

٢٠١٥ / مشروع مياه صياحة القرعون من البلوت
(مشروع مريض وقدم من البنك الدولي)

THE LEBANESE REPUBLIC

LAKE QARAOUN POLLUTION PREVENTION PROJECT

APPRAISAL MISSION, MARCH 30-APRIL 8, 2015

AIDE-MÉMOIRE

Introduction

1. A World Bank team visited Lebanon during March 30-April 8, 2015 to appraise the *Lake Qaraoun Pollution Prevention Project* (P147854). The mission was composed of Mr. Mohammed Benouahi (Lead Wastewater Consultant) and Ms. Suiko Yoshijima (Environmental Specialist). Mr. Sepehr Fotovat (Sr. Procurement Specialist) and Ms. Rima Koteiche (Sr. Financial Specialist) joined the mission from Beirut. Maria Sarraf (Task Team Leader supported the mission from Washington). Mr. Chaogang Wang (Sr. Social Specialist) conducted a social review of the project on March 26th. On April 7, the mission conducted field visits to Zahlé to visit the Bekaa Water Establishment (BWE) and Zahlé wastewater treatment plant (WWTP).

2. The mission met with H.E. Mohammad Al Mashnouk, Minister of Environment (MoE), H.E. Arthur Nazarian, Minister of Energy and Water (MoEW), H.E. Nabil El Jisr, President of the Council for Development and Reconstruction (CDR) and their teams. The mission also met with counterparts from the Ministry of Finance (MoF), Ministry of Agriculture (MoA), the Litani River Authority (LRA), BWE, the Food and Agriculture Organization (FAO), Italian Cooperation and the Lake Qaraoun Committee. The mission would like to thank all counterparts for their excellent collaboration during its stay in Lebanon.

3. A Wrap up meeting was held at CDR on April 1, 2015. The mission is pleased with the progress made in preparing the project and concluded with the counterparts that the project is ready to be negotiated. This Aide Memoire was shared with the counterparts at the end of the mission. The next sections summarize the main key findings and agreements reached.

Key Findings and Next Steps

4. Expansion of sewage network feeding into Zahlé WWTP

a) Zahlé networks: Design of Zahlé networks, which constitutes about 50% of project costs, has been finalized. Detail design, drawings and BOQ have been finalized and all the safeguards requirements (EMP, LAP and design review of WWTP) have been satisfied. Tender documents will be prepared by end of April, 2015. This investment is ready for implementation.

b) Zahlé WWTP is an associated facility funded by the Italian Cooperation. Field visit was conducted on April 7, 2015. The WWTP works are proceeding well and most equipment is already at the site. The treatment plant is expected to be operational by end of October 2015.

5. Expansion of sewage network feeding into Anjar WWTP

a) Cost estimate: During the mission, a revised cost estimate was provided for Anjar sewage networks requiring additional US\$10 million. Following discussions with CDR and MoEW, the CDR requested the Bank to raise its funding by US\$5 million, the remaining US\$ 5 million will be funded by the Government.

b) Anjar WWTP: The mission met with the Italian Cooperation to discuss the status of the WWTP in Anjar. Funding for Anjar WWTP was approved by the Italian Cooperation in March 2015. The financial agreement will be submitted for Government approval by May 2015.

WAT/A15/1

6. BWE accounts for year 2014 have been finalized but not approved by the BWE's Board and Government authorities. BWE is behind in implementing the USAID funded **integrated information system** which includes a module on accounting and finance (based on 2005 water by-laws). Although the contract funded through USAID has now ended, BWE is funding from its own resources the completion of this important task.

7. BWE **billing and collection** have improved during the last years. Collection rate increased from 19% in 2009 to 35% in 2014. However this remains low and below standard collection (70-80%). The current highly sensitive political and security situation in the Bekaa region further hinders BWE's ability to improve collection and enforce regulations. BWE has recently developed a proposal with concrete measures to further improve its collection. The **new proposal** focuses on: undertaking a new customer survey, outreach to political and municipal authorities that interact directly with people explaining the necessity to pay for water consumed, payment modalities and legal implications and sanctions for those who refuse to pay; review old debts and consider forgiveness of some old bills and so on.

8. **Retroactive Financing.** To allow early launch of project activities, the Government is considering the use of retroactive financing. The amount and type of expenses, which are expected to be retroactively financed, have been discussed during the mission. It was agreed that the CDR will send a request for retroactive financing to the Bank before negotiation.

9. The **next steps** include:

- | | |
|---|----------------|
| - Finalize tender document for Zahlé sewage network | April 30, 2015 |
| - CDR submits a request for retroactive financing | April 30, 2015 |
| - Finalize project agreements between CDR and FAO | May 1, 2015 |
| - Negotiations (proposed to be held via Video Conference) | May 5-6, 2015 |
| - Submission for Board approval | July 22, 2015 |

Project description

Component 1: Improve the collection of municipal sewage (estimate US\$55 million)

10. This component will finance activities that increase sewerage collection in areas where wastewater treatment plants have been (or are planned to be) constructed. It will finance:

Investment 1: Expansion of sewage network feeding into Zahlé WWTP (US\$26 million).

11. The Zahlé WWTP, is part of Lebanon's wastewater master plan, and is currently under construction with funding from the *Italian Protocol*. The plant is expected to become operational in October 2015. The plant is designed with a capacity for a daily flow of 37,300 m³ for 2015 and 56,000 m³ for 2030. The plant will connect to an existing network of about 350 km. The project intends to finance: the construction of about 108 km of new sewerage network, and the rehabilitation of part of the old network, and 6,000 new house connections. Consultants have finalized the detailed design, the drawings and the BOQ. Tender documents are expected to be ready by end of April 2015. The area that will be covered is: Greater Zahlé (including **Karak** and **Ksara**); **Saadnayel**; part of **Taalabay**; **Quaa El Rim**; **Hezzerta**; and part of **Forzol**, with an estimated equivalent population of 200,000 (excluding Syrian refugees). This investment is ready to be implemented.

Investment 2: Expansion of sewage network to connect to Anjar WWTP. (US\$19 million).

12. The Anjar WWTP, located close to the Litani River, is planned to be constructed with funding from the *Italian Cooperation*. A feasibility study has been completed for the treatment plant to serve 17 localities from the West Beqaa and Zahlé districts. The *Italian Cooperation* is expected to fund the construction of the WWTP as well as the sewage network to serve 7 localities (Anjar, Majdel Anjar, Saouiri, Barr Elias, El Marj, Er Raouda and Qabb Elias), 2 main collectors and 3 pumping stations to convey all wastewater generated from the remaining 10 localities. In this project, it is proposed to include the expansion of the sewage network to connect 10 localities (**Bouerij, Chtaura, Mraijet, Jdita, Jlala, Makse, Qabb**, part of **Taalabaya, Taanayet, Wadi Delem** and **Zebdol**) for a total population of 80,000 (excluding Syrian refugees). The cost estimate for this component has been revised and increased by US\$ 10 million. It was agreed that the Bank would increase its initial funding from US\$14 million to US\$19 million and the Government will fund the remaining US\$5 million.

13. The *Italian Cooperation* has confirmed its financing to the Anjar Wastewater plan and related network by letter dated January 28, 2015. During the mission, the WB team met with the *Italian Cooperation* who confirmed that this financing has been approved by their Board of Directors in March 2015. In May the Italian Cooperation will submit a draft financial agreement to CDR/Government for signature.

Investment 3: Expansion of sewage network to connect to Ablah, El Ferzol, Aitanit WWTPs (US\$3.5 million)

14. The Aitanit WWTP has been constructed with funding from USAID and has a capacity of 5,000 m³ per day¹. The treatment plant is connected to four villages: Baaloul, Qaraoun, Aitanit, and Machgara, with a total population of 22,300.² The plant currently operates under capacity, at a flow of 500–700 m³ per day. It is proposed that this component finances the network expansion of the Aitanit WWTP in these four villages.

15. A consultant firm has been recruited by the CDR to carry out an environmental audit for Aitanit WWTP as a first step to assess the feasibility of expanding the sewage network feeding into the plant. Findings indicate that the plant is in principle performing well, however, some issues including sludge management have been identified. Comments were provided during the mission and the consultant will revise the audit report.

Component 2: Increase the adoption of IPM practices (estimate US\$1.5 million)

16. The mission met with its counterparts at FAO and discussed the proposal prepared for the implementation of this component. Indicators and targets were discussed and agreed as follows:

- **Number of farmers adopting IPM practices.** There are about 1,500 relatively large farms (> 40 du) in the Zahlé and West Beqaa cazas. About 50 percent of them are cultivated with potatoes and vegetables. Thus, the project will target 750 farms. It is expected that at least 30 percent of them will adopt these practices by the end of the project, which corresponds to 225 farmers. In the targeted farms, the project will focus on reducing the use of fertilizers and pesticides, as described below.
- **Reducing fertilizers.** The main agrochemical polluter of the river is nitrate, while potato is the main crop being over fertilized. The recommended amount of nitrogen is 11.5 kg/du, while farmers are currently using 3 times as much (about 31 kg/du). This component aims at

¹ Environmental and social safeguard studies for Lake Qaraoun pollution prevention project, Coordination Meeting, Sept 24, 2014.

² This includes 4,000 people in Balaoul, 6,000 in Qaraoun, 1,300 people in Aitanit, and 11,000 people in Mashghara (USAID 2010b).

reducing this amount by 50 percent, to about 15 kg/du. It will target 16,000 du, corresponding to 25 percent of the total potato area in the West Beqaa and Zahlé cazas. Therefore, the component will reduce the fertilizer use on potato areas by about 240 tons (15 kg/du * 16,000 du).

17. The mission also discussed the contractual agreement with FAO. A sample contractual agreement is attached in Annex 3.

Component 3: Technical Studies in Solid Waste, Water Quality Monitoring, Capacity Building, and Project Management (estimate US\$3.5 million)

MoEW: Technical studies in Solid Waste Management (estimate US\$0.6 million)

18. There is no change to this component and activities and discussion that took place at pre-appraisal have been confirmed. This component includes technical studies for sorting and landfill facilities and for the closure and rehabilitation of dump sites (based on the Master Plan for Closure and Rehabilitation of Uncontrolled Dumps, 2011) as well as the recruitment of a solid waste expert (as part of the PMU) to be seconded to the MoE. The MoE will prepared a TOR for a solid waste expert.

LRA: Improvement in Water Quality Network and Water Resources Modeling/LRA (estimate US\$0.8 million).

20. The scope of this sub component has been reconfirmed with LRA representatives. It will include a) increasing the number of water quality monitoring location in the Upper Litani from 10 (currently) to 20; b) providing assistance water quality monitoring c) undertaking clean up campaigns. TORs for a communication specialist have been prepared. TORs for a water specialist are under preparation. During the mission, targets related to trash removal were discussed. Quantity of trash removed from Litani river banks is targeted to 250 m³/year which makes the total removal of 1,250 m³ by the end of the project.

Capacity building of the Bekaa Water Establishment (estimate US\$0.6 million).

21. The need to strengthen BWE's capacity was discussed during the mission. BWE is working with the GOL to fill critical positions needed to manage and supervise its activities. It is also facing difficulties attracting highly qualifies professionals due to mainly low salaries provided within Government's compensation scheme. Using consultants and contractors have been so far the solution to respond to BWE's basic needs. The Bank has identified 3 key positions to fund under the proposed project (a wastewater engineer, an administrator/customer relation officer and a financial officer). Draft TORs have been prepared and will be shared with CDR and BWE before negotiations.

22. Despite effort made during the last 3 years, BWE **collection rate** remains weak. The issues are multiple. Some of them are inherent to BWE structure, collection efficiency, and control mechanism and, in some cases, BWE's inability to enforce its rules and regulations due to the highly sensitive political and security situation in the Bekaa. Given the critical role that collection plays BWE has prepared and submitted a **new proposal** to its Board to revisit the issue of how to reinforce the collection aspects.

23. **Operations and Maintenance (O&M)** is an important issue for BWE. The Government has been subsidizing the O&M of Baalbeck and Nabi Chit Water Supply and Wastewater Treatment Plants. The mission was informed that BWE will no more benefit from Government assistance for

O&M and that it was expected to fund it from BWE own resources. Given the new investments in wastewater, O&M are expected to increase over time. Until BWE's revenues (tariffs/fees) and collection improve on a larger scale; Government assistance will still be needed. It is worth noting that in most countries, including developed ones, subsidize the wastewater sector especially the treatment part. This is considered an environmental public good where Government contribution is required.

Capacity building of the Ministry of Energy and Water (estimate US\$0.5 million).

24. The MOEW is in charge of overseeing the wastewater sector performance. The assistance will focus on following on sector strategy the tariff structure, completion of wastewater master plans in districts (caza) where it does not exist. It will also include the recruitment of an advisor to the Minister for wastewater management.

Project Management Unit (estimate US\$0.5 million) and Unallocated/Contingencies (US\$1 million)

25. A very lean PMU will be established at CDR and will consist of a full time project manager and a procurement specialist. CDR currently has capacity to undertake the financial management (FM) responsibility of the project. Should it become necessary it will hire "on a need basis" a FM specialist. Similarly, it will hire on a need basis an environmental/social consultant. Technical Experts will be recruited as part of the PMU but will be based in their respective organizations and will report to both CDR and implementing agencies. For example: the solid waste expert will be recruited by CDR and will be based at the MoE.

Financial Analysis and Sustainability

26. BWE financial resources come from 3 activities: water supply, irrigation water and recently, wastewater. The main source of income comes from water supply fees. The irrigation sub-sector being limited and the wastewater has just started with very low fees. The main problem is that only a fraction of the households connected to the water system is paying the bills, while a great number of households (30–50%) are illegally connected and not paying at all. Several awareness campaigns have been carried out with the assistance of donors and have helped increase collection rates. It is worth noting that the new management is making efforts to improve the collection rate. As a result, collection rate increased from 19% in 2009 to 35% in 2014. No increase was noticed in year 2014, however, a lot is needed to reach an acceptable level (70 – 80%), so that BWE can face its rising costs, especially by adding new responsibilities related to wastewater facilities.

27. The overall financial situation of BWE will face further challenges, given its rising cost structure. Energy, payroll, O&M and other expenses have increased by about 200% between 2009 and 2014, without taking into account the depreciation of fixed assets.

28. However, as mentioned above, the new management has made positive impact on BWE as a whole. BWE is now able to pay a portion of electricity bills, to pay regularly its staff, including social security due to Government, and has currently cash on hand equivalent to approximately 1.5 year worth of BWE's salaries and benefits.

29. During the mission, the WB team discussed with BWE the long-term financial sustainability of the Establishment. The *BWE's Business Plan* prepared a couple of years ago has to be revised, as some basic assumptions are no longer valid and many parameters will need to be re-assessed. BWE agreed on two scenarios for its future financial projections from 2015 to 2022, date of expected project completion. BWE will be running deficits during the project period under both scenarios given the fact that both tariffs and collection rates are low. Government will have to reassess the financial

situation of BWE in light of increasing cost of wastewater. Stopping subsidies at this critical juncture especially on the wastewater sector would have negative impact on BWE operations.

Fiduciary

Procurement

30. As already discussed CDR should designate a qualified Procurement Specialist, preferably already experienced with World Bank Procurement Guidelines and practices, for the Project. Contract management capacity needs to be improved by hiring qualified consultants to ensure timely decision making and amendments to contracts as needed. Procurement Plans will be prepared and published based on Bank Guidelines (a draft Procurement Plan is attached in **Annex 2**). Bank Standard Bidding Documents and RFPs are to be used for the Project. Publication of contract award will be done as required by the Bank Guidelines.

31. It was noted that CDR is planning to use the services of FAO for one of Component 2, as FAO is uniquely qualified for the assignment. CDR needs to justify this based on paragraph 3.15 of the Guidelines, before the contract could be awarded. This should include the draft contract and its estimated value. (A sample draft TA Agreement with FAO has been provided during the mission and is attached as **Annex 3** to this AM. Given the length of this agreement it is provided in a separate file).

32. It should be noted that based on standard agreement with FAO, the payments are done semi-annually based on the accepted Work Plan but secured under one blanket Withdrawal Application for the total amount of contract as reflected under Article III.

33. In case of retroactive financing, this needs to be revised to allow payments by CDR during retroactive period, as the blanket Withdrawal Application for Bank's Direct Payment could only be used after Project Effectiveness.

34. **Next Step:** Request for Single Sourcing of FAO along with the justifications.

Financial Management

35. During this mission, FM arrangements were agreed with the implementing agency CDR. The following are the main FM areas that were discussed:

36. **Staffing.** The project FM implementation will be handled by the existing Financial Officer (FO) of CDR in addition to his current assignments on other World Bank financed projects. The CDR FO has adequate experience in managing World Bank financed projects and thus this would facilitate an efficient implementation of the project FM arrangements.

37. **Project Accounting Software.** As mentioned in previous missions, CDR has already in place a customized accounting software that has been used for the FM implementation of the World Bank financed projects and that can be used for this project as well to record project's accounting transactions and generate the project's Interim un-audited Financial Reports (IFRs). Additionally, the mission reiterated to the need to ensure that the assets module is well operational to capture the recording of the Fixed assets acquired under the project and related works.

38. **Flow of Funds.** The project will be financed through a lending from the World Bank to the government of Lebanon. A Designated account (DA) for the project's loan funds will be opened at the Banque du Liban (BDL) in USD. The funds from the World Bank will be transferred directly to the project DA with no transit into the Treasury sub-account for Ministry of Finance (MOF), since CDR is an entity that is exempted from that procedure. Accordingly, this will allow to avoid delays in getting the fund and thus result in improved project's disbursements. CDR will use this DA to pay for eligible expenditures related to components activities that the World Bank is financing. The project may request

39. **Retroactive financing.** The project may request retroactive financing of up to 20% of the loan amount for eligible expenditures under categories works, goods, consultant's services and training, and operating costs made on and up to 12 months prior to the date of Loan Agreement signing. Payments for items procured must be in accordance with applicable Bank Procurement procedures.

40. **Interim Financial Reports (IFRs).** The Project IFRs format will be agreed on between the Bank and the Project by negotiations. The Project's consolidated IFRs, will be sent to the World Bank by no later than 45 days after the end of each quarter. The project will produce quarterly consolidated interim unaudited financial reports (IFRs) and annual project financial statements in compliance with International Public Sector Accounting Standards (IPSAS). The quarterly consolidated IFRs will be submitted by CDR within 45 days after the end of the said quarter to the Bank in order to monitor on a more frequent basis the financial progress of the Project. The format of unaudited IFRs that will be used for the Project will be agreed with the Bank by Project negotiations, needs to be consistent with IBRD formats and in accordance with IPSAS, and will be included in the PIM. The IFRs will be composed of: (i) Statement of Cash Receipts and Payments by category for the year then ending and cumulatively from inception date up till the year ending including funds received from third parties; (ii) Accounting policies and explanatory notes including a footnote disclosure on schedules; (iii) Statement of Designated Account reconciling period-opening and end balances; (iv) Statement of project commitments, showing contract amounts committed, paid, and unpaid under each project's signed contract; (v) Statement of expenditures by category for the quarter and cumulative, and (vi) a comprehensive list of fixed assets.

41. **External audit.** CDR is responsible for selecting and entering into a contract with an independent, and qualified external audit firm acceptable to the Bank that will undertake annual audits of the project financial statements. The external audit TORs will be agreed with the Bank and included in the PIM. The Project audit report and management letter will be submitted within 6 months after the end of the audit period. Moreover, according to the new Bank disclosure policy effective July 1, 2010, the Bank as well as the Borrower make publicly available the borrowers' audited annual financial statements for all investment lending operations for which the invitation to negotiate is issued on or after July 1, 2010, as per OP/BP 10.02, Financial Management. Accordingly, this Project's audited annual financial statements once issued and accepted by the Bank will be made available to the public on the CDR website

Environment and Social Safeguards

42. The Project's Environmental and Social Management Framework (ESMF), the Project's Resettlement Policy Framework (RPF), and the Environment Management Plan (EMP) for Zahlé sewage network (component 1, investment1) have been cleared by the Bank and disclosed in country (February 11, 2015) and at the World Bank Infoshop (February 12, 2015). They also have been translated into Arabic and disclosed in country (February 27, 2015) and at the World Bank Infoshop (March 2, 2015).

43. The Land Acquisition Plan (LAP) for Zahlé sewage network and the **design review of Zahlé WWTP** were cleared by the World Bank and disclosed in country (March 13, 2015) and at Infoshop (March 18, 2015).

44. Although requirements before appraisal have been satisfied, the project needs to prepare site specific EMPs, LAPs (as required) for the networks for Anjar and Aitani, audit report for Aitani and submit them for clearance by the World Bank before construction starts.

45. **Expropriation Decree.** About 2 km of new sewerage network construction will involve acquisition of 12 plots of privately owned lands. The total area of permanent land acquisition is about 6221.84 square meters in two municipalities of Zahlé and Hazzerta. The draft expropriation decree has been prepared based on the land survey and is under the review of CDR Expropriation Department. It was agreed that CDR will send the draft decree to the two municipalities for their endorsement by April 20, 2015. Once endorsement is obtained from the municipalities (they have 15 days to response), the decree will be sent to CDR Board for approval.

Annex 1: List of People Met³

World Bank	Mohammed Benouahi	Lead Water and Wastewater Specialist
	Eric Le Borgne	Lead Economist
	Hussam Beides	Program Leader
	Suiko Yoshijima	Environmental Specialist
	Sepehr Fotovat	Sr. Procurement Specialist
Ministry of Environment	Rima Koteiche	Sr. Financial Analyst
	H.E. Mr. Mohammad Al Mashnouk	Minister of Environment
	Mr. Ghassan Sayah	Senior Advisor
	Ms. Manal Moussallem	Senior Environmental Advisor (UNDP/MOE)
	Mr. Youssef Doughan	Advisor
Ministry of Energy and Water	Mr. Bassam Sabbagh	Chief of Service, Urban Environment
	H.E. Mr. Arthur Nazarian	Minister of Energy and Water
	Ms. Randa Nemer	Senior Advisor
	Ms. Suzy Hoayek	Junior Wastewater Expert, EU-Sissaf
Council for Development and Reconstruction	Mr. Mufid Dyhayni	Lake Qaraoun Committee member
	H.E. Mr. Nabil El Jisr	President
	Ms. Wafa Charafeddine	Director of Funding Division
	Mr. Assem Fidawi	Head of water & wastewater projects
	Mr. Maroun Daher	Project Manager
	Mr. Youssef Aziz	Economist
	Mr. Roy Feghali	Project Director
Ministry of Agriculture	Mr. Khalil Akl	
	Mr. Ezzeddine Terro	Project Manager
	Ms. Desiree Dayeh Khoury	
Ministry of Finance	Mr. Talal Salman	Economic Advisor
	Ms. Nelly Habib	Business Analyst, WB Focal Point
Ministry of Industry	Ms. Soha Yazbek	Lake Qaraoun Committee member
Anjat Municipality	Mr. Gasabed Pauboukiau	Mayor of Anjat, Lake Qaraoun Committee member
Anjat Municipality	Mr. Omar Solh	President of Union & Municipalities
Bar Elias Municipality	Mr. Saad Eddine Ibrahim	President, Lake Qaraoun Committee member
Belal Water Establishment	Mr. Maroun Moussallem	Director General
	Mr. Ahmed Said Dally	Director of Diwan
	Mr. Khalil Azar	Lake Qaraoun Committee member
	Mr. Hussein Abbas	
	Mr. Gaby Freigg	
	Mr. Nicholas Ahoudubard	
	Mr. Machaalani	
	Mr. Roy Yazbeck	Financial Specialist
	Mr. Adel Houmani	General Manager
	Mr. Nabil Amacha	Head Dept Water Monitoring and Env Studies
Littani River Authority	Mr. Jouni Belal	Project Focal Point
	Ms. Rida Jomaa	Natural Resources Engineer
	Mr. Maurice Saade	FAO Country Representative in Lebanon
	Ms. Marie Louise Hayek	Project Focal Point
TACO	Ms. Faten Adada	Program Assistant
	Mr. Amin Shaban	Lake Qaraoun Committee member
ENRS	Mr. Mahmoud Taleb	Project Manager
	Mr. Joseph Eid	
	Ms. Lara Bou Ghanem	
Rafik El-Khoury & Partners	Mr. Roukos El-Asmar	Civil Engineer
	Mr. Mouhibe Seiffeddine	
	Mr. Marwan Nassar	
	Mr. Charbel Abi Abdellah	
	Mr. Gim Andrea Soudri	Director
	Mr. Jacopo Tavassi	
	Mr. George Cherabie	Project Program Coordinator
	Mr. Chadi Salem	Engineering Advisor
Italian Corporation	Mr. Gim Andrea Soudri	Director
	Mr. Jacopo Tavassi	
	Mr. George Cherabie	Project Program Coordinator
Buter	Mr. Chadi Salem	Engineering Advisor
	Mr. George Zeino	Sub-contractor
	Mr. Merhab Elias	Sub-contractor
Degremont	Mr. Nicolas Daoud	
	Mr. Sassine Kossouly	

³ This list may not include all people present during meetings

Annex 2: Procurement Plan:

Goods and Works and Non-consulting services: List of contract packages which will be procured following ICB, NCB, shopping, and direct contracting methods:

List of Contract Packages

1	2	3	4	5	6	7
Ref. No.	Contract (Description)	Estimated Cost (US\$, millions)	Procurement Method	P-Q (Yes/No)	Review by Bank (Prior/Post)	Expected Bid Opening Date
QC1W1	Expansion of sewage collection to connect to the Zahlé WWTP	24.7	ICB/NCB	No	Prior	September 2016
QC1W2	Expansion of sewage network to connect to the Anjar WWTP	18.1	ICB/NCB	No	Prior	September 2018
QC1W3	Expansion of sewage network to connect to the Aitanit WWTP	3.3	NCB	No	Post	September 2017
QC3G1	Purchase water monitoring stations	0.1	Shopping	No	Prior	September 2017
QC3NC1	Awareness campaigns – LRA (multiple campaigns)	0.25				

Consulting Services: List of consulting assignments (QCBS, QBS, FBS, LCS, CQS, SSS, IC methods).

List of Consulting Assignments

1	2	3	4	5	6
Ref. No.	Description of Assignment	Estimated Cost (US\$, millions)	Selection Method	Review by Bank (Prior/Post)	Expected Proposals Submission Date
QC1C1	Supervision of sewage collection to connect to the Zahlé WWTP	1.04	QCBS	Prior	September 2016
QC1C2	Design and supervision of sewage network to connect to the Anjar WWTP	0.82	QCBS	Prior	September 2017
QC1C3	Design and supervision of sewage network to connect to the Aitanit WWTP	0.14	QCBS	Post	September 2016
QC2C1	Promote the use of GAP, including IPM	1.5	SSS (FAO)	Prior	July 2016
QC3C1	Technical studies in solid waste management - MoE	0.35	QCBS	Prior	September 2016
OC3C2	Water expert - LRA	0.27	IC	Prior of TOR	
OC3C3	Communication expert - LRA	0.18	IC	Prior of TOR	
OC3C4	Wastewater engineer - BWE	0.21	IC	Prior of TOR	
OC3C5	Customer relations officer - BWE	0.18	IC	Prior of TOR	
OC3C6	Financial officer - BWE	0.21	IC	Prior of TOR	
OC3C7	Capacity building of MoEW	0.48	IC	Prior of TOR	
OC3C8	Solid waste expert - MOE	0.25	IC	Prior of TOR	
QC3C9	Project management (project manager; part-time procurement; part-time environmental/ social)	0.5	IC		
QC3C10	Audit report	0.09			



مديرية المالية العامة - الشؤون الادارية - الدائرة الادارية

رقم الملف	ص 2098/1
المصدر	وزير المالية
الموضوع	جانب رئاسة مجلس الوزراء طلب الاستحصال على موافقة مجلس الوزراء للتفاوض حول مشروع القرض المقدم من البنك الدولي بقيمة 55/مليون دولار اميركي لتنفيذ مشروع حماية مياه سد القرعون من التلوث
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رقم المحضر : ٩

رقم القرار : ٣٣

سنة : ٢٠١٤

من محضر جلسة مجلس الوزراء

المنعقدة في : القصر الجمهوري يوم : الجمعة الواقع في : ٢٠١٤/٥/٩

الموضوع: طلب وزارة البيئة الموافقة على تشكيل لجنة للإشراف على حسن تطبيق خارطة الطريق العائدة لمكافحة تلوث بحيرة القرعون.

المستندات: - المرسوم رقم ٨٤٧١ تاريخ ٢٠١٢/٧/٤ (الالتزام البيئي للمشآت)

- قرار دولة رئيس مجلس الوزراء رقم ٢٠١٢/١٠٢ (تشكيل لجنة لإعداد دراسة

حول مشكلة التلوث البيئي في نهر الليطاني وبحيرة القرعون)

-- كتاب مجلس الإنماء والإعمار رقم ١/١٣٧٤ تاريخ ٢٠١٤/٤/٣

- كتاب وزارة الطاقة والمياه رقم ١٣٥/ص١ تاريخ ٢٠١٤/٤/٢٢

- كتاب وزارة الصناعة رقم ٨١٥-٧٨٣/و تاريخ ٢٠١٤/٤/١٥

- كتب وزارة البيئة رقم ٢٥٧/ب تاريخ ٢٠١٣/١/٢٣ ورقم ٢٥٧/ب تاريخ

٢٠١٣/٩/١٣ ورقم ٤٧٥٤/ب تاريخ ٢٠١٣/١٢/٥ ورقم ٤٧٥٤/ب تاريخ ٢٠١٣

تاريخ ٢٠١٤/٣/٧ ومرفقاتها.

قرار المجلس :

اطلع مجلس الوزراء على المستندات المذكورة اعلاه ،

وقد تبين منها ان وزارة البيئة تفيد انه سبق لها ان اطلقت عام ٢٠١١ خطة ادارية لمكافحة تلوث

بحيرة القرعون بالتعاون مع برنامج الأمم المتحدة الإنمائي وقد تم تأليف لجنة بموجب قرار دولة رئيس مجلس

الوزراء رقم ٢٠١٢/١٠٢ تاريخ ٢٠١٢/٦/٢٥ أعدت تقريراً حول دراسة مشكلة التلوث البيئي في نهر الليطاني

وبحيرة القرعون واقتراحات حلول لمعالجتها .

وانه وبعد التنسيق مع الجهات المعنية بالامر ، توصلت الوزارة المذكورة الى خارطة طريق لتطبيق

التدابير اللازمة جرت مناقشتها في المجلس النيابي بمشاركة الوزراء السنة المعنيين مطلع العام ٢٠١٣ (وزراء

البيئة ، الطاقة والمياه ، الصناعة ، الزراعة ، الداخلية والبلديات ، والصحة العامة - بالإضافة إلى رئيس

مجلس الإنماء والاعمار) .

٤٥

X

رقم المحضر : ٩

رقم القرار : ٢٤

تاريخ القرار : ٢٠١٤/٥/٩

وتضيف الوزارة انها تبذل مساعي لتأمين الموارد المالية اللازمة والتي تقدر بحوالي ٢٥٥ مليون د.أ. لتطبيق هذه الخارطة لاسيما عن طريق :

- اقتراح قانون مقدم من مجموعة من النواب يحدد المبالغ اللازمة ومصادر التمويل الممكنة وقد تم تعديله في لجنتي الاشغال العامة والنقل والطاقة والمياه النيابية والمال والموازنة النيابية ليتماشى بشكل كامل مع خارطة الطريق .
- مشروع قرض من البنك الدولي الذي وافق في كانون الأول ٢٠١٣ على طرح مشروع مكافحة تلوث بحيرة القرعون للتمويل ، وأعطى الفريق التقني الضوء الأخضر للمباشرة في التحضير لمشروع القرض ، على ان يتم التمويل على مراحل - حيث من المرتقب توقيع المرحلة الأولى من التمويل (حوالي ٥٠ مليون د.أ.) في النصف الأول من العام ٢٠١٥ .

لذلك ، فان وزارة البيئة تعرض الموضوع على مجلس الوزراء مقترحة الموافقة على تشكيل لجنة للإشراف على حسن تطبيق خارطة الطريق على ان تضم الجهات ذاتها التي شملها قرار دولة رئيس مجلس الوزراء رقم ٢٠١٢/١٠٢ (البيئة ، الطاقة والمياه ، الصناعة ، الزراعة ، الصحة العامة ، الداخلية والبلديات ، مجلس الإنماء والاعمار ، مؤسسة مياه البقاع ، المصلحة الوطنية لنهر الليطاني) بالإضافة الى المجلس الوطني للبحوث العلمية وأهم البلديات المعنية (زحلة - المعلقة ، بعلبك ، الفرزل ، المريج ، عنجر ، جب جنين) على أن تتألف من ممثل واحد عن كل جهة أي ما مجموعه ١٦ عضواً .

- تتولى المصلحة الوطنية لنهر الليطاني الامانة العامة لهذه اللجنة .
- تتقدم الامانة العامة للجنة بتقارير دورية كل ٦ أشهر حول تقدم العمل الى مجلس الوزراء .

أفاد مجلس الإنماء والاعمار ان مندوب المجلس المهندس عاصم فداوي كان مشاركاً في اللجنة المشكلة بموجب قرار رئيس مجلس الوزراء رقم ٢٠١٢/١٠٢ وإن مجلس الإنماء والاعمار يسميه لتمثيله في اللجنة المقترحة .

سمت وزارة الصناعة المهندسة السيدة سها يزبك - رئيسة دائرة التأهيل التقني في ملاك الوزارة للمشاركة في أعمال هذه اللجنة .

رقم المحضر : ٩

رقم القرار : ٢٥٣

تاريخ القرار : ٢٠١٤/٥/٩

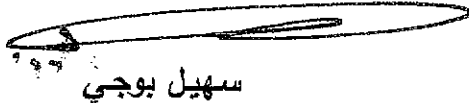
كما سمت وزارة الطاقة والمياه رئيس مصلحة تصحيح المحيط بالانابة المهندس مفيد دهيني والسيد خليل عازار عن مؤسسة مياه البقاع ود. نبيل عماشة عن المصلحة الوطنية لنهر الليطاني ومستشار وزير الطاقة والمياه المهندس رندا نمر للمشاركة في أعمال اللجنة المذكورة.

بناء عليه،

وبعد المداولة،

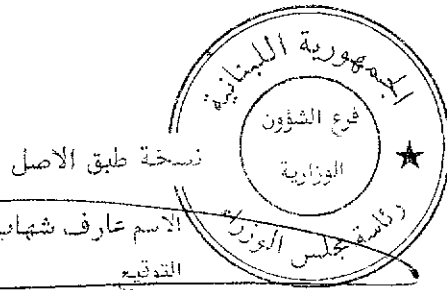
قرر المجلس الموافقة على اقتراح وزارة البيئة الآنف الذكر.

أمين عام مجلس الوزراء


سهيل بوجي

يلغ لجانب :

- رئاسة مجلس الوزراء
- مجلس الإنماء والإعمار
- المجلس الوطني للبحوث العلمية
- السادة الوزراء
- وزارة البيئة
- وزارة المالية
- وزارة الطاقة والمياه
- مؤسسة مياه البقاع
- المصلحة الوطنية لنهر الليطاني
- وزارة الصناعة
- وزارة الزراعة
- وزارة الصحة العامة
- وزارة الداخلية والبلديات
- المديرية العامة لرئاسة الجمهورية
- المديرية العامة لرئاسة مجلس الوزراء
- مؤسسة المحفوظات الوطنية
- مركز المعلوماتية
- المحفوظات بيروت في



٢٠١٤ / ٥ / ٩

جانب وزارة الطاقة والمياه

الموضوع : طلب وزارة المالية الموافقة على التفاوض حول مشروع القرض المقدم من البنك الدولي بقيمة /٥٥/ مليون دولار أميركي لتنفيذ مشروع حماية مياه سد الفرعون من التلوث .

المرجع : - كتاب وزارة المالية رقم ٢٠٩٨/ص تاريخ ٢٠١٥/٥/١١ ومرفقاته .

إشارة إلى الموضوع والمرجع أعلاه ،

نودعكم ربطا نسخة عن الملف المتعلق بطلب وزارة المالية الموافقة على التفاوض حول مشروع القرض المقدم من البنك الدولي بقيمة /٥٥/ مليون دولار أميركي لتنفيذ مشروع حماية مياه سد الفرعون من التلوث .

للتفضل بالإطلاع وبيان الرأي بالسرعة الممكنة علما أن الموضوع مدرج على جدول أعمال جلسة مجلس الوزراء المقبلة .

أمين عام مجلس الوزراء

فؤاد فنيفل

نسخة تبلغ لجانب وزارة المالية

للتفضل بأخذ العلم والمتابعة .

- ملخص ملف -

الموضوع : طلب وزارة المالية الموافقة على التفاوض حول مشروع القرض المقدم من البنك الدولي بقيمة /٥٥/ مليون دولار اميركي لتنفيذ مشروع حماية مياه سد القرعون من التلوث (Lake Qaraoun Pollution Prevention Project)

تفيد وزارة المالية انه بناء على دراسة المخطط التوجيهي للحوض الاعلى لنهر الليطاني ، واستنادا الى البرنامج التنفيذي لحماية سد القرعون من التلوث ، والى الطلب الموجه الى البنك الدولي للمساهمة في تمويل برنامج حماية سد القرعون من التلوث ، تمت مناقشة عناصر ومكونات المشروع المقترح تمويله عبر قرض من البنك الدولي بقيمة /٥٥/ مليون د.أ. بالاضافة الى /٥/ مليون د.أ. سوف يتم تمويلها من الخزينة اللبنانية ، يشمل مشروع القرض المكونات التالية :

- تحسين جمع مياه الصرف الصحي عبر:
 - * المكون الاول: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة في زحلة .
 - * المكون الثاني: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة المنوي انشاؤها في عنجر .
 - * المكون الثالث: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة في عيتيت .

- زيادة التزام المزارعين بممارسة الادارة المتكاملة للآفات في الزراعة مع وزارة الزراعة - لا سيما التقليل من استعمال المبيدات الزراعية .

- دراسة تقنية حول ادارة النفايات الصلبة مع وزارة البيئة ، رصد نوعية المياه مع المصلحة الوطنية لنهر الليطاني ، بناء وتحسين القدرات في وزارة الطاقة والمياه ومؤسسة مياه البقاع .

وبما ان المشروع المذكور يصب في صالح الدولة ويساهم في دعم الحكومة اللبنانية في المجال البيئي كونه يهدف الى الحد من تلوث بحيرة الفرعون الناتج عن عدم معالجة مياه الصرف الصحي الذي يتم تصريفه في البحيرة.

لذلك ،

فإن وزارة المالية تعرض الموضوع على مجلس الوزراء مقترحة الموافقة على تفويض الجهة التي يراها مناسبة للتفاوض بشأن مشروع القرض المقدم من البنك الدولي بقيمة /٥٥/ مليون دولار اميركي لتنفيذ مشروع حماية مياه سد القرعون من التلوث (Lake Qaraoun Pollution Prevention Project) وذلك يومي ١٩ و٢٠ ايار ٢٠١٥ .

ملاحظة : بموجب قرار مجلس الوزراء رقم ٣٩ تاريخ ٢٠١٤/٥/٩ ، تم تشكيل لجنة للإشراف على حسن تطبيق خارطة الطريق العائدة لمكافحة تلوث بحيرة القرعون ضمت هذه اللجنة وزارات البيئة ، الطاقة والمياه ، الداخلية والبلديات ، مجلس الإنماء والاعمار مؤسسة مياه البقاع والمصلحة الوطنية لنهر الليطاني، المجلس الوطني للبحوث العلمية وأهم البلديات المعنية (زحلة ، المعلقة، بعلبك ، الفرزل ، المرج ، عنجر ، جب جنين)



الجمهورية اللبنانية

وزارة المالية

الوزير

١٥٨/٢٠٩٨

١١ أيار ٢٠١٥

جانب رئاسة مجلس الوزراء

الموضوع : طلب الاستحصال على موافقة مجلس الوزراء للتفاوض حول مشروع القرض المقدم من البنك الدولي بقيمة /٥٥/ مليون دولار اميركي لتنفيذ مشروع حماية مياه سد القرعون من التلوث (Lake Qaraoun Pollution Prevention Project)

المرجع : دعوة البنك الدولي لاجراء المفاوضات حول مشروع القرض المقدم من البنك الدولي بقيمة /٥٥/ مليون دولار اميركي لتنفيذ مشروع حماية مياه سد القرعون من التلوث (Lake Qaraoun Pollution Prevention Project) المزمع عقدها بتاريخ ١٩ و ٢٠ أيار ٢٠١٥ في مكاتب البنك الدولي في بيروت.

بالإشارة إلى الموضوع والمرجع المبين أعلاه،

بناء على دراسة المخطط التوجيهي للحوض الاعلى لنهر اللباني، واستنادا الى البرنامج التنفيذي لحماية سد القرعون من التلوث، وإلى الطلب الموجه الى البنك الدولي للمساهمة في تمويل برنامج حماية سد القرعون من التلوث، فقد تمت مناقشة عناصر ومكونات المشروع المقترح تمويله عبر قرض من البنك الدولي بقيمة /٥٥/ مليون دولار اميركي بالإضافة الى /٥/ ملايين دولار اميركي سوف يتم تمويلها من الخزينة اللبنانية. يشمل مشروع القرض المكونات التالية:

- تحسين جمع مياه الصرف الصحي عبر:
 - المكون الاول: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة في زحلة.
 - المكون الثاني: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة المنوي انشاؤها في عنجر.
 - المكون الثالث: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة في عيتيت.
- زيادة التزام المزارعين بممارسة الادارة المتكاملة لللافات في الزراعة مع وزارة الزراعة - لا سيما التخفيض من استعمال المبيدات الزراعية.


- دراسة تقنية حول ادارة النفايات الصلبة مع وزارة البيئة، رصد نوعية المياه مع المصلحة الوطنية لنهر الليطاني، بناء وتحسين القدرات في وزارة الطاقة والمياه ومؤسسة مياه البقاع.

وبما ان المشروع المذكور يصب في صالح الدولة ويساهم في دعم الحكومة اللبنانية في المجال البيئي اذ انه يهدف الى الحد من تلوث بحيرة القرعون الناتج عن عدم معالجة مياه الصرف الصحي الذي يتم تصريفه في البحيرة، لذلك،

نطلب عرض هذا الموضوع، في اقرب وقت ممكن، على مجلس الوزراء للاستحصال على موافقة المجلس بتفويض الجهة التي يراها مجلس الوزراء مناسبة للتفاوض بشأن مشروع القرض المقدم من البنك الدولي بقيمة /٥٥/ مليون دولار اميركي لتنفيذ مشروع حماية مياه سد القرعون من التلوث (Lake Qaraoun Pollution Prevention Project) المزمع عقدها في ١٩ و ٢٠ أيار ٢٠١٥.

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وزير المالية
علي حسن خليل



رئاسة مجلس الوزراء
رقم الوردية ١٤٥٣
التاريخ ١٥/٥/١٤
رقم
جمعة الأبداء ٢٠١٤
التاريخ

١٥/٥/١٤

الوزارية

١٥/٥/١٤



REPUBLIC OF LEBANON
MINISTRY OF FINANCE

THE MINISTER

2065/SI

May, 8, 2015

Mr. Ferid Belhaj
Director
Middle East Department
MENA Region
World Bank
Beirut, Lebanon

Subject: Request for World Bank Financing of the Lake Qaraoun Pollution Prevention Project

Dear Mr. Belhaj,

Reference to the letter of Mr. Nabil El Jisr, President of the Council for Development and Reconstruction (CDR) dated April 20, 2015 concerning the need to finance the Lake Qaraoun Pollution Prevention project and following discussions made between the World Bank, the Ministry of Finance, the Council for Development and Reconstruction, the Ministry of Energy and Water, the Ministry of Agriculture, the Ministry of Environment, the Litani River Authority, and the Bekaa Water Establishment since August 2013 until the Appraisal mission in March 2015, we would like to request the World Bank to consider financing the Lake Qaraoun Pollution Prevention project.

The general objective of the project is to reduce the level of water pollution in the Qaraoun Lake. The main components of the project are:

- Expansion of sewage network feeding into Zahle Wastewater Treatment Plant.
- Expansion of sewage network to connect to Anjar Wastewater Treatment Plant.
- Expansion of sewage network to connect to Aitanit Wastewater Treatment Plant;
- Increase the adoption of the Integrated Post Management (IPM) practices;
- Technical studies in solid waste, water quality monitoring, capacity building and project management.

Based on the above, we kindly request the World Bank to consider financing the project amounting to US\$55 million for the implementation of the activities of the Lake Qaraoun Pollution Prevention project.

Finally, as you know according to the World Bank's procedures, eligible expenditures incurred a year before the effectiveness of the World Bank loan can be covered by loan proceeds through a retroactive financing mechanism. Therefore the Ministry of Finance

supports the CDR request for retroactive financing of 20% of the loan amount (equivalent to US\$11 million). Please note that the World Bank contribution will cover 100% of the cost of the activities.

Please accept our appreciation for the continued support of the World Bank to Lebanon.

Yours sincerely,

Ali Hassan Khalil

Minister of Finance



مجلس الإنماء والإعمار

بيروت - لبنان

بيروت في ٢٠/٤/٢٠١٥

الرقم: ١/١٣٩٢

وزارة المالية

رقم ٨.٤٥٠.٠٠٠
٨ أيار ٢٠١٥
تاريخ

معالي وزير المالية
الأستاذ علي حسن الخليل المحترم

الموضوع: طلب تمويل مشروع حماية مياه سد القرعون من التلوث عبر قرض من البنك الدولي.

المرجع: تقرير بعثة البنك الدولي إلى لبنان لتحضير المشروع بين ٣٠ آذار و ٨ نيسان ٢٠١٥،
الوارد الى المجلس بتاريخ ١٥/٤/٢٠١٥.

بالإشارة إلى الموضوع والمرجع المبين أعلاه،

وبناءً على دراسة المخطط التوجيهي للحوض الاعلى لنهر اللبستاني، حضرت بعثة من البنك الدولي إلى لبنان بين ٢٢ و ٣٠ ايلول ٢٠١٤ ومن ثم بين ٣٠ آذار و ٨ نيسان ٢٠١٥ للقيام بتحضير مشروع حماية مياه سد القرعون من التلوث.

يتكون مشروع حماية مياه سد القرعون من التلوث، المقترح تمويله عبر قرض من البنك الدولي بقيمة ٥٥/ ملايين دولار أمريكي و ٥ مليون دولار أمريكي من التمويل المحلي، من البنود التالية:

١- تحسين جمع مياه الصرف الصحي، (بكلفة تقديرية حوالي ٥٥ ملايين دولار أمريكي) ويتضمن المكونات التالية:

- المكون الاول: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة في زحلة لتشمل بلدات قاع الريم، حزرنا، الكرك، سعدنايل، تعلبايا وجزء من الفرزل (بكلفة ٢٦ ملايين دولار امريكي).
- المكون الثاني: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة المنوي انشاؤها في عنجر - قب الياس لتشمل بلدات بوارج، شتورة، مريجات، جدبنا، جلالا، مكسه وجزء من تعلبايا، وادي الدلم وزبدل (بكلفة ٢٤ ملايين دولار امريكي. يساهم البنك الدولي ب ١٩ مليون دولار امريكي و ٥ مليون دولار امريكي من التمويل المحلي).
- المكون الثالث: توسعة شبكة الصرف الصحي التابعة لمحطة المعالجة في عيتنيت (بكلفة ٣,٥ ملايين دولار امريكي).

٢- زيادة التزام المزارعين بممارسات الإدارة المتكاملة للأفات في الزراعة (لا سيما التخفيض من استعمال المبيدات الزراعية)، (بكلفة تقديرية حوالي ١,٥ ملايين دولار أمريكي)؛

٣- دراسات تقنية حول ادارة النفايات الصلبة، رصد نوعية المياه، وبناء وتحسين القدرات في ادارة المشاريع في مؤسسة مياه البقاع (بكلفة تقديرية حوالي ٣,٥ ملايين دولار أمريكي).

٤/ ١٨

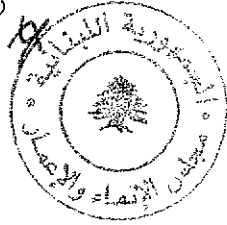
وفي إطار تأمين التمويل المطلوب للمشروع وحسب إجراءات البنك الدولي المعتمدة، فإن مجلس الإنماء والإعمار يطلب من معاليكم بصفتم ممثّل الحكومة اللبنانية لدى البنك الدولي، بتوجيه كتاب إلى المدير الاقليمي للشرق الاوسط بالبنك الدولي (مرفق مسودة طلب التمويل) لطلب تمويل المشروع عبر قرض مقدم من البنك الدولي، وعلى ان يلحظ القرض امكانية التمويل اللاحق (Retroactive Financing) بنسبة ٢٠% من قيمة القرض.

وتفضلوا بقبول الاحترام.

رئيس مجلس الإنماء والإعمار



نبيل عدنان الجسر



مرفقات: - تقرير بعثة البنك الدولي الى لبنان.
- مسودة طلب التمويل.

Mr. Ferid Belhaj
Country Director
Middle East Department
Middle East and North Africa Region
The World Bank

Subject: Request for World Bank Financing Lake Qaraoun Pollution Prevention Project.

Dear Mr. Belhaj,

Reference to the request made by the Government of Lebanon to the World Bank to support in funding activities of the Business Plan for Combating Pollution of the Qaraoun Lake. And after several World Bank Missions that visited Lebanon on 19-23 August 2013, February 26 - March 7 2014, September 23-30, 2014 and the Appraisal Mission on the March 30 until April 8, 2015.

The Ministry of Finance received the Aide Memoire of the Appraisal Mission which reflects the results of the status of preparation of the project and the cost estimate of the proposed activities following discussions made between the World Bank Mission and the Ministry of Finance, the Council for Development and Reconstruction, the Ministry of Energy and Water, the Ministry of Agriculture, the Ministry of Environment, the Litani River Authority, and the Bekaa Water Establishment. The main components of the project are:

- Expansion of sewage network feeding into Zahle Wastewater Treatment Plant;
- Expansion of sewage network to connect to Anjar Wastewater Treatment Plant;
- Expansion of sewage network to connect to Aitanit Wastewater Treatment Plant;
- Increase the adoption of IPM practices;
- Technical studies in solid waste, water quality monitoring, capacity building and project management.

With reference to the letter of Mr. Nabil El Jisr, President, Council for Development and Reconstruction (CDR), dated April 20, 2015 concerning the request for financing of the "Lake Qaraoun Pollution Prevention Project", the Ministry of Finance hereby would like to support the CDR requests to the World Bank for financial assistance (Loan) in the amount of US\$55 million for the implementation of activities of the Lake Qaraoun Pollution Prevention Project, taking into consideration that the remaining cost of the project for US\$5 million will be funded by the Lebanese Government.

And according to the World Bank's procedures, eligible expenditures incurred a year before the effectiveness of the World Bank loan can be covered by loan proceeds in a retroactive financing mechanism. Therefore the Ministry of Finance supports the CDR requests for retroactive financing of 20% (equivalent to US\$11 million) of the loan amount. Please note that the World Bank contribution is considered to cover 100% of the cost of the activities.

We look forward to hearing from you at your earliest convenience.

Sincerely yours,

Ali Hassan Khalil
Minister of Finance

Copy to:

- Mr. Nabil A. El-Jisr, President, CDR – Fax no. 00961-1-981252



The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

Ferid Belhaj

Director, Middle East Department
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April 15, 2015

H.E. Ali Hassan Khalil
Minister of Finance
Ministry of Finance
Beirut, Lebanon
(Transmission by fax: +961-1-642-762)

*Subject: Lebanon – Lake Qaraoun Pollution Project
Appraisal Mission – March 30 - April 8, 2015
Transmission of Aide Mémoire*

Excellency,

On behalf of the World Bank, I would like to thank you and the officials of the Ministry of Energy and Water (MoEW), the Ministry of Environment (MoE), the Ministry of Agriculture (MoA), the Council for Development and Reconstruction (CDR), the Litani River Authority (LRA), the Bekaa Water Establishment (BWE) and the Food and Agriculture Organization (FAO) for the very professional and cordial support provided to the World Bank mission that visited Lebanon between March 30 until April 8, 2015.

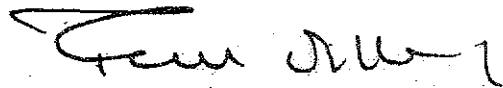
I am pleased to confirm the findings and recommendations of the Bank mission as set out in the attached Aide Mémoire, and would like to highlight the following key findings:

- **Expansion of sewage network feeding into Zahlé Waste Water Treatment Plant (WWTP).** The design of Zahlé networks, which constitutes about 50% of project costs, has been completed. Detailed design, drawings and BOQ have been finalized and all the safeguards requirements have been completed. Tender documents will be prepared by end of April, 2015. This investment is ready for implementation.
- **Project cost increases to \$55 million.** During the mission, a revised cost estimate for the expansion of the sewage networks feeding into Anjar WWTP was provided, which requires an additional US\$10 million in funding. Following discussions with CDR and MOEW, CDR requested the Bank to raise its funding by US\$5 million, and the Government will fund the remaining US\$5 million. Anjar WWTP and part of the networks will be funded by the *Italian Cooperation*. The funding has been approved by the Government of Italy in March 2015 and the financing agreement is expected to be sent by the Italian Cooperation to the Lebanese Government for signature in May 2015.
- The World Bank recognizes the large effort undertaken by BWE over the past 3 years to raise its **billing and collection rates**. Despite these improvements, the collection rate remains low. The current highly sensitive political and security situation in the Bekaa region further hinders BWE's ability to improve collection and enforce regulations. BWE has

recently developed a proposal with concrete measures to further improve its collection. The new proposal focuses on: undertaking a new customer survey, outreach to political and municipal authorities that interact directly with people explaining the necessity to pay for water consumed, payment modalities and legal implications and sanctions for those who refuse to pay; review old debts and consider forgiveness of some old bills and so on.

- **Retroactive Financing.** In order to allow early launch of project activities, the Government is considering the use of retroactive financing. The amount and type of expenses, which are expected to be retroactively financed, were discussed during the mission. It was agreed that the Government will send a request for retroactive financing to the Bank before negotiation.
- **Proposed next steps:**
 - Finalize tender document for Zahlé sewage network: April 30, 2015
 - CDR submits a request for retroactive financing: April 30, 2015
 - Project negotiation: May 5-6, 2015. Proposed to be conducted by Video Conference between Beirut and Washington, DC.
 - Submission to Board approval: July 22, 2015

Sincerely yours,



Ferid Belhaj
Director, Middle East Department
Middle East and North Africa Region

Copy:

Mr. Merza H. Hasan, Executive Director, the World Bank Group
Ms. Nada Mufarrij, Senior Advisor to the Executive Director, the World Bank Group

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