manner;

2. Stressing the concept of economic return relative to the protection, development, allocation, and distribution of water resources in accordance to the needs of society and to the economic activity.

3. Ensuring prompt, speedy, and quality service to water beneficiaries;

4. Strengthening and encouraging private sector participation in the provision of services;

5. Protecting the ecological balance throughout the Lebanese territory and reclaiming this balance in region that suffered of degradation;

6. Protecting aquifers and rain water from pollution, and taking appropriate steps to prevent pollution and to treat polluted waters;

7. Establishing an appropriate institutional framework to implement a national water policy.

Article 3

Subject to the responsibilities assigned to the MWRE (in the electricity area) as defined in article 1 of the 20/66 law and article 4 relative to the water sector mentioned thereunder:

Development enterprises for drinking, irrigation, and wastewater will be established and will be entrusted with organizing, managing and supervising water investment provided that the national Authority of the Litany river will be entrusted with the management of the irrigation investment area (North and South Bequa).

Section 2: MWRE Responsibilities

Article 4: MWRE duties and responsibilities

MWRE duties and responsibilities will be entrusted, but not restricted, to undertake the following:

1. Assessing aquifers and running water;

2. Assessing residential, drinking, industrial, agricultural, and general water needs;

3. Allocating and distributing water resources in a rational and practical way;

4. Setting up and modernizing a national direction plan on a periodic basis;

5. Managing water resources in a rational and practical manner;

6. Spelling out conditions for private sector participation in the water area;

7. Supervising aquifers and running water quality;

8. Improving water river, sources, wells, and aquifers quality on a continuous basis;

9. Monitoring and determining minimum relative acceptable water distributed both in terms of quality and quantity, as well as the maximum wastewater level;

10. Participating in the setting up of water control systems to ensure water quality;

11. Charging polluters, as well as the beneficiaries of a cleaner environment, a fee;

12. Preparing and issuing property ownership regulations;

13. Paying attention to water rights, conciliation, and participation in water disputes resolution in general;

14. Putting up strategies, objectives, and texts to ensure cost recovery and drinking, wastewater, irrigation, and industrial water tariffs;

15. Evaluating and approving work programs put out by independent water investment enterprises;

16. Evaluating the performance of independent investment water enterprises, and making proposals while taking appropriate steps;

17. Enacting a water code and updating it on a periodic basis;

18. Providing adequate protection from floods whether this affects people or property while respecting the laws in force;

19. Providing appropriate bodies to monitor floods and give proper warnings;

20. Delivering water investment permits and licenses subject to existing laws;

21. Delivering mines and investment permits and presenting opinions on stone quarries if there is an impact on water resources subject to existing laws;

22. Spelling out protection and investment conditions and rules for aquifer and running water;

23. Designing, studying, implementing, and incorporating in investment larger water enterprises having a common interest such as dams...;

24. Supervising existing electricity concessions subject to existing provisions;

25. Providing necessary information and public relations efforts to enable the citizens to support water investment enterprises and management activities;

26. Collecting and publishing all hydrometric and hydrogeologic data;

27. Informing people of water resources projects as well as legal and organizational texts, among other things.

Section 3:
Drinking, irrigation, and wastewater investment enterprises

Article 5

Drinking, irrigation, and wastewater public enterprises established by virtue of decrees no. 9626, 9627, 9628, 9629, 9630 enacted on 12/13/1996 will become investment enterprises. These are:

1. Northern Lebanon drinking, irrigation, and wastewater investment enterprise;

2. Southern Lebanon drinking and wastewater investment enterprise;

3. Beirut and Mount Lebanon drinking, irrigation, and wastewater investment enterprise;

4. Northern Bequa drinking, irrigation, and wastewater investment enterprise;

5. Southern Bequa drinking and wastewater investment enterprise;

These enterprises will be governed by commercial law and the provisions contained in this law.

Upon publication of this law, these Authorities will merge and their committees will be absorbed by investment enterprises. The transitory process should not exceed three years. Above mentioned Investment water committees will endeavor to seek private sector participation in their activities. In any case, these committees will select an accounting firm which will undertake its activities in accordance with internationally recognized accounting principles.

Article 6

Drinking, irrigation, and wastewater investment enterprises will, each within its area of competence responsible for providing equipment, distribution and treatment of drinking water, collecting and treating wastewater, and managing irrigation water. In the course of its work, investment enterprises can have recourse to the various forms of internationally acceptable management practices. For example, it will, among other things, participate, direct management, or any combination of the above.

Article 7: Investment enterprises duties

Drinking, irrigation, and wastewater investment enterprises duties include but are limited to the following:

1. Designing, studying, and implementing local and municipal in accordance with MWRE general national water master plan;

2. Establishing, operating, and ensuring the maintenance of all drinking, irrigation and wastewater infrastructure;

3. Managing users' services falling under its authority;

4. Devising a tariff policy based upon the work program and proceeds;

5. developing human resources and managing users' network;

6. Resorting to the private sector in some area activities such as management, operations, and maintenance of equipment and investment to name a few;

7. Monitoring drinking, irrigation water quality, and drainage;

8. Preparing and keeping updated annual reports and submitting them to MWRE for consideration and approval

9. Requesting MWRE approval relative to water exploitation (publicly owned), or drainage;

10. Implementing necessary means pertaining to water distribution meters;

11. Designing major irrigation projects in accordance with MWRE national master plan;

12. Studying primary and secondary water implementation networks and major enterprises for water retention and pumping;

13. Operating and maintaining primary and secondary water irrigation networks;

14. Selling irrigation water among farmers' unions and devising a tariff policy based upon a work program and proceeds;

15. Leaving tertiary building and maintenance networks (as a part of water exploitation) to farmers' unions and investors who would define water tariffs upon farms and landowners.

Article 8: Tariffs

The board will determine a drinking, irrigation, and wastewater tariff policy based upon the cost. An additional acceptable profit margin will be allowed so as to give incentives to the private sector participation in the activities of investment enterprises taking into consideration inhabitants social conditions;
The implementation of these tariffs will be subject to the prior approval of the MWRE financial structure committee.

Article 9: Boards of directors

The board will be composed of seven (7) members to be appointed by the Council of Ministers upon recommendation of MWRE. The board will include representatives of the state, consumers, municipalities, and the private sector to be defined in a decree enacted by the Council of Ministers upon MWRE recommendation. This decree will determine competence and qualifications of the board members.
The board will function in accordance with the provisions of commercial law. If private sector participation is included, , a decree issued by the Council of Ministers upon recommendation MWRE will define private sector participation modalities, the enterprise, and the regulations of joint enterprise.
The mandate of the board is three years that are renewable.

Article 10: Boards Duties

Water Investment enterprises boards duties are those recognized duties undertaken by any board operating under commercial law. This includes but is not limited to the following:

1. Proposing and approving regulations;

2. Proposing and approving work mechanisms that enable investment enterprise to reach its objectives;

3. Issuing users' regulations and defining appointment principles, vacation, and salaries;

4. Making an inventory of assets and appraisal them, along with property evaluation;

5. Borrowing to further the financing of necessary appropriations of activities regarding investment enterprises;

Article 11: Management organization

The board upon MWRE recommendation puts into place the internal administrative organization of the investment enterprise. Should the private sector participation in capital or in the management of the enterprise, the Council of Ministers sets out the bylaws and approves them. The is council can delegate power to the board for enacting and amending administrative structure.

Section 4: Tariffs committee

Article 12

A tariffs committee will be established within MWRE. The function of the committee is to study and agree to drinking, irrigation, and wastewater investment enterprises proposed tariffs to determine the financial impact.
The tariffs committee will be composed of three members: A representative of MWRE, the ministry of finance, and a financial analyst from the private sector with a high level of expertise.
The committee will propose and justify the tariffs to MWRE.

Section 5: Transitory measures

Article 13

All laws will be abrogated whenever they contradict the present law upon entering in force except for provisions pertaining to the area of electricity.

Article 14

The decrees of implementation relative to this law and the details therewith will be enacted at an appropriate time in the Council of Ministers upon MWRE recommendation.

Article 15

This law will enter into force upon ratification and publication in the national gazette.

الجمهورية اللبنانية
وزارة الموارد المائية والكهربائية
المديرية العامة للاستثمار

رقم الصادر: م ١/٥٥٩
بيروت في ٢٠ أيار ١٩٩٨

جانب رئاسة مجلس الوزراء

الموضوع :مشروع قانون باعادة النظر في تنظيم
قطاع المياه
المـــرجع :مقتضيات المصلحة العامة

بالاشارة الى الموضوع والمرجع المبينين اعلاه ،

وحيث سبق لمقام مجلس الوزراء ان اتخذ قرارا رقم ٨ تاريخ١٩٩٤/٣/٧ قضـــى بتكليف وزارة الاصلاح الاداري اعادة النظر في هيكليات الادارات العامة لجعلـها اكـثر مجـاراه ومتابعة لحركة التطور واكثر تلبية لحاجات المرافق العامة التي تتولاها ، الامر الذي استدعى تسمية فريق من الوزارة المذكورة وبالتعاون مع موظفي هذه الوزارة للاضطلاع بهذه المهمة وكانت منطلقا لاصدار مراسيم دمج مصالح مياه الشفه والري في خمس مصالح مستقلة تعنى بشؤون مياه الشـرب والري و المياه المبتذلة ولوضع مشروع قانون يحمل تصورا جديدا لاهداف ومهام وصلاحيات هـذه الوزارة والمؤسسات العامة الخاضعة لوصايتها.

وحيث ان مشروع القانون هذا يتسم بجديد بارز على صعيدين مركزيين :

الاول : تقاسم او توزيع العمل بين الوزارة وبين المؤسسات العامة الخاضعة لها بحيث يقتصـر دور الوزارة على رسم السياسة العامة في حقل المياه و الكهرباء والقيام بتنفيذ المشاريع الكبرى على ان تتكفل المؤسسات المذكورة بتدبير باقي الشؤون على كـل صعيـد (تقريـر درس تنفيذ، صيانة ..)

الثاني : تحويل المؤسسات العامة الى مؤسسات استثمارية تتمتع بالاستقلالية الحقيقيـة و المرونـة الكافية لتامين اداء يتسم بالسرعة و النوعية مع ما يستتبع اخضاعها للقانون التجاري .

لذلك ، يرجى الموافقة على ان يعرض على مجلـس الـوزراء مشـروع القـانون موضوع البحث(مرفق باسبابه الموجبة) آملين ان يلقى سبيل الايجاب.

وزير الموارد المائية والكهربائية

الياس حبيقه

٥٥١/٩٨

الجمهورية اللبنانية
وزارة الموارد المائية والكهربائية
المديرية العامة للاستثمار

رقم الصادر ٦٠٢/١ص

بيروت في ٢١ أيار ١٩٩٨ جانب رئاسة مجلس الوزراء .

الموضوع : إعادة مشروع قانون بحالته الراهنة .

المرجع : مقتضيات المصلحة العامة .

بالاشارة الى الموضوع والمرجع المبينين اعلاه ،

وحيث سبق لنا أن اودعناكم بموجب كتابنا رقم ١٤١/١ص تاريخ ١٩٩٨/٢/١٠ مشروع قانون يقضي بإعادة النظر في صلاحيات وهيكلية وزارة الموارد المائية والكهربائية ، وهو مشروع اعد في ضوء قرار مجلس الوزراء رقم ٨ تاريخ ١٩٩٤/٣/٧ الذي قضى بتكليف وزارة الاصلاح الاداري إعادة النظر في هيكليات الادارات العامة لجعلها اكثر مجاراة ومتابعة لحركة التطور وأكثر تلبية للمرافق العامة التي تتولاها .

وحيث تبين لنا ضرورة إعادة النظر في بعض طروحات هذا المشروع .

لذلك ، يرجى اعادة ملف مشروع القانون الينا بحالته الراهنة على أن نودعكم اياه لاحقاً بعد تضمينه التعديلات المراد ادخالها عليه .

وزير الموارد المائية والكهربائية

الياس حبيقه

#٩٨/٤٩٨

3.

مشروع القانون

الرامي الى اعادة تنظيم قطاع المياه

الفصـــل الاول

مبادىء عامـــــــة

المادة الاولى :

تشكل المياه جزءا هاما من التراث المشترك للمجتمع اللبناني . وتعتبر حماية هـذا المورد الطبيعي وتنميته ، ضمن إطار المحافظة على البيئة والتوازنات الطبيعية من صلب المنفعة العامة .

المادة الثانية :

يهدف هذا القانون الى تأمين إدارة الموارد المائية وتوفير مراقبة متوازنة له وفقـا للمباديء الآتية :

- إدارة الموارد المائية إدارة عقلانية علمية .
- تعزيز مفهوم المردود الاقتصادي في حماية الموارد المائية وتنميتها وتخصيصهـــا وتوزيعها حسب حاجات المجتمع والنشاط الاقتصادي .
- تأمين خدمة مناسبة للمستفيدين من المياه بالسرعة والنوعية المناسبتين .
- تقوية وتشجيع مشاركة القطاع الخاص في تأدية الخدمات .
- المحافظة على التوازن الطبيعي (الايكولوجي) في كافة المناطق اللبنانية ، والعمـل على استعادة هذا التوازن في المناطق التي تعرضت للخلل .
- حماية المياه الجوفية والسطحية من التلوث ، واتخاذ الاجراآت الكفيلة لمنع تلوثهـــا ولاعادتها الى نوعيتها الطبيعية .
- إنشاء ووضع قيد التنفيذ إطار مؤسساتي مناسب لتطبيق سياسة مائية وطنية .

المادة الثالثة :

مع مراعاة المهام الموكلة الى وزارة الموارد المائية والكهربائية (في قطـــاع الكهرباء) والمحددة في المادة الاولى من القانون رقم ٦٦/٢٠ وفي قطاع المياه المذكورة في المادة الرابعة ادناه .

تنشأ المؤسسات الاستثمارية لمياه الشرب والمياه المبتذلة ومياه الري لتنظيم وإدارة ومراقبة المياه في نطاق استثمارها على ان تتولى المصلحة الوطنية لنهر الليطاني الاهتمام بشؤون الري في نطاق استثمارها (البقاع الجنوبي ولبنان الجنوبي) .

الفصل الثاني

مهام وزارة الموارد المائية والكهربائية في قطاع المياه

المادة الرابعة : صلاحيات ومهام وزارة الموارد المائية والكهربائية .

تتضمن صلاحيات ومهام وزارة الموارد المائية والكهربائية في قطاع المياه ما يلي على سبيل الذكر لا الحصر :

١ – تقدير الموارد المائية السطحية منها والجوفية .

٢ – تقدير الحاجات الى المياه من منزلية وشروب واستعمالات عامة وصناعية وزراعية .

٣ – تخصيص وتوزيع بشكل عقلاني وعلمي للموارد المائيةعلى مختلف القطاعات .

٤ – وضع المخطط التوجيهي الوطني للمياه وتحديثه بشكل دوري .

٥ – إدارة الموارد المائية بشكل عقلاني علمي .

٦ – وضع الشروط لتنظيم مساهمة القطاع الخاص في شؤون المياه .

٧ – مراقبة نوعية المياه السطحية والمياه الجوفية .

٨ – العمل الدائم لتحسين نوعية مياه الأنهر والينابيع والآبار الجوفية .

٩ – تحديد الحدود الدنيا المقبولة بالنسبة لنوعية وكمية المياه الموزعة وكذلك الحدود العليا بالنسبة للمياه المبتذلة ومراقبتها .

١٠ – المساهمة في وضع الأنظمة القياسية لمراقبة نوعية المياه .

١١ – وضع موضع التنفيذ مبدأ تحميل الملوث نفقات ازالة التلوث وتحميل المستفيدين من تحسين البيئة اكلاف هذا التحسين .

١٢ – تحضير مشاريع مراسيم الاستملاك والعمل على استصدارها .

١٣ – الاهتمام بشؤون الحقوق على المياه والتحكيم والمساهمة في حل الخلافات المتعلقة بهاوبالمياه عامة.

١٤ – وضع الاهداف والاستراتيجيات والنصوص لسياسة استعادة الاكلاف ولتحديد تعرفات تأمين مياه الشرب والمياه المبتذلة ومياه الري والمياه الصناعية .

١٥- تقييم برامج العمل التي تضعها المؤسسات الاستثمارية المستقلة للمياه والتصديق عليها.

١٦ - تقييم إداء المؤسسات الاستثمارية المستقلة للمياه ووضع الاقتراحات واتخاذ الاجراآت المناسبة .

١٧- وضع سرعة المياه وتحديثها بصورة دورية.

١٨- تأمين الحماية الفعلية من الفيضانات للاشخاص والممتلكات اخذا بعين الاعتبار النصوص المرعية الاجراء .

١٩ - ايجاد الانظمة المناسبة لمتابعة وترقب الفيضانات والتحذير من خطرها .

٢٠- منح إجازات وتراخيص لاستثمار المشاريع المائيةوفقا للنصوص المرعية الاجراء .

٢١- منح تراخيص استثمار المناجم وابداء الرأي في تراخيص المقالع اذا كان لها تأثير على الموارد المائية ووفقا للنصوص المرعية الاجراء .

٢٢-وضع شروط وأنظمة حماية واستثمار المياه السطحية والجوفية .

٢٣- تصميم ودراسة وتنفيذ ووضع في الاستثمار المنشآت المائية الكبرى ذات الفائدة المشتركة كالسدود وغيرها .

٢٤- مراقبة امتيازات الكهرباء القائمة وفقا للانظمة المرعية الاجراء .

٢٥- تأمين الاعلام والعلاقات العامة اللازمة للسماح للمواطنين بالوقوف على نشاطات الادارة والمؤسسات الاستثمارية للمياه .

٢٦- جمع ونشر كافة المعطيات الهيدروجيولوجية والهيدرومترية .

٢٧- اعلام الجمهور والمواطنين بما يتعلق بالموارد المائية من مشاريع ونصوص قانونية وتنظيمية وغيرها .

الفصل الثالث

المؤسسات الاستثمارية لمياه الشرب والري والمياه المبتذلة

المادة الخامسة :

تصبح مؤسسات استثمارية لمياه الشرب والمياه المبتذلة ومياه الري المؤسسات العامة المنشأة بموجب المراسيم رقم ٩٦٢٦و٩٦٢٧و٩٦٢٨و٩٦٢٩و٩٦٣٠ الصادرة بتاريخ ١٩٩٦/١٢/١٣ وهي :

- المؤسسة الاستثمارية لمياه الشرب ومياه الري والمياه المبتذلة للبنان الشمالي .
- المؤسسةالاستثمارية لمياه الشرب والمياه المبتذلة في لبنانالجنوبي.
- المؤسسة الاستثمارية لمياه الشرب والمياه المبتذلة ومياه الري لبيروت وجبل لبنان .
- المؤسسة الاستثمارية لمياه الشرب والمياه المبتذلة ومياه الري للبقاع الشمالي .
- المؤسسة الاستثمارية لمياه الشرب والمياه المبتذلة للبقاع الجنوبي .

تخضع هذه المؤسسات لاحكام قانون التجارة والأحكام الواردة في القانون هذا .

عند صدور هذا القانون يباشر بدمج كافة المصالح واللجان ضمن المؤسسات الاستثمارية العائدة لها على ان تتم في مهلة انتقالية لا تتعدى الثلاث سنوات .

تسعى مجالس الادارة العائدة للمؤسسات الاستثمارية المذكورة لدراسة امكانية مساهمة القطاع الخاص في نشاطاتها وفي كافة الاحوال عليها تعيين شركة لمراقبة حساباتها التي يدورها عليها القيام بمهامها وفقا للأصول المعترف بها دوليا في هذا المجال .

المادة السادسة :

تكون المؤسسات الاستثمارية لمياه الشرب والمياه المبتذلة ومياه الري كل في نطاق استثمارها مسؤولة عن اقامة التجهيزات وتوزيع المياه ومعالجة مياه الشرب وجمع ومعالجة المياه المبتذلة وإدارة مياه الري . وفي سياق عملها يمكن للمؤسسات الاستثمارية المذكورة اللجوء الى مختلف وسائل الادارة المقبولة عالميا نورد على سبيل الذكر لا الحصر المشاركة والامتياز والادارة المباشرة او أي نظام مشترك بين الوسائل المذكورة .

المادة السابعة : مهمات المؤسسات الاستثمارية .

تقع على عاتق المؤسسات الاستثمارية لمياه الشرب والمياه المبتذلة ومياه الري المهمات التالية وهي على سبيل الذكر لا الحصر :

١ – تصميم ودراسة وتنفيذ المشاريع المحلية والاقليمية وذلك وفقاً للمخطط التوجيهي الوطني العام للمياه الموضوع من قبل وزارة الموارد المائية والكهربائية .

٢ – انشاء وتشغيل وصيانة كافة منشآت البنية التحتية للمياه (شرب ومياه مبتذلة وري) .

٣ – إدارة الخدمات المسؤولة عنها تجاه المواطنين .

٤ – وضع سياسة تعرفات تعتمد على برنامج العمل وتحصيل المستحقات . .

٥ – تنمية الموارد البشرية وادارة جهاز المستخدمين .

٦ – اللجوء الى القطاع الخاص في بعض النشاطات كالأدارة اوالتشغيل والصيانة للتجهيزات والاستثمار وغيرها .

٧ – مراقبة نوعية مياه الشرب والري الموزعة وكذلك مياه الصرف الصحي .

٨ – تحضير برامج العمل وتحديثها سنوياً ورفعها لوزارة الموارد المائية والكهربائية للموافقة والتصديق .

٩ – طلب موافقة وزارة الموارد المائية على استثمار مياه (المياه ملك عام) او على الصرف الصحي في مصبات جديدة .

١٠– وضع موضع التنفيذ الوسائل اللازمة والضرورية لتوزيع المياه بالعدادات .

١١ – تصميم مشاريع الري الكبرى وفقاً للمخطط التوجيهي الوطني العام الموضوع من قبل وزارة الموارد المائية والكهربائية .

١٢– دراسة تنفيذ شبكات الري الاولية و الثانوية وكذلك المنشآت الرئيسية للحصر و الضخ

١٣– تشغيل وصيانة الشبكات الاولية و الثانوية للري

١٤– بيع مياه الري من جمعيات المزارعين ووضع سياسة تعرفات مبنية على برنامج العمل وتحصيل المستحقات

١٥–تبقى عملية انشاء وصيانة الشبكات الثالثيةضمن نطاق الاستثمار على عاتق جمعيات المزارعين و المستثمرين الذين يقررون تعرفة المياه على مستوى المزارع او الملاك

المادة الثامنة : التعرفات

على مجلس الادارة ان يضع سياسة تعرفات لمياه الشرب والري و المياه المبتذلة على اساس الكلفة يضاف اليها نسبة ربح معقولة تحفز القطاع الخاص على المساهمة بنشاطات المؤسسات الاستثمارية على ان تؤخذ بعين الاعتبار الاوضاع الاجتماعية للاهلين .

ويخضع تطبيق هذه التعرفة للموافقة المسبقة من قبل لجنة التنظيم المالي المنشأة ضمن وزارة الموارد المائية و الكهربائية.

المادة التاسعة : مجالس الادارة .

يؤلف مجلس ادارة من سبعة اعضاء يتم تعيينهم من قبل مجلس الوزارة بناء على اقتراح وزير الموارد المائية والكهربائية . يضم مجلس الادارة ممثلين عن الدولة و المستهلكين والبلديات و القطاع الخاص تحدد بمرسوم يتخذ في مجلس الوزراءبناء على اقتراح وزير الموارد المائية و الكهربائية المؤهلات و الاختصاصات التي يجب توفرها في اعضاء مجالس الادارة هذه

يخضع مجلس الادارة لاحكام قانون التجارة و في حال قبول مساهمة القطاع الخاص يحدد بمرسوم يتخذ في مجلس الوزارة بناء على اقتراح وزير الموارد المائية و الكهربائية كيفية مشاركة القطاع الخاص وفي المؤسسة ويوافق على انظمة المؤسسة المختلطة .

ان مدة ولاية مجلس الادارة هي ثلاث سنوات قابلة للتجديد .

المادة العاشرة : مهام مجالس الادارة

ان مهام مجالس الادارة للمؤسسة الاستثمارية للمياه هي تلك المعترف و المعمول بها من قبل أي مجلس ادارة بموجب قانون التجارة ومنها على سبيل المثال لا الحصر

- اقتراح الانظمة و الموافقة عليها
- اقتراح و الموافقة على الية سير العمل التي تمكن المؤسسة الاستثمارية من بلوغ اهدافها
- وضع نظام المستخدمين وتحديد اصول التعيين و الصرف من العمل وتحديد الرواتب
- القيام بجردة الموجودات وتقديرها وتحديد الأصول
- الاقتراض في سبيل تمويل التوظيفات اللازمة لنشاط المؤسسة الاستثمارية

المادة الحادية عشرة : التنظيم الاداري

يوضع ويعدل التنظيم الاداري الداخلي للمؤسسة الاستثمارية من قبل مجلس الادارة ويعرض على موافقة وزير الموارد المائية والكهربائية وفي حال مساهمة القطاع الخاص في رأسمال او ادارة المؤسسة الاستثمارية يوضع نظام الشركة ويوافق عليه من قبل مجلس الوزراء الذي يمكن ان يمنح مجلس الادارة سلطة وضع وتعديل الهيكلية الادارية .

الفصـــــل الرابـــع

لجنة تنظيم التعرفـــــات

المادة الثانية عشرة :

تنشأ ضمن وزارة الموارد المائية والكهربائية لجنة تنظيم التعرفـات مهمتـها درس والموافقة على التعرفات المقترحة من قبل المؤسسات الاسـتثمارية لميـاه الشـرب والري و المياه المبتذلة لدرس تأثيراتها المالية ٠

وتؤلف هذه اللجنة من ثلاثة اعضاء احدهم يمثل وزير الموارد المائية و الكهربائية والاخر يمثل وزير المالية

ويكون ثالث الاعضاء خبيرا ماليا بمستوى رفيع من القطاع الخاص٠

وعلى هذه اللجنة ان تقترح على وزير المـوارد المائيـة والكهربائيـة التعرفـة المفروض اعتمادها مع تبريراتها ٠

الفصـــــل الخامـــس

التدابيـــر الانتقاليـــــة

المادة الثالثة عشرة : تدابير انتقالية

تعتبر لاغية كافة النصوص المخالفة لهذا القانون ابتداء من تاريخ وضع موضـــــع التنفيذ التدريجي للقانون المذكور ما عدا ما يتعلق منـــها بـــالنصوص القانونيـــة المتعلقة بقطاع الكهرباء ٠

المادة الرابعة عشرة :

يتم تطبيق دقائق هذا القانون وتنظيم تفاصيلها عند الحاجة بموجب مراسيم تتخذ فـــي مجلس الوزراء بناء على اقتراح وزير الموارد المائية والكهربائية

المادة الخامسة عشرة :

يعمل بهذا القانون بعد تصديقه ونشره وفقا للاصول في الجريدة الرسمية ٠

٩٨/٥١٤

Contract Title	Contract Value at End April 1998	T. Contract	Fina Co. Value	Foreign Financing		Local Financing		Expenditure at end 1997	Expenditure for 1997	Net Con Value	Projected Disbursement			
Wastewater				Source	Amount	Source	Amount				1998	1998	1999	1999
Yr 1 Sewer Network											Foreign	Local	Foreign	Local
Works(Gico)	20,672,027		20,672,027	IBRD?IEB	6,176,047	CDR	14,495,980	14,386,174	4,044,672	6,285,853		2,970,367		3,315,485
Supervision/Design	1,537,357		1,537,357	IBRD?IEB	418,174	CDR	1,119,183	912,962	15,660	624,395		438,439		185,955
General Urgent Works			0							0				
Works		11,000,000	11,000,000			CDR	11,000,000			11,000,000		1,100,000		5,000,000
Supervision	765,000		765,000			CDR	765,000	51,500		713,500		200,000		513,500
Qmaytiya			0							0				
Supervision	111,385		111,385			CDR	111,385	67,394	31,992	43,991		43,991		
Works	898,691		898,691			CDR	898,691	251,043	251,041	647,648		647,648		
Bsalbeck WWTP			0							0				
Expropriation		250,000	250,000			CDR	250,000			250,000		250,000		
Supervision		270,000	270,000	IBRD	270,000					270,000	27,000		121,500	
Works	4,741,614		4,741,614	IBRD	4,030,371	CDR	711,242			4,741,614	474,161	71,124	2,133,726	320,059
Laboueh WWTP			0							0				
Expropriation			0			CDR	ZERO			0		ZERO		
Supervision		157,000	157,000	IBRD	157,000					157,000	15,700		70,650	
Works		3,500,000	3,500,000	IBRD	2,975,000	CDR	525,000			3,500,000	350,000	52,500	1,575,000	236,250
Zahle WWTP			0							0				
Design	480,000		480,000	ITY	480,000					480,000	48,000		480,000	
Expropriation		1,000,000	1,000,000			CDR	1,000,000			1,000,000		500,000		500,000
Works		30,000,000	30,000,000	ITY	21,000,000	CDR	9,000,000			30,000,000	2,100,000	900,000	7,000,000	3,000,000
Jbeil WW Caza System			0							0				
Feasibility Study	277,586		277,586			CDR	277,586	27,758	27,758	249,828		138,793		138,793
Jbeil, Cheka, Batroun			0							0				
Feasibility/ Design	353,481		353,481	FR PROT	319,132	CDR	35,348	35,348	35,348	318,133	319,132			
Civil Works		7,100,000	7,100,000			CDR	7,100,000			7,100,000				710,000
Equipment		16,000,000	16,000,000	FR PROT						16,600,000			1,660,000	
Nabatiya			0							0				
Feasibility/Design	377,026		377,026	FR PROT	339,323	CDR	37,702	37,702	37,702	339,324	339,323			
Civil Works		4,000,000	4,000,000			CDR	4,000,000			4,000,000				400,000
Equipment		9,300,000	9,300,000	FR PROT	9,300,000								930,000	

Contract Title	Contract Value at End April 1998	T. Contract	Fin Co. Value	Foreign Financing		Local Financing		Expenditure at end 1997	Expenditure for 1997	Net Con Value	Projected Disbursement			
Wastewater				Source	Amount	Source	Amount				1998	1998	1999	1999
Koura/Amoun			0							0				
Feasibility/Design	144,196		144,196	FR PROT	129,776	CDR	14,419			144,196	129,776	14,419		
Civil Works		1,400,000	1,400,000			CDR	1,400,000			1,400,000				140,000
Equipment		3,300,000	3,300,000	FR PROT	3,300,000					3,300,000			330,000	
Baabda/Dleybeh			0							0				
Feasibility/Design	168,341		168,341	FR PROT	151,506	CDR	16,834			168,341	151,506	16,834		
Civil Works		2,100,000	2,100,000			CDR	2,100,000			2,100,000				210,000
Equipment		5,000,000	5,000,000	FR PROT	5,000,000					5,000,000			500,000	
Coastal Major Schemes			0							0				
Dawra			0							0				
Supervision	1,316,000		1,316,000			Mun.	1,316,000			1,316,000		292,356		346,084
Works	44,000,000		44,000,000			Mun.	44,000,000			44,000,000		12,427,930		12,427,000
Tripoli			0							0				
Feasibility	436,381		436,381	EIB	436,381			247,821		188,560	188,560			
Design		690,000	690,000			CDR	690,000			690,000		69,000		310,500
Supervision			0							0				
Kesrwan/Tabarja			0							0				
Design	968,319		968,319			CDR	968,319	254,285	254,285	714,034	714,034			
Expropriation		10,410,000	10,410,000			CDR	10,410,000			10,410,000				5,205,000
Supervision		2,425,348	2,425,348	EIB	2,425,348					2,425,348			1,333,941	
Treatment&Collector works		34,647,829	34,647,829	EIB	34,647,829					34,647,829			15,938,000	
Saida			0							0				
Design	838,186		838,186			CDR	838,186	455,883	339,270	382,303		382,303		
Expropriation			0			CDR	ZERO			0		ZERO		ZERO
Sour			0							0				
Design	907,263		907,263			CDR	907,263	468,298	348,339	438,965		438,965		
Supervision		1,106,077	1,106,077	EIB	1,106,077					1,106,077			663,635	
Works		15,362,175	15,362,175	EIB	15,362,175					15,362,175			6,144,869	
Chouf Coastal			0							0				
Feasibility	302,703		302,703	FR PROT	302,703					302,703	302,703			
Civil Works		2,400,000	2,400,000			CDR	2,400,000			2,400,000				240,000
Equipment		5,600,000	5,600,000	FR PROT	5,600,000					5,600,000			5,600,000	
Support Municipalities			0							0				

Contract Title	Contract Value at End April 1998	T. Contract	Fin. Cn. Value	Foreign Financing		Local Financing		Expenditure at end 1997	Expenditure for 1997	Net Con Value	Projected Disbursement			
Wastewater				Source	Amount	Source	Amount				1998	1998	1999	1999
4 Hydrocu-tesu	716,580		716,580	FR PROT	666,580	CDR	50,000			716,580	666,580	50,000		
Storm Water			0							0				
Beirut Suburbs			0							0				
North	5,645,316		5,645,316			MF	5,645,316	3,014,164	2,252,142	2,631,152		2,631,152		
South	5,651,493		5,651,493			MF	5,651,493	3,075,696	2,408,899	2,575,797		2,575,797		
E&S	447,400		447,400			MF	447,400	243,594	228,365	203,806		203,806		
Tripoli			0							0				
Works	4,139,220		4,139,220			MF	4,139,220	3,593,904	2,570,512	545,316		545,316		
E&S	179,700		179,700			MF	179,700	146,223	112,126	33,477		33,477		
Jounieh			0							0				
Works	3,013,200		3,013,200			MF	3,013,200			3,013,200		301,320		1,355,940
E&S	120,528		120,528			MF	120,528			120,528		12,052		54,238
Zahleh			0							0				
Works	4,158,788		4,158,788			MF	4,158,788	1,776,609	1,384,510	2,382,179		1,780,485		601,693
E&S	156,846		156,846			MF	156,846	71,064	71,294	85,782		64,940		20,832
Saida			0							0				
Works	1,346,150		1,346,150			MF	1,346,150	0		1,346,150		475,085		435,532
E&S	53,846		53,846			MF	53,846	0		53,846		26,923		26,923
Sour			0							0				
Works	1,260,584		1,260,584			MF	1,260,584	0		1,260,584		495,490		765,094
E&S	50,420		50,420			MF	50,420	0		50,420		22,689		22,689
Nabatiya			0							0				
Works	2,609,424		2,609,424			MF	2,609,424	0		2,609,424		1,067,532		1,541,891
E&S	104,377		104,377			MF	104,377	0		104,377		34,444		69,932
Stormwater Network In Gr. Beirut 3 years:O&M			0							0				
Works East	5,337,000		5,337,000			MF	5,337,000			5,337,000		533,700		2,401,650
Works West	5,260,500		5,260,500			MF	5,260,500			5,260,500		526,050		2,367,225
E&S	523,613		523,613			MF	523,613			523,613		52,361		235,626
Stormwater Network In Tripoli			0							0				
Works	3,095,370		3,095,370			MF	3,095,370			3,095,370		309,537		1,392,916
E&S	165,128		165,128			MF	165,128			165,128		16,512		74,308
Ghadir O&M (Subai)	561,668		561,668			MF	561,668			561,668		187,777		300,033
TOTAL	123,892,707	167,018,429	290,911,136			0	160,318,709	29,117,422		261,793,714	5,828,473	32,845,112	44,483,320	44,867,147
											Foreign	Local	Foreign	Local

Water Supply:Budget 98/99

Contract Title	Contract Value at end April 1998	T. Contract	Final Con. Value	Foreign Financing		Local Financing		Expenditure at end 1997	Expenditure during 1997	Net Contr.Value	Projected Disbursement			
Water Supply				Source	Amount	Source	Amount		Foreign		1998	1998	1999	1999
(SIU Extension)	818,091		818,091	WIMEU				541,142	541,142	276,949	541,142			
O+M for Yr1 works			0							0				
Supervision		922,500	922,500	IBRD	922,500					922,500			304,425	
Works		22,000,000	22,000,000	IBRD	11,000,000	MIBR	11,000,000			22,000,000			3,382,500	3,382,500
TOTAL	171,055,048	269,660,930	440,715,978		338,754,403	0	102,281,499	41,755,855	14,292,867	398,960,123	44,550,807	15,919,589	92,328,618	35,086,566
											Foreign	Local	Foreign	Local

Water Supply:Budget 98/99

Contract Title	Contract Value at end April 1998	T. Contract	Final Con. Value	Foreign Financing		Local Financing		Expenditure at end 1997	Expenditure during 1997	Net Contr.Value	Projected Disbursement			
Water Supply				Source	Amount	Source	Amount		Foreign		1998	1998	1999	1999
Supervision	782,000	450,000	1,232,000	IBRD	1,232,000			177,264	177,264	1,054,736	500,000		500,000	
Works	17,187,257	10,000,000	27,187,257	IBRD	23,109,168	CDR	4,078,089	3,849,639	3,886,461	23,337,618	4,250,000	750,000	8,500,000	1,500,000
Yammouni Phase 2			0							0				
Expropriation		1,000,000	1,000,000			CDR	1,000,000			1,000,000				500,000
Supervision		700,000	700,000	IDB	700,000					700,000				70,000
Works		16,000,000	16,000,000	IDB	14,400,000	CDR	1,600,000			16,000,000			1,440,000	160,000
Oun Orgosh Hermel			0							0				
Expropriation		1,000,000	1,000,000			CDR	1,000,000			1,000,000				500,000
Supervision		540,000	540,000	IDB	54,000					540,000				54,000
Works		12,000,000	12,000,000	IDB	10,800,000	CDR	1,200,000			12,000,000			1,080,000	120,000
Yammouneh WWW			0							0				
Expropriation		300,000	300,000			CDR	300,000			300,000				150,000
Supervision /Design		250,000	250,000			CDR	250,000			250,000		25,000		125,000
Works		4,500,000	4,500,000	IBRD	3,825,000	CDR	675,000			4,500,000	382,500	67,500	1,912,500	337,500
Salda Water System			0							0				
Expropriation		200,000	200,000			CDR	200,000			200,000		100,000		100,000
Supervision		283,635	283,635	AF	283,635					283,635	28,000		91,662	
Works	4,135,901		4,135,901	AF	3,515,515	CDR	620,385			4,135,901	351,515	62,000	1,581,981	280,000
Sour Water System			0							0				
Expropriation		2,200,000	2,200,000			CDR	2,200,000			2,200,000		1,100,000		1,100,000
Supervision		979,785	979,785	AF	979,785					979,785	97,980		440,900	
Works			0							0				
Rural		13,888,000	13,888,000	AF	11,804,800	CDR	2,083,200			13,888,000	1,180,480	208,000	5,312,160	937,440
Urban		7,885,000	7,885,000	AF	6,702,250	CDR	1,182,750			7,885,000	670,225	118,275	2,848,456	502,668
Nahatiye WWW			0							0				
Supervision		994,770	994,770	IBRD	994,770					994,770	99,477		298,431	
Works		22,106,000	22,106,000	IBRD	18,790,100	CDR	3,315,900			22,106,000	1,879,010	331,591	7,985,792	1,409,257
Akkar Wells			0							0				
Expropriation		150,000	150,000			CDR	150,000			150,000		75,000		75,000
Supervision	155,540		155,540	SA	155,540					155,540	100,500		55,040	

Water Supply:Budget 98/99

Contract Title	Contract Value at end April 1998	T. Contract	Final Con. Value	Foreign Financing		Local Financing		Expenditure at end 1997	Expenditure during 1997	Net Contr. Value	Projected Disbursement			
Water Supply				Source	Amount	Source	Amount		Foreign		1998	1998	1999	1999
Works	2,587,170		2,587,170	SA	2,587,170					2,587,170	1,000,000		1,587,170	
Akkar / Akroum / Kfatoun			0							0				
Design /Supervision		489,240	489,240	SA	489,240					489,240	48,924		146,772	
Works		10,872,000	10,872,000	SA	5,436,000	CDR	5,436,000			10,872,000	543,600	543,600	2,446,200	2,446,200
Expropriation		500,000	500,000			CDR	500,000			500,000				250000
Akkar/Bhoin System			0							0				
Expropriation		1,000,000	1,000,000			CDR	1,000,000			1,000,000				500,000
Supervision		1,215,000	1,215,000	IDB	1,215,000		1,215,000			1,215,000			273,375	
Works		27,000,000	27,000,000	IDB	24,300,000	CDR	2,700,000			27,000,000			5,467,500	607,500
Displaced Villges														
Chouf	2,554,167		2,554,167	SF	1,787,916	CDR	766,250	890,441	628,990	1,663,726	1,164,608	499,117		
Aley	2,831,444		2,831,444	SF	1,982,010	CDR	849,433	1,183,587	1,183,587	1,647,857	1,153,499	494,357		
Supervision	290,285		290,285	SF	290,285			210,730	210,730	79,555	79,555			
Bisri Dam			0							0				
Geotechnical Investigation	858,810		858,810			CDR	858,810	536,907	530,805	321,903		321,903		
Design	2,196,420		2,196,420			CDR	2,196,420	1,607,311	324,437	589,109		589,109		
Awali			0							0				
Design	2,162,679		2,162,679			CDR	2,162,679	1,962,754	387,905	199,925		199,925		
REP for BOT	998,000		998,000	IBRD	400,000	CDR	598,000	215,937	215,937	782,063	175,937	606,126		
Expropriation		1,200,000	1,200,000			CDR	1,200,000			1,200,000				600,000
Special Projects			0							0				
Catchment of Madiq Source		61,000,000	61,000,000	OECF	61,000,000					61,000,000			6,100,000	
Expropriation		2,000,000	2,000,000			CDR	2,000,000			2,000,000				1,000,000
Supervision		2,400,000	2,400,000	OECF	2,400,000					2,400,000			240,000	
Support of Ministry			0							0				
Equipment for MHER	1,020,000		1,020,000	FRPROT	880,000	CDR	140,000	140,000	140,000	880,000	880,000			
Eq + Pipes for MHER	1,867,274		1,867,274	FRPROT	1,702,274	CDR	165,000	165,000	165,000	1,702,274	1,702,274			
Pipes, valves for Tripoli WA	1,498,954		1,498,954	FRPROT	1,218,954	CDR	280,000	280,000	280,000	1,218,954	1,218,954			
Disenfection units for MHER	530,000		530,000	FRPROT	502,000	CDR	28,000			530,000	502,000	28,000		
Technical Assistance	4,681,485		4,681,485	FRPROT	4,681,485			3,728,608		952,877	952,877			

ANNEX 5:

CDR INVESTMENT PROGRAMS
WATER AND WASTEWATER SECTORS

Water Supply:Budget 98/99

Contract Title	Contract Value at end April 1998	T. Contract	Final Con. Value	Foreign Financing		Local Financing		Expenditure at end 1997	Expenditure during 1997	Net Contr.Value	Projected Disbursement			
Water Supply				Source	Amount	Source	Amount		Foreign		1998	1998	1999	1999
All Leb. (yr. 1)											Foreign	Local	Foreign	Local
Sources& Boreholes	3,214,676		3,214,676	EIB/IBRD	1,701,550	CDR	1,513,126	2,761,772	854,180	452,904		452,904		
Transmissions	22,604,460		22,604,460	EIB/IBRD	9,843,779	CDR	12,760,681	14,946,899	1,701,889	7,657,561		3,300,000		4,357,561
Supervision	3,122,645		3,122,645	EIB/IBRD	1,915,098	CDR	1,207,547	2,775,954		346,691		120,000		226,691
2nd + 3rd yr			0							0				
Water Treatment	13,277,890		13,277,890	FP	10,156,285	CDR	3,326,568	1,464,546	332,929	11,813,344	3,894,403	450,000	3,894,403	1,510,177
Pumping	18,860,468		18,860,468	FP	14,439,715	CDR	4,624,809	2,657,153	1,071,400	16,203,315	5,347,093	1,050,352	5,347,093	2,132,533
Supervision	1,489,301		1,489,301			CDR	1,489,301	192,861	192,861	1,296,440		427,825		868,614
Qobayat W+WWTW	12,992,232		12,992,232	EIB	12,992,232					12,992,232	4,000,000		8,000,000	
Supervision	175,395		175,395			CDR	175,395			175,395		54,135		86,035
Expropriation		4,400,000	4,400,000			CDR	4,400,000			4,400,000		1,100,000		1,100,000
Tripoli W+WWTW	17,587,665		17,587,665	EIB	17,587,665					17,587,665	4,000,000		8,000,000	
Supervision	219,846		219,846			CDR	219,846			219,846		68,000		107,890
Expropriation		1,000,000	1,000,000			CDR	1,000,000			1,000,000		700,000		300,000
Batroun W+WWTW	15,120,677		15,120,677	EIB	15,120,677					15,120,677	5,000,000		8,000,000	
Supervision	204,129		204,129			CDR	204,129			204,129		70,000		120,000
Expropriation		4,000,000	4,000,000			CDR	4,000,000			4,000,000				2,000,000
Beit Water System			0							0				
Design	174,300		174,300			CDR	174,300	17,430	17,430	156,870		156,870		
Works		11,000,000	11,000,000	ITY	11,000,000					11,000,000			660,000	440,000
Four Antellas Wks		15,000,000	15,000,000	ITY	10,500,000	CDR	4,500,000			15,000,000			1,050,000	450,000
Supervision		675,000	675,000	ITY	675,000					675,000			67,500	
Expropriation		1,000,000	1,000,000			CDR	1,000,000			1,000,000				500,000
Metn - Baroudi			0							0				
Expropriation		6,060,000	6,060,000			CDR	6,060,000			6,060,000		1,000,000		3,030,000
Supervision	356,680		356,680	IBRD	356,680					356,680	106,254		214,758	
Works	14,499,207		14,499,207	IBRD	12,324,325	CDR	2,174,881	1,449,920	1,449,920	13,049,287	2,700,000	600,000	5,100,000	500,000
Nabi Chit W+WWTW			0							0				
Expropriation		500,000	500,000			CDR	500,000			500,000		250,000		250,000

Annex 6: Metering Cost Benefit Analysis

The attached worksheet is a preliminary and pro-forma estimate of the cost effectiveness of undertaking a metering program in conjunction with a program to reduce unaccounted for water (UFW) in greater Beirut. There are several assumptions made, and which may not be applicable in every case to the Greater Beirut and Mount Lebanon Water Authority. These are:

- the metering program is done at the same time as a program is executed to reduce UFW;
- six years is assumed to be enough time to meter the entire greater Beirut area;
- only domestic customers are metered;
- UFW is reduced from 40 to 20 percent in six years;
- the primary, secondary and tertiary network do not need to be upgraded;
- water meters cost about US$50 installed; and
- a billing and collection contract is instituted that pays 3% of revenues collected.

The results show that metering and reducing UFW have a powerful effect on a water utility's finances and the needed investment can pay for itself in a very short period of time. Using the above assumptions, the program pays for itself in about 5 years (even before the entire city is metered) and over ten years the financial internal rate of return is approximately 60 percent. It also shows that this service could be attractive to the private sector with revenues to the contractor of about $0.40/customer/month.

The example worked out here is a simple one, and there are a few crucial assumptions made. However, the cost benefit results are very robust, allowing for some relaxation of the assumptions to reflect actual conditions on the ground while still producing a very favorable financial return. It is for this reason that a metering and UFW program is recommended for an early feasibility study.

O.E.B. Metering Cost Benefit Analysis
($000)

Parameters										
Customer Growth Rate		10,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000
Number of Domestic Customers	300,000	310,000	320,000	330,000	335,000	340,000	345,000	350,000	355,000	360,000
Customers Metered per year (%)	0.05	0.20	0.20	0.20	0.20	0.15				
Customers Metered per year (#)	17,000	68,000	68,000	68,000	68,000	51,000	20,000	40,000	45,000	50,000
Average Water Tariff ($/m3)	0.36						Replacement Regime ---->			
Average Sewer Tariff ($/m3)	0.02									
Cost per meter (Installed,US$)	50									
Billing & Collection Fee (%)	3.00%									
With Metering Program										
Base Water Produced (000 m3)	175,980	175,980	175,980	175,980	175,980	175,980	175,980	175,980	175,980	175,980
Technical UFW (%)	0.30	0.27	0.24	0.21	0.18	0.17	0.17	0.17	0.17	0.17
Commercial UFW (%)	0.10	0.11	0.09	0.07	0.05	0.03	0.03	0.03	0.03	0.03
Total UFW (%)	0.40	0.38	0.33	0.28	0.23	0.20	0.20	0.20	0.20	0.20
Water Delivered (000 M3)	105,588	109,108	117,907	126,706	135,505	140,784	140,784	140,784	140,784	140,784
YEAR	1	2	3	4	5	6	7	8	9	10
Sales										
Water	38,012	39,279	42,446	45,614	48,782	50,682	50,682	50,682	50,682	50,682
Sewer	2,112	2,182	2,358	2,534	2,710	2,816	2,816	2,816	2,816	2,816
Other	9,990	11,270	11,560	11,670	7,780	7,880	7,980	8,080	8,180	8,280
Total	50,113	52,731	56,365	59,818	59,272	61,378	61,478	61,578	61,678	61,778
Capital Investments										
Meters	850	3,400	3,400	3,400	3,400	2,550	1,000	2,000	2,250	2,500
Expenses										
Operating Costs Water Supply	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040
Operating Costs Wastewater	0	0	5,490	5,490	5,490	5,490	5,490	5,490	5,490	5,490
Maintenance Costs	4,460	4,460	4,460	4,460	4,460	4,460	4,460	4,460	4,460	4,460
Administrative Costs	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710
Total Operating Costs	22,210	22,210	27,700	27,700	27,700	27,700	27,700	27,700	27,700	27,700
Billing & Collection Contract	1,204	1,244	1,344	1,444	1,545	1,605	1,605	1,605	1,605	1,605
Metering + Operating + Billing	24,264	26,854	32,444	32,544	32,645	31,855	30,305	31,305	31,555	31,805
Net	25,850	25,877	23,920	27,274	26,627	29,523	31,173	30,273	30,123	29,973
Without Metering Program										
Base Water Produced (000 m3)	175,980	175,980	175,980	175,980	175,980	175,980	175,980	175,980	175,980	175,980
Technical UFW (%)	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Commercial UFW (%)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Total UFW (%)	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Water Delivered (000 M3)	105,588	105,588	105,588	105,588	105,588	105,588	105,588	105,588	105,588	105,588
YEAR	1	2	3	4	5	6	7	8	9	10
Sales ($ 000)										
Water	38,012	38,012	38,012	38,012	38,012	38,012	38,012	38,012	38,012	38,012
Sewer	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112	2,112
Other	9,990	11,270	11,560	11,670	7,780	7,880	7,980	8,080	8,180	8,280
Total	50,113	51,393	51,683	51,793	47,903	48,003	48,103	48,203	48,303	48,403
Total Operating Costs	22,210	22,210	27,700	27,700	27,700	27,700	27,700	27,700	27,700	27,700
Net	27,903	29,183	23,983	24,093	20,203	20,303	20,403	20,503	20,603	20,703
difference	-2,054	-3,306	-63	3,180	6,424	9,220	10,770	9,770	9,520	9,270

Analysis Period (years)		10	5	4
NPV		$24,413	$1,514	($2,475)
IRR		59%	21%	-20%
Discount Rate	10.00%			

P:\LEBANON\ID\58458\PREP\OEB_UFW.xls
10/22/98 6:00 PM

Annex 7: Selected Financial Information

The Sector's Finances. Information about the sector's finances is incomplete and it does not appear possible to construct a comprehensive overview. For example, up-to-date accounts of all the Water Authorities are not available, and none are audited by independent auditors. In this case, generalizations are difficult to make, and even the reliability of the data CDR and the MEHR have managed to compile cannot be relied upon.

Estimated, unaudited, income statements for six Water Authorities, for 1996 or 1997 or both years, was provided by either CDR or MEHR. The Authorities, and the years covered, are shown below:

Table 1 Income Statements Available by Utility, by Year

Authority	Year(s)
Beirut Water (O.E.B.)	1993, 94, 95, 96
Ein El Delbeh	1995, 96, 97
Tripoli	1996, 97
Zahle	1996
Saida	1996, 97
Koura	1996
Dunnihye	1996, 97

Unfortunately, the information shown includes only four of largest Water Authorities that were included in Table 1. Estimated income statements for each of the Water Authorities listed are shown in Attachment 1 to this Annex. Balance sheet information is only presented for O.E.B.

Samples of tariff increases for the last three years are presented in Attachment 2 to this Annex. Since 1995, tariff increases have ranged from 0 to 63 percent. For the 20 Water Authorities for which we have data, for the years 1995 to 1998, seven of the Authorities raised tariffs from 0 to 10 percent, five of the Authorities raised tariffs from 11 to 25 percent and eight of the Authorities raised tariffs more than 25 percent.

These are healthy tariff increases, and should lead to a dramatic improvement in the financial health of the utilities. However, based on the income statements described in Table 1, this is not the result. Instead, it may be that tariffs are raised as a means to increase cash flow while other, more difficult, financial measures are neglected. For example, one would expect to see both accounts receivables and payables growing if management was content to raise tariffs to meet immediate cash needs.[1] The information provided does show that Water Authorities do not keep current with their electricity charges, and the non-payment of this expense is the major mechanism used to match cash with expenses.

[1] No balance sheet information is available (except for O.E.B.) so this hypothesis could not be confirmed. For O.E.B., the supposition appears correct: accounts receivable almost doubled 1995 to 1996; and accounts payable went up by 70 percent for the same period.

	Beirut Water 1996	Accrued	Collected
	Current Revenues		
1	Water Sales	34,245,616,714	23,228,132,054
2	Miscellaneous	2,239,551,303	2,005,541,503
3	Extraordinary	-	-
	Total Current Revenues	36,485,168,017	25,233,673,557
	Beirut Water 1996	Committed	Paid
	Current Expenses		
4	Salaries, Wages and Benefits	6,636,899,867	6,439,550,421
5	General and Administrative	1,212,804,390	1,212,804,390
6	Maintenance	5,894,050,829	5,895,285,255
7	Electricity	13,250,794,460	1,750,794,460
8	Consumables	326,760,135	326,060,133
9	Miscellaneous	4,718,157,469	602,084,901
10	Depreciation	-	-
	Total Current Expenses	32,039,467,150	16,226,579,560
	Beirut Water 1996	Committed	Paid
	Capital Expenses		
11	Goods	3,400,440,763	345,931,763
12	Works	1,512,992,697	1,215,947,697
13	Others	4,672,263,491	1,508,263,491
	Total Capital Expenses	9,585,696,951	3,070,142,951

BALANCE SHEET — OEB (Office des Eaux de Beyrouth)

ACTIF/ASSETS 1000 LL	1997	1996	1995	1994	1993
Immo. incorporelles/Intangible assets		2,996.4	2,996.4	2,996.4	2,996.4
Immo. corporelles/Tangible assets		8,324,348.0	5,500,369.4	3,427,412.0	2,542,277.8
Caisses et banques/Cash and bank accts		19,667,811.0	15,819,711.0	10,185,335.0	6,660,577.2
Abonnés/Outstanding debtors (billing)		23,888,837.6	12,205,862.9	12,530,231.0	11,442,946.3
Débiteurs divers/Other debtors		5,247,833.7			
Stocks/Inventories		6,569,266.4	7,081,702.8	8,527,254.3	4,775,064.3
TOTAL		63,701,093.1	40,410,642.5	34,673,228.7	25,423,862.0

PASSIF/LIABILITIES 1000 LL	1997	1996	1995	1994	1993
Cautionnement/Guarantees		3,169,861.7	2,380,011.9	1,580,011.9	965,549.9
Prov. Indem. de Licenc./Severance provision		7,000,000.0	7,700,000.0	6,700,000.0	5,000,000.0
Surplus reportés/Ret. earnings prev. yrs		22,000,526.5	21,100,102.6	17,043,717.6	10,859,061.0
Surplus de l'exercice/Earnings crt. yr		7,317,686.5	5,153,990.2	4,056,384.9	6,184,656.6
Amortissements/Depreciation reserve		1,036,965.7	374,227.1	269,288.8	242,784.3
Créditeurs div./Creditors		6,309,375.2	3,700,068.2	5,021,582.9	2,169,567.6
Comptes de régul./Prepaid accts		16,866,677.7	2,242.5	2,242.5	2,242.5
TOTAL	0.0	63,701,093.3	40,410,642.5	34,673,228.6	25,423,861.9
Check		-0.2	0.0	0.1	0.1

Ratios:

Outstanding debtors/ Sales (in number of days of turnover)	0.0	195.9	136.8	182.0	206.3
MLT Debts vs Surpluses	NS	10.81%	9.07%	7.49%	5.67%
Working capital	0.0	32,197,696.0	31,204,966.0	26,218,994.8	20,706,777.6
Financing requirement/(surplus) (working capital - available cash)	0.0	12,529,885.0	15,585,255.0	18,033,659.8	14,046,200.4

INCOME STATEMENT — OEB (Office des Eaux de Beyrouth)

CHARGES/EXPENSES 1000 LL	1998	1997	1996	1995	1994	1993
Frais Généraux et d'exploitation/Overhead and operating charges	26,224,000.0	24,241,500.0	20,431,543.7	18,873,288.9	14,466,874.1	6,659,908.3
Amortissements/Depreciation			358,713.6	104,938.3	26,504.5	181,053.8
Réserve pour ind. fin de service/Prov. for retirement			4,466,151.5	1,000,000.0	1,700,000.0	2,600,000.0
Surplus de l'exercice/Crt. year earnings			7,317,686.5	5,153,990.2	4,056,384.9	6,184,656.6
SOUS-TOTAL		24,241,500.0	32,572,095.3	25,132,217.4	20,249,763.5	15,625,618.7

PRODUITS/REVENUES 1000 LL	1998	1997	1996	1995	1994	1993
Ventes eau/Water sales	46,296,800.0	40,260,000.0	28,993,050.4	25,132,217.4	20,249,763.5	15,625,618.7
Recettes diverses/Other income	2,533,200.0	4,240,000.0	3,579,044.9			
SOUS-TOTAL	48,830,000.0	44,500,000.0	32,572,095.3	25,132,217.4	20,249,763.5	15,625,618.7

Ratios:

Working ratio (cash expenses/revenues)	53.70%	54.48%	62.73%	75.10%	71.44%	42.62%
Profit as a % revenues	0.00%	0.00%	22.47%	20.51%	20.03%	39.58%
Expenses increase 1993-98	293.76%					
Water sales increase 1993-98	196.29%					

Ein El Delbeh Water Authority

	1997	1996	1995
Billed Revenues:			
1. Metered Water Subscriptions	7,543,745.0	6,631,614.0	3,952,146.0
2. Gauged Water Subscriptions	527,936.7	513,813.0	473,044.9
3. New Operations (?)	773,342.0	532,389.6	542,731.3
Subtotal	**8,845,023.7**	**7,677,816.6**	**4,967,922.2**
Collected Revenues:			
4. Metered Water Subscriptions	2,310,847.6	2,078,899.6	1,189,575.0
5. Gauged Water Subscriptions	219,085.8	149,130.8	155,494.0
6. Additional Water	28,885.1	33,791.9	25,447
7. New Gauge Contracts	n.a.	n.a.	116,972.0
8. Installation of Distribution Equipment	419,345.0	283,444.3	220,380.0
9. Settlements of Fraud	4,000.0	12,500.0	1,350.0
10. Reduction in Accounts Receivable	1,593,250.1	758,428.7	383,172.5
11. Water Fees Arrears	8,170.6	12,893.2	10,172.6
12. Miscel.	1,410.8	5,830.0	134,504.4
13. Municipal Fees	415,791.2	302,945.1	187,919.5
Subtotal	**5,000,786.2**	**3,637,863.6**	**2,424,987.8**
Expenditures:			
14. Salaries, Wages and Benefits	1,734,432.5		
15. Electricity	750,000.0		
16. Consumables	669,748.4		
17. General and Administrative	154,018.4		
18. Others	100,206.0		
19. Pipes and New Lines (?)	316,733.9		
Subtotal	3,725,139.2		
Cash Available	**1,736,106.0**		

Source:
Annual Reports of Ein El Delbeh Water Administration (incomplete)

Ratios:

Collected/Billed revenues	56.54%	47.38%	48.81%

Republic of Lebanon
Ministry of Hydraulic and Electric Resources

	Tripoli Water 1997	Accrued	Collected
	Current Revenues		
1	Water Sales	5,688,233,363	1,928,937,896
2	Miscellaneous	1,305,047,911	703,607,036
3	Extraordinary	-	-
	Total Current Revenues	6,993,281,274	2,632,544,932
	Tripoli Water 1997	Committed	Paid
	Current Expenses		
5	Salaries, Wages and Benefits	1,175,283,750	1,143,488,170
6	General and Administrative	148,259,490	58,728,924
7	Maintenance	245,240,275	115,753,605
8	Electricity	4,200,000,000	-
9	Consumables	32,870,750	16,238,250
10	Miscellaneous	897,736,778	490,670,007
11	Depreciation	-	-
	Total Current Expenses	6,699,391,043	1,824,878,956
	Tripoli Water 1997	Committed	Paid
	Capital Expenses		
12	Goods	217,711,770	161,724,770
13	Works	61,109,500	1,000,000
14	Others	-	-
	Total Capital Expenses	278,821,270	162,724,770

	Tripoli Water 1996	Accrued	Collected
	Current Revenues		
1	Water Sales	3,628,471,816	1,989,777,835
2	Miscellaneous	810,894,459	724,129,916
3	Extraordinary	-	-
	Total Current Revenues	4,439,366,275	2,713,907,751
	Tripoli Water 1996	Committed	Paid
	Current Expenses		
4	Salaries, Wages and Benefits	1,070,343,600	1,050,175,400
5	General and Administrative	153,811,488	106,161,543
6	Maintenance	118,353,280	75,609,280
7	Electricity	3,002,398,000	-
8	Consumables	46,724,755	39,387,755
9	Miscellaneous	1,548,419,966	1,403,929,786
10	Depreciation	-	-
	Total Current Expenses	5,940,051,089	2,675,263,764
	Tripoli Water 1996	Committed	Paid
	Capital Expenses		
11	Goods	309,414,671	244,069,591
12	Works	-	-
13	Others	-	-
	Total Capital Expenses	309,414,671	244,069,591

Republic of Lebanon
Ministry of Hydraulic and Electric Resources

	Zahle Water 1996	Accrued	Collected
	Current Revenues		
1	Water Sales	2,535,410,000	1,743,930,052
2	Miscellaneous	43,550,000	57,679,274
3	Extraordinary	-	-
	Total Current Revenues	2,578,960,000	1,801,609,326
	Zahle Water 1996	Committed	Paid
	Current Expenses		
4	Salaries, Wages and Benefits	872,746,653	804,940,558
5	General and Administrative	178,719,944	143,327,560
6	Maintenance	245,795,000	243,660,205
7	Electricity	841,494,249	330,069,310
8	Consumables	41,000,000	30,016,495
9	Miscellaneous	46,294,994	36,192,296
10	Depreciation	-	-
	Total Current Expenses	2,226,050,840	1,588,206,424
	Zahle Water 1996	Committed	Paid
	Capital Expenses		
11	Goods	152,935,000	106,057,174
12	Works	160,000,000	158,102,230
13	Others	50,000,000	-
	Total Capital Expenses	362,935,000	264,159,404

	Saida Water 1997	Accrued	Collected
	Current Revenues		
1	Water Sales	1,789,869,960	1,699,010,556
2	Miscellaneous	480,035,369	450,737,178
3	Extraordinary	-	-
	Total Current Revenues	2,269,905,329	2,149,747,734
	Saida Water 1997	Committed	Paid
	Current Expenses		
4	Salaries, Wages and Benefits	527,718,122	513,805,877
5	General and Administrative	125,703,332	117,132,407
6	Maintenance	313,656,659	309,370,159
7	Electricity	828,861,620	828,861,620
8	Consumables	207,766,171	188,644,041
9	Miscellaneous	171,288,686	151,403,231
10	Depreciation	3,000,000	3,000,000
	Total Current Expenses	2,177,994,590	2,112,217,335
	Saida Water 1997	Committed	Paid
	Capital Expenses		
11	Goods	331,295,560	295,595,565
12	Works	265,780,288	265,157,488
13	Others	-	-
	Total Capital Expenses	597,075,848	560,753,053

	Saida Water 1996	Accrued	Collected
	Current Revenues		
1	Water Sales	1,730,255,800	1,586,263,800
2	Miscellaneous	128,489,369	128,197,091
3	Extraordinary	943,981,853	943,981,853
	Total Current Revenues	2,802,727,022	2,658,442,744
	Saida Water 1996	Committed	Paid
	Current Expenses		
4	Salaries, Wages and Benefits	533,073,972	470,094,718
5	General and Administrative	138,292,299	108,095,109
6	Maintenance	211,648,601	209,446,597
7	Electricity	510,441,650	510,441,650
8	Consumables	621,714,813	621,554,123
9	Miscellaneous	56,065,665	56,065,665
10	Depreciation	3,000,000	3,000,000
	Total Current Expenses	2,074,237,000	1,978,697,862
	Saida Water 1996	Committed	Paid
	Capital Expenses		
11	Goods	241,873,456	118,254,926
12	Works	75,678,680	69,513,680
13	Others	4,843,600	4,843,600
	Total Capital Expenses	322,395,736	192,612,206

	Koura Water 1996	Accrued	Collected
	Current Revenues		
1	Water Sales	1,370,804,000	948,039,135
2	Miscellaneous	-	-
3	Extraordinary		
	Total Current Revenues	1,370,804,000	948,039,135
	Koura Water 1996	Committed	Paid
	Current Expenses		
4	Salaries, Wages and Benefits	209,914,445	97,215,457
5	General and Administrative	100,600,000	58,960,420
6	Maintenance	248,000,000	245,737,000
7	Electricity	392,000,000	250,000,000
8	Consumables	147,100,000	109,282,440
9	Miscellaneous	37,500,000	-
10	Depreciation	-	-
	Total Current Expenses	1,135,114,445	761,195,317
	Koura Water 1996	Committed	Paid
	Capital Expenses		
11	Goods	55,000,000	47,961,710
12	Works	-	-
13	Others	-	-
	Total Capital Expenses	55,000,000	47,961,710

	Dunnihye Water 1997	Accrued	Collected
	Current Revenues		
1	Water Sales	665,575,000	380,022,000
2	Miscellaneous	506,292,256	390,302,267
3	Extraordinary	-	-
	Total Current Revenues	1,171,867,256	770,324,267
	Dunnihye Water 1997	Committed	Paid
	Current Expenses		
4	Salaries, Wages and Benefits	503,588,710	487,055,643
5	General and Administrative	75,645,366	75,161,935
6	Maintenance	274,626,958	274,626,958
7	Electricity	80,000,000	18,283,530
8	Consumables	6,066,000	6,066,000
9	Miscellaneous	122,559,040	57,360,447
10	Depreciation	-	-
	Total Current Expenses	1,062,486,074	918,554,513
	Dunnihye Water 1997	Committed	Paid
	Capital Expenses		
11	Goods	51,919,457	51,835,832
12	Works	-	-
13	Others	-	-
	Total Capital Expenses	51,919,457	51,835,832

	Dunnihye Water 1996	Accrued	Collected
	Current Revenues		
1	Water Sales	394,797,000	222,925,000
2	Miscellaneous	408,876,555	241,736,070
3	Extraordinary	-	-
	Total Current Revenues	803,673,555	464,661,070
	Dunnihye Water 1996	Committed	Paid
	Current Expenses		
4	Salaries, Wages and Benefits	280,292,460	269,349,175
5	General and Administrative	56,510,690	48,700,690
6	Maintenance	182,307,205	182,307,205
7	Electricity	40,000,000	-
8	Consumables	999,000	999,000
9	Miscellaneous	48,480,000	14,100,010
10	Depreciation	-	-
	Total Current Expenses	608,589,355	515,456,080
	Dunnihye Water 1996	Committed	Paid
	Capital Expenses		
11	Goods	19,348,365	19,348,365
12	Works	-	-
13	Others	-	-
	Total Capital Expenses	19,348,365	19,348,365

Year	1995		1996		1997		1998	
Exchange Rate	1621.42		1571.28		1538		1530	
Currency	LL	USD	LL	USD	LL	USD	LL	USD
Water Authority	---------- AVERAGE ANNUAL WATER CHARGES ----------							
Ain El Delbeh	110,000	67.84	100,000	63.64	120,000	78.02	120,000	78.43
Jbeil	110,100	67.90	110,100	70.07	134,000	87.13	134,100	87.65
Kesrwan	80,000	49.34	90,000	57.28	110,000	71.52	125,000	81.70
Meln	107,100	66.05	128,100	81.53	152,100	98.89	175,100	114.44
Batroun	110,000	67.84	130,000	82.74	140,000	91.03	150,000	98.04
Al Koura	120,000	74.01	120,000	76.37	120,000	78.02	120,000	78.43
Tripoli	90,000	55.51	120,000	76.37	120,000	78.02	120,000	78.43
Bcharre	65,000	40.09	65,000	41.37	65,000	42.26	65,000	42.48
Zgharta	142,000	87.58	142,000	90.37	142,000	92.33	142,000	92.81
Qbayyat	100,000	61.67	100,000	63.64	100,000	65.02	134,000	87.58
Akkar	100,100	61.74	100,100	63.71	125,100	81.34	125,100	81.76
Naba'a Al Tasseh	90,000	55.51	90,000	57.28	90,000	58.52	110,000	71.90
Chamseen	110,000	67.84	110,000	70.01	110,000	71.52	110,000	71.90
Barouk	110,000	67.84	110,000	70.01	110,000	71.52	120,000	78.43
Zahle'	100,000	61.67	100,000	63.64	100,000	65.02	100,000	65.36
Dannieh	0.00	0.00	65,000	41.37	65,000	42.26	75,000	49.02
Saida	99,000	61.06	99,000	63.01	114,000	74.12	136,000	88.89
Jabel Amel	90,000	55.51	90,000	57.28	90,000	58.52	130,000	84.97
Beirut	125,000	77.09	144,000	91.65	158,000	70.22	182,000	118.95
Sour	90,000	55.51	90,000	57.28	110,000	71.52	110,000	71.90
Akkar							125,000	81.7
Baalbeck/Hermel							132,000	86.27

ANNEX 8

CORPORATIZATION AND PRIVATE SECTOR PARTICIPATION:

BEST PRACTICES

Relevant International Experience In The Water Sector

Focus On UFW Reduction As A Result Of PSP

Based on international experience, private operators have had some dramatic successes in reducing UFW:

* In greater Istanbul, UFW was reduced from 55% to 40% in the course of 18 months.

* In Santiago, Chile, a service contractor helped reduce UFW from 28% to 22% between 1990 and 1994.

* In Macao, a private operator reduced UFW from 20% to 12% between 1985 and 1993.

* In Murcia, Spain, a private contractor reduced UFW from 48% to 26% over 3 years.

Specific demand management policy options along with country examples are presented below:

Mexico City, Mexico	In 1989, the Government adopted a strict set of nationwide efficiency standards for household plumbing fixtures and appliances. It replaced 350,000 toilets with 6-liter models (as opposed to the conventional 16 liters), saving enough water to meet needs of 250,000 residents; goal of cutting per capita use by one sixth by 1996 through pricing, education, retrofitting and efficiency standards.
Southern California, USA	Metropolitan Water District pays member agencies $125 for each 1,000 cubic meters they save. Conservation policy has reduced annual demand by 541 million cubic meters, or the equivalent of the supply for 885,000 households.
Beijing, China	New pricing system links charges with water consumption; 1992 regulations set quotas on consumption and authorizes fines for exceeding them.
Singapore	Unaccounted-for water was reduced by 10% through leak repairs and conservation promotion with higher water prices and public education.
Massachusetts, USA	Total demand deceased by 16% as a result of comprehensive retrofit, water audits, leak detection and education programs.
Bogor, Indonesia	Water fees were increased by approximately 30 percent, with a view to reducing demand. Consumption decreased by 29 percent. A public relations campaign (including advice, and distribution of water saving devices), reduced water use by another 29 percent.
Melbourne, Australia	Since the 1982-83 drought, when water use dropped by 30%, a conservation strategy has kept water use from climbing above the level of 1980, allowing construction of new water works to be postponed and saving $50 million.
Waterloo, Canada	A water conservation program (consisting of higher prices, education, and distribution of water-saving devices and water conservation kits) decreased per capita use by 10 percent.

Examples Of Private Sector Management Of Water And Sewerage Services

Examples Of Management Contracts

The Gaza Strip

In August 1995, the President of the Palestinian Authority requested the Bank to assist improve the management and performance of water and sanitation services in the Gaza Strip. Even though the Gaza Strip is only 45 kms. long and about 10 km wide on average, these services were provided by 17 municipal governments and village councils.

As a result of three decades of military occupation, services were deficient, staff few and inadequately trained, infrastructure deteriorated as a consequence of insufficient funding for operation and maintenance, and the groundwater resource, the only available source of water other than purchase from Israel, overdrawn and contaminated by urban wastewater and agricultural chemicals.

Because of the extent of deficiencies, the Bank recommended that an internationally experienced water utility operator be contracted to assist the local governments improve the quality, quantity and management of water (and sanitation) services. A second objective, although not part of the contract, was to unify management in a single regional water and sanitation utility company serving all of the Gaza Strip.

A performance-based management contract was awarded to a French-Palestinian consortium who commenced work in September 1996. The 4-year contract provides for a base fee plus a performance bonus of approximately half the base fee. At the end of each year of the contract, independent technical and financial auditors assess the contractor's achievements against a range of weighted performance targets.

After one and a half years, progress has been rated fully satisfactory. Water supplies are safely chlorinated, thousands of meters have been installed and billing efficiency substantially improved, hundreds of kilometers of pipes have been mapped and surveyed for leakage and illegal connections, pipes and spare parts have been procured to rehabilitate the systems, and progress has been made in establishing customer records, documenting operating and maintenance procedures, and training of staff to competently perform their duties. The contractor expects to fully meet the performance objectives by the end of the fourth year.

With support of the Palestinian Water Authority, the contractor and the World Bank are now addressing the institutional agenda so that a more sustainable arrangement can be left in place at the end of the contract.

Puerto Rico

In mid-1995, the Government of Puerto Rico negotiated a five-year contract with a private operator to manage the Puerto Rico Aqueduct and Sanitation Authority (PRASA). Before the contract, UFW was 45 per cent; the ratio of employees per 1,000 connections was six; water was supplied, on average, only 6 hours per day; and only 50% of the population received coverage. Also, PRASA's financial performance was very poor, with revenues not covering expenses and total losses exceeding US$300 million between 1990 and 1994. The Puerto Rican Government's total cash subsidy to PRASA amounted to US$144 million in 1994 alone.

PRASA negotiated a five-year management contract with PSG, a private company. Under the contract, PSG assumes responsibility for commercial water and sewerage operations, treatment, and customer services, as well as implementing the maintenance program and developing investment plans. PRASA was to pre-approve all plans submitted by PSG and to continue providing funds for maintenance and rehabilitatio. As typical under a management contract, PRASA also maintained responsibility for implementing capital works with PSG's assistance.

The fee structure provides PSG with a strong incentive to reduce non-labor costs and the number of employees. Other incentives in the contract include a share of the increase in collections from existing customers.

The rehabilitation, modernization, and expansion of the water and sewerage system required US $1.6 billion in investment. This is the responsibility of PRASA, the bulk of the funds to be financed by the government. The government is to provide US$ 45.5 million per annum for maintenance, and $25 million for capital expenditure for the term of the contract. In the long-run, improved profitability, if achieved, will enable PRASA to self-finance the investments or to borrow from the private sector.

A five-year contract was agreed upon although PRASA had originally considered a ten-year contract. The term was decided mostly in consideration of the federal tax law in place in 1995 and its influence on bonds issued by PRASA.

Prior to signing of the management contract, PRASA, with PSG's assistance, negotiated a five year, three-way labor contract with the union. The contract contains an agreement between the labor union and PRASA and a side agreement between the union and PSG. The agreements include: special leave packages for workers opting for early retirement, wage increases and bonuses upon PSG's assumption of management, specific years for wage increases, etc. This arrangement with the union seems to have contributed to minimal labor disputes often following the introduction of Private Sector Participation (PSP).

Cartagena

The public municipal water and sewerage utility of Cartagena (EPD) was notorious for chronic inefficiency, excessive political interference, and poor service delivery. Prior to the private sector becoming involved, water supply coverage was 70%, and 40% of the population served experienced water rationing. The central government unsuccessfully attempted a series of restructuring programs to improve its performance.

In October of 1993, it was finally decided that EPD was to be liquidated. Amid strong opposition from EPD's labor union, the Government financed voluntary retirement program and reduced the number of EPD staff from 1,200 to 600. A new mixed capital company, ACUACAR, was constituted on December 29, 1994.

ACUACAR is jointly owned by the District of Cartagena (50%), AGBAR (45%), and other private shareholders. ACUACAR and the city of Cartagena signed a 26-year operation and management contract. Under this contract, the District of Cartagena retained ownership of assets and the responsibility for investments for expansion and coverage of services. However, ACUACAR was able to undertake such investments given prior tariff increases authorization for cost recovery.

AGBAR's compensation consists of a fixed percentage of total revenues plus dividends from ACUACAR's profits. In addition, pension obligations were assumed by the municipality. This shift in pension liabilities is a major contributor to the company's positive financial results.

In Cartagena, the public utility had made no investments during the eleven years prior to turning operations over to the private sector. When ACUACAR took over operations, new commercial and accounting systems were implemented within a few weeks. Furthermore, ACUACAR computerized all administrative workplaces within the first three months of operation and opened seven new customer service centers. This resulted in a drop in billing complaints from 4% at the start of operations to 2% by September 1995. Three-fourths of these complaints were resolved immediately.

During the first six months of private operation, ACUACAR (i) experienced revenue increases as well as cost reduction; (ii) invested about $4 million as part of a $8 million emergency investment plan (funds came from cash flow generation, equity and commercial credits); (iii) improved the collection rate from 50% to 82%, and metering increased from 56% to 61%; reduced the number of workers from 600 to 385 (compared to the original 1,200); and (iv) enhanced the quality of water through better chlorination.

Although the management contract calls for the creation of an investment fund to finance system expansion, this instrument is unregulated and its mechanisms for financing and functioning are not clear. Present tariff levels are not consistent with investment needs, but the operator accepted the current low tariffs for the initial two years as a way to facilitate negotiations. The public utility made no investments during the eleven years prior to turning operations over to the private sector, and it is estimated that about $250 million will be needed over the next five years. Despite the fact the ACUACAR undertakes no investment obligations, future investment depends much on ACUACAR's access to long-term financing since the municipality of Cartagena is not sufficiently strong financially to raise capital.

Trinidad and Tobago

The Water and Sewerage Authority (WASA) of Trinidad and Tobago, a publicly owned and managed company, provides service to the island's 1.27 million inhabitants. On average, water

was available for less than twelve hours a day. About half the water was unaccounted for and only one percent of the 240,000 customers were metered. In early 1994 a private operator was recruited to take over WASA's operations.

In parallel with the recruitment process, the government implemented a series of initiatives to improve WASA's economic viability. These consisted of (i) a 35% tariff increase applicable only to customers that received water for more than 12 hours per day; (ii) a reduction in staff through voluntary separations and retirements; (iii) the assignment of the Water Resources Agency (the division of WASA responsible for water quality) as an independent government agency; and (iv) the amendment of WASA's authorization act to accommodate a private sector concession.

The Government of Trinidad and Tobago has adopted a two-phase approach to privatizing its water services. In the first phase (interim operating arrangement), a pre-concession or enhanced management contract, was recently awarded through a competitive bidding process. Under the five-year management contract, the private operator would provide a management team to meet operational, maintenance, and performance targets and follow an agreed business plan over the term of the agreement. The operator would collect service fees on WASA's behalf and fund any operating deficits through a loan to WASA, giving the operator an incentive to minimize deficits. The operator would be required to make available to the government data it needed in order to design a long-term regulatory regime.

In the second phase (permanent operating arrangement), the incumbent operator is given the first priority in negotiating a concession. Moving to the long-term concession would shift responsibility of financing capital expenditures to the private operator. The first phase would allow for the benefits of private involvement, while allowing the government to develop the terms and conditions to sustain the longer-term concession.

The management contract took effect in April, 1996 after the new elected government had time to examine an endorse the contract. During the initial 12 months of the management contract, management's main focus was a determined assault on leaks. A total of 32,000 leaks have been repaired since April 1996. Also, management is planning to install 60,000 meters in one year, starting in 1998 and continuing at the same pace until all 260,000 properties are metered.

Examples of Lease Or Affermage

Guinea

In August 1989, after attempts at restructuring the national water company had failed, the Government entered into a lease arrangement for private sector operation of water services in the capital city (Conakry) and sixteen other towns. Two new companies were created: a state-owned water authority, SONEG, and a water management company, SEEG.

SONEG owns the urban water supply facilities. It is also responsible for sector development, including planning and implementation of new investments, setting tariffs

and servicing of the sector's debt. SEEG is jointly owned by the state (49%) and a French private consortium (51%). SEEG has a 10-year contract with SONEG under which it is responsible for operating and maintaining urban water supply facilities, billing customers, and collecting charges. The private partner provides management services to SEEG through a separate management contract.

Investments in new supply capacity (external to the lease) have brought about a substantial increase in access to safe water, from 40% in 1989 to 52% in 1994. Water connections increased from 16,500 in 1989 to 33,500 in 1995, and metering increased from 5% to nearly 95% of all connections. The most recent access figure is 65%. Tariffs were progressively increased, and SEEG's water revenue grew almost ten-fold between 1989 and 1994. In order to make the tariff increase gradual, the difference between tariff revenue and costs was funded by an IDA credit in the initial years of the lease.

However, there seems to have been a problem in coordination between SEEG and SONEG, and this has been one of the major reasons why unaccounted-for water has remained at a high 40%. SEEG is responsible for new connections and operation and maintenance of portions of the pipeline network not exceeding 160 millimeters in diameter. SONEG, on the other hand, is responsible for financing and contracting for extensions and major rehabilitative works over the entire network. This division of responsibility indicates that both SEEG and SONEG have some capacity to influence the rate at which connections are added as well as reductions in unaccounted-for water.

In fact, the water supply system did not improve or expand as expected; new connections to the system were added slowly and unaccounted-for water remained high. Each of the two entities had a tendency to attribute slow progress to the other's failures. The net effect has been that the lease has come to approximate a management contract, under which the commercial risk borne by the private party is reduced. It should be mentioned, however, that, in June 1997, SEEG appointed a new management team and the relationship between SEEG and SONEG seems to be improving. At the same time, SEEG is taking some measures to deal with water loss issues, including a systematic research of illicit connections.

Another problem has been that about 1/3 of the connections are inactive for non-payment, mostly as a result of the substantial rate increase from $0.24 in 1989 to $0.90 in 1995. As part of the lease arrangement, the government had agreed to raise tariffs gradually to a level that covered operating expenses and yielded an acceptable financial return on system assets and on the lease contractor's equity.

Murcia

In order to deal with water shortage and other problems, a new water utility (100% owned by, but separate from the municipality) was corporatized. The problem not solved, the Government decided in 1988 to bring in private capital. A 50-year affermage was granted to Aguas de Murcia (51% municipality, 49% private). The firm was required to generate enough cash to finance investment, although a grant was also available from the EU and other sources. The company's cumulative investment between 1989 to 1995 was about $48 million, of which $36 million came from external sources.

The overall result was quite positive; (i) UFW was reduced from 46% to 25% due primarily to proper metering; (ii) water consumption was reduced by prohibiting the use of potable water for gardening; (iii) tariff increases were marginal, rising by 21% from 1989 to 1994 whereas the inflation rate was 27%. (Although this decrease in tariff was not a direct result of private sector participation but a consequence of public subsidies, the company's good managerial practices were an important factor in obtaining these public subsidies); (iv) the number of employees remained 213 despite the expansion in operations; (v) profit increased from -400 million pesetas to +300 million in 1994.

Another notable result has been improved customer relations and labor-management relationships.

Examples Of Concession

Buenos Aires

A 30-year concession was awarded to Aguas Argentina, an international consortium led by Lyonnaise des Eaux, in May 1993. OSN, a public company, was the initial service provider. Some of the activities previously under the control of OSN but not related to the provision of water supply and sewerage services (i.e. drainage, control of industrial water pollution, certification of sanitary devices, etc.) were excluded from the concession. An independent regulatory authority, ETOSS, was created to assume OSN's related responsibilities. Primarily, it was charged with the oversight of concession contracts from the standpoint of service quality, public rights, tariffs, etc.

The total population of Buenos Aires was 8.6 million in 1991, of which only 6 million were connected to the public water supply. The idea of dividing the concession area into two was rejected because such division would have delayed the whole process (i.e. time and investment for physical separation and metering of transferred water, etc.) and affected the integrity of the system. The difficulty in this breakup was also due to the involvement of Government at several levels. Hence, OSN was privatized as a single entity. The case of water sector is in sharp contrast to many other sectors in Argentina, where de-monopolization was carried out extensively prior to privatization.

The final choice of a qualified bidder was based a rate level compared to the current level (the K factor). Aguas Argentina was selected as the winner since it presented the lowest number for the K factor (0.731 = reduction of existing rate by 26.9%). Even after the 13.5% rate increase that was granted to the concessionaire in July 1994, the tariff remains well below that prevailing in early 1993 in nominal terms (by 17%). The 13.5% increase was granted to cover, among other things, costs associated with the immediate closure of endangered wells and the connection of households that had relied on these wells to the network.

In terms of labor, all OSN employees had to be employed by the concessionaire on the basis of existing contracts and no labor retrenchment took place in preparation for the concession. Seventy six hundred employees were transferred to the concessionaire, of which 1,600 accepted a voluntary early retirement (financed by the central government at a cost of about $32 million) and another 2,000 were separated through a concessionaire's own retirement program at a cost of $50 million. In total, the workforce was reduced by

nearly 50% within six months of the start of operations by the private operator. (Average salaries for remaining employees were increased by approximately 40%).

The contract did not include any specific investment requirements. Instead, performance targets were set for various parameters and time frames. At the end of the duration of the contract, the coverage was to reach 100% (from 70%) and unaccounted-for water was to be reduced to 25% (from 45%). These coverage targets imply an increase in the number of connections of about 1 million inhabitants every five years for the first half of the concession (a total cost of US$ 4 billion).

Between 1993 and 1995, Aguas Argentina incorporated some 30,000 illegal connections, reduced energy expenditures by 10% and chemical costs by 44%, and turned an annual loss of $26 million into a profit of $54 million. The ratio of number of employees per 1,000 connections decreased from 8 to 3.5. Within a year after the appointment of an operator, and for the first time in many years, the city did not experience water shortages during the summer months of peak demand. Furthermore, water quality was improved, average time required for repair was reduced from 180 hours to 48 hours, some 125km of water distribution pipes and 2,600 valves were rehabilitated or renovated, and about 1,000 km of sewage collection pipes were cleaned.

Yet, about 90% of residential consumers are not metered. Under the concession contract, Aguas Argentina has little incentive to promote efficient water use by residential consumers. In the situation where pressure for capacity expansion is low, a massive increase in metering coverage could have a negative effect on net revenues, given the expected reduction in water consumption. The concessionaire and the regulator are looking into this matter. Meanwhile, they have agreed to install a minimum of 80,000 meters per year.

Manila

Despite abundant rainfall and the expansion of infrastructure over several decades, scarcity of water resources of adequate quality was a pressing issue in Manila. The problem was not one of simple water scarcity, but of the inability of the public agencies to provide the services. As of 1992, only 62% of Metro Manila's population of 13 million had access to supplies from the Manila Metropolitan Waterworks and Sewerage System (MWSS), which was perceived a failure of the public utility. This sense of failure provided the basic incentive towards privatization. The Presidency took a strong initiative in June of 1995 by enacting the Water Crisis Act that gave it all the authorities related to the privatization of MWSS for six months. After the privatization, MWSS was turned into a regulatory body.

An important factor is the significant downsizing that took place in MWSS before privatization. Of the 8,000 employees, 2,200 were laid off with a government-funded severance package. The administrator of MWSS, appointed by the President, was very dedicated and contributed much to the privatization process by smoothing the negotiations among various parties.

The water authority's territory was split into two (East Zone and West Zone), and two concessions were granted to two separate firms. The split was intended to increase competition. And the initial intention was to split the area into more than two parts, but it was concluded that there would not be enough private sector participants with sufficient skills to justify it. Four groups participated in the bidding process, and the lowest bid was at only a quarter of the existing tariffs (9 cents/ m^3). The result of the bidding was as follows:

East Zone

1. Ayala, Northwest, Bechtel	(26.4% of the existing tariff)
2. Aboitiz, CGE, Marubeni	(62.9%)
3. Metro Pacific, Anglian	(64.5%)
4. Benpress, Lyonnaise de Eaux	(67.8%)

West Zone

1. Ayala, Northwest, Bechtel	(28.6%)
2. Benpress, Lyonnaise de Eaux	(56.6%)
3. Aboitiz, CGE, Marubeni	(56.9%)
4. Metro Pacific, Anglian	(66.9%)

In the East Zone, the Ayala, Northwest, Bechtel group was selected due to its lowest tariff level proposed. In the West Zone, Benpress, Lyonnaise des Eaux group was selected despite its second lowest tariff level since an operator different from that of the East Zone was needed to be selected for future competition. Operation by the private operator began on August 1, 1997.

Tariff levels decreased considerably after privatization. Before the privatization took place, West Zone customers are currently paying 4.96 pesos/m^3 and the East Zone customers are paying 2.31 pesos/m^3, while the tariff in the entire city of Manila was 8.78 pesos/m^3 prior to privatization. There has been some controversy concerning the east and west sides of Manila being charged different rates, but this was driven by the bid process as defined by the Government, and the decision not to allow the same group to manage both sides of the city.

Example of Sale

England and Wales

The pre-privatization structure of the industry was established by the 1973 Water Act. The philosophy then was that each of the ten regional water authorities would plan and control all uses of water in each river catchment area, though for scale and scope economy reasons, each authority was responsible for more than one river basin.

As to the relationship between the central and local governments, water authorities came into possession of substantial physical assets in the form of water mains, sewers, treatment works, etc. after 1973, with no compensation for the loss of assets paid to the local authorities. This issue became controversial in privatization since the proceeds were expected to be derived only by the central government.

The ten water authorities in England and Wales were privatized in November, 1989. The number of people that the water companies serve ranges from 1.2 million to 7.2 million. These water authorities were restructured not only in the limited period prior to privatization, but throughout the 1980's. In 1983, the original local government-style boards of management were removed and much smaller nationalized industry-style boards were introduced. This was done with the overt purpose of bringing about a more commercial style of management to the water authorities, aimed largely at sharpening their managerial efficiency and their reaction to the needs of customers. Meanwhile, new chief executives and finance directors from the private sector were recruited by the relevant Secretary of State for a number of water authorities.

The number of employees decreased by about 30% by the time of privatization. The water authorities were strongly encouraged to improve their profitability and efficiency so that the shares become attractive to buyers prior to privatization. At the same time, the environmental regulatory responsibilities of the water authorities were transferred to the National Rivers Authority. The remainder of the water authorities, covering the ownership and operation of water and sewerage, were restructured as water service public limited companies and then sold on the stock exchange.

Because large investments were necessary and water sector privatization was a new territory for the government, privatization took place on terms generally favorable to shareholders in order to ensure that the public flotation would succeed. In this situation, the government wrote off most of the debt of the public companies, and the direct net effect of the sale of water companies is estimated to have resulted in a deficit of about 0.3% of GDP.

During the six years after privatization, the water companies have invested about £17 billion in the sector, compared with £9.3 billion during the six years prior to privatization. In terms of volume, the government targets have been realized. However, as to efficiency of these investments, the result is not as favorable. Efficiency is closely related with the England's special regulatory methods for the water companies.

One important innovation in the English system is the use of price caps. The price caps set the maximum prices that the water companies can charge for the next five years (different price caps for different companies). The formula for the price cap is:

RPI (Retail price index) +K

where K is a company-specific number that limits the permitted annual increase in average charges above the rate of inflation. Each company was given a specific K profile for ten years. K can be considered to be composed of - X (efficiency factor) + Q (improvements in quality). By not using rates of return, these price-cap methods were supposed to encourage cost savings, since the company has incentives to lower costs. However, many consider that the levels of K for water companies were set too high to give them incentives to improve efficiency in the first regulatory cycle (1989-1994).

Another characteristic of the English system which is closely related with the price cap is the concept of yardstick competition. Water companies are the main source of information for the regulator. The information monopoly could provide the utilities with opportunities to manipulate the information given to the regulator. Yardstick competition can address the negative impact of this information monopoly. The regulator sets the price caps on the basis of comparative data

from similar utilities in the UK or abroad.

The real average residential water and sewerage bill has gone up by 28% since privatization. (It should be noted, however, that water utilities in the United Kingdom must meet the water quality standards of EU without subsidies). Meanwhile, the profitability of the water and sewerage companies has increased substantially between 1990 and 1994, although this is said to be attributable, at least in part, to the manner in which the price caps were established.

One of the major efficiency gains has been the reduction in the number of employees. Sharp reduction in employees took place before privatization in 1989. Even after privatization, the number of employees per water and sewerage connection declined from 1.15 in 1989 to 1.01 in 1994. In spite of this decrease in the number of employees, real sector operating costs per unit of water actually increased after privatization.

Privatization has had little impact on the reduction of unaccounted-for water. Leakage in the 10 water and sewerage companies ranged from 20 to 38 percent of water production in 1994. The water companies spent only about 7% of their investment for the rehabilitation of their distribution networks. Apart from physical leakage control, little was done to use demand management measures, such as metering residential customers, recycling and encouraging the use of low water use appliances.

Benchmarks of International Practice in the Distribution of Water

Table B-1: Annual Water Consumption

Countries		Water Consumption	
Country/City	**Year**	**lpcd**	**$m^3/m/c$**
Algeria (average)	1990	46	N/A
Brazil (average)	1989	151	25 a/
• Brasilia	1989	211	60 b/
• Sao Paulo	1988	237	38 c/
• Sta. Catarina	1990	143	22
• Minas	1990	154	25
Chile			
• Santiago	1994	204	34 d/
• Valparaiso	1992	N/A	23
China, Changchun	1990	260	33
Colombia, Bogotá	1992	167	30
Costa Rica	1991	208	29
Cote d' Ivoire, Abidjan	1994	197	26
Senegal, Dakar	1993	N/A	34
Belgium, Brussels	1993	N/A	36
Canada (average)	1991	N/A	29
France, Paris, C. Banlieue	1984	431	82
Japan, Tokyo	1987	256	75 e/
Spain	1990	355	57
• Alicante	1987	267	16
• Murcia	1992	268	33
UK (average)	1990	136	18
USA (average)	1984	666	89

N/A = data not available

Note: One connection serves more than one housing unit.

a/ 1.3 units/water connection

b/ 2.3 units/water connection

c/ 1.4 units/water connection

d/ 1.1 units/water connection

e/ 3.5 units/water connection

Table B-2: Experience With Pipe Breaks

Country/City	Year	Pipe Breaks (No/ 100km/yr)
Chile, Santiago	1994	31[a/]
Columbia, Bogota	1994	187
s		
• Minsk	1993	70
• Gomel	1993	25
Belgium, Brussels	1991	21
Singapore	1990	17
USA (average)	1990	17
• Denver, Colorado	76-83	7
• Oakland, California (EBMUD)	73-82	16

Note: a/ Down from 39in 1991.

** Source: Yepes, Guillermo, Water & Wastewater Utilities, World Bank, 1996*

Table B-3: Unaccounted For Water (UFW)

Country/City	Year	Water Losses % UFW	Water Losses m^3/day/km d.s.
Brazil (average)	1989	39	42
• Brasilia	1989	19	27
• Sao Paulo Metrop. Area	1992	40 a/	70
• S. Catarina	1990	45	n.d.
• Minas	1990	25	n.d.
Chile			
• Valparaiso	1990	41	n.d.
• Santiago	1990	28	52
	1994	22	44
Colombia, Bogota	1991	40	135
Costa Rica	1991	45	n.d.
Ivory Coast, Abidjan	1993	17	n.d.
Algeria, Annaba	1992	35	n.d.
Gambia, Banjol	1993	27	n.d.
Guinea, Conakry	1993	53	n.d.
Senegal, Dakar	1993	29	n.d.
Ghana	1988	49	n.d.
Morocco	1990	32	n.d.
Nigeria			
• Katsina	1990	44	n.d.
• Kaduna	1990	41	n.d.
Togo	1990	22	7
Turkey			
• Bursa	1991	62	n.d.
Ankara	1988	45	n.d.
Pakistan, Karachi	1989	40	n.d.
China, Changchun	1990	40	n.d.
Philippines, Manila	1988	59	n.d.
Thailand, Bangkok	1990	33	73
France, Bordeau	1982	15	n.d.
Canada (average)	1984	15	16
Japan (average)	1990	11	13
• Tokyo	1990	15	35
Macao	1991	11	n.d.
Singapore	1994	6	9
Spain, Murcia	1993	25 b/	22
USA (average)	1984	12	17

Notes: a/ Up from 25% in 1988.
b/ Down from 45% in 1989.

Table B-4: Length of Sewer Systems

Country/City	Year	Unit length	
		mts/person	mts/connec
Brazil (average)	1989	1.6	11.1 a/
• Brasilia	1989	1.2	11.9 b/
Chile			
• Valparaiso	1992	n.d.	9.8
• Santiago	1990	1.4	7.5
Colombia, Bogota	1992	0.9	6.0
France, Bordeaux	1982	n.d.	10.1
U.K., Wessex	1991	n.d	5.2

Notes: a/ 1.7 units/sewerage connection
b/ 2.4 units/sewerage connection

** Source: Yepes, Guillermo, Water & Wastewater Utilities, World Bank, 1996*

Table B-5: Staff Ratios for Major Water Utilities

Country	Year	Staff Ratios				
		W/000	W+S/000	000s M³/staff	km/staff	000s PS/st
Belarus						
• Minsk	1993	n.a.	n.d.	56	n.d.	0.7
• Gomel	1993	n.a.	n.d.	20	n.d.	0.3
Belgium, Brussels	1992	3.2	n.d.	105	3.3	3.0
Brazil (average)	1989	6.5	5.0	47	1.9 a/	0.8
• Brasilia	1989	13.5	7.1	54	1.3 b/	0.7
• Sao Paulo	1993	5.1	3.1	n.d.	2.1	0.8
Canada (average)	1984	2.0	n.d.	424	n.d.	1.7
Chile, Santiago	1990	2.1	1.1	191	4.1	2.5
Colombia, Bogota	1994	3.6	1.8	106	1.1	1.7
France, C. Banlieue	1987	4.5	n.a.	200	n.d.	2.2
Guinea (average)	1993	15.0	n.d.	8	n.d.	n.d.
Ivory Coast (average)	1995	4.8	n.d.	22	n.d.	n.d.
Japan (average)	1990	1.7	n.a.	n.d.	7.0	1.7
Macao	1991	2.2	n.a.	148	n.d.	n.d.
Mexico, Monterrey	1987	4.1	2.2	86	2.2	1.5
Romania, Bucharest	1994	n.a.	n.d.	75	n.d.	0.5
Senegal (average)	1993	8.6	n.d.	13	n.d.	n.d.
Spain	1987	1.1	0.6	170	n.d.	1.9
• Alicante	1992	2.5	n.d.	165	4.9	1.6
• Murcia	1990	22.4	n.d.	26	3.3	0.5
Togo	1992	4.6	n.d.	40	0.4	0.9
Turkey, Bursa	1990	2.7	n.d.	370	8.6	1.5
USA (average)						

n.d. = data not available
n.a. = not applicable
Notes: a/ 1.3 water units and 1.7 sewerage units per connection.
b/ 2.3 water units and 2.4 sewerage units per connection.

* *Source: Yepes, Guillermo, Water & Wastewater Utilities, World Bank, 1996*

Table B-6: Water Tariffs for Major Water Utilities

Country/City	Charge (US$/m^3)	Country/City	Charge (US$/m^3)	Country/City	Charge (US$/m^3)
Austria		Germany		Luxembourg	
• Linz	0.64	• Berlin	1.00	• Luxembourg	1.34
• Salzburg	0.99	• Dusseldorf	1.56		
• Vienna	1.07	• Frankfurt	1.66	Netherlands	0.94[a/]
		• Gelsenwasser	1.95	• Amsterdam	1.17
Belgium		• Hamburg	1.59	• The Hague	0.57
• Antwerp	0.68	• Munich	1.05	• Utrecht	
• Brussels	1.48	• Stuttgart	1.79		
• Liege	0.93			Spain	0.84
		Hungary		• Madrid	0.90
Denmark		• Budapest	0.21	• Barcelona	0.51
• Aarhus	0.72	• Miskolc	0.72	• Seville	0.46
• Copenhagen	0.60	• Pecs	0.86	• Alicante	0.98
• Odense	0.65			• Murcia	
		Italy			
Finland		• Bologna	0.49	Switzerland	0.63
• Helsinki	0.94	• Milan	0.13	• Berne	2.12
• Tampere	1.01	• Naples	0.62	• Geneva	1.63
		• Rome	0.27	• Zurich	
France		• Turin	0.25		
• Banlieue/Paris	1.46			United Kingdom[b/]	1.23
• Lyon	1.52	Japan		• Bristol	1.72
• Marseille	1.20	• Nagoya	0.41	• Cardiff	0.88
• Nice	1.51	• Osaka	0.25	• London	1.29
• Paris	0.72	• Sapporo	0.57	• Manchester	1.37
		• Tokyo	0.45	• Newcastle Upon Tyne	
		• Yokohama	0.41		

Low Value (Milan)	US$ 0.13 /m^3
Average	US$ 0.96 /m^3
High Value (Geneva)	US$ 2.12 /m^3

Notes: a/ Average
b/ Metered Consumption

* ***Source: Yepes, Guillermo, Water & Wastewater Utilities, World Bank, 1996***

Table B-7: Personnel Costs vs. Operating Costs

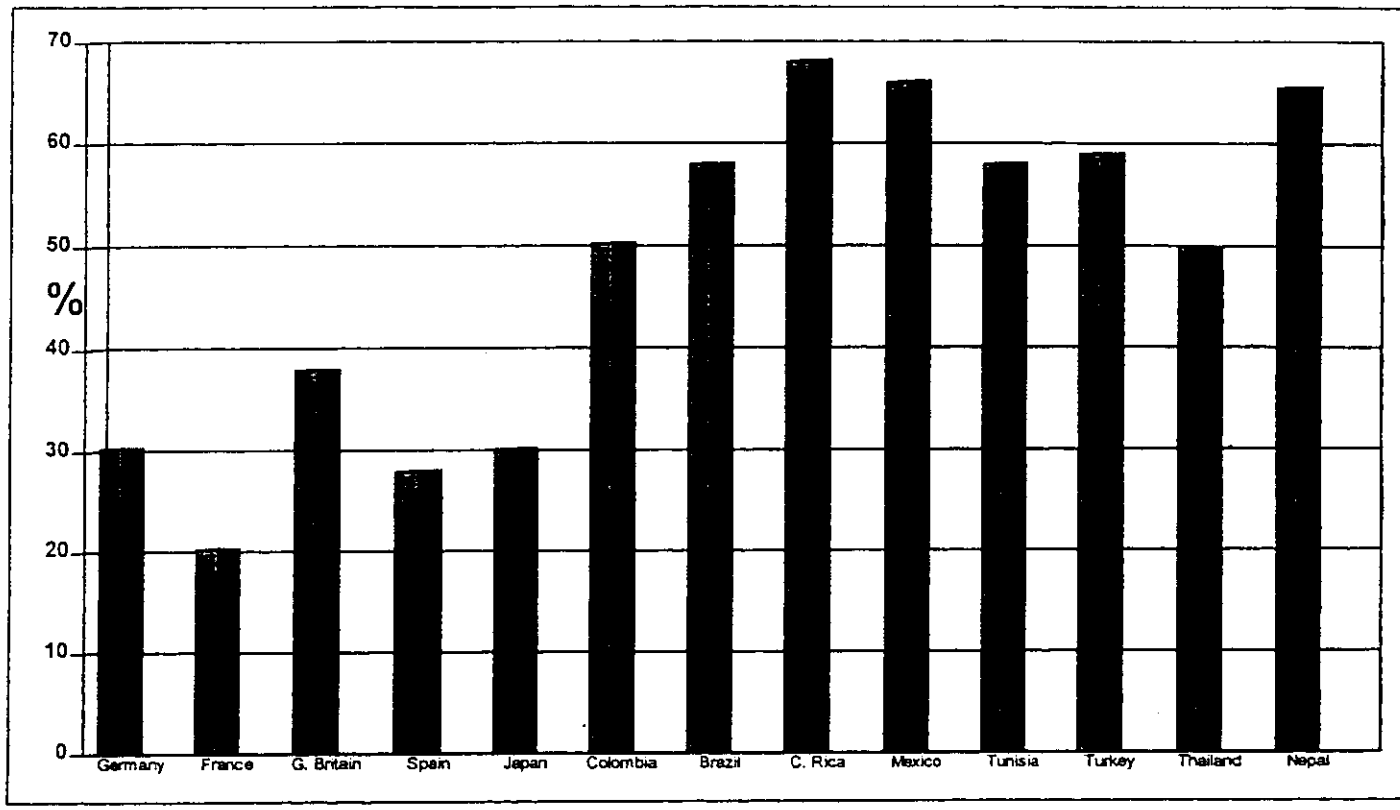


Table B-8: Progress in UFW Reduction

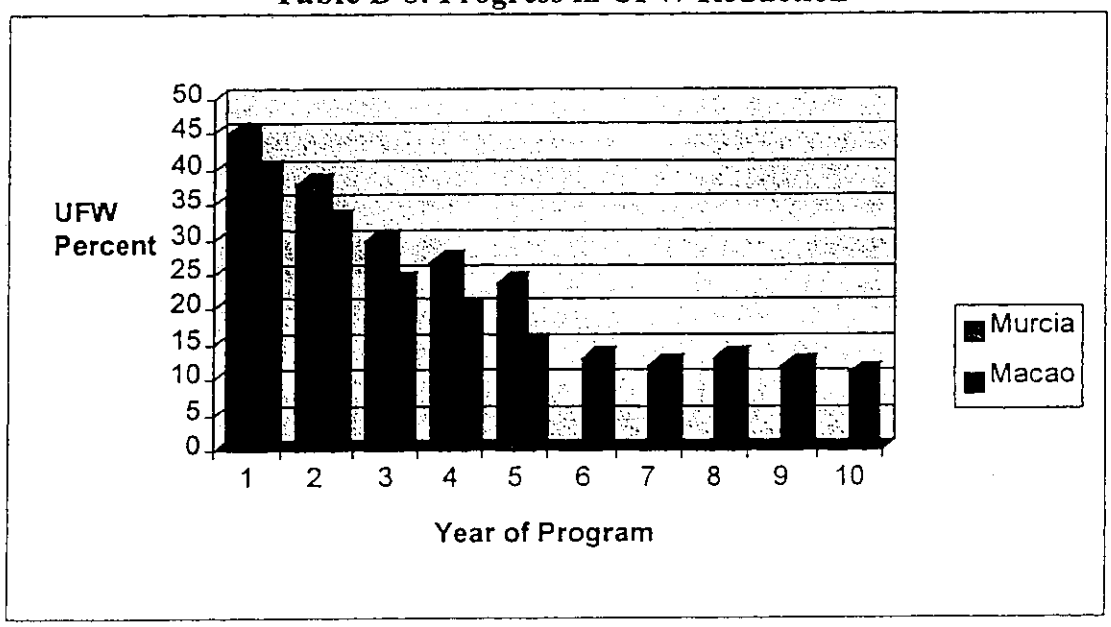


Table B-9: Accounts Receivable / Collection Period

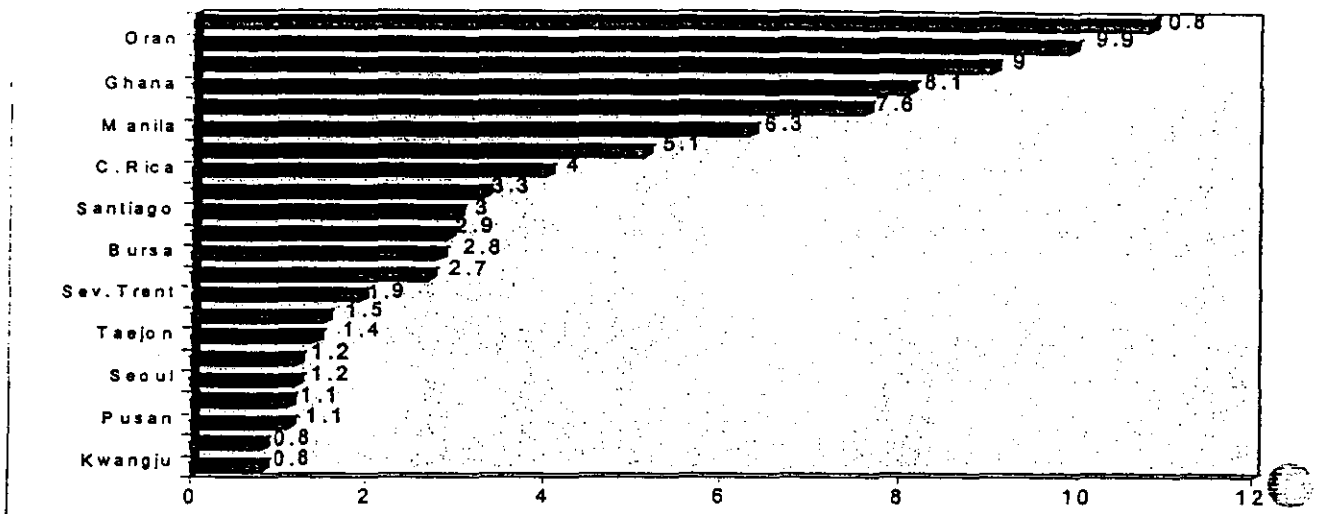
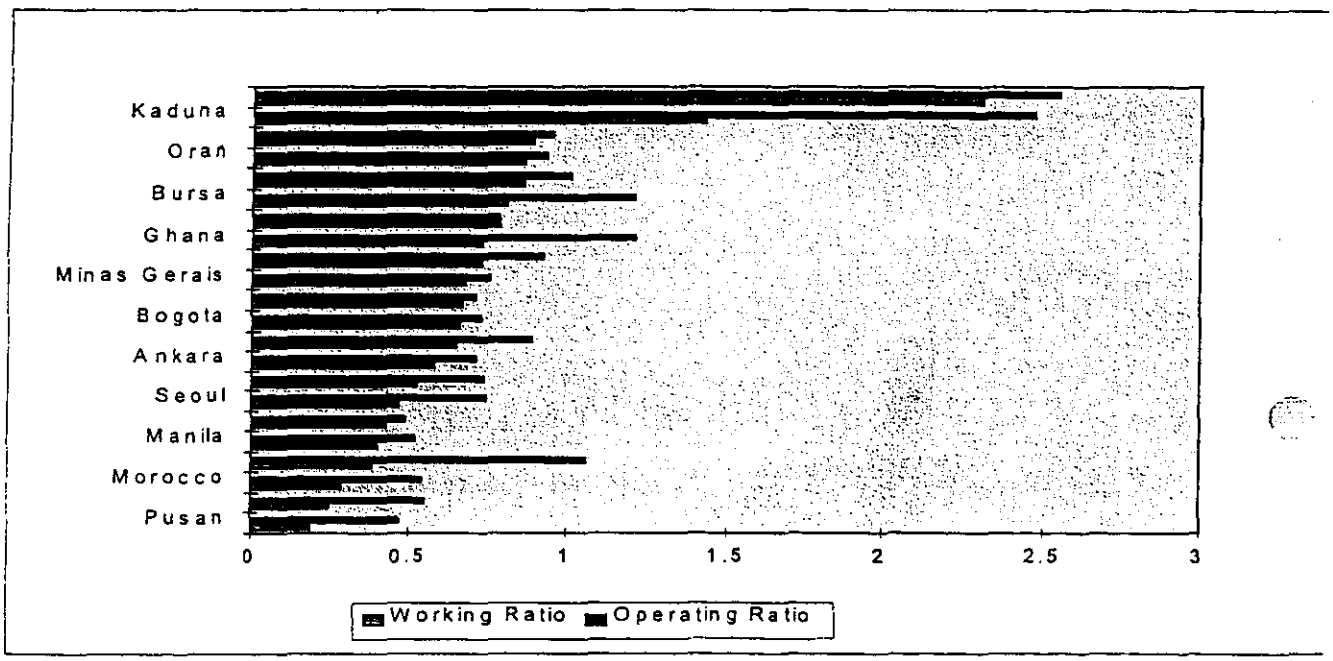
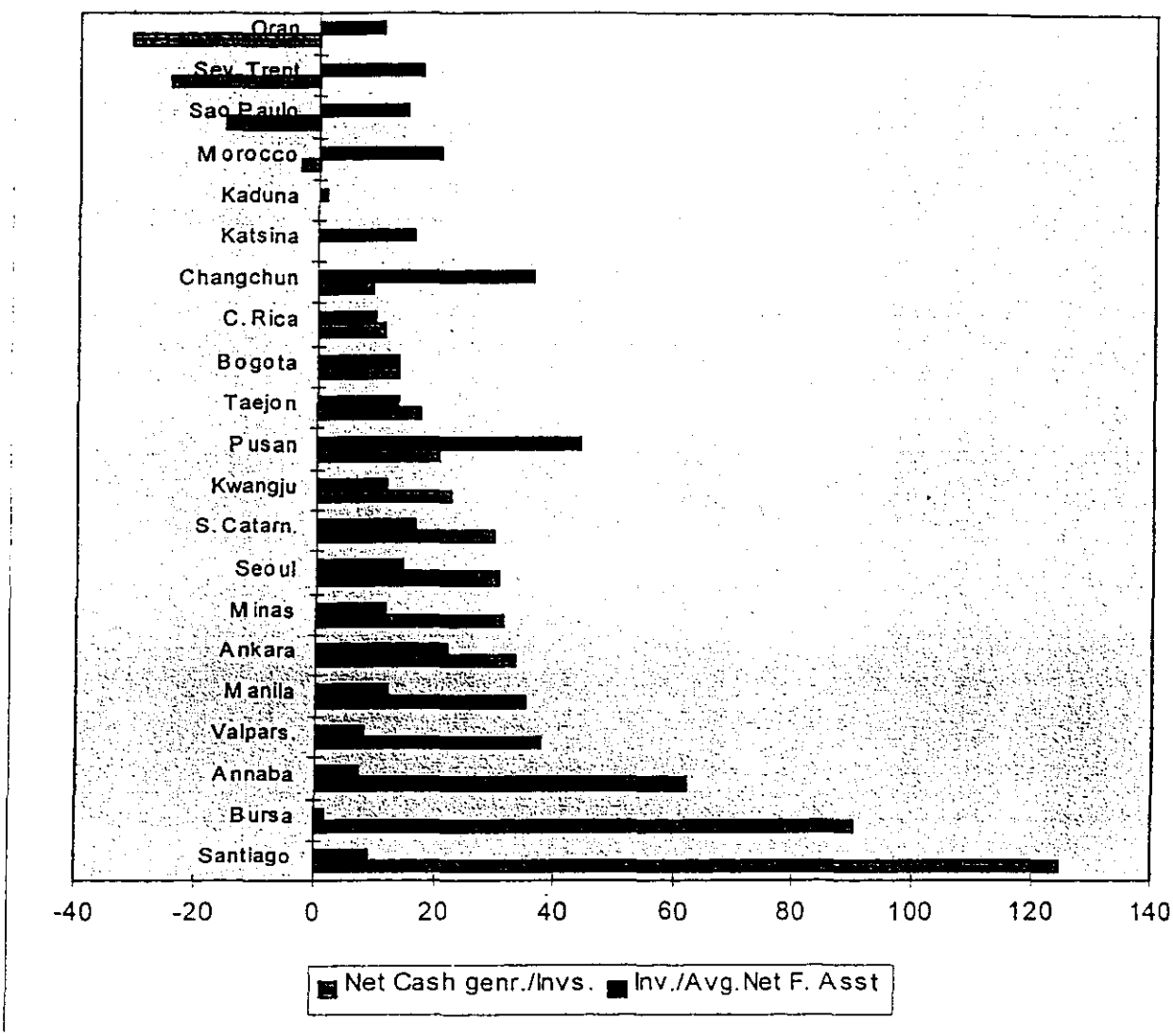


Table B-10: Working and Operating Ratios[1]



[1] Working Ratio is Operating Costs (excluding depreciation and interest payments) over Operating Revenues. Operating ratio includes depreciation and interest in the numerator.

Table B-11: Percentage Contribution To Investment



Annex 9: Recommended Research Priorities

Tariff Studies for all Major Water Corporations. This is the basic study that all water authorities need to do a minimum of every five years. Often it is combined with Willingness to Pay Studies performed at the same time. Results are important when considering investments and infrastructure alternatives and also provide valuable cost of service information for tariff design and cost accounting. This is also an important study for donors which look for the current and future financial trends it portrays.

Customer Attitude and Willingness to Pay Studies. Detailed knowledge about customer attitudes concerning water issues is very important to any water authority. Also important to understand is customer's willingness to pay (WTP) for service and what level of service it desires. The best method to get this sort of information is to perform periodic household surveys, and which contain a willingness to pay component. Normally surveys of about 1,000 representative households in any one city are undertaken by professional surveyors and results submitted to rigorous statistical analysis. Uses of the information from WTP surveys are typically used to gauge the effect of tariff increases, to determine levels of service and reliability that customers desire, plan the size of network extensions, and gain information about customers' opinions of the water authority.

Cost Effectiveness of Universal Metering. Lebanon is behind the rest of the Middle East in the application of universal metering. Other countries are already aware that, in arid climates and water short regions, the metering of consumers is strongly recommended. This is because metering is an easily understood efficiency tool that automatically provides an incentive to both the utility and the customer to conserve water. Further, as was illustrated in Annex 5 of this report, the payback period for a metering program is relatively short. Finally, because of the high levels of inherent cash flow, a metering program can facilitate cost effective contracting of the billing and collection function to an outside firm.

Medium to Long Term Financial Projections for the Sector. Section __ of the main report states that very little work has been done in understanding the sector's finances. The country needs to spend much more work in this area, including at both the regional corporation as well as for the sector levels. Useful information would be gained on when and how customers will assume their fair share of investment and debt service obligations, how large multi-use or multi-regional investments can be best financed, or how to choose among donors' lending instruments to find the most cost effective financing plans. With longer term financial information, it should also be possible to better match investments and financing terms (e.g., mobilizing more long term financing from non-donor sources).

Feasibility Studies for Contracting Operational Activities. Lebanon has a tradition of private sector participation. Yet, the water and wastewater sectors are strangely lacking in this regard. It appears that many opportunities for private sector participation exist (e.g., billing and collection, maintenance and repairs, laboratory work, etc.) and Lebanon needs to fully explore both the cost and efficiency aspects of their increased use.

Regional Supply & Demand Studies. All of the country's water supply and demand figures are out of date. In part, this is because many of the meteorological stations need to be replaced or updated, as well as river and stream gauges. In addition, there needs to be a provision for systematic measuring of snowpacks and groundwater resources. One the basic data is available, then extensive computer modeling work needs to be done to predict water supplies under different weather patterns and pollution loads. Especially lacking in this area is information on groundwater supplies, both from a quantity and sustainability viewpoint. On the demand side, a lot of work needs to be completed regarding the effects of an absolute expansion in irrigated land, as well as the location of these potential new networks. Also on the demand side, very little is known about urban water demand, and especially the mix between surface and groundwater in different seasons. Similar issues also exist for wastewater flows, both concerning the location and end disposal sites.

Managing Demand to Meet Supply & Financial Constraints. In a water constrained environment as is typical in many of Lebanon's regions, affordable water supplies are quickly being exhausted. Supply augmentation is no longer feasible or desirable because of the cost and technical difficulties. Therefore, work now needs to start on demand management. This task includes technical and traditional measures such as leak detection and a reduction in commercial UFW. However, it also encompasses items such as public awareness campaigns, developing incentives/regulations for the installation of water conserving devises, and improving pricing to better reflect water and wastewater value to consumers. Water Authorities need to staff themselves with the appropriate skill mix for an increased emphasis on demand management. This includes hiring more economic, financial and public relations skills, as well as undertaking strategic studies to address water demand in a comprehensive and holistic fashion.