

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 5

Folder ID: 1180251

ISAD(G) Reference Code: WB IBRD/IDA MNA

Dates: 1/15/1993 - 3/31/1993

Fonds: Records of the Middle East and North Africa Regional Vice Presidency

Digitized: 12/21/2017

To cite materials from this archival folder, please follow the following format:

[Descriptive name of item], [Folder Title], Folder ID [Folder ID], ISAD(G) Reference Code [Reference Code], [Each Level Label as applicable], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

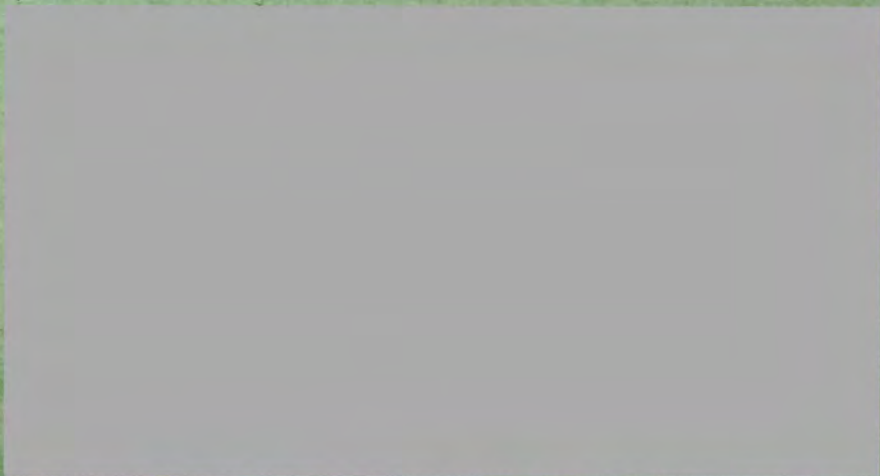
Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.



THE WORLD BANK
Washington, D.C.

© International Bank for Reconstruction and Development / International Development Association or
The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED




Archives
1180251
R1998-097 Other #: 133 131585B
Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336
Correspondence - Volume 5

Box Number
131585B
1180251

**DECLASSIFIED
WITH RESTRICTIONS
WBG Archives**

**THIS IS AN OFFICIAL BANK FILE &
SHOULD NOT BE REMOVED FROM BANK PREMISES**

DO NOT REMOVE ANY RECORDS FROM WITHIN

**L
E**

05

LEBANON - Emergency
Reconstruction & Rehabilitation

**3
5
6
2**

CLOSE-OUT SHEET

This File Covers The Period From January 83 To March 93

For Further Correspondence, See volume 06

C0440

(4-90)

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT-LEBANON

DESTINATAIRE : THE WORLD BANK - USA
FAX No. : 1-202-477.0348

ATTENTION/TO : Mr.ALASTAIR J.McKENCHNIE/Division Chief

DE LA PART DE/FROM : Mr.C.PERNOT/AGER INTERNATIONAL

DATE : Beirut 31 March 1993

NOMBRE DE PAGES/NUMBER OF PAGES : 24
(y compris 1ère page/including cover page)

Ref. No.: 210/93

Dear Sir,

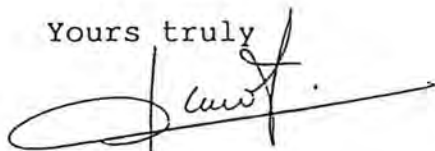
- 1- We have analyzed this morning with Mr.Chouccair, the amended "Addendum to the Prequalification Documents" for Waste Water and Water Supply Sectors.

Mr.Chouccair found them correct but need your approval before we send them to applicants.

We are expecting your comments or agreement for Friday 2 April 1993 the latest.

- 2- Do you have any comments on the Tender Documents for the Waste Water and Water Supply, already sent to you on February 93 ?

Yours truly



C.PERNOT

Copy : Mr.AL FADEL CHALAK
Mr.I.CHAMSEDDINE
Mr.CHOUCCAIR

passé le 31/03/93
à 15:30 . t.n.
5

LE - 3562

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 31, 1993 10:09am

TO: Alastair J. McKechnie (ALASTAIR J. MCKECHNIE)

FROM: Melhem Salman, MN2PH (MELHEM SALMAN)

EXT.: 32528

SUBJECT: Lebanon - Emergency Recovery Project

Please be informed that our Division is sending consultants Messrs. Sam Mikhail (Vocational Training Specialist) and George Hadjicostas (Engineer) in accordance with the TORs discussed and agreed on by George Za'rour and Youssef Choucair for the above project's vocational training component supervision mission to Lebanon on or about April 22 for two weeks.

As agreed, your Division will be paying for the travel and fee of one consultant, who will be Mr. Hadjicostas. He will be originating from Cyprus, so travel and fee will be approximately \$10,000.

Thank you for your cooperation.

CC: Douglas Keare	(DOUGLAS KEARE)
CC: Youssef Choucair	(YOUSSEF CHOUCAIR)
CC: George Za'Rour	(GEORGE ZAROOUR)
CC: EMENA ISC Files	(EMENA ISC FILES)

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 31, 1993

NO. OF PAGES 2
(Including this sheet)

MESSAGE NO.

TO

Name Mr. S. W. de Vries,
Mr. R. Wilson

Fax Tel. No. 352-43-77-04

Company/
Organization European Investment BankCity &
Country Luxembourg

FROM

Name Lars Rasmusson

Dept/Div. Name CD2/Infrastructure

Dept/Div. No. 286/40

Room No. H10-125

Telephone No. (202) 473-3065

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction Project, Loan 3562-LE
Water Supply and Waste Water

MESSAGE

Your fax dated February 2, 1993 regarding proposed financing of the first year's water supply and waste water component of the Emergency Rehabilitation and Reconstruction Project (ERRP) is referred to as well as telephone conversations we have had on this subject.

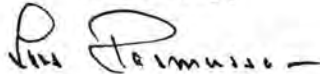
For the seven contract packages (five for water supply and two for waste water) we agree to 44% disbursement from IBRD and EIB respectively with remaining 12% to be covered from government sources. Between the cost estimates presented in your fax and corresponding data submitted by the CDR there are some significant discrepancies, which will be discussed by our upcoming mission.

The IBRD will be responsible for the review of prequalifications, tender specifications, bid evaluation reports and contract documents and for regular review of project execution. For expenditures to be incurred the CDR should submit separate withdrawal applications to IBRD and EIB. To facilitate control of the expenditures, for CDR as well as for IBRD and EIB, we suggest that with each withdrawal application, CDR should attach a calculation sheet showing for each invoice or payment made the total amount covering both the IBRD's and the EIB's portions. Upon receipt of payments from either IBRD or EIB, the CDR should record these payments so that at any time the CDR will know, what payment has been requested and who has paid.

After our April mission we will inform you on the status of project preparation/implementation and on agreements reached.

Best Regards

Sincerely,




Lars Rasmusson
Principal Municipal Engineer
CDII Infrastructure
Middle East & North Africa Region

Transmission authorized by  Alastair J. McKechnie, Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

Cleared with and cc: Mr. Quintos.

cc: Messrs. Peltekian, Choucair, Jme'an, Mrs. Le.


LRasmusson:tc

m:leb\pa013\0331.fax

Le - Ln 3562

THE WORLD BANK/IFC/M.I.G.A.
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 30, 1993

NO. OF PAGES 2
(Including this sheet)

MESSAGE NO.

TO

Mr. Al-Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax Tel. No. (212) 478 1622

FROM

Alastair J. McKechnie
Division Chief
MN2 Infrastructure Division
The World Bank

Dept/Div. Name: MN2IN

Dept/Div. No. 286/40

Room No. H10-001

Telephone No. (202) 473-3047

SUBJECT/
REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
- Prequalification Documents for Water & Wastewater

MESSAGE

1. We refer to your fax dated March 15, 1993 with the enclosed ADDENDUM TO THE PREQUALIFICATION DOCUMENT. We have reviewed the document and we consider that if the amendments as indicated in paras 2 to 5 are incorporated in the ADDENDUM the prequalification document will be satisfactory to the Bank. In addition to our comments in our fax messages of March 4 and 11, we have the following comments:

2. Para. 3 states that "Local Applicants, registered in first category at the Ministry of Hydraulics and Electrical Resources, since more than 10 years for similar works as bidden, could participate in this prequalification by submitting their public utility works references". It is not clear what this implies, and it would not seem to be acceptable since different criteria cannot be applied to local and foreign contractors. We propose this statement to be deleted.

3. It should be made clear that the prequalification will be based on individual or combination of packages, since the bidding will be for individual packages but with the option to be left open for prequalified contractors to bid for more than one package. This would imply, that in case any contractor would wish to prequalify for more than one package, related prequalification requirements should take this into account.


4. The description of works and approximate cost estimates and quantities will provide the basic information for determining the prequalification requirements regarding: financial status and cash flow situation; previous experience; staffing qualifications; and access to equipment needed for the execution of the contracts. The above linkage has not been reflected in the ADDENDUM.

5. Specifics comments on the ADDENDUM refer to:

- the required cash flow relates to all packages instead of individual packages;
- the new tables as prepared are unclear regarding "equipment quantity" and should be further elaborated upon;
- the division of costs between civil works and equipment is questionable for the pumping stations (water supply) where the costs for the equipment could be assumed to exceed the costs for the civil works. This could affect the prequalification.

6. In conclusion the ADDENDUM needs to be further amended. In view of the upcoming mission to Lebanon, you should aim at reaching an agreement on a revised ADDENDUM on April 6. We would therefore suggest that you inform all applicants that the deadline for submitting the applications is extended to April 30, and invite them to collect the Addendum by April 10.

Best regards.

Transmission authorized by  Alastair J. McKechnie, Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

Cleared with and cc: Mr. Howarth.

cc: Messrs. Howarth, Yuksel, Peltekian, Choucair, Mrs. Le.

LRasmussen:tc

M:\LEB\PA013\LENN\0326.FAX

Le - Ln 3562

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 30, 1993

NO. OF PAGES 5

MESSAGE NO.

(Including this sheet)

TO

Name Mr. Al-Fadl Chalak Fax Tel. No. (212) 478 1622
President
Council for Development and Reconstruction
Beirut, Lebanon

FROM

Name Alastair J. McKechnie
Division Chief
MN2 Infrastructure Division
The World Bank

Dept/Div. Name MN2IN

Dept/Div. No. 286/40

Room No. H-10-001

Telephone No. (202) 473 3047

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
Bidding Documents for Solid Waste Management Component

MESSAGE

1. Further to our Fax of March 17, 1993, we have now completed the review of the bidding documents for the Solid Waste Management component of the ERRP and hereby send you our comments. These should be read in conjunction with Mr. Choucair's fax of February 5, 1993 concerning the Power Sector, since some of the comments related to the legal and commercial conditions are common to both sectors.

A. General Comments:

- A.1 It is our understanding that the tender documents relate to components that will be entirely financed through the IBRD loan. The documents should have been drafted accordingly with no reference to other donor agencies. This point is highlighted in greater detail below, under the relevant section.
- A.2 Although the tender is being issued by CDR and the contract will eventually be signed between CDR and the supplier/contractor, the implementation of the contract will be supervised by the Ministry of Environmental Affairs. The Conditions of Contract (and the Conditions of Particular Application) should mention this fact and describe the relationship of the various institutions with each other and the contractor. The documents should also contain a description of the SIU for solid waste and its role in project implementation.
- A.3 In the Invitation for Bids and throughout the documents, the description of the project is too general and refers to the "Solid Waste Sector". Since these documents are related to only part of the Solid Waste sector and cover only the compactor trucks, the collection bins, the Karantina Compost plant, and the maintenance workshops, the description of the project should clearly state this. There are other components under the sector, such as the development of the landfills and the sanitization of the existing dumps which are not included in these packages.

- A.4 It would have been more advisable to issue three separate bidding documents, one for the trucks, a second one for the bins and a third one for the compost plant and buildings. As the documents have been issued, local bidders and manufacturers have been deprived of the Domestic Preference to which they would have been entitled if the Sample Bidding Document (SBD) for Goods had been used instead of the SBD for Civil Works. We suggest that, in addition to the Special Conditions of Contract for the Part Procurement of Goods, an addendum is issued to bidders that, for goods manufactured in Lebanon, there will be a Domestic Preference of 15% or the equivalent of Customs Duty, whichever is less.

B. Volume 1, Administrative Clauses (Pieces Administratives):

B.1 Invitation for Bids

1. The references to the EIB and the Waste Water Sector in the first paragraph should be deleted.
2. In the third Para., in the 5th line, there is something missing after the word "existing". Is it Compost Plant and Maintenance Workshops?
3. In the 6th para., something is missing after "interested" in the second line. It should be "parties".
4. We believe that the bid security of 300 million Lebanese Pounds is too high for bidders that want to bid for only one package, say, the collection bins. These have a total value of about \$840,000 which puts the value of the bid guarantee at over 20% of the value of the contract, which is not reasonable. Since bidders are allowed to bid for only one or more packages, we suggest that you require a bid guarantee which is a lump sum which is equal to percentage of the estimated tender price, say 2%. The 300 million LL would be reasonable for those bidding for the whole package.
5. In the second para. on Page 2, in relation to the issuing of addenda, it is mentioned that the "Employer may but he is not obliged to extend the deadline for the submission of bids". This does not conform with the Bank's Procurement Guidelines which require that the deadline for the submission of bids be extended after the issuing of an addendum to enable bidders to respond to its requirements.

B.2 Instructions to Bidders

1. Under para. 1.1, the description of the project should be more accurate and detailed.
2. Under para. 1.3, the time of 12 months for completion might not be sufficient for the Karantina compost plant, especially if two different contractors get the job, one for the civil works and the other for the equipment.
3. Clause 3 "Eligible Bidders" is incomplete - the sentence should be completed to read "Only prequalified bidders will be eligible to bid for the project".
4. Under Clause 5, Qualifications of the Bidder, the second alternative from the SBD has been used. This is understandable because firms are being prequalified. However, Para. 5.2(a) has to be modified accordingly and reference to section (b) should be deleted.

5. Under para. 5.4 the margin of preference for domestic bidders has been eliminated. This is correct for civil works but not for goods. The para. should be adjusted accordingly.
6. Under para 9.1 Item 6, where the documents for submission has been listed, it is preferable in the English text to use the word "Receipt" instead of "Acquittance".
7. Under para. 12.1, since both the English and French languages are treated as official languages, documents in either language should be acceptable and shall prevail.
8. Para. 17.1 deals with the bid security; this should be treated as mentioned under Item B.1 - 4 above.
9. Under para. 19.1, the pre-bid meeting is set for April 26, 1993. In view of the extent of the modifications that will certainly result from these comments, an addendum should be sent to all pre-qualified bidders and the date of the pre-bid meeting should be postponed to give bidders time to study the addendum. Also, please note that we have not yet been informed of the results of the pre-qualification of bidders.
10. Under para. 25.1, the opening of bids is shown as 14:00 hours and gives the location but not the date. This should be the same date as shown under para. 21.2 for the submission of bids (May 31, 1993).
11. Under para. 28.1, at the end of the first sentence, after the words "prequalified bidder" add "and meets the eligibility criteria of IBRD".
12. Under para. 29.1(c) add the word "there" after "where" and replace the word "right" with the word "correct".
13. Under para. 13.2, there is mention of a discount if more than one package is awarded to any one bidder; this should be shown again as sub-para. (e) under para. 31.2.
14. Under Clause 38, replace the word "fixed" in the third line with the word "shown" or "submitted".

B.3 Conditions of Particular Application

1. Pages 9 and 10 are missing from both copies of the document that have been mailed to us.
2. Para. 70.1, where an increase or decrease in price is not allowed is acceptable only in case the works do not extend beyond 12 months. For the Karantina compost plant, it may be necessary to include an adjustment formula. This will be discussed with you by the forthcoming mission.
3. Sub-Clause 70.3 should be numbered 70.2.

B.4 Additional Clauses

1. Sub-clause 73.4 seems to have been taken incomplete from the SBD. Contractors' equipment should be exempt from customs duty provided it is later removed from the country or the requisite taxes are paid. Please refer to sub-clause 73.4 of the Conditions of Particular Application of the SBD.

B.5 Special Conditions of Contract for Part Procurement of Goods

1. Under Clause 1, Country of Origin, delete Switzerland which has now joined the Bank and should no more be listed under the exceptions.
2. Under para. 2.5, the reference to Clause 8 is not clear. We are assuming that it refers to the General Conditions of Contract; this should be clearly stated.

B.6 Form of Tender

1. The description of the project should be more detailed.
2. The Appendix to Tender should be completed. Furthermore, the page has been misprinted with the ends of lines overlapping with new lines. This could be a result of changing printer or printer defaults.

B.7 Sample Form of Agreement

1. The project should be described in detail.

B.8 Defect Liability Period

1. This is shown as being 12 months in the Invitation to Bids and Clause 49.1 of the Conditions of Particular Application. This discrepancy should be adjusted. Furthermore, there is no need to repeat this matter here since it is already sufficiently covered.

B.9 Cost of Bidding Documents

1. As mentioned before, the term "Acquittance" should be replaced with "Receipt". Also the preamble should read "WE hereby confirm that...."
2. Under Lot No. 1, fourth line, the term "rehabilitation of existing one" should be clarified.

C. Vehicules de Collecte - Cahier des Prescriptions Techniques Generales:

- C.1 In referring to National or International Standards (Clause 4 refers) the Bank does not usually accept any limitations. In this particular section, where so many standards are mentioned, it would be advisable to add ASTM. Otherwise, it would be sufficient to add the words "or equivalent".
- C.2 Clause 6 requires that the proposed brand of vehicle should have an agreed dealership in Lebanon with a capacity to service them and provide the necessary spare parts. The Bank considers this stipulation to be an unnecessary restriction. It should be sufficient to require that the supplier who wins the contract will enter into a dealership agreement with a local representative and will guarantee spare parts and service.
- C.3 Under Clause 12, reference should be made to the availability of tires since this could be an uncommon size.

D. Bacs Roulants - Cahier des Prescriptions Techniques Generales:

D.1 Same comment as C.1 above.

D.2 Under Clause 12, the place of delivery should be specified clearly. It is not sufficient to require delivery "to site". It is preferable to specify the stores of the Ministry. This remark applies to the trucks as well.

E. Usine de Traitement (Quarantaine) - Cahier des Prescriptions Techniques Generales

E.1 The bidding documents for the civil works have been separated from the Electro-mechanical works. Our experience is that this often leads to divided responsibility and the loss of accountability. We strongly recommend that you consider the possibility of combining the civil works of the composting plant with the electro-mechanical works to ensure proper coordination.



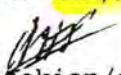
Transmission authorized by Alastair J. McKechnie, Division Chief, MN2 Infrastructure

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

CW/CC: Mr. Howarth (MNAVP).

Messrs./Mmes. Yuksel (MN2DR); Choucair (o/r), Rasmusson, Le, Judkins (MN2IN);
Mendonca (MN2IE); Saghir (CFSPS).

FILES: ECA/MENA, Chron.


APeltekian/ap/dnj

Le - Ln 3562

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 30, 1993

NO. OF PAGES 1
(Including this sheet)

MESSAGE NO.

TO

Name Mr. Al-Fadl Chalak Fax Tel. No. (212) 478 1622
President
Council for Development and Reconstruction
Beirut, Lebanon

FROM

Name Alastair J. McKechnie
Division Chief
MN2 Infrastructure Division
The World Bank

Dept/Div. Name MN2IN

Dept/Div. No. 286/40

Room No. H-10-001

Telephone No. (202) 473 3047

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
Pre-qualification for Telecom: PSTN and GSM Projects

MESSAGE

1. With reference to your Fax, Ref. No. 253/1 dated March 22, 1993, the Bank has no objection to the inclusion of Cable and Wireless in the list of pre-qualified companies. We will adjust the list accordingly.

2. The forthcoming mission to Lebanon proposes to discuss the draft terms of reference and the list of pre-qualified companies with you.


Best regards.


Transmission authorized by Alastair J. McKechnie, Division Chief, MN2 Infrastructure

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

Messrs./Mmes. Howarth (MNAVp); Yuksel (MN2DR); Choucair (o/r), Rasmusson, Le,
Judkins (MN2IN); Mendonca (MN2IE); Saghir (CFSPS).

FILES: ECA/MENA, Chron.


APeletekian/ap/dnj

Mina

THE WORLD BANK/IFC/M.I.G.A.
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 29, 1993

NO. OF PAGES 1
(Including this sheet)

Le - Ln 3562
MESSAGE NO.

TO
Name Mr. Al-Fadl Chalak President Fax Tel. No. (212) 478-1622
Company/ Organization Council for Development and Reconstruction City & Country Beirut, Lebanon

FROM
Name Lars Rasmusson
Dept/Div. Name CD2, Infrastructure Dept/Div. No. 286/40
Room No. H10-125 Telephone No. (202) 473-3065

SUBJECT/REFERENCE LEBANON - Emergency Reconstruction & Rehabilitation Project

MESSAGE

This refers to Mr. Kalbermatten's consultancy for the preparation of a Water Supply and Waste Water Sector Development Strategy.

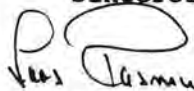
This confirm that Mr. Kalbermatten will arrive Beirut Wednesday, March 31, with Austrian Airlines at 08:00 pm.

Please confirm his reservation at Summerland Hotel.

I propose that a meeting with all those concerned will be convened on Thursday, April 1, at about 10:00 am to discuss work program and related matters.

Best regards.

Sincerely,


Lars Rasmusson

Principal Municipal Engineer
CDII, Infrastructure
Europe, Middle East and North Africa Region

Transmission authorized by  Alastair J. McKechnie, Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

cc: Messrs. Mr. Choucair, Mrs. Judkins.

LRasmusson:tc

m:\leb\0329.fax

OFFICE MEMORANDUM

Le - Ln 3562
Le - Education Sector

DATE: March 29, 1993

TO: Files

FROM: Melhem Salman MDS

EXTENSION: 32528

SUBJECT: Lebanon - Meeting with a Delegation from the American University
of Beirut

1. Accompanied by Dr. E. Shamsedin, Advisor to the Executive Director, a delegation from the American University of Beirut (AUB) led by its vice president, Dr. Hallab, met with Mr. Tariq Husain, Senior Operations Advisor to the RVP, and Mr. John Ijichi, Principle Cofinancing Advisor, on March 23, 1993. Mr. Keare, MN2PH Division Chief, and myself as Division Country Coordinator were asked to join. Mr. Keare could not attend, because of the departmental ARIS meeting.

2. The purpose of the meeting was to (i) inform MENA of the AUB's ongoing activities with EDI for the training of Lebanese civil servants, (ii) request the Bank's assistance in the development of a regional training center and in the availing for short-term a few Bank staff in the ongoing training courses, (iii) request a reallocation of funds from the Emergency Reconstruction project (Vocational Training Component) to the Development of Teacher Training programs, and (iv) get acquainted with the Bank's plans in the human resources sector in Lebanon.

3. After being greeted by Mr. Husain, Dr. Hallab informed the meeting of the ongoing successful implementation of the joint program with EDI, the Lebanese civil service authorities, and the various universities in Lebanon. Answering an inquiry about the sustainability of the program, he confirmed the availability of adequate Funds (UNDP, Arab Fund) to carry it for an additional 18 months. Dr. Hallab inquired about the availability of grant funds to support the short-term participation of Bank staff in the ongoing training program and in the establishment of a regional training center in development management/administration. A draft document has already been prepared by EDI.

4. Mr. Ijichi explained the various requisites and criteria for the use of Trust funds in the development of a regional training center. Agreement was reached that the best first step to develop a regional center is to successfully implement a high quality program addressing the local and regional needs in management. AUB's academic reputation and the quality of its programs should be able to attract regional participants. However, it is important that such activity be identified as part of the country and AUB strategy in human resources development. Dr. Hallab explained that the center would cater to both participants from the private sector, who would pay full tuition, and from the public sector who would be partly subsidized.

5. Agreement was also reached to review the proposed draft document by MN2PH that will share its findings with CDR and AUB. According to Dr. Hallab, Mr. Choucair (MN2IN) has been involved in the review of the program of the ongoing training and the proposed regional center. Therefore, MN2PH will request a copy of previous inputs to avoid, iter alia, duplication.

Request for Reallocation of Resources from the Emergency Recovery Project

6. Dr. Hallab informed the meeting that the chairman of CDR has agreed with Mr. Choucair to reallocate about US\$2.5 million from the vocational training component to an "unappraised" activity - teacher training and that he has been asked to confirm such an agreement with the Bank. Mr. Salman explained that MN2PH (the Division responsible for this component) was not privy to such agreement, nor does it approve such reallocations without an in depth review of the proposal. However, Teacher Training, which is a priority need in the education sector, should be addressed within the framework of a Bank-financed education project (that could attract other donors). Such project could be processed during FY94.

Proposed Bank Activities in the Human Resources Sector

7. The visiting delegation was also briefed about the proposed Bank activities in the human resource sector, i.e., a sector study and an education project to be discussed and confirmed with the Government during the forthcoming visit to Lebanon of the regional Vice President. A human resources mission would visit Lebanon, if agreeable to the Government, in late-April/mid-May to initiate both activities. Moreover, the sector study would help identify additional projects for the medium term.

8. The delegation welcomed the proposal and availed its services to assist the Bank human resources mission especially since AUB has been contracted by the Ministry of Education Center for Educational Research to develop teacher training curricula and train teachers.

9. In concluding the meeting, Mr. Husain thanked the delegation for its visit, expressed his appreciation for AUB's efforts and requested MN2PH to further look into the possibilities of availing the short-term technical expertise of Bank staff. He also confirmed the willingness of the region to review the draft documents for the regional training center.

cc/cw: Mr. Husain (MNAVP)

cc: Messrs. Ijichi (MNAVP); Chopra, Heron (MN2DR); Voyadzis, Hoppenbrouwer (MN2CO); McKechnie, Choucair (MN2IN); Keare, Za'rour, Bocock, Sales, Sederlof, Sattar, El-Rashidi (MN2PH)

MSalman/gg

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

BEIRUT- LEBANON LB- Ln 3562

AP

Pls take copy in

Lans

Beirut 27 March 1993

THE WORLD BANK
1818 H. STREET, N.W
Washington D.C.- 20433 USA

FAX No.: 1-202-477.0348

INFRASTRUCTURE DIVISION - CD2

Date Rec'd 4/1/93

Date Ack'd

Assigned to: McKechnieChairman (OTR)

Attention : ALASTAIR J. MCKECHNIE, CHIEF
MN2 INFRASTRUCTURE DIVISION

Ref.No. : 199/93

Log No. 1859-LEB

RE : YOUR MESSAGE DATED MARCH 17, 1993.

MESSAGE

Taking into consideration your comments stated in your A/M Message, please note the following:

- 3.- Part a) We totally agree with you. As a matter of fact, the draft documents are in accordance with the "aide mémoire". We already sent you a "short list" of the engineers, we only retained the consultants who have prepared the damage assessment and the final documents.
- 3.- Part b) We sent you the short list on March, the 4th, 1993.
- 3.- Part c) Officially speaking, SIU in the Ministry of Hydraulics has not been established yet. (Tor is still on draft only). In this hypothesis, the 4th (last) part of the engineering work will automatically be under its supervision, and this will be stated in all the documents.
- 3.- Conclusion reference our message dated March 4, 1993, we propose that the Engineering for first year would be the same for second and third, if you agree on the matter, we will definitively state that in "Terms of Reference". But it is impossible to do this before identifying the SIU in the definite Term of Reference. Please comment.

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

Engineering Services for the First Year:

4. Please refer to our Message dated March 4, 1993, where we stated clearly " *the consulting firms retained in this short list are the same ones which prepared the damage assessments studies in compliance with your agreement in "aide-mémoire" of the mission dated on december 26, 1992*".


Please refer also to the draft document (cover letter) "*engineering services, first year program paragraph 6 "with the technical data you have carried out, now CDR....." And paragraph 9 "you are requested to hold your estimation on base of the tender document issued from your studies phase, and generally you should base your financial proposal on this figure....."*".

5. Engineering Services for the First Year Program consists of the engineering works, and construction, supervision as per of F.I.D.I.C. meaning. Therefore, it is not related to any kind of studies. For this reason, all should be treated on a lump sum basis. Of course, all the supplementary work needed by the client are in man-month base.
6. All what is stated here, exists in "Final Documents" which is "Annex" in the Contract. The Final Documents states, detailed step by step, the scope of work which you are requesting here.

Consulting Services for Second and Third years:

8. Part a) we are expecting the upcoming mission for evaluation and discussions the price proposals.
8. Part b) the scope of the works regarding the 4 phases already exist and is included in the documents given to the consultants (base of the three year program). The general consultant has to agree on all the documents before the final signature of contract and to submit his proposal on this figure.

Awaiting your kind comment.
Best Regards



Al-Fadl Chalak
President of CDR

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 25, 1993

NO. OF PAGES 3
(Including this sheet)

MESSAGE NO.

TO

Name H.E. Al-Fadl Chalak
President

Fax Tel. No. 1-212-478-1622

Company/ Council for Development
Organization and ReconstructionCity & Beirut
Country Lebanon

FROM

Name Alastair J. McKechnie
Division Chief

Dept/Div. Name MN2IN

Dept/Div. No. 286/40

Room No. H-10-001

Telephone No. 473-3047

SUBJECT/

REFERENCE LEBANON: Emergency Reconstruction and Rehabilitation Project
Review of Bidding Documents
Engineering Services for Solid Waste Management


MESSAGE

We have completed the review of the document related to Engineering Services for Solid Waste Management - Collection Trucks, Containers and Rehabilitation of Compost Plant. Attached you will please find our comments on the document.

Since Mr. Peltekian will be joining the proposed mission in April, we would like to suggest that you instruct your staff to carry out the relevant modifications to the document and discuss them with Mr. Peltekian before finalizing them.

In the meantime we are working on the remaining documents and will send you our comments within the next few days.

Best regards.


Transmission authorized by Alastair J. McKechnie, Infrastructure Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
Contract for Engineering Services for
Solid waste Management

1. General Comments

1.1 It had been agreed that the contract for consultant services for the First Year's implementation program would be negotiated directly with the consultants who carried out damage assessment. This document is in the form of an invitation to a number of consulting firms for the submission of proposals. It should be modified to read like a negotiated contract.

1.2 On the title page the contents of the document are listed and show a "Letter of Intent". However, the letter is in the form of a letter of invitation, not of intent. It has to be corrected. Actually, if the contract is to be negotiated, there is no need for the letter, nor for the Supplementary Information for Consultants.

1.3 Certain parts of the document seem to have been translated from French and do not convey a clear meaning. Someone with a good knowledge of English, and experience in procurement, should go through the document and check the language.

1.4 When using a standard document such as one of the World Bank's Standard Bidding Documents or FIDIC, the original document should be reproduced in full. Exceptions and/or deletions can be covered through the use of Special Conditions. This is important in this case as the contract will be on a lump sum basis and not on the basis of reimbursable man/month rates.

2. Letter of Invitation

2.1 First phrase: "Oject" should read "Object".

2.2 Para. 2, second line, "launching" should be changed to "issuing".

2.3 Para. 6 is not clear; something is missing. It should be checked.

2.4 Para. 9 - the language is not clear and should be edited.

3. Contract for Consultants' Services

3.1 Under Clause 1.6.1, the address of CDR should be shown for the Client. Similarly, Clause 1.8 could show the name or position of the Authorized Representative of the Client.

3.2 Under Clause 4.3, it is not clear which personnel is listed and where. Since the assignment is on a lump sum basis, this Clause should be modified.

3.3 Clause 5.4 refers to "Services, etc...described in Appendix D". Since the Client is not providing any facilities and Appendix D is the Time Schedule, this Clause should be deleted or modified.

3.4 Clause 5.7 refers to Appendix C in relation to counterpart personnel. If this is not the case (since Appendix C does not show such a list) this Clause should be deleted.

3.5 The reference at the end of Clause 6.1(a) should be to Appendix C and not D.

3.6 Clause 6.3 should be deleted (or modified) because the reference should be Appendix C, which does not show payments in local currency. It may be more convenient to make all payments in US Dollars.

3.7 Under Clause 8.7(a) it should be possible to identify the location where it is desired to hold the arbitration proceedings. This could be Beirut, Paris or some other, convenient city.

4. Appendix A: Terms of Reference

4.1 Para. 4 should be checked and edited. In the fifth line, enter the word "for" between "responsible" and "solid". The second sentence starting with "For help and assist..." is not clear. In the tenth line the word "town" should be replaced by "municipal".

4.2 Under Para. 5(d), the word "compact" should be replaced by "compost".

4.3 The second sentence of Para. 6 quotes "For the remaining items, the Consultant will prepare complete engineering designs, working drawings and tender documents. It is not clear what "remaining items" are meant here since the contract is limited to the First Year's implementation program only, which is amply covered under Para. 5.

4.4 Under Para. 7, the Consultants are required to carry out inspection tests at the place of manufacture. The scope and costs of such inspection should be clearly specified.

4.5 Under Para. 8, the place of delivery should be specified, for example, the warehouses of the Ministry of Environment.

4.6 Under Para. 5(a):

- i. "bids analyzes" should read "bid analysis";
- v. the language of this sub-para. should be checked and the whole sub-para should be clarified;

4.7 Under Para. 5(b):

- vii. it should be clearly stated somewhere else if the Client wants to appoint any site supervisory staff, as well as their authority and responsibilities;

5. Appendix B: Reporting Procedures

5.1 Under Para. 1(d) it is not clear what is meant by "before signing the Agreement". How can a consultant carry out design work and submit reports if the Consultancy Agreement has not been signed?


6. Appendix C: Remuneration of the Consultant

6.1 Para. 1 needs to be thought out and organized differently. It seems more appropriate to divide the fees into separate categories, such as Compactor Trucks, Containers and the Compost Plant, then ask for a lump sum fee for the pre-contract stage, including assistance during bid evaluation, a lump sum or percentage fee for General Supervision and man/month rates for daily supervision.

6.2 In Para. 2 the word "casual" in the second line is inappropriate. Is it intended to mean "unforeseen"?

cc: Messrs./Mmes. Howarth (MNAVP); Yuksel (MN2DR); Choucair, Rasmusson,
Peltekian, Le (MN2IN); Mendonca (MN2IE).

FILES: ECA/MENA, Chron.


APeltekian/ap/dnj

OFFICE MEMORANDUM

LE-3562

DATE: March 25, 1993

TO: Messrs. Youssef Choucair, Lars Rasmusson, Albert Peltekian, Douglas Graham (MN2IN), Rene Mendonca (MN2IE), David Howarth (MNAV), Jamal Saghir, Yoshiro Takano (CFSPS) and Antoun Moussa (IENTI)

FROM: Alastair J. McKechnie, Division Chief, MN2IN

EXTENSION: 33047

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation Project
Terms of Reference for the Project Launch Mission

1. You will arrive in Beirut, Lebanon on or about March 29, 1993, for a period of about three weeks. Messrs. Sam Mikhail (Vocational Training Consultant) and George Hadjicostas (Engineer Consultant) will join the mission around April 22 under separate terms of reference to supervise the vocational training component.

Mission Objectives:

2. In line with the recommendation of the Wappenhans Report of September 22, 1991, the main objectives of the mission is to ensure optimal dissemination and understanding of the agreements reached, commitments given and guidelines to be followed. In particular, the mission will:

- (i) Ensure that arrangements for project implementation systems, including those for procurement are in place and are satisfactory to the Bank, even before loan effectiveness;
- (ii) Review tender documents, terms of reference and other documents with a view to permitting contract award as soon as possible, disbursement to start immediately after effectiveness, and loan proceeds to be committed fully by June 30, 1994;
- (iii) Develop and agree on performance monitoring systems based on implementation plans and critical indicators for each component to facilitate the early identification of implementation problems and the application of remedial action.

cc: Mmes./Messrs. Chopra, Heron (MN2DR); Voyadzis, Hoppenbrouwer, Ozeki (MN2CO); Pellegrini (EMTIN); McKechnie, Le, Judkins (MN2IN); Bhargava (MN2IE); Keare, Salman (MN2PH); Husain (MNAV); Young (CFSPS); Sabeti, Talero (IENTI); Abushakra (LEGMN); Quintos, Nelson (LOAEL)

ECA/MENA Files, Division Blackbook

Mission Output

3. Prior to its departure from Lebanon, the mission will submit to the authorities an Aide Memoire summarizing its findings, conclusions and recommendations. The Aide Memoire will be discussed with CDR, the Central Bank and sector ministries concerned, and if necessary, a revised draft will be produced in the field to reflect final agreements reached.

4. Each mission member will prepare a draft section of the Aide-Memoire and Annexes related to his assignment and participate in presenting these to the Government agencies concerned. Mr. Choucair will be responsible for coordinating the Aide Memoire production and for finalizing its draft.

Individual Mission Members Responsibilities

Each member will aim to achieve the mission objectives outlined above. Specific responsibilities are described below:

5. Youssef Choucair: Mission Leader and the Housing Component

Apart from overall mission management and coordination, Mr. Choucair will cover the housing sector with the assistance of a locally recruited consultant with a view to:

- (i) Assist Banque du Liban (BdL) in the preparation of the Participating Agreements between BdL and the Participating Banks (PBs) to ensure that the terms and conditions of these Agreements are in line with those listed in the Project Agreement with BdL;
- (ii) Establish appropriate monitoring indicators and reporting systems between BdL and the Bank, and between the PBs and the Bank;
- (iii) Ensure that Bank procedures and guidelines are understood by the BdL and the PBs;
- (iv) Assist CDR and BdL in securing the necessary co-financing for this component.

6. Other responsibilities: You will liaise with representatives of the EC in Lebanon to confirm the arrangements and timetable for the appointment of the SIU and PMU consultants under the approved EC grant. You will also ensure that the local preparations for the RVP's visit on April 4, 5, and 6 are adequate, participate in meetings and assist in the preparation of briefing notes for Mr. Koch-Weser, as would be requested by Messrs. Voyadzis and Koch-Weser.

7. Albert Peltekian: Solid Waste Management

- (i) With the assistance of CDR, brief the newly-established Ministry of Environment (MOE) on the composition of the Bank-supported Solid Waste Management (SWM) component, the agreements previously reached with CDR and the Ministry of Interior, and the Bank's guidelines and procedures for procurement and project implementation;
- (ii) complete the review of (i) terms of reference for consultancy services for the first year's implementation program; (ii) bidding documents for the first year's implementation program; and (iii) terms of reference for consultancy services for the remaining components, especially the design of the landfill areas;
- (iii) review the status of acquisition of land for sanitary landfills in all the priority areas, i.e. the coastal zone, Zahle and Baalbeck;
- (iv) review the terms of reference for and composition of the proposed SIU for SWM at MOE;
- (v) agree on a revised implementation schedule for SWM, in the light of agreements reached with MOE and an analysis of its implementation capabilities.

8. Lars Rasmusson: Water Supply and Waste Water component.

- (i) Assist CDR in the prequalification of contractors;
- (ii) Review the TORs (which would have been revised by CDR in line with Bank comments) for the appointment of consultants for engineering and construction supervision for the first year investments and for years 2 and 3.
- (iii) Review and provide comments on the TOR and the processing of consultants proposals for the SIU for Water and Wastewater received in Washington recently, and agree on interim arrangements prior to the appointment of SIU consultants;
- (iv) Review project implementation schedules; and,
- (v) Assist Mr. Kalbermatten (UNDP financed consultant) in the preparation of a sector strategy paper and of TORs for the preparation of a waste water development program.

9. Mr. Rene Mendonca: Electricity Sector

- (i) Review with EdL the project implementation and disbursement schedules, procurement plan, and reporting to the Bank including a tracking system as per para. 2(iii) above;
- (ii) Review and comment on the final draft of the TOR for the SIU to be located within the Ministry of Hydraulic and Electric Resources (MHER) and ensure that there is adequate provision for coordination with the PMU unit located within CDR for the project implementation;
- (iii) Follow-up on the technical and financial performance of EdL such as account receivables, collections, billings, losses, etc.; and,
- (iv) Follow-up on the technical assistance component of the power sector;
- (v) Finalize and seek agreement with MHER on the terms of reference of the institutional/regulatory framework study and the technical assistance program to assist EdL and MHER in finance, technical and training aspects; and,
- (vi) Participate in the discussions regarding the restructuring and management contract of the telecommunications sector.

10. Mr. David Howarth: Procurement

- (i) Finalize agreement with CDR and sector ministries on the administrative procedures for procurement in line with the "Administrative Directives" paper prepared by him in Washington;
- (ii) Review the final draft for the TOR of PMU and SIUs and provide comments with a view to classify the procurement their respective functions and responsibilities and ensure consistency with the Administrative Directives referred to in (i) above;
- (iii) Review pending requests from CDR for Bank clearances of short lists of consultants, prequalification of contractors and, in consultation with the sector specialist, provide when possible the Bank response in order to promote efficiency and speed in the procurement process; and,
- (iv) Explain to local associations of consultants, contractors and industrialists Bank procurement

guidelines, and how they will be applied for this Project.

11. Messrs. Jamal Saghir and Yoshiro Takano: Technical Assistance for the Telecommunication Sector.
 - (i) Review the technical specifications and tender documents for the cellular network project and the rehabilitation and expansion of the actual telephone network project;
 - (ii) Advise on the restructuring and reorganization of the telecommunication sector and agreeing on the timetable for launching the restructuring study; and,
 - (iii) Finalize the TOR for the proposed Management Contract for telecommunications.
 - (iv) If necessary, assist other mission members in the finalizing of the TOR for the proposed technical assistance for the electricity and solid waste and wastewater sectors.
12. Mr. Antoun Moussa: Technical Assistance for the Ministry of Finance.
 - (i) Define in detail with the Ministry of Finance (MOF), the institutional strengthening programs to enhance the Ministry's capacities in economic management, with emphasis on tax and customs administration, prepare related measures for TA, training and computerization to be financed under the Project, taking into consideration the availability of grant funding available from other donors;
 - (ii) Assist the MOF in the preparation of the TOR and RFP for the agreed activities;
 - (iii) Agree with the MOF on a detailed implementation timetable for the agreed activities, including monitoring indicators; and,
 - (iv) Investigate the possibility of assisting the MOF in securing TA funds from other donors.
 - (v) Assist the Ministry of Technical Education and Vocational Training in detailing the technical assistance requirements to be financed under the project.

13. Mr. Douglas Graham: Financial Analyst

- (i) In coordination with Mr. Fahed (local consultant), assist Mr. Choucair in the housing component, with particular emphasis on matters related to the review of Participating Agreements between BdL and the Participating Banks;
- (ii) Review the water supply and waste water sector present financial situation and outline an action program for steps to be taken;
- (iii) Assist Mr. Kalbermatten (UNDP Consultant) in the preparation of a sector strategy paper for the water sector, and the preparation of TORs for a waste water development program;
- (iv) Review present and potential sources of financing including those for technical assistance.

YChoucair:bw
M:\LEB\PA013\LNCHMIS.MEM

OFFICE MEMORANDUM

E mena

DATE: March 25, 1993

TO: Files

FROM: Melhem Salman, MN2PH

Le-Ln 3562
cc Le-PHR Sector
cc Le-Education Sector

EXTENSION: 32528

SUBJECT: Lebanon - Meeting with a Delegation from the American University
of Lebanon

1. Accompanied by Dr. E. Shamsedin, Advisor to the Executive Director, a delegation from the American University of Beirut (AUB) led by its vice president, Dr. Hallab, met with Mr. Tariq Husain, Senior Operations Advisor to the RVP, and Mr. John Ijichi, Principle Cofinancing Advisor on March 23, 1993. Mr. Keare, MN2PH Division Chief, and Mr. Melhem Salman, Human Resources Division Country Coordinator were asked to join. Mr. Keare could not attend, because of the departmental ARIS meeting.

2. The purpose of the meeting was to (i) inform MENA of the AUB's ongoing actives with EDI for the training of Lebanese civil servants, (ii) request the Bank's assistance in the development of a regional training center and in the availing for short-term a few Bank staff in the ongoing training courses, (iii) request a reallocation of funds from the Emergency Reconstruction project (Vocational Training Component) to the Development of Teacher Training programs, and (iv) get acquainted with the Bank's plans in the human resources sector in Lebanon.

3. After being greeted by Mr. Husain, Dr. Hallab informed the meeting of the ongoing successful implementation of the joint program with EDI, the Lebanese civil service authorities, and the various universities in Lebanon. Answering an inquiry about the sustainability of the program, he confirmed the availability of adequate Funds (UNDP, Arab Fund) to carry it for an additional 18 months. Dr. Hallab inquired about the availability of grant funds to support the short-term participation of Bank staff in the ongoing training program and in the establishment of a regional training center in development management/administration. A draft document has already been prepared by EDI.

4. Mr. Ijichi explained the various requisites and criteria for the use of Trust funds in the development of a regional training center. Agreement was reached that the best first step to develop a regional center is to successfully implement a high quality program addressing the local and regional needs in management. AUB's academic reputation and the quality of its programs should be able to attract regional participants. However, it is important that such activity be identified as part of the country and AUB strategy in human resources development. Dr. Hallab explained that the center would cater to both participants from the private sector, who would pay full tuition, and from the public sector who would be partly subsidized.

5. Agreement was also reached to review the proposed draft document by MN2PH that will share its findings with CDR and AUB. According to Dr. Hallab,

Mr. Choucair (MN2IN) has been involved in the review of the program of the ongoing training and the proposed regional center. Therefore, MN2PH will request a copy of previous inputs to avoid, iter alia, duplication.

Request for Reallocation of Resources from the Emergency Recovery Project

6. Dr. Hallab informed the meeting that the chairman of CDR has agreed with Mr. Choucair to reallocate about US\$2.5 million from the vocational training component to an "unappraised" activity - teacher training and that he has been asked to confirm such an agreement with the Bank. Mr. Salman explained that MN2PH (the Division responsible for this component) was not privy to such agreement, nor does it approve such reallocations without an in depth review of the proposal. However, Teacher Training, which is a priority need in the education sector, should be addressed within the framework of a Bank-financed education project (that could attract other donors). Such project could be processed during FY94.

Proposed Bank Activities in the Human Resources Sector

7. The visiting delegation was also briefed about the proposed Bank activities in the human resource sector, i.e., a sector study and an education project to be discussed and confirmed with the Government during the forthcoming visit to Lebanon of the regional Vice President. A human resources mission would visit Lebanon, if agreeable to the Government, in late-April/mid-May to initiate both activities. Moreover, the sector study would help identify additional projects for the medium term.

8. The delegation welcomed the proposal and availed its services to assist the Bank human resources mission especially since AUB has been contracted by the Ministry of Education Center for Educational Research to develop teacher training curricula and train teachers.

9. In concluding the meeting, Mr. Husain thanked the delegation for its visit, expressed his appreciation for AUB's efforts and requested MN2PH to further look into the possibilities of availing the short-term technical expertise of Bank staff. He also confirmed the willingness of the region to review the draft documents for the regional training center.

cc/cw: Mr. Tariq Husain (MNAVVP)

cc: Messrs. Ijichi (MNAVVP); Chopra (MN2DR); Voyadzis, Hoppenbrouwer (MN2CO); McKechnie, Choucair (MN2IN); Keare, Za'rour, Bocock, Sales (MN2PH)

Msalman/gg

LE- 3562 ✓

03/25/1993

1

Beirut, December 26, 1992
(Revised January 15, 1993)

WORLD BANK EMERGENCY RECOVERY PROJECT APPRAISAL MISSION
November 30 to December 30, 1992

AIDE-MEMOIRE

I - INTRODUCTION

II - STATUS OF THE NATIONAL EMERGENCY RECONSTRUCTION PROGRAM (NERP)

III- THE WORLD BANK EMERGENCY REHABILITATION AND RECONSTRUCTION PROJECT (ERRP)

- summarized description
- water and waste water
- solid waste
- electricity
- education
- housing finance
- technical assistance

IV INSTITUTIONAL ARRANGEMENTS AND PROCEDURES FOR IMPLEMENTATION

- Program management (PMU) and Implementation (SIU)
- Procurement of works, goods and services
- Disbursement of World Bank funds
- Retroactive financing
- Draft loan agreement

V - ACTIONS AGREED

ANNEXES:

1. Water and waste water
2. Solid waste
3. Electricity
4. Education
5. Housing finance
6. Technical assistance
7. Procurement procedures

December 26, 1992

WORLD BANK EMERGENCY RECOVERY PROJECT APPRAISAL MISSION
November 30 to December 30, 1992

AIDE-MEMOIRE

I INTRODUCTION

1. A World Bank mission has visited Lebanon for three weeks to reach agreement on the composition of a National Emergency Reconstruction Program (NERP) and appraise a World Bank Emergency Rehabilitation and Reconstruction Project (ERRP) in support of the NERP. The mission comprised Youssef Choucair (mission leader, housing specialist), Lars Rasmusson (water and waste water specialist), Albert Peltekian (transport and solid waste specialist), Salem Ouahes (power specialist), Jamal Saghir (sector restructuring expert), Hadi Abushakra (Lawyer), David Howarth (operations and procurement advisor), and Jean Akl (consultant in Vocational Training). The mission would like to express its appreciation for the cooperation provided by H.E. the Prime Minister and Minister of Finance, the Minister of State for Financial Affairs, the Governor of the Central Bank, the sector Ministries, CDR, as well as the association of bankers.
2. The mission reached agreement on the NERP and the content of a related report to be presented to the donor community to obtain financial support for the ERRP. The final version of the report describing the NERP will be reviewed and produced in Washington.
3. The mission confirmed that the proposed ERRP would finance part of the expenditures of the following components of the NERP: water and waste water, solid waste, electricity, vocational training, and housing. Agreement was reached on the timing and extent of technical and institutional actions to be taken before negotiations (scheduled for mid January 1993) and disbursement of Bank funds, with a view to ensure implementation within three years.
4. During its visit, the mission coordinated its work with the World Bank's Management mission led by Mr. Ram Chopra and also with the EIB mission in respect to the Water and Waste Water sector. The recommendations presented below reflect the mission's views and are subject to review and confirmation by Bank management at Headquarters. The authorities' reaction to this Aide-Memoire will be reflected in the mission's report to Bank management.

II STATUS OF THE NATIONAL EMERGENCY RECONSTRUCTION PROGRAM (NERP)

5. The mission reviewed with CDR and the sector Ministries concerned the draft report and cost estimates of the NERP prepared for the envisaged Consultative Group meeting. The mission encouraged CDR to revise the NERP with a view to reducing the overall size to a more realistic level, that more conservatively reflects external financing prospects, the Government's capacity to provide counterpart funds, and implementation capacity. In particular, the mission felt that the credits to the private sector (except those for housing) should be deleted from the program, and left to the private banks, and that the proposed investments and technical assistance expenditures be implemented over a 4-year period rather than the proposed 3-year timetable. The size of the NERP and the sectoral allocations within it would be reviewed after the first year of implementation, and, if the institutional capacity for fund allocation and disbursement, and for project implementation is actually improved, the allocation for years 2 and 3 would be revised accordingly.

7. The mission agreed with CDR that the revised draft would be reviewed in Washington with a view to produce the final version of the report, obtain Government clearance and circulate it to the participants of the donors Consultative Group meeting as soon as one is convened.

III THE WORLD BANK EMERGENCY REHABILITATION AND RECONSTRUCTION PROJECT(ERRP)

8. Scope and composition of the ERRP agreed with the Government: The key function of the envisaged ERRP is to restore a reasonable level of functioning infrastructure services, rebuild consumers' and investors' confidence and create an environment in which essential institutional and financial reform is feasible. To assure a reasonable impact on physical and social infrastructure, the agreed ERRP will finance priority expenditures in the following sectors of the National Emergency Reconstruction Program (NERP): (i) Water and waste water; (ii), electricity; (iii) solid waste, (iv) vocational training; and (v) housing. The allocation of ERRP funds for these sectors takes into consideration their impact on economic and social conditions, their readiness for implementation, co-financing commitments, and institutional arrangements for implementation and cost recovery. The ERRP will also finance technical assistance expenditures for institutional strengthening actions in economic management and key infrastructure sectors (telecommunications, power, water and waste water, and solid waste).

9. The ERRP funds would be disbursed as follows:

(i) Water and Wastewater:	\$ 60m.
(ii) Electricity:	\$ 35m.
(iii) Solid Waste:	\$ 30m.
(iv) Vocational training	\$ 15m.
(v) Housing	\$ 25m.
(vi) Technical assistance	\$ 10m.

Total: \$ 175m.

In order to maintain a reasonable flexibility to adjust to changing circumstances and priorities the ERRP allows the reallocation of funds between sub-projects within a sector, and between sectors. Such reallocation will be decided at the yearly reviews of implementation performance, to be carried out by World Bank staff and Government.

10. The agreed ERRP would finance the foreign exchange components of packages in items i, ii, iii and iv above, and all costs related to items v and vi. These would comprise civil works, equipment, consultants services for project-related engineering services and non-project related technical assistance for institutional strengthening, and in some cases, operation and maintenance services if these are to be contracted out to private sector firms. A detailed list of packages expected to be included in the ERRP is included in the sectoral Annexes of this Aide-Memoire and summarized below.

11. Water and waste water: the agreed ERRP will finance expenditures equivalent to US\$72 million for a three year program of rehabilitation. The proposed Bank financing of US\$60 million includes: US\$ 56 million for physical works to be divided between water supply (75%) and waste water (25%); and US\$ 4 million for engineering and construction supervision. The first year's investment program will mainly concentrate on the rehabilitation of water sources and treatment works, pumping stations and sewage networks where water supplies can be put back into service quickly and where pollution from damaged facilities is the greatest. High priority rehabilitation will continue under the World Bank loan in the second and third years. The first year's investment program on a country wide basis has been identified in detail - with a total amount of US\$44.5 million (comprising US\$ 33.2 million for water supply, US\$ 8.4 million for waste water and US\$ 2.9 million for engineering and construction supervision) - will be financed by the Bank and the Government. The scope of the work for the second and third year of the Bank's Project has been identified to the level of feasibility study and will be prepared by consultants to be recruited under the Bank's Guidelines.

12. The EIB and the Kuwait Fund are expected to co-finance in total about US\$95 million of the rehabilitation (EIB US\$60 million and the Kuwait Fund US\$35 million - may be higher) - the EIB have already appraised a loan of US\$20 million for the first years rehabilitation and intend to appraise a loan for the second and third year in late 1993; the Kuwait Fund has indicated its interest in co-financing that could be available by mid 1993. The contract packaging has been arranged to enable full advantage to be taken of the expected co-financing i.e, if the EIB loan for the first years rehabilitation becomes available by the time of the contract awards, the contracts will be joint financed, US\$20/\$20 million (procurement would be under the Bank's procedures) with the remaining amount US\$ 4.5 million to be covered by the government. If the expected financing of the second loan from The EIB, and also the loan from the Kuwait Fund, become available during the first year of project implementation than the investments in the second and third years would be financed separately with the World Bank loan covering Mount Lebanon and Bekaa Valley; the second EIB loan covering South Lebanon and North Lebanon; and the Kuwait Fund covering the metropolitan Beirut area. The

availability of these additional funds plus would enable almost all of the rehabilitation program to be completed and also a limited extension of high priority storage tanks, transmission and distribution systems, collectors and sewage treatment works. Further details are provided in Annex 1.

13. Solid waste management: the agreed solid waste component of the ERRP will comprise (i) procurement of 80 new compactor trucks for waste collection, for country wide distribution (\$8.0 million); (ii) repair and rehabilitation of 33 existing compactor trucks in Beirut, together with the rehabilitation of the workshops (\$260,000); (iii) procurement of 2,760 metal containers for country wide distribution (\$828,000); (iv) rehabilitation of the compost plant in Karantina (\$2.8 million); (v) development of sanitary landfills in the Cazas of Greater Beirut, Akkar, Koura, Tripoli, Chouf, Kesrouane, Metn, Saida, Sour, Baalbeck, and Zahle, and transfer stations at the Cazas of Batroun and Jbeil (\$17.8 million); (vi) procurement of mobile equipment for the landfills (\$3.2 million); (vii) closure of existing dumps within the Cazas covered under (v) above (\$1.4 million); (viii) engineering services for the design of the sanitary landfills and the supervision of the works, as well as a study for the definition of long term strategy (\$0.92 million); and (ix) construction of a road to the Amrousiyeh incinerator and the first year's operation and maintenance for the amrousiyeh incinerator and the Karantina compost plant. With \$4.8 million in contingencies, the total cost of the component is estimated at \$45.0 million, of which \$11.0 million for the acquisition of land, \$4.0 million in local expenditures and \$30.0 million in foreign expenditures.

14. Electricity: It was agreed that the World Bank would provide about US\$35 million within the ERRP to finance the foreign exchange cost of: (a) the most urgent rehabilitation works in the MV and LV distribution networks of the Greater Beirut area; (b) the MV and LV distribution networks and customer connections to restore power supply in destroyed villages all over the country; (c) the supply and installation of metering equipment on the HV/MV transformers in the HV substations; and (c) engineering and construction supervision for the above components. This would result in an improvement in the power supply in the Greater Beirut, would allow the return of displaced people to their villages and would provide statistical metering for the overall control of the energy supplied to each Distribution Center. The Bank loan would finance 85% percent of the total cost of the package, net of taxes and duties. The remaining 15 percent (\$6.2 million) will have to be financed by the Government. (see Annex 3 for further details). Additional financing of the power sector component of the 3-year NERP (estimated at US\$295 million) is provided by Kuwait Fund and Arab Fund (US\$110 million), Italy (US\$40 million) and France (US\$8 million). This leaves a financing gap of about US\$102 million. EIB is considering financing the rehabilitation of the distribution networks outside of Greater Beirut and an identification mission is expected in January 1993.

15. Technical and Vocational facilities: The agreed ERRP will provide US\$15 million to finance the foreign exchange cost of: (a) the building rehabilitation works for the 14 Government-owned technical and vocational facilities located throughout the national territory; (b) the repair and

replacement of equipment for all the facilities to be rehabilitated; (c) technical assistance for the preparation of new curricula, students textbooks and teachers guides, and training seminars for the personnel; and (d) consultants services for the preparation of engineering studies, supervision of works and preparation of the technical assistance part. The total cost of this component is estimated at US\$18.5 million, of which the Government will need to finance the equivalent of US\$2 million in local currency. Upon completion of the rehabilitation works, it is estimated that the number of students who will be trained in 17 different streams of skills that are needed for the national reconstruction effort, will increase from the current 3300 to 10700 per year. Further details are provided in Annex 4.

16. Housing Finance: The World Bank (Bank) Emergency Reconstruction and Rehabilitation Project would provide a long-term credit (up to 17 years) of an amount of US\$25 million to initiate a housing finance scheme for the benefit of households whose housing conditions were seriously impaired as a result of the war. It is expected that at least an equal amount will be provided by other donors, either on grant basis or on concessional terms, to reduce the cost of funds and make the loans affordable to households in the lower-income groups. Assuming an initial fund of US\$50 million, and an average loan amount of US\$10,000 per household, approximately 5,000 households would benefit from the scheme. Repair of the infrastructure (e.g. water, waste water, roads, electricity) will be financed through the related components of this Bank project and other projects. The beneficiaries of the Housing Finance Scheme will be selected from amongst the households who are considered credit-worthy by the financial intermediary (FI), which will assume all commercial risks on the loan. In order to meet the Government's objective of encouraging the return of displaced families to their original home villages and towns, priority will be given to applicants who are willing to return to their original houses and villages. Beneficiaries targeted by the Project will be primarily households who want to repair or rebuild their single and primary dwelling and those who chose to buy a new dwelling instead of rebuilding or repairing their original dwelling which has been destroyed. Renters and owners of apartment buildings would benefit from the Scheme if they overcome the legal issues related to multi-ownership and rental agreements. Agreement was reached on detailed criteria for the selection of beneficiaries with a view to excluding the wealthy and those who own more than one house. Because income criteria are difficult to verify and apply, non-income criteria such as the maximum area of the dwelling unit and a ceiling on loan and grant amounts are adopted to facilitate targeting the middle and lower-income households. Detailed description of this scheme is included in Annex 5.

17. Technical assistance: The proposed TA amounts US\$ 10 million to provide non-project related support to Central Government: (a) Ministry of Finance: US\$ 0.400 million to finance implementation of the stabilization program; (b) Telecommunications Sector (US\$6.650 million): US\$ 1.5 million in consulting services to assist in restructuring the sector, including preparing a new regulatory framework and provision of US\$ 5.15 million to finance management contract with an experienced private Telecommunication utility operator to manage and provide expertise to the Ministry; (c) Power sector (US\$2.75

million): US\$ 0.3 million to finance a long term consultant, for a period of two years, to assist the Minister of Energy and Water Resources in rehabilitating and restructuring the power sector; US\$ 0.600 million in consulting services to articulate options to restructure the sector and to define the regulatory framework that would provide efficient and reliable supply of electricity at least cost, attract foreign and private capital; and US\$ 1.85 million to finance, for a limited period of time (3 years), a technical assistance contract with an experienced international electric utility operator that would permit efficient rehabilitation and exploitation of existing assets and improved operation and maintenance; (d) Solid Waste and Waste Water US\$0.200 million in consulting services will cover a study for the commercialization of solid waste services and the identification of a long term strategy for solid waste management in the country. Further details are provided in Annex 6.

IV INSTITUTIONAL ARRANGEMENTS AND PROCEDURES FOR PROJECT IMPLEMENTATION

18. Program management(PMU) and sector implementation (SIU): CDR informed the mission that OGER will perform the PMU consultancy functions. The mission has no objection to this arrangement. The mission reviewed the Terms of reference for consultants to provide PMU and SIU services, and provided suggestions to provide a clearer definition of services required from the consultants. CDR's consultants, in close consultation with the sector Ministries concerned (for SIUs), produced a revised draft for the TORs which requests for proposals will be issued by January 15, 1993, and appointment of consultants would be possible by March 30, 1993. However, the EC mission informed CDR and the Bank mission that the EC funds would be available by June 1993 at the earliest. In view of this anticipated delay CDR will seek to obtain either bridge financing or alternative financing for the PMU, to permit the recruitment of consultants in April 1993. Until PMU and SIU consultants are selected, CDR will ask OGER to perform PMU and SIU services to ensure continuity in the preparation of tender documents and other program functions. The mission emphasised that the World Bank funds will be disbursed only after the PMU and the SIUs related to the Bank's project components are established in a manner that is satisfactory to the Bank. The following SIUs will be created for the implementation of the World Bank project:

- Power: a SIU within the Ministry of Water resources and Electricity, reporting to the Minister;
- Water and waste water: a SIU in the Ministry of Water resources and Electricity reporting to the Director General of Equipment. A Steering Committee in which CDR and all concerned ministries and agencies will be represented (Finance, Housing and Cooperatives, Interior, Health and Social Affairs);
- Solid waste: a SIU in the Ministry of Interior, reporting to the Director General of the Ministry.

- Roads and Government Buildings including schools, hospitals and clinics: a SIU in the Ministry of Public Works and Transport (MPWT), reporting to the Director General for Roads and Buildings (for Government buildings there will be a Steering Committee in which all concerned ministries and agencies will be represented);

Additional SIUs will be created in Ministries and agencies related to the other sectors of the NERP.

19. With the increase in the volume of business and the number of contracts in particular that will result from the implementation of the NERP, it may be appropriate for CDR to consider greater delegation of responsibilities in relation to contract management, from the Board of Directors to the Office of the Council or to the President, as well as from the President to the Division Heads. Also, limits or thresholds for procurement reviews and clearances that were set in Lebanese pounds at the time of the creation of CDR need to be adjusted to take into account the devaluation of the Lebanese pound and inflation.

20. Procurement of works, goods and services: Because of the urgent nature of the Project, part of the procurement is to be undertaken using simplified bidding procedures in accordance with Bank Guidelines. A general procurement notice advertising the Project will be published in the UNDP Development Forum, in the local press and sent to foreign embassies resident in Beirut on December 31, a specific notice for prequalification of contractors for the power component of the Project was published in four international newspapers on December 3 and the notice sent to foreign embassies resident in Beirut the same day and it is intended that a similar procedure will be followed for the water and waste water and solid waste components before the end of December. During the mission a detailed review was carried out of CDRs procurement procedures in comparison to those of the Bank and the procurement methods for works, goods and services to be financed under the proposed loan that are detailed in Annex 7 incorporate the results of that review.

21. At present CDR has no standard procedures or guidelines on procurement concerning such aspects as how CDR responds to queries from potential bidders, where bids are held until bid opening time, the procedures that are to be followed in the opening of bids, format of the bid evaluation report, a checklist of items that need to be covered, with respect to the lowest bidder prior, to the contract being signed and how payment certificates are processed. Prior to negotiations CDR need to establish (with the assistance of OGER) these procedures for discussion with the Bank.

22. Disbursement of World Bank funds The agreed World Bank loan would be disbursed against 100 percent of the currently estimated foreign currency costs of the total project expenditures. Disbursements of the loan proceeds would be made on the basis of:

- a) Civil Works, - 75 percent

- b) Equipment and material, 100 percent of foreign expenditures.
100 percent of local expenditures
(ex-factory cost)
75 percent of local expenditures for
items procured locally
- c) Consultants' services, 100 percent
- d) Sub-loan, 100 percent.

Each of the above categories would have an allocated amount and a separate category would be included for contingency funds (approx 18 percent) for the above disbursing categories.

23. **Retroactive financing:** In view of the emergency nature of the social service requirements and the infrastructure works, and the strained foreign exchange position of the Government, retroactive financing from the loan proceeds according to the Bank's guidelines may be proposed for expenditures incurred after December 21, 1992, but before loan signing. This financing cannot be more than 20 percent of the loan and will cover expenditures incurred under the following categories:

- Water and Waste water: consultants services and
advance payment for the supply of equipment..... \$1 m.
 - Solid Waste: civil works for Karantina and Amrousiyeh..\$2 m..
consultants services.....\$0.5m.
 - Electricity: civil works.....\$2.7m
consultants services.....\$0.3m
 - Technical/vocational facilities: consultants services..\$0.5m
- \$8.0m

24. **Draft Loan Agreement:** The mission discussed with CDR the main sections, terms and conditions of the Bank Loan Agreement and Project Agreement, based on model forms, and of the Bank's General Conditions. CDR's only reservation pertains to the Bank's variable interest rate.

V. ACTIONS AGREED

25. The following actions have been agreed and should be completed by the following:

1. By January 15, 1993

- (i) Solid Waste

- (a) CDR to advertize the prequalification of contractors for the procurement of compactor trucks and steel containers;
- (b) CDR to advertize the prequalification for the design and construction supervision.

(ii) Electricity

- CDR to forward to the Bank the bidding document for the rehabilitation of the distribution network in the Greater Beirut.

(iii) Water and Waste Water

- CDR to advertise the prequalification of contractors.
- CDR to send to the Bank, by the end of December, the TOR and cv's of the consultants for the first years supervision with the objective of appointing the consultants in early 1993.

2. Prior to negotiations (January 25, 1993)

(i) Water and Waste water

- (a) CDR to prepare tender documents for the first year of investments and send them to the Bank;
- (b) CDR to submit to the Bank final TORs and a short list of consultants for the 2nd and 3rd year investment;
- (c) CDR/MEHR to appoint a task force, to secure UNDP financing and appoint a consultant to develop a sector policy and strategy paper;
- (d) CDR to finalise the TORs for the establishment of the SIU.

(ii) Electricity

CDR to appoint consultant for the engineering and construction supervision of the distribution networks in displaced villages.

(iii) Education

CDR to invite proposals from consultants for the preparation of detailed specification, bills of quantities and tender documents for the rehabilitation of Vocational training facilities.

3. During negotiations

- agreement is expected to be reached with the Government on a timetable for the preparation of policy statements regarding the future strategy for the water and waste water, power and solid waste

sectors. The timetable will be attached to the minutes of negotiations.

- the detailed procedures through which CDR will handle procurement under the Project, together with staffing requirements, need to be identified and agreed with the Bank during loan negotiations.
- The Financial Intermediaries for the Housing Finance scheme will present detailed loan appraisal and underwriting procedures to be applied to beneficiary selection.

POWER SECTOR

DETAILED DESCRIPTION OF THE WORLD BANK FINANCED PROJECT

1. Project Description: It was agreed that the Bank would provide about US\$35 million within the ERRP to finance the foreign exchange cost of: (a) the most urgent rehabilitation works in the MV and LV distribution networks of the Greater Beirut area; (b) the MV and LV distribution networks and customer connections to restore power supply in destroyed villages all over the country; (c) the supply and installation of metering equipment on the HV/MV transformers in the HV substations; and (c) engineering and construction supervision for the above components. This would result in an improvement in the power supply in the Greater Beirut, would allow the return of displaced people to their villages and would provide statistical metering for the overall control of the energy supplied to each Distribution Center. The proposed Bank loan would finance 85% percent of the total cost of the power component, net of taxes and duties. Table 4 provides a summary of costs for the electricity component to be financed under the Bank loan. Additional financing of the power sector component of the 3-year NERP (estimated at US\$295 million) is provided by Kuwait Fund and Arab Fund (US\$110 million), Italy (US\$40 million) and France (US\$8 million). This leaves a financing gap of about US\$102 million. EIB is considering financing the rehabilitation of distribution networks outside the Greater Beirut area and an EIB identification mission is expected in January 1993.

2. Timetable for Implementation: For the Bank financed power component of the ERRP, tender documents for the rehabilitation of the distribution system in Greater Beirut are being prepared on a supply and erect basis. To expedite work execution, bidding will be on a single package under a single responsibility contract. It was agreed that the bidding documents will be submitted for Bank review by January 15, 1993 and, subject to Bank approval, they would be issued by February 15, 1993. For the displaced villages the necessary detailed design studies need to be carried out in coordination with other infrastructure works to be implemented during the first year. It was also agreed that the consultants will be appointed by January 31, 1993 to carry such studies. Prequalification of contractors for three packages (Package A: generation, Package B: transmission, and Package C: distribution), to be financed by the Kuwait Fund, the Arab Fund and Italy for Packages A and B, and by the World Bank and EIB for Package C, has been issued on December 3, 1992, using World Bank sample document for prequalification. Bidding documents are scheduled to be issued in January 1993 with contract award in May 1993 for Packages A and B and in June 1993 for Package C (see Attachment 3).

3. Arrangements for Project Implementation: Responsibility for project implementation lies with a Sector Implementation Unit (SIU) for the overall NERP to be set up within the Ministry of Electricity and Water Resources, reporting to the Minister. The SIU will include consultants (10 expatriates), MEHR and EDL staff. It was agreed, however, that procurement under the project will be done through CDR to take advantage of CDR's more expeditious

procurement procedures. CDR's and SIU's respective involvement in the procurement process have been discussed and agreed. However, detailed procedures will have to be issued by the SIU as soon as it is set up.

4. Procurement: The Bank-financed contracts for the supply-and-install contracts for equipment, materials and associated services will be procured through International Competitive Bidding procedures acceptable to the Bank. Because of the urgency of the assignment CDR's consultants will be appointed, as extensions of existing contracts to carry out the detailed design work and prepare bidding documents for the first year of works. Because the completion of the rehabilitation works is urgently needed the bidding period of 90 days could be reduced to 60 days. The following packaging of contracts was agreed with EDL/CDR:

- Greater Beirut distribution: one single package on a supply-and-erect basis;
- Displaced villages: 3 to 4 packages to suitably ~~to~~ cover the concerned regions on a supply and erect basis;
- metering equipment: one single package on a supply-and-erect basis;

5. Operation and Maintenance: EDL's operation and maintenance performance is closely related to its financial health and its ability to recruit and retain skilled staff. While EDL's financial situation cannot be accurately assessed, since the latest financial statements available are those of 1987, it appears that EDL is effectively kept operating only through heavy government subsidies: in 1992 EDL's expenses are estimated to be US\$170 million (of which US\$110 million is for fuel), compared to collections of US\$31 million. This is due to both inadequate tariffs and poor billing and collection. For example, in 1989 the domestic price was about \$0.005/kWh, compared to an economic cost of about \$0.08 to \$0.10. Although tariffs were increased 20- to 30-fold in January 1991, they are still not high enough to cover EDL's costs. This shortfall is also partly caused by EDL's inability to collect the revenues due to it. Because of widespread illegal connections, and poor billing and collections, it is estimated that EDL actually receives revenues for less than 42 per cent of the amount billed.

6. Since the new government took office in November 1992, significant positive steps are being taken to turn around EDL's institution. During appraisal agreement was reached with the Government and EDL: (a) to enforce collection measures and disconnect illegal consumers; (b) to appoint technical assistance in the form of a management contract to assist EDL in critical areas of finance, management and operation; and (c) to increase tariffs in January 1993, to about LL100/kWh for consumers with a monthly consumption of less than 200 kWh and about LL200/kWh to other consumers. Further, the rehabilitation works of the NERP will be contracted in three or four major packages which would include technical assistance for the operation of the rehabilitated assets.

7. Retroactive Financing: In view of the emergency nature of the rehabilitation works, retroactive financing up to US\$3.0 million from the proceeds of the World Bank loan is proposed for expenditures incurred after appraisal but before loan signing. This would cover the down payment for the contract for the Greater Beirut component (\$2.7 million) and consultant

services (\$0.3 million). EDL would use an existing loan from the Central Bank to ensure bridge financing until the Bank loan becomes effective. During negotiations, the Government would agree that all claims for retroactive financing will be made in accordance with World Bank guidelines.

8. Monitoring Indicators: The following are the main performance indicators of EDL's activity:

- Installed capacity/ available capacity (MW)
- Average hours of supply per day
- Energy Production (GWh)
- Sales (GWh)
- Losses in %
- Number of consumers
- Number of consumers without meters
- Average revenue per kWh sold
- Average fuel cost per kWh sold
- Average fuel consumption for Jieh, Zouk and Hraiche
- Total employees
- Consumers per employee
- Sales per employee
- Percent billing
- Accounts receivable (day's sales)

The monitoring indicators for the implementation of the ERRP will be defined in a detailed implementation schedule which would show weekly and monthly targets for physical progress to be achieved for each component. The main milestones such as completion of detailed design, issue of bidding documents, contract award, contractor mobilization would be closely monitored. Monthly progress reports in the earlier phase of the project will be submitted to the Bank; such reports will be sent to the Bank within ten days after the conclusion of each calendar month. After the procurement activities are completed, quarterly progress reports will be submitted.

9. Actions Agreed: A policy statement regarding the future strategy for the power sector has been discussed with the Ministry of Electricity and Water Resources (see Attachment 1 to Annex). It is expected to be approved by the Government and attached to the minutes of negotiations of the proposed loan. It was further agreed that the bidding documents for the greater Beirut component will be forwarded for Bank review by January 15, 1993, and that the consultants would be appointed by negotiation, to carry out the detailed design study for the displaced villages. The timetable agreed for the bidding process of Packages A, B and C, up to contractors' mobilization is in Attachment 3.

Draft

Statement of Power Sector Development Policy

1. In the context of The Emergency Recovery Program of Lebanon (1992-1995), the Government intends to adopt a comprehensive set of policies to guide the future development of the electric power sector. In summary, priority will be given to: (i) reconstruction and rehabilitation of war damaged facilities; (ii) removal of any deficiencies in existing facilities to enable their optimum utilization; (iii) increasing the reliability of the transmission and distribution systems while reducing losses to the lowest possible levels; (iv) improving billing and collections performance through inventory of all EDL's consumers to achieve 100% billing and enforcing drastic collection measures; (v) the setting and maintenance of electricity tariffs at levels which cover sector's operating cost and contribute a reasonable share (20%) of the sector's investment program from funds generated internally without recourse to the public sector budget; (vi) the elimination of subsidies to consumers; (vii) improving the performance of electricity sector institutions; and (viii) upgrading the quality of the human resources employed in the sector through training and staff development programs;

2. Currently the electricity sector cannot cover its operating cost and major subsidies from the Budget are required for continued EDL operations. In 1992, of a total operating cost of US\$170 million equivalent, EDL is expected to finance only US\$31 million from its current level of collections. The Budget would be providing US\$139 equivalent for its operating cost and ---- for EDL investment program mainly because of low tariffs and major problems faced by EDL in collecting its bills. To address this issue the Government has decided that: (a) in January 1993 the average electricity tariff will be increased from LL 55/kWh to LL 100/kWh for consumers with monthly consumption of less than 200 kWh and LL 200/kWh for other consumers; (b) new targets have been set for EDL to improve its billing and collection performance to reach 90% collections by December 1993. To accomplish this an inventory of all customers will be carried out, illegal consumers will be provided with meters, and drastic collection measures will be enforced with full assistance from Government security forces.

3. New Policy Initiatives. As a result of recent developments, certain additional policy initiatives will be formulated and some existing policies will be modified in order to strengthen and update the policy framework for the development of the sector. In particular these would include: (i) bringing electricity tariffs to levels which reflect cost of service or long run marginal costs of production; (ii) adoption of strict environmental standards governing the operation of the sector; (iii) a restructuring of the sector to promote efficiency and commercialization of electricity sector enterprises; (vi) adoption of a least cost investment program for the power sector; and (vii) the removal of any barriers to co-generation by industrial enterprise and the establishment of appropriate incentives to encourage co-generation and private generation while transmission and distribution would remain with EDL.

4. Price Reform The economic signals received by consumers in the power sector should to be based on actual costs reflecting the exchange rate and prices for fuels. We recognize that these price

corrective measures would lead to sharply increased electricity prices and we recognize the need to protect low-income households by setting the tariff for the first monthly consumption of 200 kWh at a level compatible with the ability to pay of those consumers. We intend, however, to adjust the level and structure of electricity prices to reflect the cost of development over the medium-long term (long run marginal costs) no later than December 31, 1994. We also recognize that the eventual adjustment of tariffs to reflect true economic costs will greatly increase customers' cost awareness, promote the efficient use of electric energy and provide incentives for conservation.

5. Restructuring and Commercialization of the Electricity Sector To minimize the frequency and duration of power outages, EDL will focus on expediting the rehabilitation works and improving its overall performance. At the same time we intend that EDL should operate on sound commercial basis and, like other commercial enterprises, they should pay taxes on their profits. The potential profitability of EDL should be adequate to attract private sector investment through purchase of bonds or direct investment in specific capital assets.

6. Restructuring Study Consultants will be contracted to carry out, in consultation with the World Bank, a comprehensive study to determine the appropriate strategy for restructuring the sector including the appropriate legal/regulatory/incentives framework governing its operation as a revenue-earning entity expected to:

- (a) recover costs by selling its products and services; and
- (b) earn a reasonable return on invested capital and make a reasonable contribution to expansion after meeting its operating costs and debt service obligations.

7. Following commercialization, options could be eventually explored to set up separate regional distribution companies to be organized as joint stock companies or cooperatives to improve service to the consumers. The regional companies would be responsible for financing their own investment programs in distribution with internally generated funds, customer connection charges and, if necessary, external loans.

8. Ultimately, private generation will be encouraged to promote competition with EDL through proper regulation. Private generating plants would price their output based on market forces. However, during the transition to commercial status and until the market is properly functioning, the transfer price paid to generators should be based on the long run marginal cost of supply.

9. The businesses of transmitting and distributing electricity are not readily subject to market competition. Hence, it will be necessary to establish a legal/regulatory framework in order to protect the welfare of consumers and independent generating companies. This would discourage such businesses from abusing their monopoly powers while giving them the every incentive to operate efficiently. As part of the organizational restructuring process, the entire interconnected transmission system and dispatching would remain under the control of EDL. EDL would buy power, on a least cost basis, from the independent generating plants and sell it to the regional distribution companies.

10. Audits for Sector Enterprises To promote EDL's financial viability and satisfactory financial performance, starting with the year ending December 31, 1992, the financial statements of EDL for the years 1988, 1990, 1991 and 1992 will be consolidated in a single financial statement. Starting with the year ending December 31, 1993, the financial statements of EDL will be subject to annual audits by internationally recognized auditors. The auditors will also be required to revalue the fixed assets of EDL so that in the future, depreciation charges will be adequate to provide for the replacement of fixed assets.

11. Role of Government To ensure the successful implementation of the restructuring program proposed for the electricity sector the Government will have to intervene and infuse into EDL the necessary managerial, organizational and technical skills through a management contract with an outside operator. This is urgently needed and should be carried out concurrently with the rehabilitation of physical assets. Financing of such a contract is being sought preferably from a non-tied source and on a grant basis.

12. Once EDL has regained its financial viability and autonomy, the role of the Government will be limited to that of providing regulatory function and the determination of sectoral strategy and policy. The Government would act as guarantor for external loans required by EDL. The Ministry of Electricity and Water Resources will continue to collect data from sector enterprises, act as a clearing house for information concerning the operations and development of the sector and advise Government on sector policy.

Electricity Component

Summary Costs
(US\$ million)

	Local	Foreign	Total
1. Greater Beirut Distribution			
- Medium Voltage	2.69	15.28	17.97
- Low Voltage	1.84	10.44	12.28
Sub-Total	4.53	25.72	30.25
2. Displaced Villages Distribution	0.52	2.97	3.49
3. Metering Equipment (HV substations)	0.02	0.14	0.16
4. Consultant Services	0.15	0.85	1.00
Total Base Cost	5.22	29.68	34.90
Physical Contingencies	0.51	2.88	3.39
Price Contingencies	0.45	2.61	3.06
Total Project Cost	6.18	35.17	41.35

Agreed Timetable for the Bidding Process of
Package A (Generation), Package B (Transmission) and Package C (Distribution)

1. Prequalification

	<u>Package A & B</u>	<u>Package C</u>
- Application for PQ submitted:	January 7, 1993	January 7, 1993
- PQ applications evaluated and sent to Donors:	January 15, 1993	January 15, 1993
- Donors' response:	January 20, 1993	January 20, 1993

2. Bidding Documents

- Bidding Documents sent for Donors' review:	January 15, 1993	January 15, 1993
- Donors' response:	January 20, 1993	February 1, 1993
- Bidding Documents released to PQ bidders:	January 20, 1993	February 15, 1993
- Bids submitted:	March 4, 1993	March 31, 1993
- Bid evaluation and proposal for contract award sent to Donors:	March 31, 1993	April 20, 1993
- Donors' response:	April 5, 1993	April 30, 1993
- Contract signed:	May 1, 1993	June 1, 1993
- Contractor mobilized and work started:	June 1, 1993	July 1, 1993

Nota: Packages A & B would be financed by the Arab Fund, Kuwait Fund, Italy and the Government of Lebanon;

Package C would be financed by the World Bank, EIB and the Government of Lebanon.

LE - 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: March 25, 1993 03:02pm

TO: John Ijichi (JOHN IJICHI)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - Emergency Reconstruction Project - Loan 3562 LE
Implementation capacity/arrangements - Update

1. I would like to confirm the verbal briefing I gave you earlier today regarding the current position of the implementation capacity of the Lebanese authorities, which you may relay to potential cofinanciers.

2. The institutional mechanisms designed under our Loan consist of reinforcing the implementing agencies with teams of foreign consultants specialized in construction management. These consultant units will be financed under a grant agreement between the European Community and the Lebanese Government, and will be located in CDR (PMU) and in the Sector Ministries (SIUs).

3. The EC is handling the procurement of consultants (from the European countries) under Terms of Reference agreed with the Bank (copy available in our Project Document File). According to the current timetable, the EC will sign contracts with Consultants for PMU by early June, 1993, and for SIUs for Electricity, Water and Sewage, Solid Waste, and Public Works soon after.

4. The current PMU in CDR, manned by OGER, will continue to perform the consultants functions for PMU and SIUs, in coordination with the sector Ministries, until the new consulting firms are appointed in June 1993. (OGER is owned by Prime Minister Hariri who wanted to terminate their work when he was appointed to his post in November, 1992, but agreed to keep them until the new consultants are appointed, so as not to interrupt CDR's work on the emergency program).

CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: David Howarth	(DAVID HOWARTH)
CC: Lars Rasmusson	(LARS RASMUSSEN)
CC: Albert Peltekian	(ALBERT PELTEKIAN)
CC: EMENA ISC Files	(EMENA ISC FILES)

LE - 3562

THE WORLD BANK/IFC/MIGA

OFFICE MEMORANDUM

DATE: March 25, 1993

TO: ECA-MENA Information Center

FROM: Youssef Choucair, MN2IN *js*

EXTENSION: 32434

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation Project
Loan No. 3562-LE - Document for Project File

1. In accordance with the O.M. Statement No. 304, Annex B, I am enclosing with this memorandum, the documents related to the bibliographical Annex to the President's Report No. P-5982-LE.

2. The enclosed documents are classified as in Table 7 of the above Annex:

See attached lists

- | | | |
|---|---|--|
| A | - | Water and Waste Water |
| B | - | Solid Waste |
| C | - | Electricity |
| D | - | Education |
| E | - | Housing |
| F | - | Technical Assistance |
| G | - | The National Emergency Reconstruction Program (NERP) |
| H | - | TOR for the Project Management Unit (PMU) and Sector Implementation Units (SIUs) |

3. Also enclosed is report entitled: "Council for Development and Reconstruction - Financial Statements and Auditor's Report, Year Ended December 31, 1991" by Deloitte Touche.

"F-R"

YChoucair:bw

P12 11

LEBANESE REPUBLIC

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

LOAN 3562-LE

B. SOLID WASTE

1. Aide-Memoire of Appraisal Mission, December 1992
2. 3-Year Emergency Recovery Program - Financing Plan (Table dated November 17, 1992, 7 pages)
3. Damage Assessment (Table dated November 17, 1992, 14 pages)
4. 3-Year Emergency Program - Financial Requirements (Table dated November 17, 1992, 30 pages)
5. NERP - Implementation Timetable, 1 page, dated February 22, 1993

Doc # H 53518

LEBANESE REPUBLIC

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

LOAN 3562-LE

D EDUCATION

1. Aide-Memoire of Appraisal Mission, December 1992 (comprising cost tables and TOR for Technical Assistance)
2. Implementation Timetable
3. TOR for Architect-Engineer Consultants to prepare detailed designs and tender documents, and supervise physical rehabilitation of buildings
4. UNDP Project of the Government of Lebanon - Project Document

Doc# H53519

LEBANESE REPUBLIC

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

LOAN 3562-LE

E HOUSING

1. ✓ "Housing Sector", extracts from the World Bank Report No. 11406-LE of March 1, 1993 (7 pages)
2. ✓ "Housing Finance", extracts from the World Bank Appraisal Aide-Memoire of December 1992 (28 pages)
3. ✓ "Proposed World Bank Emergency Recovery Loan (ERL) - Housing Rehabilitation Component, extract from Aide-Memoire of October 1992 (7 pages)
4. ✓ Letter from Association des Banques du Liban, received November 13, 1992, (3 pages in English, 4 pages in Arabic)
5. ✓ "Lebanon - Credit Line - Term Sheet, IFC, February 10, 1993
6. ✓ "Lebanon - Credit Line - Decision Memorandum", IFC, January 11, 1993

Doc# H53521.

LEBANESE REPUBLIC

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

LOAN 3562-LE

G NATIONAL EMERGENCY RECONSTRUCTION PROGRAM (NERP) - March 12, 1993

1. Vol. I: Overview of the NERP and Summaries of Sectoral Programs and Financing; by CDR
2. Vol II: Sectoral Programs and Financing Plans; by CDR

} H53525
Doc#

LEBANESE REPUBLIC

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

LOAN 3562-LE

H TOR FOR PMU AND SIUs CONSULTANCIES, February, 1993

- PMU
- SIU 1: Water and Waste Water Sector
- SIU 2: Electricity Sector
- SIU 3: Solid Waste Sector
- SIU 4: Public Works

Doc # 453526

LEBANESE REPUBLIC

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

LOAN 3562-LE

A. WATER SUPPLY AND WASTE WATER

- Doc # 153529
1. Aide-Memoire of December 26, 1992, Appraisal
 2. Implementation Timetable
 3. Project Profiles - Beirut 1991 - Doc# H 53537
 4. Proposition de Financement des Travaux de Rehabilitation Discutees Avec La Banque Mondiale - Octobre 1992 - Doc# H 53539
 5. Working Paper 39 - Prioritization and Project Selection Procedures - July 1992 - Doc# H 53540.
 6. Damage Assessment of Water Supply - Engineering Works - September 1992 - Doc# H 53534
 7. 3-Year Emergency Recovery Program - Water Supply - Financing Plan - Table, dated November 17, 1992, 64 pages
 8. Damage Assessment of Waste Water, 3-Year Emergency Program, Tables dated November 17, 1992, 38 pages
 9. 3-Year Emergency Program - Damage Assessment of Storm Works, Tables dated November 17, 1992, 25 pages.

Damage Assessment of Waste Water - Engineering Works - September 1992 - Doc# H 53531

LEBANESE REPUBLIC

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

LOAN 3562-LE

C. ELECTRICITY

1. Aide-Memoire of Appraisal Mission, December 26, 1992
2. NERP Implementation Timetable for Package C - (Lots 1 and 2), 1 page, dated February 22, 1993
3. "Rapport de la Mission de Prediagnostic sur les aspects non Techniques", Mars 1992, Electricité de France International
4. "Rapport de Synthèse des Documents Draft Damage Assessment Report", CDR
5. Emergency Recovery Program - Damage Assessment of Power Engineering Works - Reseaux Electriques BT - Borderau de Prix, Aout 1992 - Doc # 453541
6. ERP - Damage Assessment of Power Engineering Works Reseaux Electriques MT - Borderau de Prix, Aout 1992 - Doc # 453542
7. Recommendations Preliminaires concernant l'Exploitation et la conduite du Système; Electricité du France International, Juin, 1992

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTBAFRAD
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, N.W.
Washington, D.C., 20433
U.S.A.

(202)-477-1234
Cable Address
Cable Address: INDEVAS

March 24, 1993

H. E. Fouad Siniora
Minister of State for Financial Affairs
Beirut, Lebanon

Re: LEBANON:Emergency Reconstruction and Rehabilitation Project
(Loan 3562-LE)

Your Excellency:

This letter gives instructions on withdrawal of proceeds from the World Bank Loan for the Emergency Reconstruction and Rehabilitation Project. Copies of the Loan and Project Agreements dated March 8, 1993 and the Disbursement Handbook are enclosed. These key documents, and this letter, should be copied to all staff involved in the process of preparing withdrawal applications. Sample applications forms are attached, and additional supplies of these forms have been sent to you separately.

The Disbursement Handbook provides background information, as well as examples of withdrawal forms and detailed instructions for their completion. I would like to draw your attention to the sections of this handbook which are of particular relevance to this Loan, and to outline the specific limits which apply:

(a) Authorized Signatures (Chapter 3, para. 3.4) are needed before disbursements may begin and should be updated promptly whenever changes are made.

(b) Minimum Application Size (Chapter 4, para. 4.9). The minimum application size for payments directly from the Loan Account or for issuance of Special Commitment is US\$1.0 million equivalent as agreed during negotiations.

(c) Special Account (Chapter 6). Replenishment applications should be submitted when approximately half of the authorized allocation of the Special Account has been spent or monthly, whichever occurs first. The replenishment application must include reconciled bank statements as well as other appropriate supporting documents. Please refer to Annex 10 of the Disbursement Handbook (page 93) for the sample format and instructions. Should there be no activity in the Special Account, the reconciled bank statement should still be submitted to the Bank.

(d) Statement of Expenditures (SOEs) (Chapter 5). Withdrawals are to be made on the basis of SOEs for goods and works contracts valued at or less than US\$50,000. Sample forms are provided as attachments to this letter. If the right to use SOEs is withdrawn, because of non-compliance with audit covenants, the Bank reserves the right to reject withdrawal applications for reimbursement of expenditures falling within defined SOE limits, even if supported by full documentation.

(e) Audit requirements are spelled out in Article IV of the Loan Agreement. Please pay particular note to the requirements for audit of the Special Account and of amounts withdrawn on the basis of SOEs.

(f) Payment Advice and Monthly Disbursement Summaries (Chapter 7, paras. 7.2-7.5). These documents will be distributed to the addresses shown in this letter unless we are advised of changes in your requirement.

Schedule 1 to the Loan Agreement spells out the withdrawal categories, and the percentage of expenditures eligible for financing against each category. This Schedule also stipulates the following requirements for disbursement purposes:

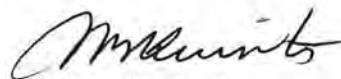
(a) Retroactive Financing of Expenditures: Paragraph 3(a) notes that reimbursement may be claimed for expenditures made after January 1, 1993 falling within the limit of \$13.0 million in connection with Categories 1,2, and 3. An application for reimbursement of any such expenditures should be submitted promptly after effectiveness.

(b) Disbursement Conditions: Paragraphs 3 (b) to 3 (g) provides that no withdrawals may be made against the different categories until the certain requirements have been satisfied.

A copy of this letter is being sent to the Council for Development and Reconstruction (CDR) and Banque du Liban (BdL) for information.

Please contact us if you have any questions about our withdrawal procedures, quoting Loan 3562-LE as your reference.

Yours sincerely,



Miguel B. Quintos
Sr. Disbursement Officer
ECA/MNA/LAC Disbursement Division
Loan Department

cc: Council for Development and Reconstruction
P. O. Box 116-5351
Beirut, Lebanese Republic

Banque du Liban
Banque du Liban Street
Beirut, Lebanese Republic

Cleared with and cc: Mr. Y. Choucair, MN2IN
Mr. H. Abushakra, LEGMN

cc: Ms. L. Villalobos, LOAEL
Mr. M. B. Quintos, LOAEL

file: Loan 3562-LE -- black book
ECA/MNA Information Services Center

Attachments:

Loan Agreement

Project Agreements

Disbursement Handbook

Sample Forms:

Form 1903 -1E

Form 1903 - 2

Form 1931

FACSIMILE COVER SHEET AND MESSAGE

DATE March 24, 1993

NO. OF PAGES 1
(Including this sheet)

MESSAGE NO.

TO

Mr. El-Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax Tel. No. (212) 478-1622

FROM

Alastair J. McKechnie
Division Chief

Dept/Div. Name MN2IN

Dept/Div. No. 286/40

Room No. H10-001

Telephone No. (202) 473-3047

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
TOR for the Electricity Consultant (EdF)
Tender Document for Package C

MESSAGE

1. We have reviewed the TOR for Electricité de France sent to us under your letter of March 1, 1993, and find them consistent with those reviewed by our previous mission. Therefore, we have no objection to your proposal to ask EdF to adopt these TOR under a contract financed by a French Government grant.
2. We have also reviewed the final tender documents for package C received with your letter dated February 26, 1993, and found that they incorporate our comments included in our fax of February 5, 1993. Therefore, we have no objection to these documents.

With kind regards.

Transmission authorized by Alastair J. McKechnie, Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

cc: Ms./Messrs: Mendonca (MN2IE); Rasmusson, Peltekian, Choucair, Le (MN2IN);
Howarth (MNAVP); Yuksel (MN2DR)

Y YChoucair:bw
M:\LEB\PA013\EDFTOR.FAX

LE-3562

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 24, 1993

NO. OF PAGES 1
(Including this sheet)

MESSAGE NO.

TO

Mr. El-Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax Tel. No. (212) 478-1622

FROM

Alastair J. McKechnie
Division Chief

Dept/Div. Name MN2IN

Dept/Div. No. 286/40

Room No. H10-001

Telephone No. (202) 473-3047

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
Prequalification for Water and Waste Water

MESSAGE

We have reviewed the "Addendum to the Prequalification Document" received with your fax of March 15, 1993, and have substantial comments that will be communicated to you this week. In the meantime, we would appreciate it if you inform all applicants that the date for submission of applications will be extended up to end of April and that an addendum will be issued around April 10. This will provide enough time for a revised Addendum to be prepared and be reviewed by our forthcoming mission.

With kind regards.

Transmission authorized by Alastair J. McKechnie, Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

1884 (2-90)

cw & cc: Mr. David Howarth (MNAVP)

cc: Ms./Messrs: Rasmusson, Peltekian, Choucair, Le (MN2IN); Yuksel (MN2DR)

YChoucair:bw

M:\LEB\PA013\PRQLFW&W.FAX

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 24, 1993 05:28pm

TO: Youssef Choucair (YOUSSEF CHOUCAIR)

FROM: Douglas Keare, MN2PH (DOUGLAS KEARE)

EXT.: 32525

SUBJECT: RE: LEBANON - ERRP and NERP
Education component

Youseff,

I thought we all agreed when we met last week that it was unproductive to dwell on the past.

Whatever the case, we need the requested reports and do not have them. Surely you are not telling us that, if we have misplaced a couple of reports (which is not the case), you won't give us another copy?

Let's quit the quibbling, and get on with the work.

CC: EMENA ISC Files	(EMENA ISC FILES)
CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: Melhem Salman	(MELHEM SALMAN)

LE - 3562

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 23, 1993 06:51pm

TO: See Distribution Below

FROM: Youssef Ghoucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - ERRP
PMU and SIUs -Terms of Reference

1. In response to my phone call to him last week, Mr. Falkowski of the EC in Brussels, sent us today the final draft TORs for the PMU and the SIUs for Water, solid Waste , Electricity and Public Works(incl. school buildings) They appear to be the same as those sent to us by CDR last week. Mr. Falkowski informed me that a meeting will be held in Beirut in the week starting April 5 to answer any wuerriews from the consultants invited to submit proposals. He welcomes our mission's participation in these meetings.

2. In preparation for these meetings I will forward these documents to you tomorrow and would appreciate your review and comments on the TOR related to your sector, prior to April 4. If you plan to arrive after April 4, please communicate your coments to me in the field as I intend to be in Beirut starting Sunday March 28.

3. For David: Your review of the PMU and one of the SIU's TOR in relation tp the procurement procedures which you prepared would be particularly helpful at this stage to ensure consistencey with your proposals. I have already heard from Lars that he is happy with the text he reviewed for th water sector SIU, and would welcome any specific comments.

4. The EC expects the consultants for the SIUs and PMU to be in place starting June 1, 1993, as previously agreed.

DISTRIBUTION:

TO: Lars Rasmusson	(LARS RASMUSSON)
TO: Albert Peltekian	(ALBERT PELTEKIAN)
TO: Rene Mendonca	(RENE MENDONCA)
TO: David Howarth	(DAVID HOWARTH)
TO: Melhem Salman	(MELHEM SALMAN)
CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: EMENA ISC Files	(EMENA ISC FILES)

CAIO K. KOCH-WESER
Vice President
Middle East & North Africa Region

March 23, 1993

Mr. Gerd Merrem
Director
Division for Operational Activities
United Nations International Drug Control Programme
Vienna International Centre
P.O. Box 500, A-1400
Vienna, Austria

Dear Mr. Merrem:

Thank you very much for your letter of February 26, which I received only recently, and the draft project document for the preparatory assistance phase of the "Baalbeck-Hermel Integrated Area Development Programme".

I have forwarded the document to Ms. Ngozi Okonjo-Iweala, Chief of our Agricultural Sector Operations Division of the Middle East Department, with a request that any comments that she or her staff may have be communicated directly to you.

I should like to confirm that we indeed look forward to close collaboration between the Bank and other segments of the U.N. system. In the case of Lebanon, where we have reinitiated operations only recently, we have worked closely with UNDP in a broad range of areas. We are currently preparing jointly with UNDP a possible free-standing Bank Technical Assistance Project for strengthening of economic management and public administration.

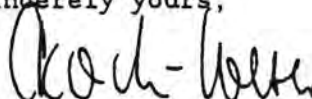
As regards the use of the \$10 million technical assistance component of the Bank's \$175 million loan for an Emergency Reconstruction and Rehabilitation Project, please find attached a description of this component. As you can see these funds have been earmarked for capacity building, policy development, and institutional and regulatory reforms for a number of physical infrastructure sectors and the Ministry of Finance.

We are currently in the process of defining our future assistance program for Lebanon. Future lending activity is likely to focus heavily on human resources development and physical and social infrastructure. We would also stand ready to help Lebanon mobilize external resources for its reconstruction program through a Consultative Group meeting that could

possibly be convened later this year. We have taken note of UNDCP's interest in participating in such meeting for Lebanon and will be pleased to bring it to the attention of the Lebanese authorities and UNDP when we prepare for the meeting.

With best regards,

Sincerely yours,



Caio Koch-Weser
Vice President

Middle East & North Africa Region

Attachment

cc: Mr. Hendrik Van Der Kloet
UNDP Resident Representative
Beirut, Lebanon

Mr. Gerd Merrem

- 2 -

March 23, 1993

cc: Messrs./Ms. Adams (OPRDR), Chopra (MN2DR), Voyadzis (MN2CO), Okonjo-Iweala (MN2AG)

LHoppenbrouwer/mr
m:\leb\undcp

TECHNICAL ASSISTANCE

64. **Objective.** The technical assistance component is an important element of the proposed project as it provides a sound basis for starting to rebuild the public institutions that were severely affected by the war. It was assessed that the institutional capacity building objective is vital and would have an important positive effect on the sustainability of the investments to be financed under the ERRP. The purpose of the US\$10 million technical assistance (TA) component is to provide support to the central government to achieve the following objectives: (a) capacity building: to strengthen the capabilities of key institutions in economic management; (b) policy development: to design and implement sectoral policies; and (c) institutional and regulatory reforms: to prepare and implement part of the Government's restructuring program for the infrastructure sectors; to prepare strategies and an action plan; and to strengthen the institutional and regulatory framework for the sector in which the public utilities services operate. Agreement was reached on the targeted priority areas: the Ministry of Finance, telecommunications, electricity, water and solid waste. Terms of reference were prepared and agreed for most of the subprojects and are included in the project file.

65. **Description.** The TA would accomplish these objectives through funding to support the following priority activities:

- (a) **Ministry of Finance:** US\$0.4 million would finance a program to enhance revenue collection and strengthen economic and financial management.
- (b) **Telecommunications sector (US\$6.65 million) :**
 - (i) US\$1.5 million in consulting services to assist in restructuring the sector with a view to commercialize telecommunications services. This would include separating the operation and maintenance of telecommunications from the Ministry and creating an independent joint-stock company; assessing alternatives for private sector participation; and preparing a new regulatory framework; and
 - (ii) US\$5.15 million to finance a management contract with an experienced, private telecommunications utility operator. This utility would help improve the management of the Ministry operation, facilitate the efficient rehabilitation of existing assets, improve operations and maintenance and help introduce a privatization scheme.

(c) **Power sector (US\$2.5 million):**

- (i) US\$0.25 million to finance a long-term consultant, for a period of two years, to assist the Minister of Hydraulic and Electric Resources in rehabilitating, restructuring and developing the power sector;
 - (ii) US\$1.85 million to finance a technical assistance contract with an experienced international electric utility operator to assist the Ministry and EdL. Assistance is required in various functions including MIS, finance, accounting, billing collection, human resources development and training. This assistance would improve the management of the operation and would facilitate the efficient rehabilitation of assets, improve operations and maintenance and train EdL staff, and
 - (iii) US\$0.4 million in consulting services to: (a) define a long-term strategy for the efficient development of the sector with both public as well as private participation; (b) articulate options to restructure the sector, taking into account the experience in countries that have undergone power sector reforms but keeping in mind specific Lebanese conditions; (c) define the regulatory framework that would provide an independent and transparent regulation of the power sector while attracting foreign and private capital; and (d) promote environmentally sound operations.
- (d) **Solid Waste and Wastewater:** US\$0.2 million in consulting services would cover a study to recommend a long-term strategy for solid waste management and identify measures for the development of efficient solid waste management services.
- (e) **Water sector:** US\$0.25 million would finance a long-term consultant for a period of two years to assist the Minister of Hydraulic and Electric Resources in reorganizing and restructuring the water sector.

66. **Cost and Financing.** The cost of the TA to be financed by the project is estimated at US\$10 million (see Table 6). The TA would finance 100 percent of the following costs: (a) consultant services, either international or local firms or individuals recruited in accordance with the Bank's Guidelines; and (b) the procurement of equipment, e.g., computer hardware and software for use by government staff in the context of services provided by the consultants.

FORM NO. 75
(6-83)

THE WORLD BANK/IFC

ROUTING SLIP		DATE:
		03/23/93
NAME		ROOM NO.
Mr. C. Koch-Weser		
Through: Mr. R. Chopra <i>(i)</i>		
APPROPRIATE DISPOSITION	NOTE AND RETURN	
APPROVAL	NOTE AND SEND ON	
CLEARANCE	PER OUR CONVERSATION	
COMMENT	PER YOUR REQUEST	
FOR ACTION	PREPARE REPLY	
INFORMATION	RECOMMENDATION	
INITIAL	SIGNATURE	
NOTE AND FILE	URGENT	
REMARKS:		
<p style="text-align: center;"><u>RE: LEBANON</u></p> <p>Response to letter from UNDCP per your request.</p>		
FROM:	ROOM NO.:	EXTENSION:
S. Voyadzis <i>(Signature)</i>	H10-047	32713

Office Memorandum

DATE: March 23, 1993

TO: Mr. Youssef Choucair, MN2IN

FROM: Jamal Saghir, CFSPS >5

EXT.: 32789

SUBJECT: **LEBANON: Emergency Reconstruction and Rehabilitation Project**
Technical Assistance Component

Doc# H53522

As requested, please find the attached documents produced during the appraisal mission for incorporating in the project files:

- (a) ✓ Annex 6: Master Plan for the Computerization of Tax Administration;
- (b) ✓ Annex 6: Appraisal Mission: Termes de Reference pour une assistance a la restructuration du secteur des telecommunications;
- (c) Annex 6: Appraisal Mission: Termes de Reference pour la definition et la mise en place d'un cadre reglementaire dans le cadre de la restructuration du secteur des Telecommunications;
- (d) Annex6: Termes de Référence pour une assistance secteur des telecommunications: Contrat de Gestion;
- (e) ✓ Annex 6: Terms of Reference for a Long Term Consultant to Assist the Ministry of Energy and Water Resources;
- (f) ✓ Annex 6: Consultant Services for Power Sector Regulatory Framework: Draft Terms of Reference;
- (g) Appraisal Mission: Study for the regulatory framework for restructures monopolies: Terms of Reference;
- (h) Appraisal Mission: Public Utilities: Regulatory Issues: Draft for discussion;
- (i) Appel d'offres pour les services d'experts dans le cadre d'un contrat de gestion;
- (j) Evolution du Secteur des Telecommunications a Travers le Monde: Document de Travail;
- ul/att (k) Restructuration du Secteur des Telecommuncations: Proposed organigram; and
- (l) ✓ Proposition de Project de Reconstruction d'urgence Composante des Telecommunications

LEBANESE REPUBLIC

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

LOAN 3562-LE

F TECHNICAL ASSISTANCE

- 1/ Annex 6: Master Plan for the Computerization of Tax Administration
2. Annex 6: Appraisal Mission: Termes de Reference pour une assistance a la restructuration du secteur des telecommunications
3. Annex 6: Appraisal Mission: Termes de Reference pour la definition et la mise en place d'un cadre reglementaire dans le cadre de la restructuration du secteur des Telecommunications
4. Annex 6: Termes de Référéce pour une assistance secteur des telecommunications: Contrat de Gestion
5. Annex 6: Terms of Reference for a Long Term Consultant to Assist the Ministry of Energy and Water Resources
6. Annex 6: Consultant Services for Power Sector Regulatory Framework: Draft Terms of Reference
7. Appraisal Mission: Study for the regulatory framework for restructures monopolies: Terms of Reference
8. Appraisal Mission: Public Utilities: Regulatory Issues: Draft for discussion
9. Appel d'offres pour les services d'experts dans le cadre d'un contrat de gestion
10. Evolution du Secteur des Telecommunications a Travers le Monde: Document de Travail
- n/att.- 11. Restructuration du Secteur des Telecommunications: Proposed organigram
12. Proposition de Project de Reconstruction d'urgence Composante des Telecommunications

Doc# H53522.

" LE - 3562
LE - Education Sector

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 22, 1993 03:18pm

TO: Douglas Keare (DOUGLAS KEARE)
TO: Melhem Salman (MELHEM SALMAN)
FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)
EXT.: 32434

SUBJECT: LEBANON - ERRP and NERP
Education component

1. Alastair informed me that Doug asked for the following documents: (i) Mr. Akl report; and (ii) the Government's CG meeting report on Health and Education.

2. I would like to confirm that I had sent you the above documents as follows:

(i) Akl report: it is included in the Annex to the Aide-Memoire of December 26, under attachment 1: "Financing Plan" tables, and Attachment 2: "Technical Assistance", which were sent to you in January, 1993, and also in the package of documents under Alastair's Memo of March 8, 1993.

(ii) CG report: a first copy was delivered by me on February 8, when I met Doug in his office. A second copy, (with a complete Volume I version) was hand delivered to Melhem with a hard copy of my EM of March 18.

CC: Alastair J. McKechnie (ALASTAIR J. MCKECHNIE)
CC: EMENA ISC Files (EMENA ISC FILES)

LE - 3562 LE

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 22, 1993 01:46pm

TO: Melhem Salman (MELHEM SALMAN)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - ERRP - Project Launch Mission

We have not received from you yet the name(s) and draft TOR of the expert(s) to join our mission - which starts next Monday - as requested in our memo of March 8 and March 18 and discussed during our meeting in Alastair's office. In order to proceed with the logistics of the mission we need to receive your suggestions by c.o.b. today. Could you please let me know where you stand on this matter.

CC: Douglas Keare (DOUGLAS KEARE)
CC: Alastair J. McKechnie (ALASTAIR J. MCKECHNIE)
CC: EMENA ISC Files (EMENA ISC FILES)

LB - 3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

BEIRUT - LEBANON

Jamel Saghir

Ref.: 253/1

Date: 22/03/1993

~~Handwritten~~
Allent.
Can you handle
please.
gm
3/26

Dr. Youssef Choucair
World Bank
1818 H Street,
N.W. Washington D.C. 20433
United States of America

Subject: Pre-qualification for Telecom: PSTN and GSM Projects

Dear Dr. Choucair,

With reference to the pre-qualification list dated March 19, 1993 and to the telephone conversation concerning the above subject, and since the name of the pre-qualified company, Cable and Wireless, England, did not appear on the GSM List of pre-qualified companies due to typing error, you are kindly requested to adjust subject list to include Cable and Wireless as pre-qualified company for the GSM Project.

Thanking you for your cooperation.

Sincerely,

Al-Fadi Chalak
President



Council for Development
and Reconstruction

3/26/93
3/30/93
Wakihine
Choucair
Ramallah
Pelhaman, LR
1841-LEB

Q 5095

LE- 3562

**Norconsult
Telematics** 

Norconsult Telematics
Fornebuveien 33-35
P.O.Box 69,
N-1324 Lysaker, Norway
Teleph.: +47 2 12 70 00
Telefax: +47 2 12 72 70
Telex: 78 220 telep n

WORLD BANK
Att. Dr. Choucair
1818 H. STREET, N.W.
Washington DC - 20433 USA

Your ref.

Our ref.

N-1324 Lysaker, Norway

21 March 1993

Dear Sir,

With reference to telefax message from COUNCIL FOR DEVELOPMENT & RECONSTRUCTION in Lebanon dated 19 March this year, we are pleased to send you today copies of the draft documents: Modification of GSM Tender documents into BOT concept and the preparation of Invitation to Tender for the PSTN.

a/att

Yours faithfully
Norconsult Telematics

Jarle Strand

Jarle Strand
Executive Vice President

*Documents sent to
Mr. J. Saghir for
review and comments.
Y.C. 3/24/93.*

INFRASTRUCTURE DIVISION - CD2

Date Rec'd 3-24-93

Date Ack'd NR

Assigned to: Choucair

Log No. LEB-93-56

*Documents sent
to J. Saghir*

LE - 3562

03/20/93

Council for Development and Reconstruction

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE**

TO : Mr. Alastair J. McKechnie
Division Chief, MN2IN
The World Bank

**FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R.)**

FAX NO. : (1-202) 477 03 48

FAX NO.: (1-212) 478 16 22

SUBJECT : AS BELOW

REF.:

DATE : 20/03/1993

NO. OF PAGES: (1) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Please note that Consultation documents relating to the Incinerator of Amroussieh will be sent by courier service today 20/03/1993.

✓ At best,
Phase review must
propose a response
Youssef
2.23.93

With kind regards,

Council for Development and
Reconstruction



Ihsan Chatila
Director Presidency Office

3/23/93
4/11/93
Choucair Y
→ Retention

NO. _____ LEB-93-P09

c.c : Dr. Youssef Choucair

IN CASE OF IN-COMPLETE TRANSMISSION , PLEASE CONTACT US ON TELEPHONE NO.:
(1-212) 478 16 30 . BEIRUT-LEBANON

Le-Ln 3562

Council for Development and Reconstruction

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE****TO : Mr. Alastair J. McKechnie**
Division Chief, MN2IN
The World Bank**FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R.)****FAX NO. : (1-202) 477 03 48****FAX NO.: (1-212) 478 16 22****SUBJECT : AS BELOW****REF.:****DATE : 20/03/1993****NO. OF PAGES: (1) INCLUDING COVER SHEET**

Dear Mr. McKechnie,

Please note that Consultation documents relating to the Incinerator of Amroussieh will be sent by courier service today 20/03/1993.

INFRASTRUCTURE DIVISION - CD2Date Rec'd 3/32/93

Date Ack'd _____

Assigned to: McKechnieChoucairLebanonLog No. 1831-LEB

With kind regards,

Council for Development and
ReconstructionIhsan Chatila
Director Presidency Office

c.c : Dr. Youssef Choucair

IN CASE OF IN-COMPLETE TRANSMISSION , PLEASE CONTACT US ON TELEPHONE NO.:
(1-212) 478 16 30 . BEIRUT-LEBANON

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 18, 1993 11:47am

TO: Melhem Salman (MELHEM SALMAN)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LRBANON - The National Emergency Reconstruction Program
Healt and Education sections

1. I refer to the Education and Health sections of the Government NERP which I left with Goug on February 8 for your review. We are now editing and compiling the NERP report to be part of the package COD intends to send to the participants of the planned CG meeting.

2. I would appreciate receiving your comments by c.o.b. Monday March 22, to meet our deadline. I will send you today a copy of the report received on March 16 from CDR containing the same sections mentioned above, plus Volume I summarizing the whole NERP.

CC: Alastair J. McKechnie

(ALASTAIR J. MCKECHNIE)

CC: Douglas Keare

(DOUGLAS KEARE)

CC: EMENA ISC Files

(EMENA ISC FILES)

Files

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

LE - 3562

DATE March 17, 1993

NO. OF PAGES 2
(Including this sheet)

MESSAGE NO.

TO

Name Mr. Al-Fadl Chalak Fax Tel. No. (212) 478 1622
President
Council for Development and Reconstruction
Beirut, Lebanon

FROM

Name Alastair J. McKechnie
Division Chief
MN2 Infrastructure Division
The World Bank

Dept/Div. Name MN2IN

Dept/Div. No. 286/40

Room No. H-10-001

Telephone No. (202) 473 3047

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
Solid Waste Management Component

MESSAGE

1. With reference to your Fax, Ref. No. 157/93 dated March 6, 1993, the Bank has no objection to your entering into a direct contract with Messrs. C.R.E.E.D. of Limay, France for the first year's consultancy services for the Solid Waste Management (SWM) component, since they were the consultants who carried out the work on damage assessment for the sector. We will review the draft contract for the assignment as soon as possible and convey our comments to you.

2. With reference to your Fax Ref. No. 168/93 dated March 11, 1993, the Bank has no objection to the invitation of bids from the three firms listed in your Fax, namely:

- INOR
- OTV
- SUKKAR,

for the operation and maintenance of the Incinerator at Amroussieh. Please send us the draft tender documents as soon as possible, for review and comment.

3. With reference to your Fax of March 16, 1993 concerning the prequalification of contractors and suppliers for this component, the Bank has no objection to your proceeding with the prequalification of suppliers and manufacturers of the compactor trucks and collection bins respectively. Our suggestion to waive this prequalification was only to help save you time in issuing the tenders, which could then be adjusted to include for the post-qualification of the bidders. We understand that the prequalification documents have already been issued and that this is your preferred approach. This is in conformity with the Bank's Procurement Guidelines and you may carry it out to as planned.

4. We are in the process of reviewing the draft documents for:
- (i) tenders for compactor trucks;
 - (ii) tenders for collection bins;
 - (iii) tenders for buildings and workshops; and
 - (iv) the invitation of proposals from consultants for the development of sanitary landfills.

We hope to be able to convey our comments on all documents by the end of next week.

for K.P.

Transmission authorized by Alastair J. McKechnie, Division Chief, MN2 Infrastructure

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT - LEBANON

Le-Ln 3562

No. 251/1

Beirut, 15 March 1993

WORLD BANK
Headquarters, Washington D.C. 20433
USA

FAX No. : (202) 477-0348

Ref.No. : 183/93

Subject : Lebanon.Emergency Reconstruction and
Rehabilitatiuon Project.


ATIN : Mr.ALASTAIR J.McKECHNIE
Division Chief /IFC/M.I.C.A

Dear Sir,

Reference to your telex sent on March 10 1993, we confirm
our approval for Mr.John KALBERMATTEN mission, starting from
March 24 1993 till April 22 1993.

He will be met at the airport.

Kind Regards.


AL FADL CHALAK
President of CDR



INFRASTRUCTURE DIVISION - CD2

Date Rec'd 3/19/93

Date Ack'd

Assigned to: Rasmussen

Cheney

Peltzman (OIR)

Shakeri

Log No. 1827-LCB

c.c : Mr. Lars Rasmussen

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

No. 247/1

Date March 15, 1993

To: Mr. Alastair J. McKechnie
Division Chief
MN2 Infrastructure Division
The World Bank

Fm: Al-Fadl Chalak
President
Council for Development and Reconstruction
Beirut \ Lebanon

Subject in Reference: Emergency Reconstruction and Rehabilitation
Project. Prequalification Documents for Water,
Waste Water and Solid Waste.

Dear Sir,

We have received your messages dated March 4 & 11, 1993, concerning your comments and suggested modifications on the procedure and prequalification criteria.

1. Regarding the intervention from the President of the Association of Lebanese Contractors for Public Works, dated February 26, 1993, CDR has modified in the Prequalification Documents 13 days before he addressed this letter to World Bank. Please see modified Para.3 in the Addendum concerning this matter.
2. Your comments on the documents:

A. Solid Waste

Lot No. 1:

We think that the prequalification are necessary to be kept for the following reasons:

- a) Evaluation of Domestic Truck Firm Representatives on the following matters;
 - i) Maintenance capability for truck and compactors;
 - ii) Repair capability for existing trucks and operation guarantee for the repaired ones and new ones;
 - iii) Spare parts stock and delivery on site.

FAXWB

1

3/22/93

Chafic Y

→ Petrosian

→ Rasmussen

LEB-93-P48

→

- b) All these requirements in accordance with sub-para. 13.3 a), b) & c) on your Guideline Procurement of Goods, but also; on Contractors Equipment Temporary Works, for the work part of the Contract.

Please note that in the Clarification Meeting which held on February 16, 1993 in CDR Office, nobody protested or complained on this matter, but on the contrary they totally agreed. CDR thinks that applying this procedure all the unqualified dealers or agents will not be able to participate in.

Another reason for insisting on this prequalification (Procurement of Goods/Work) is that we guarantee that bidders who will take the project will repair the existing trucks, compactors and containers.

Lot No.2:

We already sent you list of firms, terms of reference and draft contract that you required.

B. Water Supply and Waste Water

- i) General Experience: We expect that you consider in this matter our "Modification of Prequalification" dated February 13, 1993 for Domestic Applicant.

Nevertheless, we will take into consideration your messages dated March 4 & 11, 1993 which you have strongly recommended. We are expecting now your comments or your agreement on the addendum submitted here-after.

- ii) Equipment of Water Supply: (specific purpose ones).

We do not agree with your suggestion to cancel them because;

- Frequency generator and analyser sets are needed for control motor, water pump and all electrical or electronical equipment survey and particularly when there is no electricity power alimentation.
- Protocol analyser tools are necessary also for the same above mentioned reasons.
- Software and Hardware benchmark. this set equipment is badly needed for registration and analyzing step by step the protocol procedure. (water pressure, flow analyze, physical and chemical analyze). It is also needed for following up the work progress item by item in accordance with the Bill of Quantity.

iii) Equipment of Waste Water: (specific purpose ones).

We do not agree with your suggestion to cancel them Items Nos 1, 2, 5 & 9. All these equipments are needed to control the pump stations survey in the same way to Water Supply Sector. For Item No. 4, it is also needed for following up the work progress item by item in accordance with the Bill of Quantity.

Hoping the above mentioned clarifications are the required ones.

Awaiting your prompt urgent reply on the two Addendum before informing the bidders of them.

Best Regards

Council for Development
and Reconstruction

Al Fadl Chalak
President



→

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 15, 1993 06:20pm

TO: Vinay K. Bhargava (VINAY K. BHARGAVA)
TO: Yermal Shetty (YERMAL SHETTY)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - Technical Assistance Project

I refer to Hadi Abushakra's EM of today. As I have not received the IEPS and supporting documents to which Mr. Abushakra refers, nor have I been advised of the meeting to discuss the IEPS, I am not in a position to comment. If you wish to obtain my comments, please arrange for me to receive a copy of the documents a couple of hours prior to the meeting.

CC: Alastair J. McKechnie (ALASTAIR J. MCKECHNIE)
CC: Hadi Abushakra (HADI ABUSHAKRA)
CC: EMENA ISC Files (EMENA ISC FILES)

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE**

TO : Mr. Alastair J. McKechnie
Division Chief, MN2IN
The World Bank

**FROM. : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R.)**

FAX NO. : (1- 202) 477 03 48

FAX NO.: (1-212) 478 16 22

SUBJECT : C G Report

REF.:

DATE : 12/03/1993

NO. OF PAGES: (50) INCLUDING COVER SHEET

Dear Mr. McKechnie,

We enclose herewith a draft of volume I of C G Report (overview of NERP and summaries of sectoral programs and financing) .

Please note that the change recorded in the finance gap is due to exchange rate depreciation vis a vis the dollar (as commitments were updated, to reflect these changes, using exchange conversion rates of Dec. 30, 1993) and reincorporating in the program the amount originally allocated for housing as per last C G Report sent to the Bank (reduced in the World Bank loan agreement).

Volume I and Volume II, the latter of which pertains to sectoral programs and financing plans, will be sent tomorrow through D.H.L.

Al-Fadi CHALAK
President



Council for Development and
Reconstruction

INFRASTRUCTURE DIVISION - CD2

Date Rec'd 3-16-93

Date Ack'd _____

Assigned to: Choucair Documentant
Rasmasson to ECA/MANA
Pettekan information center

Log No. LEB-93-54 3-24-93

c.c : Dr. Youssef Choucair

IN CASE OF IN-COMPLETE TRANSMISSION , PLEASE CONTACT US ON TELEPHONE NO.:
(1-212) 478 16 30 . BEIRUT-LEBANON

LE - Emergency Recovery

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 11, 1993 05:59pm

TO: Youssef Choucair (YOUSSEF CHOUCAIR)

FROM: Melhem Salman, MN2PH (MELHEM SALMAN)

EXT.: 32528

SUBJECT: Lebanon Emergency Recovery Project

Thank you for your EM. I applaude your tolerance and the convenient excuse you created to "justify " not informing MN2PH of your ongoing dialogue with CDR about the vocational training component nor passing to MN2PH the relevant documents that we have requested several weeks ago. For the record, we received yesterday few documents related to the Appraisal.WE have yet to receive, inter alia, a number of working papers prepared by consultants, Shacour and Akl for the appraisal mission; the same consultants proposed for appointment on a single source basis. Moreover, MN2PH has not received any copy of the ongoing correspondence between CDR and yourself about the VT component nor have we cleared any of your recommendations to either CDR nor Management.

I am sure you agree that while you recommend approval of the appointment of consultants on a single source basis you owe it to David Howarth and to our institution to inform them of the involvement of these two consultants in the Appraisal Mission and of MN2PH reservation on the quality of the site survey and cost estimate prepared by the recommended consultant.I am sure you remember that this was one of the reasons MN2PH requested a "post appraisal".We needed a more accurate assessment of the damage and a clear separation between the cost of civil works repair and the cost of equipment to be replaced.Moreover,we informed you and the Lebanese delegation to the Negotiations that it is important to take into account the equipement required by the new curricula.

On the one hand Alastair, in his Memo to Doug, welcomes our "technical contribution" to the component; while on the other hand, you were engaged in a technical dialogue with CDR and in recommending to David consultancy services for the VT component, and informing him in para. 4 of your March 5 memo that, "... until we finish reviewing the TOR prepared during the appraisal mission and complete our assessment of the detailed requirements of the assigment, including an estimate of the envisaged cost of contract." Since MN2PH has not been involved in this technical assessment, please let me know who is doing it.

I have proposed a meeting with Alastair, Doug and yourself to help establish clear procedures on the management of the VT

component and to reconfirm that MN2PH does not consider this component fully appraised. Thus, your unilateral precipitation of the selection process for consultancy services for the VT component puzzles me along with the request to provide you, within 5 working days, with the name of consultants to join your Mission. I would have appreciated the courtesy of MN2PH being involved in preparing the TORs of such consultants. Thus, as I hope you can tell by now, we are not talking about a project launching seminar nor are we talking about delaying the implementation process. What would delay such process is a premature launching before clarifying the few unknown/unclear factors about the school rehabilitation and about the curricula development proposed by ILO/UNESCO.

I do not consider your actions a result of a problem of communication at all since you were able to communicate with me very smoothly till very recently. Although the issues to be discussed would require a decision by both Division Chiefs, you are welcome to discuss these issues with me any time. I hope you realize that we are trying to avoid a less than optimal component; and that we will all be in the same Boat in case something goes wrong.

CC: Douglas Keare
CC: Alastair J. McKechnie
CC: EMENA ISC Files

(DOUGLAS KEARE)
(ALASTAIR J. MCKECHNIE)
(EMENA ISC FILES)

CONSEIL DU DEVELOPPEMENT & DE LA RECONSTRUCTION
BEYROUTH-LIBAN

LE - 3562

No: 224/1

Beirut the 11/3/93

World BANK

1818 H. STREET, N.W

Washington D.C - 20433 USA

Fax N°: 202-477.0348

INTE. AFF. DIVISION
Date Rec'd: 3/16/93
Date Act'd:
Assigned to: Choucair (MN21E)
Le (LAST)
Leb - 93 - P 66

Attention : Mr CHOUCCAIR
Senior Urbanist, Infrastructure
Country Department II.

Ref.No. : 170/93

Subject : Electricity Sector
Consultant - Loan: 3562 LE

Reve,
Pls review and
prepare comments and
response. Yours/
Fax sent to CDR, March 23.
Y.C.

Dear Mr Choucair,

Following our discussion, we are pleased to submit you the terms of references concerning the consultant for the Electricity sectors.

Financing of the consultant will be assumed by a French grant.

Yours faithfully.



Al Fadl CHALAK

President of CDR.

Doc # H 56584

1/38

CONSEIL DU DEVELOPPEMENT & DE LA RECONSTRUCTION BEYROUTH-LIBAN

No: 223/1

Beirut the 11/3/93

World BANK

1818 H. STREET, N.W

Washington D.C -20433 USA

Fax N°: 202-477.0348

INFE IP SECTION - 1
 Dat R 3/16/93
 Ag.
 Assigned Choucair y
 → Peltier
 Choucair
 Leb-93-P05

Attention : Mr CHOUCCAIR
 Senior Urbanist, Infrastructure
 Country Department II.

Ref.No.: 168/93Subject : Solid Waste

*This was dealt with
 more than a week ago -*
[Signature]
 3/25/93

Dear Mr Chouccair,

We inform you that due to the emergency to start operating the plant of Amaroussieh, we have selected 3 bidders able to do the job.

The three companies are:

- INOR
- OTV
- SUKKAR.

These three companies will be called to tender, and retroactive financing will be asked for the selected company.

You will find hereunder some informations about the three bidders.

Sincerely yours

[Signature]


Al Fadl CHALAK

President of CDR.

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT - LEBANON

Information concerning the Short List

- 1- INOR / VON ROLL
8 Rue Henri Becquerel 92508 Rueil Malmaison
Tel : 47 32 03 00 Tlx : 632542 F

INOR / Von Roll Company is the company who constructed and experimented the Incinerator. It has an European experience on Waste Treatment and particularly in Incineration Plant management.

- 2- GENERALE DE CHAUFFE / O.T.V.
37 Ave. Du Maréchal de Lattre de Tassigny
59875 Saint André Cedex
Tel : 20 63 42 42

Générale de Chauffe/ O.T.V. is in the "Compagnie Générale des Eaux" group. It is one of the main Water and Waste Treatment group in the world. O.T.V. has particularly experience in Beirut for 5 years in the Karantina Compost Plant Construction and Managment.

- 3- SUKKAR INDUSTRIE
P.O.BOX 14/5159
Al Kaaki Bldg, Sakiet , Jarzir, Beirut
Tel : 805466 / 805393 Fax : 869137

Sukkar Industrie is a Lebanese company which has partly rebuilt and completed the Incinerator Plant in 1992. This company has great interest to manage the installation rebuilding and improving the work.

CONSEIL DU DEVELOPPEMENT & DE LA RECONSTRUCTION
BEYROUTH-LIBAN

LE - 3562

No: 223/1

03/11/93

Beirut the 11/3/93

World BANK

1818 H. STREET, N.W

Washington D.C -20433 USA

Fax N°: 202-477.0348

Attention : Mr CHOUCCAIR
Senior Urbanist, Infrastructure
Country Department II.

Ref.No. : 168/93Subject : Solid Waste

INFRASTRUCTURE DIVISION
Date Rec'd 3/12/93
Date Rec'd 3/17/93 Fax
Assigned to ~~XXXXXXXXXX~~
~~XXXXXXXXXX~~
→ ~~Peterson~~ Albert, please
Le follow-up
Log No 1801-LEB and prepare
response
Yourself

Dear Mr Chouccair,

We inform you that due to the emergency to start operating the plant of Amaroussieh, we have selected 3 bidders able to do the job.

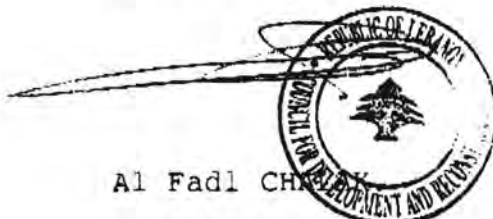
The three companies are:

-INOR
-OTV
-SUKKAR.

These three companies will be called to tender, and retroactive financing will be asked for the selected company.

You will find hereunder some informations about the three bidders.

Sincerely yours



Al Fadl CH

President of CDR.

CHOU2

1/2

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

Information concerning the Short List

- 1- INOR / VON ROLL
8 Rue Henri Becquerel 92508 Rueil Malmaison
Tel : 47 32 03 00 Tlx : 632542 F

INOR / Von Roll Company is the company who constructed and experimented the Incinerator. It has an European experience on Waste Treatment and particularly in Incineration Plant management.

- 2- GENERALE DE CHAUFFE / O.T.V.
37 Ave. Du Maréchal de Lattre de Tassigny
59875 Saint André Cedex
Tel : 20 63 42 42

Générale de Chauffe/ O.T.V. is in the "Compagnie Générale des Eaux" group. It is one of the main Water and Waste Treatment group in the world. O.T.V. has particularly experience in Beirut for 5 years in the Karantina Compost Plant Construction and Managment.

- 3- SUKKAR INDUSTRIE
P.O.BOX 14/5159
Al Kaaki Bldg, Sakiet , Jarzir, Beirut
Tel : 805466 / 805393 Fax : 869137

Sukkar Industrie is a Lebanese company which has partly rebuilt and completed the Incinerator Plant in 1992. This company has great interest to manage the installation rebuilding and improving the work.

2/2

CE - 3562

NABLI & ASSOCIATES
ATTORNEYS AT LAW
347 FIFTH AVENUE
NEW YORK NEW YORK 10016

NEW YORK OFFICE
TELEPHONE (212) 447-1197
TELECOPIER (212) 689-4608

EC CORRESPONDANT OFFICE
CABINET J. CORTES
8 RUE LE TASSE
75116 PARIS-FRANCE
TELEPHONE 45273900
TELECOPIER 45273120

March 9, 1993

VIA TELECOPIER

Mr. Youssef Choucair
Senior Urban Specialist
The World Bank
600, 19th Street
Room #H10-119
Washington, D.C. 20433

INFRASTRUCTURE DIVISION - CDS

1919
Assigned: *McKuchine*
Choucair

Lebanon - Emergency Reconstruction Project

Log No. *1196 - HSC LEB*

Dear Mr. Choucair, *Logn 3562-LE*

Pursuant to our recent telephone discussions, I am now in receipt of the Annual Report for 1991 of our client, the Wedge Bank (Switzerland) S.A., and the prospectus for the Wedge Group in connection with being considered as a "Financial Intermediary" for the World Bank's efforts under the Emergency Reconstruction and Rehabilitation Project ("ERRP") for the country of Lebanon.

Although I have been informed that the requisite banks have already been qualified for purposes of acting as "Financial Intermediaries" under the ERRP, I would very much like to transmit the aforementioned documents to you in case one of the banks so qualified decides to withdraw or indeed the Wedge Bank can be considered for the same purposes at some future date.

I shall actually be in Washington, D.C., on Thursday, March 11, 1993, on business and I would like to ask whether it would be possible to meet in order to present these documents to you in person. Perhaps you would be so kind as to confirm a convenient time for our meeting by return fax.

Very truly yours,

Karin-Anthon Soueid
Karin-Anthon Soueid

KAS:pl

LE - 3562

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

March 9, 1993

H.E. Dr. Fuad Siniora
Minister of State for Financial Affairs
Beirut, Lebanon

Your Excellency:

With my telex of March 4, I informed you that our Board of Executive Directors had approved a \$175 million loan for the Emergency Reconstruction and Rehabilitation Project (ERRP). As you know, the loan was signed on March 8. We hope that Parliamentary ratification of the agreements can be obtained as soon as possible and that other requirements for their effectiveness will be met quickly as well so that implementation of the project may proceed in accordance with the schedule that has been agreed. I am pleased to inform you that Mr. Choucair and a team of specialists are scheduled to visit Lebanon starting about March 25 to help in ensuring an effective start-up of project activities. We also hope that the broader National Emergency Recovery Program of which the Project forms part can be implemented along the lines envisaged and we stand ready to help Government in mobilizing external support for this purpose.

In the course of the Board discussion, a large number of Executive Directors encouraged the Bank's management and staff to assist Lebanon in the mobilization of the large amount of resources required in addition to the Bank loan and other committed support for the financing of the overall program. They also stressed that it would be important for Government to adopt and implement a comprehensive stabilization program.

We are aware that the confidence inspired by the appointment of the new Government in November of last year and your early actions to begin addressing the issue of the fiscal deficit have contributed to the re-establishment of exchange rate and price stability. However, as we discussed in December, and as events in January of this year have shown, this stability is of a tenuous nature. The existence of macro-economic imbalances make Lebanon more vulnerable to the potentially destabilizing effects of short-term capital movements, and further actions will be required to achieve a sustainable reduction in fiscal imbalances.

We believe that the establishment and maintenance of an appropriate macro-economic framework is undoubtedly a necessity for attracting the financial resources from donors and lenders that will be needed to successfully mount the National Emergency Recovery Program; further fiscal adjustment will be required for Government to be able to provide the necessary counterpart funds for the ERRP and the overall program. The establishment of an appropriate macro-economic framework is also needed for the private sector to move from speculative investments towards long term investment for growth. Lebanon's private sector clearly possesses the human talents and resources to lead a process of recovery and rapid growth, but it will be Government's role to establish and maintain an enabling environment with macro-economic

stability. The issues of stabilization and reconstruction are discussed in some detail in our economic report, which has been distributed to our Executive Directors and copy of which I attach.

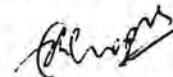
I should like to confirm that we stand ready to assist the Government in mobilizing donor support for Lebanon's reconstruction and development through a Consultative Group. As in the case of Consultative Group meetings that the Bank chairs for other countries, we can only proceed with the convening of such meeting as soon as an appropriate macro-economic framework, endorsed by the IMF and the Bank, is in place, and we have indications of donor support. We had on this basis planned for a meeting to be held in May on the assumption that by early March Government would have had designed and adopted a comprehensive stabilization program with the support of an IMF mission that had been planned for this purpose. However, in view of the delays that have occurred, and considering that documentation for a Consultative Group meeting needs to be completed about six weeks in advance of the meeting, it would no longer be feasible to convene a meeting for May. At this stage we are not in a position either to establish a new date for the meeting and should like to note that generally it is quite difficult to arrange for meetings during the summer months of July and August as most donors cannot attend.

As I indicated during my visit, we would hope that Government will seek IMF support in the design of a comprehensive stabilization program that can be supported by the Bank and the IMF vis-a-vis donors on the occasion of a Consultative Group meeting. Such a program will need to be periodically reviewed to assess progress in its implementation. We are confident that on such basis donors would be willing to support Lebanon.

I should like to assure your Excellency again of our desire to assist your country to the best of our abilities in the difficult task of reconstruction that it faces.

In view of their interest in these matters, I am sending copy of this letter to Mr. Michel El-Khoury, Governor of the Banque du Liban, and Mr. Fadl Al-Chalak, President of CDR.

Sincerely yours,



Ram K. Chopra
Director
Country Department II
Middle East & North Africa Region

cc: Mr. Faisal Al-Khaled
Executive Director

Mr. Ezzedin Shamsedin
Advisor, Executive Director's Office

cc: Mr. Michel El-Khoury
Governor
Banque du Liban
Beirut, Lebanon

Mr. Fadl Al-Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon

cc: Messrs./Ms. Chabrier, Yandle (IMF), Koch-Weser, Squire, Husain, Bouhabib
(MNAVP); Sood (EMTDR); Voyadzis, Hoppenbrouwer, Ozeki (MN2CO); Okonjo-Iweala
(MN2AG); Bhargava (MN2IE); McKechnie, Choucair (MN2IN); Keare (MN2PH); MENA
File, Chron

m:\leb\juncg
LHoppenbrouwer/mr

9

THE WORLD BANK/IFC/M.I.G.A.

LE - 3562

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 8, 1993

NO. OF PAGES 1
(Including this sheet)

MESSAGE NO.

TO

Mr. Fouad El-Khazen
President
Syndicat Libanais des Entrepreneurs des Travaux Publics
Beirut, Lebanon
Fax Tel. No. (212) 478 1391

COPY

Mr. Al-Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax Tel. No. (212) 478-1622

FROM

Alastair J. McKechnie
Division Chief
MN2 Infrastructure Division

Dept/Div. Name: MN2IN

Dept/Div. No. 286/40

Room No. H10-001

Telephone No. (202) 473-3047

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
Prequalification of Contractors

MESSAGE

1. Thank you very much for your letter regarding the prequalification criteria applied to civil works contracts. As you are aware, the project implementation agency in the borrowing country (in this case, CDR) has the responsibility of preparing the prequalification documents. The World Bank guidelines that CDR applies for components financed by our loan comprise qualification criteria to ensure that bidders for a contract will be only those contractors or suppliers who have the experience and technical and financial resources necessary to fulfill the contract requirements. Taking into account the special circumstances in Lebanon with respect to the civil engineering contracting industry, we believe that the general experience paragraphs with respect to the requirements for average annual turnover and the experience as prime contractor could be made more flexible. However, such flexibility would be conditional upon the financial position of the contractor being sound.

2. We have recently transmitted our comments to the Council for Development and Reconstruction (CDR) regarding their draft prequalification documents for various contracts to be financed by the Bank. Therefore, we would suggest that you contact CDR for the final prequalification criteria for contracts in which the members of your Syndicate are interested.

Transmission authorized by Alastair J. McKechnie, Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

CW and CC: Messrs. Yuksel (MN2DR), Howarth (MNAVP)

CC: Messrs. Peltekian, Rasmusson, Le (MN2IN)

YChoucair:bw

M:\LEB\PA013\LENN\CONTRACT.F01

OFFICE MEMORANDUM

MENA Files
CE - 3562

DATE: March 8, 1993

TO: Mr. Douglas Keare, Division Chief, MN2PH

FROM: Alastair J. McKechnie, Division Chief, MN2IN

EXTENSION: 33047

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation Project
Vocational Education Component

1. With reference to your memo of February 11, 1993, I am pleased to note that your division now intends to provide us with technical support to facilitate the implementation of the vocational training component.
2. As communicated to you by Mr. Choucair on February 8, we plan to field a Project Launch mission from March 25 to April 10. The mission will be led by Mr. Choucair and will focus on holding workshops with concerned agencies, in line with the Wapenhans Report. For this mission we would need an education expert to (a) review the training programs for each of the schools to be rehabilitated under our project being prepared by CDR and the newly-established Ministry of Technical Education and Vocational Training; (b) review the terms of reference for component related to the design and production of the teaching material and specification of the equipment, as attached to the Aide-Memoire of the appraisal mission (item 1 below); and (c) formulate the detailed requirements for the Technical Assistance sub-component for strengthening the newly created Ministry of Vocational Training, as proposed by Mr. Salman at the Green Cover review stage.
3. In order to finalize the arrangements for the above mission, we need to receive your proposals for the names of the experts (staff or consultants) and draft terms of reference not later than March 15.
4. In order to facilitate your work, please find attached documents which were not included in earlier communications under the BTO reports and Aide-Memoires which I am sure are available on files
 - (1) revised Aide-Memoire of December 26, 1992 and the relevant annex comprising the TOR for the design and production of the specification for the teaching material and the specifications of the equipment;
 - (2) the implementation schedules for vocational training schools;
 - (3) the draft TOR for the Architect-Engineer contract, for the preparation of the tender documents of the building rehabilitation works;

- (4) a UNDP Project Document entitled "Rehabilitation and Development of Accelerated Training Programme".
- (5) costing data prepared by the damage assessment consultants for the vocational schools.

In addition to the above documents, our Task Manager had forwarded to Mr. Salman a report received from UNESCO (Mr. George Zouein) in October, 1992.

5. Since the above documents are also intended for the Project Document File, for the education component, we would appreciate it if you forward them to the Project File with the attached memo to MENA Information Center when you have completed your review.

6. I look forward to your support within the above framework.

Attachments

cc: Messrs./Mmes.: Choucair (MN2IN); Salman, Za'rour, Bocock,
Lambert (MN2PH)

YChoucair:bw
M:\LEB\PA013\EDUCCOMP.MEM

LE-3562

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 8, 1993

NO. OF PAGES 2
(Including this sheet)

MESSAGE NO.

TO

H.E. Fouad Siniora
Minister of State For Financial Matters
Beirut, Lebanon

Fax Tel. No. (212) 478-3487

COPIED TO:

H.E. Simon Karam
Ambassador of Lebanon
Washington, DC

Fax Tel. No. 939-6324

FROM

Youssef Choucair X
Task Manager, Lebanon Emergency Project

Tel. No. (202) 473-2434

**SUBJECT/
REFERENCE**

LEBANON: Emergency Reconstruction and Rehabilitation Project
Signing of Loan Agreement

MESSAGE

Excellency:

Now that the Board of Governors of the World Bank has approved the above referenced Project and Loan signing has been set for 5:00 pm. Washington Time on Monday, March 8, 1993, we would like to inform you that in addition to the Loan Agreement and Project Agreements, Lebanon's authorized representative, Ambassador Simon Karam, will be signing the attached standard letter.

The letter is self-explanatory. However, should you have any questions or comments, please do not hesitate to contact me prior to the signing ceremony.

We wish to draw Your Excellency's attention to the last sentence of the letter, referring to defaults. By "default" we mean, a loan declared in default by the creditor. Being in arrears on a loan does not imply a default. If you are in default, please provide the name of the creditor and the amount outstanding. In such a case, the last sentence of the letter will be amended to read as follows: "No defaults exist, except as provided in the Annex to this letter."

Transmission authorized by A. McKechnie, Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

LEBANESE REPUBLIC

March 8, 1993

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Re: Loan No. 3562 LE
(Emergency Reconstruction and Rehabilitation Project)
Section 9.02 of the General Conditions -
Financial and Economic Data

Dear Sirs:

In connection with the Loan to the Lebanese Republic, in support of an Emergency Reconstruction and Rehabilitation Project, in an amount in various currencies equivalent to U.S. \$175,000,000, I am writing on behalf of the Lebanese Republic to set forth the following:

1. We understand and agree that, for purposes of Section 9.02 of the General Conditions, the Lebanese Republic is required by the Bank to report new "loan commitments" (as defined in the Bank's Debt Reporting System Manual, dated January 1989) not later than thirty (30) days after the end of the quarter during which the debt is incurred, and to report "transactions under loans" (as so defined) not later than March 31 of the year following that for which the report is made.

2. We represent that no mortgages, pledges, charges, privileges, priorities or other liens, other than those excepted in paragraph (c) of Section 9.03 of the General Conditions, exist on any public assets, as such term is defined in said Section, as security for any external debt. No defaults exist in respect of any external public debt.

It is our understanding that, in making the Loan, the Bank may rely on the statements set forth or referred to in this letter.

Very truly yours,

LEBANESE REPUBLIC

By _____
Authorized Representative

Le-Ln 3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

No. 207/1

WORLD BANK
1818 H.Street, N.Y
Washington D.C.-20433 USA
FAX No.:202-477.0348

Beirut, 6 March 1993

Attn : Mr.CHOUCAIR/Senior Urbanist, Infrastructure
Country Department II.

Ref No.: 157/93

Object : NERP- ENGINEERING SERVICES FOR THE FIRST YEAR
PROGRAM.

Dear Sir,

We are pleased to submit herewith the short list and Draft of Contracts regarding the Engineering Services for the first year program supervision for Water Supply, Waste Water and Solid Waste Sectors.

This short list is supplemented with CV's staff and technical means report. The Consulting Firms retained in this short list are the same ones which prepared the damage assessments studies in compliance with your agreement in the "aide-mémoire" of the mission dated on December 26, 1992.

INFRASTRUCTURE DIVISION - CD2

Date Rec'd 3-11-93

Date Ack'd

Assigned to: Choucair J

→ Razmasson

Letellier

Log No. 1 LE13-93-53

NERPIYR.WBK


Loan 3562-LE

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

However, we would like to draw your attention on the fact that to coordinate the works of the consultants for the first year a General Consultant forseen for the second and third years could be envisaged in order to supervise and to control them. This General Consultant should be able to do the necessary studies and bill of quantities requested by the work.

Yours' faithfully

Council for Development and Reconstruction


Mr Al Fadl CHALAK
President of CDR.



Doc H 55076

n/att

Annex : 9 CV's, Short List, Draft of Contracts from Water Supply, Waste Water, Solid Waste Sectors.
Draft of Contract for Sanitary land fills and 2nd and 3rd Years Water Sectors Consultant Services.

LE-3562

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 6, 1993

NO. OF PAGES 2
(Including this sheet)

MESSAGE NO.

TO H.E. Fouad Siniora
Minister of State for Financial Matters
Beirut, LEBANON
(Fax No. 212 478 1669)

URGENT
(Mr. Arakji : Please
please deliver to H.E.
F.Siniora immediately)

FROM Youssef Choucair
Task Manager, Lebanon Emergency Project

Room No. H 10 119

Telephone No. 202 - 473 2434

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
Signing of Loan Agreement

MESSAGE

Excellency,

Now that the Board of Governors of the World Bank has approved the above referenced Project and Loan signing has been set for 5.00 p.m. Washington Time on Monday March 8, 1993, we would like to inform you that, in addition to the Loan Agreement and the Project Agreements, Lebanon's authorized representative, Ambassador Simon Karam, will be signing the enclosed standard letter.

The letter is self explanatory. However, should you have any questions or comments, please do not hesitate to contact me prior to the signing ceremony. My phone numbers are: 202 - 966 2444 (Home); and 202 - 473 2434.

Very truly Yours,


Youssef Choucair

Transmission authorized by _____

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

OFFICE MEMORANDUM

DATE: March 5, 1993

TO: Mr. David Howarth, MNAV

FROM: Youssef Choucair, MN2IN

MENA Files

Loan - 3562-LE

EXTENSION: 32434

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation Project
Consultancy Services for Vocational Schools

1. We have received a request from CDR (copy attached) to approve the appointment of consultants on single source basis. Two assignments are involved: (a) the preparation of tender documents and supervision of works related to the rehabilitation of the vocational schools financed under our loan; and (b) the development of curricula, preparation of specifications for the equipment, textbooks and teachers guides, and the delivery of seminars.

2. Assignment (a): Because the proposed consultants had already done the site survey and cost estimates of the works required to repair the damage, and the draft TORs are in an advanced stage, the CDR proposal will improve the efficiency and accelerate the implementation of the works. The contracts for Task (a) are tentatively estimated to cost around US\$600,000 (probably split in two equal contracts of US\$300,000).

3. Considering the tight timetable for the implementation of this emergency project, I seek your approval in principle to CDR's request for assignment (a). We would of course clear the agreement and the terms of reference and proposed payments such as person month rates for each consultant contract prior to their signature.

4. For Assignment (b): I propose to hold our response until we finish reviewing the TOR prepared during the appraisal mission and complete our assessment of the detailed requirements of the assignment, including an estimate of the envisaged cost of contract.

Attachment

cc: Messrs. Yuksel (MN2DR), Salman (MN2PH), Peltekian, Rasmusson (MN2IN)

YChoucair:bw
M:\LEB\PA013\VOCCONT.MEM

THE WORLD BANK/IFC/M.I.G.A.

LE - 3562

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 5, 1993

NO. OF PAGES 1
(Including this sheet)

MESSAGE NO.

TO

H. E. Mr. Simon Karam
Ambassador of Lebanon
Washington, D.C.
Fax Tel. No. (202) 939-6324

COPY

Mr. Massoud Maalouf
Charge d'Affaire
Embassy of Lebanon
Washington, D.C.
Fax Tel No. (202) 939-6324

FROM

Youssef Choucair
Task Manager for Lebanon Emergency Project

Dept/Div. Name MN2IN

Dept/Div. No. 286/40

Room No. H10-119

Telephone No. (202) 4732434

SUBJECT/

REFERENCE LEBANON - Loan Signing of the Emergency Reconstruction and Rehabilitation Project

MESSAGE

Your Excellency,

I am pleased to confirm that following yesterday's approval by our Board of Directors of the Emergency Reconstruction and Rehabilitation Project loan, signature will take place on Monday, March 8, at 5 p.m. in Room F-1244, located at 1850 H. Street, N.W. Washington, D.C. Our Regional Vice President for Middle East and North Africa, Mr. Caio Koch-Weser, will sign for the World Bank. We have received a fax copy of the Lebanese Government authorization for Your Excellency to sign on behalf of the Government, CDR and Banque du Liban.

If you need further clarification or information, please do not hesitate to call me. My phone number at home is (202) 966-2444.

With kind regards.

Alastair J. McKechnie
Transmission authorized by Alastair J. McKechnie, Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

BEIRUT - LEBANON

No. 206/1

Beirut, 5 March, 1993

Dr. Youssef CHOUCAIR
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Subject : Rehabilitation of vocational schools.

Dear Dr. Choucair,

Following to our recent discussions concerning the above subject, we herewith attach summary references of the two consultants that we propose to work on the supervision of the rehabilitation of the vocational schools:

- 1- B.A.U.E.N., Headed by Mr. Khalil Nader
- 2- Bureau d'Etudes et d'Entreprises Ghassan Chaccour, Headed by Mr. Ghassan Chaccour.

Since the damage assessment has already been done by B.A.U.E.N., we propose to divide the execution supervision between B.A.U.E.N. and B.E.E. Ghassan Chaccour.

Concerning the equipments of the vocational schools, academic books, training for teachers and administrative staff, we propose as consultants, Mr. Jean Akl, ex-manager of the vocational schools, and Mr. Ahmad Chalak, expert with the UNESCO and ex-teacher in the vocational schools system in Lebanon.

Finally please take into consideration that the finance available by the Lebanese Government (L.L. 5 billions, equivalent to about U.S.\$ 2.8 millions) will be used as local counterpart to the funds allocated in the World Bank Loan for vocational schools rehabilitation.

Waiting for your answer,

Sincerely,

Al-Fadi CHALAK
President



Council for Development and
Reconstruction

INFRASTRUCTURE DIVISION - CD2	
Date Rec'd	3-11-93
Date Ack'd	
Assigned to:	Choucair Rasmasson Pette Kian
Log No.	LEB-93-P03

C.C. Mr. Salman ✓
Mr. Howarth ✓ for clearance

Advance copy received by copy

Attachment : as above

BAUEN (Bureau d'architecture d'urbanisme et d'études techniques)
(date de création: 15 Oct.1980) (dossier N°69)

Adresse: Immeuble Karkour - rue Chehadeh - place Tabaris
P.B. 11-1237 BEYROUTH
téléphone: 200911 - 201719 - 326505.
téléfax: 442176.

Responsable:
Khalil NADER, architecte, 44 ans.

Composition du bureau d'études:

Architecte:
1 directeur général
1 responsable de projet
Ingénieurs:
1 directeur technique
1 responsable de projet
2 spécialistes (électricité, télécom.)
Techniciens: 3
Dessinateurs: 3
Informatique:
1 ingénieur
1 opérateur de saisie
Administratifs:
1 directeur administratif
1 secrétaire
1 comptable

Locaux: 250m² Immeuble Karkour à Beyrouth.

Moyens informatiques:

1 serveur Novell 486, 2 stations de travail 386
et IBM/PS2, imprimante Lazer et Plotter.
Modem V22-V22bis V23, connecté à Liban Pac.
Programmes utilisés: Lotus, Excel, FW3, Accad11,
Calcul béton ...

Résumé des références:

Nombreuses études d'avant projet et quelques réalisations y compris dans le secteur scolaire. Travaux de surveillance et restauration, pour les dernières années. Etudes de l'école technique de Zahlé pour le compte du CDR.

Remarques:

Réalisation de villas de bon niveau technique. Participe, pour le CDR, à l'évaluation des dommages sur les batiments du secteur télécommunication, et une partie d'études sur les écoles techniques professionnelles.

Bureau d'Etudes et d'Entreprises: GHASSAN CHACCOUR

Date de création : 1972.

Classé 1ère Catégorie auprès du Ministère des Travaux Publics et du Transport par décret Ministériel N° 57/Bâtiments du 25/2/75, Architecture et Génie Civil.

Adresse: Centre Mouddaber Kaslik, Bloc (B), 2ème étage.

Téléphone: 09-831294, 937503, 932490.

09-831298, 932963.

FAX: 00 96 11 422674

00 35 75 338823

00 35 75 335023

TLX: 45066 LE

Responsable: Mr Ghassn CHACCOUR, Ingénieur ESIB, 47 ans.

Composition du BET:

- 1 Architecte-Ingénieur
- 4 Architectes
- 4 Ingénieurs Civil
- 1 Ingénieur Mécanique
- 1 Ingénieur Electro-mécanique
- 1 Ingénieur Economiste
- 1 Gestionnaire
- 1 Licenciée en Droit, Directrice Administrative.
- 3 Projeteurs
- 2 Dessinateurs

Locaux: 300 M²

Moyens informatiques:

Points particuliers:

Ce consultant présente aussi une section Entreprise Générale et une section Immobilière.

Résumé des références:

- 6 Complexes scolaires et universitaires
- 2 Hôpitaux
- 3 Hôtels
- 8 Centres Commerciaux
- 8 Centres de Sports
- 4 Villages Résidentiels
- 9 Usines
- 2 Fermes
- Nombreux immeubles et villas.

Remarques: finitions soignées sur les bâtiments visités.

MENA FILES

LE - 3562

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 4, 1993

NO. OF PAGES 4
(Including this sheet)

MESSAGE NO.

TO

Mr. Al-Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax Tel. No. (212) 478 1622

FROM

Alastair J. McKechnie
Division Chief
MN2 Infrastructure Division
The World Bank

Dept/Div. Name: MN2IN

Dept/Div. No. 286/40

Room No. H10-001

Telephone No. (202) 473-3047

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
Letter from the Association of Contractors
Prequalification Documents for Water, Wastewater and Solid Waste

MESSAGE

1. We have received the attached letter from the President of the Association of Lebanese Contractors for Public Works, regarding the prequalification criteria applicable to civil works contractors. We have also reviewed the prequalification documents received from you by fax on March 1.
2. Taking into account the special circumstances in Lebanon with respect to the civil engineering contracting industry, we believe that the general experience paragraphs with respect to the requirements for average annual turnover and the experience as prime contractor (as in para 11 (a) and (b) of the prequalification document) could be made more flexible. However, such flexibility would be conditional upon the financial position (in para 14) of the contractor being sound. In particular, we suggest you adopt a lower figure for the annual turnover requirements, such as the annual value of project costs instead of 5 times such value, as suggested in the present documents. This change and the changes and clarifications shown below could all be issued in an addendum to be circulated to the firms which collected the prequalification documents. You may also find it necessary to extend the deadline for the submission of the documents.

COMMENTS ON THE QUESTIONNAIRES

A. SOLID WASTE

3. The Bank normally requires the prequalification of civil works contractors to facilitate the bid evaluation and contract award process. On the other hand, contracts for the supply of goods and equipment (except for the supply and erection of major plant) do not require prequalification of the suppliers. Thus, in the case of the solid waste component, prequalification

would be required only for the development of the sanitary landfill areas and ancillary works. These have yet to be designed and are, therefore, not ready for the invitation of bids. Therefore, we suggest that: (i) Lot 1, comprising the procurement of compactor trucks and collection bins, you cancel the prequalification questionnaire and invite open international bids in accordance with the Bank procurement guidelines; (ii) Lot 2, comprising Operation and Maintenance of the Amrousiyeh and Karantina Plants would be treated as a consultant contract. Therefore, we expect to receive your short-list of firms, terms of reference and draft contract, for our clearance so that you may issue Request for Proposals, in accordance with Bank guidelines.

B. WATER SUPPLY

General Experience

- (i) para. 11(a): If the intention is to prequalify contractors for each lot separately, as implied by para. 2 under the "Invitation of Prequalification" sections, then the average annual turnover has to show the requirements for each lot separately. In determining these amounts, you may reduce the requirements for annual turnover to the estimated costs of individual packages, which appear to be between \$2.4 million for Lot 1 and \$12.6 million for Lot 5.

However, if the intention is to prequalify for the whole works containing the 5 lots, then US\$20 million for average annual turnover, mentioned in your document in para. 11(a), appears to be too low. Applying the same guidelines suggested above the figure should be in the order of US\$36 million, which corresponds to the total cost of all 5 packages.

Equipment Compatibilities

- (ii) para. 13: Equipments under items 1, 2, and 6 do not appear to be directly related to the water supply works. You may consider removing them.

C. WASTEWATER

General Experience

- (i) para. 11(a): the annual average turnover may be reduced to the estimated cost of first year works of US\$8.5 million.
- (ii) para. 14: reducing the financial requirements to 3 months' requirements, calculated on a linear basis. This would amount to about US\$3 million.

Special Purposes Equipment

- (iii) para. 13: equipment mentioned under items 1, 2, 4, 5, and 9 do not appear to be directly related to the wastewater works and you may consider removing them.

Attachment

Transmission authorized by Alastair J. McKechnie, Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

CW and CC: Messrs. Yuksel and Howarth

CC: Messrs. Peltekian, Rasmusson.

YChoucair:bw

M:\LEB\PA013\LENN\CONT2.FAX

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

LE - 3562

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE March 4, 1993

NO. OF PAGES 1
(Including this sheet)

MESSAGE NO.

TO

H.E. Mr. Rafic Hariri
Prime Minister and Minister of Finance
Beirut, Lebanon
Fax Tel. No. (212) 478-1622

COPY

H.E. Mr. Fouad Siniora
Minister of State for Financial Affairs
Beirut, Lebanon
Fax Tel. No. (212) 478-1669

COPY

Mr. El-Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax Tel. No. (212) 478-1622

FROM

Mr. Ram K. Chopra
Director
MENA Country Department II
The World Bank


Room No. H10-067

Telephone No. (202) 473-2707

SUBJECT/
REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project

MESSAGE

I am pleased to inform you that a Bank Loan of US Dollars 175 million for the Emergency Reconstruction and Rehabilitation Project was approved today, March 4, 1993, by the Board of Executive Directors of IBRD. We are looking forward to working with you and your staff during the implementation of this very important project.

Transmission authorized by Ram K. Chopra, Director, MENA Country Department II 

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

LE - Emergency Reconstruction

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 3, 1993 03:08pm

TO: Youssef Choucair (YOUSSEF CHOUCAIR)

FROM: Tony Moussa, IENTI (TONY MOUSSA)

EXT.: 80147

SUBJECT: RE: LEBANON - Emergency Reconstruction Project
Project Launch mission

I confirm my availability to participate in the above mission.

I have however some timing constraint: due to Negotiations and Divisional retreat late March, I will only be able to join the mission on or about April 4th. I could then combine the mission with a mission to Algeria due to begin around April 16th.

I am aware of the budgetary constraints (seems to be the norm these days at the Bank) but as you may know, we are institutionally funded (without Travel budget) for the current FY. Starting next FY we will have our own Travel budget. But for now, combining the missions as indicated above will enable your division to share the cost with another Division.

Please let me know if the above is satisfactory so I can go ahead with arranging my travel plans.

CC: Marie Ange Le	(MARIE ANGE LE)
CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: Eduardo Talero	(EDUARDO TALERO)
CC: EMENA ISC Files	(EMENA ISC FILES)

LE - Emergency Recovery

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 3, 1993 12:42pm

TO: Abdallah Bouhabib (ABDALLAH BOUHABIB)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - Board presentation

Abdallah,

The Saudi ED's office is requesting me to correct the reference to the Taif Accord in para 3 of the MOP by stating that it was sponsored by the Kingdom of Saudi Arabia, and not by the Arab League.

Can you advise me on this issue ? my information is derived from an official UN report on Lebanon's Needs Assessment.

Thanks.

CC: Alastair J. McKechnie (ALASTAIR J. MCKECHNIE)
CC: Laurens Hoppenbrouwer (LAURENS HOPPENBROUWER)
CC: EMENA ISC Files (EMENA ISC FILES)



Record Removal Notice

File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 5		Barcode No. 1180251		
Document Date 03 March, 1993	Document Type Memorandum with attachment (Board Record)			
Correspondents / Participants To: Attila Karaosmanoglu, Managing Director From: Caio Koch-Weser, MNAVP				
Subject / Title LEBANON - Proposed Emergency Reconstruction and Rehabilitation Project (Board presentation)				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Sherrine M. Thompson</td><td>Date July 24, 2017</td></tr></table>	Withdrawn by Sherrine M. Thompson	Date July 24, 2017
Withdrawn by Sherrine M. Thompson	Date July 24, 2017			

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE**

Handwritten: 3/2
D X's copy to ECAT/MINT ISC
to DC BD
Amul
LE 3/3 562

**TO : Dr. Youssef CHOUCAIR
The World Bank**

**FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R.)**

Handwritten: 3-2-97

FAX NO. : (1- 202) 477 03 48

FAX NO.: (1-212) 478 16 22

SUBJECT : as below

REF.: -

DATE : 02/03/1993

NO. OF PAGES: (4) INCLUDING COVER SHEET

Dear Dr. Choucair,

Please find enclosed herewith copies of three duly signed documents relating to authorizing H.E. Ambassador S. Karam to sign Loan and Project Agreements between the World Bank and Lebanon.

With Kind Regards,

Handwritten signature

Ihsan CHATILA

INFRASTRUCTURE DIVISION - CDR
Date Rec'd 3/2/93
Date Ack'd _____
Assigned to: McKichine
Choucair
Amul
Amul
Log No. 1780 - LEB
Legal copied

**IN CASE OF IN-COMPLETE TRANSMISSION , PLEASE CONTACT US ON TELEPHONE NO.:
(1-212) 478 16 30 . BEIRUT-LEBANON**

Handwritten: 1/4

OFFICE MEMORANDUM

DATE: March 2, 1993

TO: Mr. Dirk Mattheisen, SECGE

FROM: Youssef Choucair, Task Manager, MN2IN

EXTENSION: 32434

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation Project
Signing of Loan Documents

1. Arrangements have been made for the signing of the loan documents for the above-referenced project, on Monday, March 8, 1993 at 5:00 p.m. in the Conference Room F1244.

2. His Excellency Ambassador S. Karam, representing the Lebanese Republic, will sign the Loan Agreement on behalf of the Lebanese Republic, and the Project Agreements on behalf of the Council for Development and Reconstruction and the Banque du Liban, respectively. Mr. Caio Koch-Weser, MNAVVP, will sign the documents on behalf of the Bank. Mr. Hadi Abushakra, Lawyer, will supervise the execution of the loan documents.

3. I would be grateful if your office could prepare the necessary nameplates, pens and blotters.

cc: Messrs/Mmes. Koch-Weser, Husain (2), Squire (2), Bouhabib, Kafka (MNAVVP); Chopra, Heron (MN2DR); Voyadzis, Hoppenbrouwer, Ozeki (MN2CO); McKechnie, Peltekian, Rasmusson, Le (MN2IN); Quintos (LOAEL); Abushakra (LEGMN)

ECA/MENA Files; Division Blackbook

YChoucair:bw
M:\LEB\PA013\LENN\SIGNING.MEM

LE - Emergency Recovery
& Reconstruction

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: March 2, 1993 05:25pm

TO: Tony Moussa (TONY MOUSSA)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - Emergency Reconstruction Project
Project Launch mission

I would like to confirm my earlier request for your participation to the Project Launch mission of this project, scheduled for March 25 to April 10, 1993. You will be expected to assist in the launch of the technical assistance component for the Ministry of Finance.

Considering the constraints on our divisional budget, we would appreciate it if your travel expenses could either be born by your Division, or shared with another another Division.

I look forward to your response ASAP.

CC: Alastair J. McKechnie (ALASTAIR J. MCKECHNIE)
CC: Marie Ange Le (MARIE ANGE LE)
CC: EMENA ISC Files (EMENA ISC FILES)

ECA / MENA info center

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE**

LE - 3562

03/01/93

**TO : Dr. Youssef CHOUCAIR
The World Bank****FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R.)****FAX NO. : (1-202) 477 03 48****FAX NO.: (1-212) 478 16 22****SUBJECT : as below****REF.: -****DATE : 01/03/1993****NO. OF PAGES: (91) INCLUDING COVER SHEET**

Dear Dr. Choucair,

Please find enclosed herewith copy of the following pre-qualification documents :

- ①- Water Supply Sector — Doc # 1453545
- ②- Waste Water Sector — Doc # 1453546
- ③- Solid Waste Management Sector
Doc # 1453547

INFRASTRUCTURE DIVISION - CDC

Date Rec'd 3/8/93

Date Ack'd

Assigned to: McKinnonCheneyKennisonPeluhian

Log No. 1281-LEB

Loan - 3562-LE

File

With Kind Regards,



Ihsan CHATILA

**IN CASE OF IN-COMPLETE TRANSMISSION , PLEASE CONTACT US ON TELEPHONE NO.:
(1-212) 478 16 30 . BEIRUT-LEBANON**



Record Removal Notice

File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 5		Barcode No. 1180251		
Document Date 01 March, 1993	Document Type Memorandum with attachment (Board Record)			
Correspondents / Participants To: Caio Koch-Weser, MNAV From: Alastair McKechnie, Division Chief, MN2IN through Ram Chopra, Director, MN2				
Subject / Title LEBANON - Proposed Emergency Reconstruction and Rehabilitation Project - Board Presentation - Revised Speech				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Sherrine M. Thompson</td><td>Date July 24, 2017</td></tr></table>	Withdrawn by Sherrine M. Thompson	Date July 24, 2017
Withdrawn by Sherrine M. Thompson	Date July 24, 2017			

LE - 3562



INFRASTRUCTURE DIVISION - CD2

Date Rec'd 3-3-93

Date Ack'd 3-24-93

Assigned to: Choucair
Pettikian
Rasmussen

INTERNATIONAL

Log No. LEB-93-50 / Loan 3562-L5

Beirut, 26 February 1993

The World Bank/I.F.C/M.I.G.A
Headquarters Washington, D.C.
20433 USA.

To: Mr. ALSTAIR J. Mc KECHNIE, Division Chef, MN2IN

Attn: Mr. YOUSSEF CHOUCAIR

Loan - 3562 LG.

Ref No.: 148/93

LEBANON - Emergency Reconstruction

Subject: NATIONAL EMERGENCY RECONSTRUCTION PROGRAM

Dear Sir,

We have the pleasure to send you 1 (one) copie of BID DOCUMENTS FOR CONTRACT :E1-C (Lot 1) DISTRIBUTION (Former Package C).


- Invitation for bids
- Section 1 : Instruction to Bidders
- Section 2 : General Conditions of Contract
- Section 3 : Condition of Particular Application
- Section 4 : Technical Specifications:
 - Sub section 4.0: General Technical Conditions for Contract.
 - Sub section 4.1: Distribution -Common clauses.
 - Sub section 4.2: Distribution-Technical Specifications and Questionaries (2 volumes).
- Section 5 : Form of Bid, Appendix to Bid, and Bid Security

Doc# 1453548 (14 w8)

- Section 6 : Bill of Quantities
- Section 7 : Form of Agreement
- Section 8 : Forms of : Performances Bank Guarantee, and Bank Guarantee for Advance Payment, and Defect Liability Period, and Site Visit Certificate, and Aquittance for the Fee chargeable to cover Reproduction and Mailing Cost for Bidding Documents.
- Section 9 : Drawings

Best Regards.

OGER INTERNATIONAL

A handwritten signature in blue ink, appearing to read 'F. Bernard', with a long horizontal stroke extending to the right.

F. BERNARD

SYNDICAT
LIBANAIS DES ENTREPRENEURS
DES TRAVAUX PUBLICS

Reference No.9

26 February 1993

Dr Youssef Choucair
1818 H Street N.W.
Washington D.C. 20433
U.S.A.

Dear Sir,

The Council of Development & Reconstruction, which has recently invited bidders for prequalification for the national recovery emergency program has set strict prequalification conditions on potential bidders in as far as the volume of works executed and the financial capabilities are concerned. These strict conditions cannot be met by any of the local Lebanese Contractors, either individually or in Joint Venture with foreign companies. This will automatically cancel any major role for them in the reconstruction program.

The reasons why Lebanese Contractors cannot meet these conditions are not related to their aptitude or capability, whether in experience, personnel or equipment to execute works similar to what is stipulated in these bids, but are related to the following:

1. During the past years the Lebanese Government budget plans that were carried out, were contracted to record low figures due to the prevailing conditions at the time and at all levels, which eventually diminished government spending on project of similar nature. This consequently reflected on the volume of works that was carried out by Lebanese Contractors.
2. In the same above context the signs of weakness that were evident in the Lebanese economy as well as the collapse of the local currency vis-à-vis hard currencies eventually led to strict regulations set forth by the Central Bank. This affected the financing potential capabilities of the banking system in general in a very adverse way resulting in minimizing the potentials of Lebanese Contractors on the financial level.

Le-Ln 3562

Journal:

*Pls prepare a reply to me to sign, enclosing
Papers, Youssef Choucair, as necessary.*

[Signature] 2/26

INFRASTRUCTURE DIVISION - 333

Date Rec'd 2/26/93
Date Ack'd Fax 3/4/93
Assigned to: Makachine
Choucair
Rasmussen (AIR)
6
In No. 1775-LEB

SYNDICAT
LIBANAIS DES ENTREPRENEURS
DES TRAVAUX PUBLICS

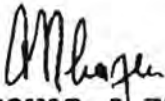
- 4 -

- 2 -

In view of the above and the fact that the contracting sector is a major pillar in the Lebanese Economy, and knowing for certain your eager interest to restore health to our Economy, we urge you to take immediate measures to amend the prequalification conditions in such a way that will allow the Lebanese Contracting body to take part in the National Reconstruction Program.

In the hope of your favourable response, we remain,

Truly yours,



FOUAD J EL KHAZEN
President



Record Removal Notice

File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 5		Barcode No. 1180251		
Document Date 26 February, 1993	Document Type Facsimile			
Correspondents / Participants To: James Collins From: Adel Khalifa				
Subject / Title LEB/87/002 - Advisory Services: Water Supply and Waste Water Policy and Strategy				
Exception(s) Personal Information				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Sherrine M. Thompson</td><td>Date July 24, 2017</td></tr></table>	Withdrawn by Sherrine M. Thompson	Date July 24, 2017
Withdrawn by Sherrine M. Thompson	Date July 24, 2017			



Record Removal Notice

File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 5		Barcode No. 1180251		
Document Date 26 February, 1993	Document Type Memorandum with attachment (Board Record)			
Correspondents / Participants To: Distribution From: Youssef Choucair, Task Manager, MN2IN				
Subject / Title LEBANON - emergency Reconstruction and Rehabilitation project Pre-Board Meeting				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Sherrine M. Thompson</td><td>Date July 24, 2017</td></tr></table>	Withdrawn by Sherrine M. Thompson	Date July 24, 2017
Withdrawn by Sherrine M. Thompson	Date July 24, 2017			

LE - Emergency Recovery

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: February 26, 1993 02:37pm

TO: Jeannie Yamine (JEANNIE YAMINE)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON- Loan signing

1. Further to my EM of February 22, the Lebanese government has now confirmed that the loan signing would take place on Monday March 8. It was necessary to change the date because the Lebanese Ambassador, who is currently in Lebanon, has delayed his return to Washington.

2. Please let me know by c.o.b. today, if possible, what time would Mr. Koch-Weser be available on that day for the signature.

3. Once you confirm the time, I, in consultation with the lawyer and the country officer, will make the necessary arrangements to reserve the room and inform the Embassy, Mr. Shamsedin, the Secretaries Department, and any others that need to be informed.

CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: Spiros Voyadzis	(SPIROS VOYADZIS)
CC: Hadi Abushakra	(HADI ABUSHAKRA)
CC: Laurens Hoppenbrouwer	(LAURENS HOPPENBROUWER)
CC: EZZEDIN SHAMSEDIN	(EZZEDIN SHAMSEDIN @A1@EDSEL)
CC: abdallah bouhabib	(EMENA ISC FILES)
CC: EMENA ISC Files	(EMENA ISC FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: February 26, 1993 03:00pm

TO: Abdallah Bouhabib (ABDALLAH BOUHABIB)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - LOAN SIGNING

Abdallah,

Please note the attached. I just noticed that although your name is in the CC list, you may not have received it since EMENA ISC FILES as in shown facing your name,

Youssef

CC: EMENA ISC Files (EMENA ISC FILES)

LEBANON

EMERGENCY RECOVERY PROJECT

MS

Emena

Fax

LE - Emergency
Recovery &
ReconstructionTHE EMERGENCY RECOVERY PROJECT
REVIEW MISSION FEB 1993

P (3-4) Education Component:-

- 1- Para (iii): The Project will be start in summer 1993, not in 1994.
- 2- Proposed Action no. (iii) the programme is including design of curricula and pedagogical resources and analysis of budget details have already been prepared and submitted to the mission.
- 3- There is an urgent need of budget to run the work immediately.

RECEIVED
93 FEB 25 AM 8:34
MENA/MN2PH

OFFICE MEMORANDUM

Le - Emergency Recovery & Reconstruction

DATE: February 24, 1993

TO: Mr. Dirk Mattheisen, SECGE

FROM: George Tharakan, Acting Division Chief, MN2IN

EXTENSION: 32597

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation Project
Board Presentation

1. The above project is scheduled for consideration by the Board on Thursday, March 4, 1993.
2. Mr. Youssef Choucair, Senior Urban Specialist, MN2IN will make the oral presentation and will answer project related questions.
3. Mr. Laurens Hoppenbrouwer, Principal Country Officer, MN2CO, will answer questions related to the country background. The following staff members will also be present to answer questions in their respective professional field:

Mr. Hadi Abushakra - Legal matters, and
Mr. Yuzuru Ozeki - Country economic matters.

cc: Messrs./Mmes. Koch-Weser (o/r), Sood (Acting RVP), Husain (2), Squire (2), Bouhabib, Kafka (MNAVP); Murli (MNACA); Chopra (o/r) (MN2DR); Voyadzis, Hoppenbrouwer, Ozeki (MN2CO); McKechnie (o/r), Choucair (o/r) Peltekian (o/r), Rasmusson, Le (MN2IN); Abushakra (LEGMN)

ECA-MENA Files, Division Blackbook

YChoucair:bw
M:\LEB\PA013\LENN\BRDPREME.MEM

The World Bank

INTERNATIONALBANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONALDEVELOPMENT ASSOCIATION

1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

LB-Ln 3562

February 23, 1993

Mr. A. Jullian
OGER Liban S.A.L.
P.O. Box 14-5864
Beirut, Lebanon

Dear Sir:

Re: LEBANON - Emergency Reconstruction and Rehabilitation Project

We acknowledge with thanks receipt of the draft tender documents for the solid waste sector sent with your letter Ref. No. 106/93 dated February 13, 1993. Our comments will be communicated to you upon Mr. Albert Peltekian's return to the office on March 1, 1993.

Sincerely,



George Tharakan
Acting Division Chief
CDII Infrastructure
Middle East and North Africa Region

cc: Messrs/Ms. Choucair (o/r), Peltekian (o/r), Rasmusson, Le (MN2IN)

MLe:ml/bw
M:\LEB\PA013\SOLID.LET

OFFICE MEMORANDUM

Le- Emergency Recovery & Reconstruction

DATE: February 18, 1993

TO: Mr. Dirk Mattheisen, SECGE

FROM: Youssef Choucair, Task Manager, MN2IN

EXTENSION: 32434

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation Project
Board Presentation

The Emergency Reconstruction and Rehabilitation Project is scheduled for presentation to the Board of Executive Directors on March 4, 1993. Mr. Youssef Choucair, Task Manager, MN2IN; Mr. Laurens Hoppenbrouwer, Country Officer, MN2CO; Mr. Yuzuru Ozeki, Country Economist, MN2CO; and Mr. Hadi Abushakra, Lawyer, LEGMN will be present to answer questions.

cc: Messrs./Mmes. Koch-Weser, Husain (2), Squire (2), Bouhabib, Kafka (MNAV); Murli (MNACA); Chopra (o/r) (MN2DR); Voyadzis, Hoppenbrouwer, Ozeki (MN2CO); McKechnie (o/r), Peltekian (o/r), Rasmusson (o/r), Le (MN2IN); Abushakra (LEGMN)

ECA-MENA Files, Division Blackbook

YChoucair:bw
M:\LEB\PA013\LENN\BRDPREME.MEM

Le - Emergency Recovery &
Reconstruction

International Bank for Reconstruction and Development

Dear Sirs,

We refer to the Emergency Reconstruction and Rehabilitation Project and hereby advise you that Mr. El-Fadi Chalak is authorized, in connection with the aforementioned project, to act as the expert representing the Lebanese Republic on the committee provided for under Section 7 of Article V of the International Bank for Reconstruction and Development's Articles of Agreement.



Fouad Siniora
Governor for the
Lebanese Republic

2/11/93
Chalak (O/R)
Chalak (O/R)
Chalak (O/R)
1747-LEB

2/11/93

Faxed to SEC



INTERNATIONAL
L'INGÉNIERIE DE LA CONSTRUCTION

LB - Ln 3562

2/19/93
2-23-93

~~Choucair~~

→ ~~Peltekan~~

~~Rasmussen/Le~~

LEB-93-Pf1

DE : OGER INTERNATIONAL
Beyrouth - Liban

AU : CONSEIL DE DEVELOPPEMENT
ET DE LA RECONSTRUCTION (CDR)
Beyrouth - Liban

Beyrouth, le 13 Février 1993.

Ref No. : 106/93

Objet : Bordereau de remise de Documents Dossiers d'Appels d'Offres

Diffusion : La Banque Mondiale - Washington DC 20433 USA

A l'Attention de MM. ALASTAIR J. McKECHNIE/PELTEKIAN

1- Dossier d'appel d'offre Secteur DECHETS SOLIDES :

Lot No.1 : Véhicules de collecte -	3 Volumes
Lot No.2 : Bacs roulants -	3 Volumes
Lot No.3 : Bâtiment d'exploitation -	3 Volumes
Usine de la Quarantaine -	3 Volumes
Dossier Général Technique, Dossier Administratif -	2 Volumes

- 1 Série de Plans de la Quarantaine
- 2 Séries de Plans format A3

Salutations.

OGER INTERNATIONAL

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a long horizontal stroke and a small loop at the end.

A.JULLIAN

OFFICE MEMORANDUM

DATE: February 11, 1993

TO: Mr. George Tharakan, Acting Chief, MN2IN

FROM: Douglas Keare, Chief, MN2PH

JK

EXTENSION: 32525

SUBJECT: Lebanon - Emergency Recovery Project

Pursuant to my discussion with Mr. Choucair on February 8 about the above project and, in particular, its vocational training component, I would appreciate it if you can forward to Mr. Salman, the Country Coordinator for the sector, all the relevant documents and background papers that the project preparation missions have collected.

As agreed and as expressed in the minutes of negotiations, a team from the Division will visit Lebanon to finalize the various aspects of the component. We need, therefore, to review these documents within the framework of the above project, and prepare terms of reference and an action plan for such mission.

I received a call today from Mr. George Theodory at the suggestion of Mr. Choucair. We cannot, at this stage, before a review by our Division of the requested documents, interact with any proposed consultants. We appreciate the gesture; however, our Division will handle the identification of experts needed based on its review of the documents. We appreciate all the efforts made by the task manager and his team, but, in relation to the vocational training component, we would like to pick it up from here, of course, in full coordination with the task manager.

DKeare/gg

cc: Messrs. Bocock, Choucair, McKechnie, Salman, Za'Rour

THE WORLD BANK/IFC/MIGA

OFFICE MEMORANDUM

DATE: February 9, 1993

TO: Ms. M. Lawrence, EXE

THROUGH: Ram K. Chopra, Director, MN2 *CLM*

FROM: Youssef Choucair, Task Manager, MN2IN *YJ*

EXTENSION: 32434

SUBJECT: LEBANON - Proposed US\$175 Million Loan for the
Emergency Rehabilitation and Reconstruction Project

- 1/att*
1. Attached is a copy of the loan document to be distributed to the Executive Directors by the Secretary's Department.
 2. All conditions for Board presentation have been met, and Government approval of the negotiated documents have been received.
 3. There are no overdues of 30 days by this Borrower, or of 45 days by the country.

Cleared with & cc: Messrs. Abushakra (LEGMN); Wijesinghe (LOALA)

cc: Mr. Tariq Husain (2), (MNAVP)

YChoucair:bw

M:\LEB\PA013\LENN\BRDPRES.MEM

OFFICE MEMORANDUM

Approved.
CKW
2/9

DATE: February 9, 1993

TO: Mr. Ram Chopra, MN2DR

FROM: Caio Koch-Weser, MNAVVP

EXTENSION: 35250

SUBJECT: **LEBANON: Emergency Rehabilitation and Reconstruction Project -
Final Loan Package**

I approve the loan package for the above project and authorize distribution to the Executive Directors for Board consideration on March 2, 1993.

cc: Messrs./Mmes.

Husain, Murli, McKechnie, Choucair, Hoppenbrouer,
Abushakra
ECA/MNA ISC

BKafka/sm

LE - 3562
02/06/93

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE**

TO : Dr. Youssef CHOUCAIR
The World Bank
Washington

**FROM. : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R.)**

FAX NO. : (1- 202) 477 03 48

FAX NO.: (1-212) 478 16 22

SUBJECT : Tender Documents :
- Water Supply
- Waste Water

REF.:

DATE : 06/02/1993


NO. OF PAGES: (3) INCLUDING COVER SHEET

Dear Dr. Choucair,

Following to our telephone conversation of Friday 5 January 1993, this is to confirm that draft final of Tender Documents relating to Water Supply and Waste Water sectors will be air freighted today to your attention .

Flight details will be advised later.

With Kind Regards,


Ihsan CHATILA

INFRASTRUCTURE DIVISION
Date Rec'd 2/8/93
Date Ack'd _____
Assigned to: Y. Choucair ✓
L. Rasmussen (o/r)
A. Pellerin (o/r) ←
Log No. 1737-LEB

**IN CASE OF IN-COMPLETE TRANSMISSION , PLEASE CONTACT US ON TELEPHONE NO.:
(1-212) 478 16 30 . BEIRUT-LEBANON**



INTERNATIONAL
INGENIERIE DE LA CONSTRUCTION

DE : OGER INTERNATIONAL
Beyrouth - Liban

AU : CONSEIL DE DEVELOPPEMENT
ET DE LA RECONSTRUCTION (CDR)
Beyrouth - Liban

Beyrouth, le 3 Février 1993.

A l'Attention de Mr.CHATILA

Objet : Bordereau de remise de Documents Provisoires
à diffuser à :

BANQUE MONDIALE, WASHINGTON DC 20433 USA.

A L'ATTENTION DE MR.ALASTAIR J.MCKECHNIE

1- Dossier d'appel d'offre Secteur EAU POTABLE :

Lot No.1 :	Sources et forages -	3 Volumes
Lot No.2 :	Stations de traitement -	4 Volumes
Lot No.3 :	Station de pompage -	6 Volumes
Lot No.4 :	Adduction et Distribution -	3 Volumes
Lot No.5 :	Réservoirs et chateaux d'eau -	9 Volumes
	Dossier Général Technique, Dossier Administratif -	2 Volumes

2- Dossier d'appel d'offre Secteur EAUX USEES :

Lot No.1 : Réhabilitation des réseaux
Eaux Usées - 6 Volumes

Lot No.2 : Stations de pompage Eaux Usées- 3 Volumes

Dossier Général Technique,
Dossier Administratif - 2 Volumes

3- Exemple de Bordereau Quantitatif sous la forme définitive
que vous avez approuvé (C.F. Secteur Electricite)

OGER INTERNATIONAL



A. JULLIAN

FACSIMILE COVER SHEET AND MESSAGE

Le-Ln 3562

DATE February 5, 1993 NO. OF PAGES 2 MESSAGE NO.
(Including this sheet)

TO

Mr. Al-Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax Tel. No. 1-212 478-1622

COPY Messrs. Z. Jovanovic and C. Pernot (CDR)

FROM

Youssef Choucair, Acting Division Chief
MN2IN

Dept/Div. No. 286/40

Room No. H10-119

Telephone No. (202) 473-2434

SUBJECT/

REFERENCE LEBANON - Emergency Rehabilitation and Reconstruction Project
Power Sector (Package C) - Prequalification and
Tender Documents

MESSAGE

1. Prequalification Report: We have reviewed the report you sent us under cover of your letter dated January 17, 1993, and would like to confirm our no objection to the following list of contractors you propose to invite for Package C:

Siemens (Germany); GEC-Alsthom (France); Boygues (France); Lucky-Goldstar (Korea); Ansaldo-GIE (Italy); Clemessy (France); SGE/SDEL (France); Dallah-Services (Saudi Arabia); ABB Group (Switzerland, Italy, Finland); and Hyundai (Korea).

2. Tender Documents for Package C: We have reviewed the document sent to us under cover of your letter dated January 17, 1993, and have the following comments which were communicated to you earlier informally:

- (a) The tender documents have been prepared for Lot 1 financed by IBRD and Lot 2 financed by EIB, under the IBRD procurement guidelines. We have been advised by EIB and understand now that EIB would not accept IBRD procurement guidelines. To this effect and since the bill of quantities have been prepared for the combined Lot 1 and 2, CDR needs to prepare the bill of quantities for Lot 1 only. However, if EIB decides to accept IBRD procurement guidelines, the tender documents would need to be revised including Lot 2 separately from Lot 1 in the bill of quantities and the documents re-submitted for our review. In this case, separate prices for Lot 1 and 2 would be received.
- (b) In view of the special circumstances of this project, we are prepared to accept the invitation of bids on the basis of bidding documents comprising the commercial sections in English, and the Technical Specification and Bills of Quantity in French. Therefore, the bidding documents will be issued in English, except for Sections 4 and 6 (of the Bank Sample Bidding Document) which will be issued in French. Bidders will have to submit their bid accordingly in

French. Bidders will have to submit their bid accordingly in (English for the sections issued in English, and in French for the ones issued in French), and the contract will be drafted in the same manner (i.e., the language used for its interpretation shall be English, except for the sections in French, where it shall be French). Therefore please note that Sub-Clause 5.1 of the "Conditions of Particular Application" should be amended accordingly, with the following wording: "(a) The language is English except for Sections ____ and ____ which shall be in French. An Arabic ~~translation~~ ^{translation} for all documents still to be supplied for operation and maintenance purpose (instruction book, operation and maintenance manuals...), (b) The law that is in force in Lebanon". Also, please note that Section 12 of the Instructions to Bidders needs to be amended to read: "The bid, and all correspondence and documents related to the bid exchanged by the bidder and the Employer shall be written in the English language, except for Sections ____ and ____ which shall be in the French language. Supporting documents and printed literature furnished by the bidder may be in another language provided they are accompanied by an accurate translation of the relevant passages in the above stated language, in which case, for purposes of interpretation of the bid, the English translation shall prevail".

translation

- (c) Sections 18.1 and 18.2 should clarify that technical alternatives or variations from the Tender Documents presented by a bidder will not be taken into consideration for the evaluation of bids. If selected, his proposals would be considered.
- (d) The Arbitration Clause 67.3 should not refer to ICSID because Lebanon is not a member yet. The Clause should refer to either the ICC or UNICTRAL, which are acceptable to IBRD.
- (e) Currencies of the bid, in Section 15.1 (ii) do not refer to ECU. We suggest that you add ECU as an alternative international currency to be used at bidder's option, since some of the prequalified firms are Europeans. Also, Section 15.2 should specify the date on which the currency conversion will be done. We suggest you specify "28 days from bid opening", to be added after "Leabanon". The same number of days should preferably be inserted in Section 30.1.
- (f) The Appendix to Tender, should be filled in and completed, in particular, interest to be paid on delayed payments should be specified.
- (g) Since the Bank is financing Lot 1 only and EIB is financing Lot 2 under parallel financing, no discounts would be accepted from bidders for Lots 1 and 2.

3. We have no objection to your issuing the bidding documents after all the above comments are appropriately incorporated in the final document which we expect to receive as soon as you complete it. We would also review the final documents and provide you with further comments if necessary, either before or after issuing the bids.

Transmission authorized by Youssef Choucair, Acting Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

Cleared with & cc: Mrs. Bentchikou (LEGOP)

cc: Messrs/Mmes: Howarth (MNAVP); Yuksel (MN2DR); Ouahes (EC3IV); Mendonca (MN2IE); Rasmusson, Peltekian, Le (MN2IN)

YChoucair:bw

M:\LEB\PA013\LENN\PREBIDDC.FAX

ZCZC EMEF5695 M3HS0223

***** LEBANON

***** *Emergency Recovery & Reconstruction*

WDIAL
.MN2PH
OINFO

-SUBJECT: LEBANON - ERP
-DRAFTED BY: MSALMAN/GG
-AUTHORIZED BY: M. SALMAN, MN2PH
-CW/CC:
-CC:

EXT: 32528

923 42402 =
-JEAN AKL
-P.O. BOX 165-474
-BEIRUT, LEBANON
BT

WASHINGTON DC - FEBRUARY 5, 1993

DEAR JEAN, THANK YOU FOR THE BACKGROUND NOTE ON THE STATUS OF VOCATIONAL TRAINING IN LEBANON AND THE PROPOSED SCOPE AND FOCUS OF OUR COMPONENT UNDER THE EMERGENCY RECONSTRUCTION PROJECT; I HAVE ALREADY SHARED IT WITH MY COLLEAGUES. YOUR NOTE CONFIRMS THE NEED TO (I) COORDINATE WITH THE FRENCH UNDP/UNESCO, ETC., (II) ASSIST IN THE INSTITUTION BUILDING OF THE NEW MINISTRY AND ITS EDUCATIONAL STRATEGY AND PROGRAMS, (III) ADDRESS THE ISSUE OF THE CURRICULA REFORM IN CONSULTATION WITH THE PRIVATE SECTOR AND WITH DONORS, AND (IV) ADDRESS, WITHIN THE FRAMEWORK OF CURRICULA REFORM THAT SHOULD PROCEED ANY PRODUCTION, ISSUES OF TEXTBOOKS AND TEACHER GUIDES. AS DISCUSSED IN PARIS, THE BANK WILL REQUEST YOUR EXPERTISE FOR A MISSION WE ARE PLANNING (BY APRIL). ITS DEFINITE TIMING AND COMPOSITION WILL BE DECIDED WITHIN TWO TO THREE WEEKS AFTER CONSULTATION WITH THE GOVERNMENT. I AM VERY SORRY I COULD NOT RETURN YOUR CALL DUE TO ONGOING NEGOTIATIONS AND THE PREPARATION OF NEGOTIATIONS FOR EGYPT. I WILL SURELY GET IN TOUCH WITH YOU BY FEBRUARY 23. AS I HAVE ALSO MENTIONED, THE BANK WILL SOON INITIATE SECTOR WORK IN THE SOCIAL SECTOR (HUMAN RESOURCES DEVELOPMENT) AND HOPEFULLY A PROJECT IN BASIC EDUCATION. MOREOVER, A TECHNICAL ASSISTANCE PROJECT WILL ALSO BE INITIATED. WITH MY BEST REGARDS, MELHEM SALMAN, MN2PH, WORLD BANK

=02060708

ALT RTD FROM:MNAO

IN DROP COPY OF:M3HR

NNNN

International Bank for Reconstruction and Development

SecM93-146

FROM: Vice President and Secretary

February 5, 1993

STATUS OF NEGOTIATIONS

LEBANESE REPUBLIC

EMERGENCY REHABILITATION AND RECONSTRUCTION PROJECT

Negotiations have been substantially completed, and loan documents will be submitted to the Executive Directors on a date to be determined.

The following is a description of the proposed loan:

Borrower: Lebanese Republic

Beneficiary: Council for Development and Reconstruction; Ministries of Hydraulic and Electric Resources, Environment, Technical Education and Vocational Training, Post and Telecommunications, and Finance; Electricité du Liban; and households with impaired housing conditions.

Amount: US\$175 million equivalent

Commitment Charge: Standard

Terms: 17 years, including 4 years of grace

Purpose: (a) implement a part of the Government National Emergency Reconstruction Program (NERP) to rehabilitate and reconstruct physical and social infrastructure which was damaged during the civil war, comprising water and wastewater, electricity, solid waste, vocational training facilities and housing; and (b) strengthen the borrower's institutional capacity in implementing the NERP, with emphasis on the revenue earning sectors.

Distribution:

Executive Directors and Alternates
Office of the President
Executive Vice Presidents , IFC and MIGA
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, Bank, IFC and MIGA

Urgent: To be Delivered Immediately

Facsimile Cover Sheet

Date: February 4, 1993

No. of Pages: 3 (including this page)

To: Mr. Youssef Choucair
International Bank for Reconstruction
and Development
Washington D.C.

From: The Office of H.E. Mr. Rafic Hariri
President of the Council of Ministers
and Minister of Finance
Beirut Lebanon

The Office of Mr. Michel El Khoury
Governor of the Bank of Lebanon
Beirut Lebanon

INFRASTRUCTURE UNIT

Date Rec'd 2/4/93

Date Ack'd _____

Assigned to: Choucair

Ramadan (OIR)

Pettit (OIR)

to Legal Dept. copy sent

Log No. 1732-LEB

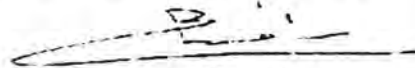
04 FEB '93 15:58 MED GROUP SERV./BEI

REPUBLIC OF LEBANON
MINISTRY OF FINANCE

THE MINISTER

To: Mr. Youssef Choucair
International Bank for Reconstruction & Development

In my capacity as Minister of Finance, I hereby approve the negotiated version of the loan agreement between the Ministry of Finance and the International Bank for Reconstruction and Development.



Rafic Hariri
February 3, 1993

BANK OF LEBANON

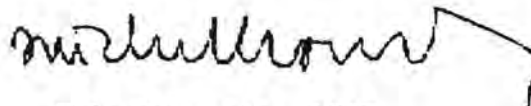
The Governor

86/1

Messrs
International Bank for
Reconstruction and Development
Washington D.C. 20433

In my capacity of Governor of Banque du Liban, I hereby
approve the negotiated version of the Banque du Liban
Project Agreement between BDL and IBRD.

Michel El-Khoury



February 4th, 1993

04 FEB '93 15:59 MED GROUP SERV./BEV.

To: International Bank for Reconstruction & Development
Washington D.C. 20433

In my capacity of President of the Council for
Development and Reconstruction, I hereby approve
the negotiated version of the CDR Project
Agreement between CDR and IBRD.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the left.

Al-Fadl Chalak
January 29, 1993

LE - Emergency Recovery & Reconstruction

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: February 4, 1993 09:06am

TO: Salem Ouahes (SALEM OUAHES)

TO: Rene Mendonca (RENE MENDONCA)

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - ERRP
Electricity -bidding documents

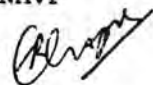
Please note the attached EM from Legal.

CC: EMENA ISC Files 02/03/93 (EMENA ISC FILES)

OFFICE MEMORANDUM

DATE: February 4, 1993

TO: Mr. Caio K. Koch-Weser, MNAVP

FROM: Ram Chopra, Director, MN2 

EXTENSION: 32707

SUBJECT: **LEBANON - Emergency Rehabilitation and Reconstruction Project**
Final Loan Package

1. Please find attached for your approval the draft loan package for the above project comprising: the MOP and Technical Annex; the Loan Agreement between the Bank and the Lebanese Republic; the Project Agreement between the Bank and the Council for Development and Reconstruction (CDR); and the Project Agreement between the Bank and Banque du Liban (BdL).

2. The attached documents have been successfully negotiated (Summary of Negotiations attached) during January 25-29, 1993. The loan was negotiated in conformity with the Regional Loan Committee decisions and your memorandum of January 22, 1993, approving the draft negotiations package. We have received approvals of the negotiated Loan and Project Agreements from the Ministry of Finance, CDR and BdL.

Attachments

YChoucair:bw
M:\LEB\PA013\LENN\FNLNPKG.MEM

FAX

(5 pages)

Le-Ln 3562

To: Mrs. Françoise Bentchouk

From: Youssef Choueiri

Re: LEBANON - GRPD.

Would you kindly clear the attached Fax
to EDR (2 pages) and, as you agreed,
provide wording of the two sections on language
(2 pages attached) -

Many thanks,

Youssef

THE WORLD BANK/IFC/M.I.G.A.

Headquarters: Washington, D.C. 20433 U.S.A.

Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE February 4, 1993

NO. OF PAGES 2
(Including this sheet)

MESSAGE NO.

TO

Mr. Al-Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax Tel. No. 1-212 478-1622

COPY Messrs. Z. Jovanovic and C. Pernot (CDR)

FROM

Youssef Choucair, Acting Division Chief
MN2IN

Dept/Div. No. 286/40

Room No. H10-119

Telephone No. (202) 473-2434

SUBJECT/

REFERENCE LEBANON - Emergency Rehabilitation and Reconstruction Project
Power Sector (Package C) - Prequalification and
Tender Documents

MESSAGE

1. Prequalification Report: We have reviewed the report you sent us under cover of your letter dated January 17, 1993, and would like to confirm our no objection to the following list of contractors you propose to invite for Package C:

Siemens (Germany); GEC-Alsthom (France); Boygues (France); Lucky-Goldstar (Korea); Ansaldo-GIE (Italy); Clemessy (France); Dallah-Services (Saudi Arabia); ABB Group (Switzerland, Italy, Finland); and Hyundai (Korea).

2. Tender Documents for Package C: We have reviewed the document sent to us under cover of your letter dated January , 1993, and have the following comments which were communicated to you earlier informally:

(a) The tender documents have been prepared for Lot 1 financed by IBRD and Lot 2 financed by EIB, under the IBRD procurement guidelines. We have been advised by EIB and understand now that EIB would not accept IBRD procurement guidelines. To this effect and since the bill of quantities have been prepared for the combined Lot 1 and 2, CDR needs to prepare the bill of quantities for Lot 1 only. However, if EIB decides to accept IBRD procurement guidelines, the tender documents would need to be revised including Lot 2 separately from Lot 1 in the bill of quantities and the documents re-submitted for our review. In this case, separate prices for Lot 1 and 2 would be received.

(b) In view of the special circumstances of this project, we are prepared to accept the invitation of bids on the basis of bidding documents comprising the commercial sections in English, and the Technical Specification and Bills of Quantity in French. Therefore, the bidding documents will be issued in English, except for Sections 4

and 6 (of the Bank Sample Bidding Document) which will be issued in French. Bidders will have to submit their bid accordingly in (English for the sections issued in English, and in French for the ones issued in French), and the contract will be drafted in the same manner (i.e., the language used for its interpretation shall be English, except for the sections in French, where it shall be French). Therefore please note that Sub-Clause 5.1 of the "Conditions of Particular Application" should be amended accordingly, with the following wording: ".....". Also, please note that Section 12 of the Instructions to Bidders needs to be amended to read: " .. / .. " *insert* *(X)*

- insert* *(X)*
- (c) Sections 18.1 and 18.2 should clarify that technical alternatives or variations from the Tender Documents presented by a bidder will not be taken into consideration for the evaluation of bids. selected, his proposals would be considered.
 - (d) The Arbitration Clause 67.3 should not refer to ICSID because Lebanon is not a member yet. The Clause should refer to either the ICC or UNICTRAL, which are acceptable to IBRD. *alternative international*
 - (e) Currencies of the bid, in Section 15.1 (ii) do not refer to ECU. We suggest that you add ECU as an *acceptable foreign currency* since some of the prequalified firms are Europeans. Also, Section 15.2 should specify the date on which the currency conversion will be done. We suggest you specify "28 days from bid opening", to be added after "Leabanon". The same number of days should be inserted in Section 30.1. *to be used at bidder's option*
 - (f) The Appendix to Tender, should be filled in and completed, with a *briefly* *in particular* section on *interest to be paid* *should be* delayed payments that specified the interest to be paid.
 - (g) Since the Bank is financing Lot 1 only and EIB is financing Lot 2 under parallel financing, no discounts would be accepted from bidders for Lots 1 and 2.

3. We have no objection to your issuing the bidding documents after all the above comments are appropriately incorporated in the final document which we expect to receive as soon as you complete it. We would also review the final documents and provide you with further comments if necessary, either before or after issuing the bids. *OK.*

Transmission authorized by Youssef Choucair, Acting Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

11. Amendment of Bidding Documents

- 11.1 At any time prior to the deadline for submission of bids, the Employer may, for any reason, whether at his own initiative or in response to a clarification requested by a prospective bidder, modify the bidding documents by issuing addenda.
- 11.2 Any addendum thus issued shall be part of the bidding documents pursuant to Sub-Clause 9.1, and shall be communicated in writing or by cable to all purchasers of the bidding documents. Prospective bidders shall acknowledge receipt of each addendum by cable to the Employer.
- 11.3 To afford prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend as necessary the deadline for submission of bids, in accordance with Clause 22.

C. PREPARATION OF BIDS

12. Language of Bid

- 12.1 The bid, and all correspondence and documents related to the bid exchanged by the bidder and the Employer shall be written in the English and/or French language. Supporting documents and printed literature furnished by the bidder may be in another language provided they are accompanied by an accurate translation of the relevant passages in the above stated language, in which case, for purposes of interpretation of the bid, the English translation shall prevail.
- OK -*
- except for Sections - and - which shall be in no French language*

13. Documents Comprising the Bid

- 13.1 The bid submitted by the bidder shall comprise the following: Bid Form and Appendix to Bid; Bid Security; priced Bill of Quantities and Breakdown of Unit Rates; the information on eligibility and qualification; alternative offers where invited; and any other materials required to be completed and submitted by bidders in accordance with these Instructions to Bidders. The documents listed under Sections 5, 6, and 7 of Sub-Clause 9.1 shall be filled-in without exception, subject to extensions thereof in the same format and to the provisions of Sub-Clause 17.2 regarding the alternative
- updating of*

execute all such work to do all such things as may, in the opinion of the Engineer, be necessary to abate or the risk. The Contractor shall forthwith comply, despite the absence of approval of the Employer, with any such instruction of the Engineer. The Engineer shall determine in addition to the Contract Price, in respect of such instruction, in accordance with Clause 52 and shall notify the contractor accordingly, with a copy to Employer.

- (e) fixing rates or prices under Clause 52.

Sub-Clause 5.1: Language and Law

- English except for sections - t - which shall be in French*
- (a) The language is ~~English and/or French~~, with Arabic, traduction for all documents to be supplied for operation and maintenance purpose (instruction book, operation and maintenance manuals...)

shall An
If the said documents are written in more than one language, the language according to which the contract shall be interpreted will be English (Ruling Language).

- (b) The law is that in force in Lebanon.

Sub-Clause 5.2: Priority of Contract Documents

Delete the documents listed 1 - 6 and substitute:

- (1) the Contract Agreement (if completed);
- (2) the Letter of Acceptance;
- (3) the Tender;
- (4) the Conditions of Contract Part II;
- (5) the Conditions of Contract Part I;
- (6) the Technical Specifications;
- (7) the Drawings; and
- (8) the priced Bill of Quantities.

Sub-Clause 8.1: Contractor's General Responsibilities

Add the following sentence at the end of Sub-Clause 8.1:

"The Contractor shall promptly notify the Employer and the Engineer of any error, omission, fault or any other defect in the design of or specifications for the Works which he discovers when reviewing the Contract documents or in the process of execution of the Works."

M.C.G.**MEDITERRANEAN CONSULTING GROUP**Date Rec'd 2/4/93

Date Ack'd _____

Assigned to: [Signature][Signature] (O/R)[Signature] (O/R)Log No. 1731-LEB

Beirut, 3rd February 1993

LE - 3562

The World Bank
1818 H Street N.W.
Washington D.C. 20433
U.S.A.

Middle East & North Africa
Regional Office (MNA)

For the attention of: Mr. Eugenio F.Lari - Senior Advisor

Subject : LEBANON - EMERGENCY RECOVERY PROGRAMME - BRIEF
INTRODUCTION OF THE MEDITERRANEAN CONSULTING GROUP
(M.C.G.).

Dear Sir,

The Mediterranean Consulting Group (M.C.G.) was formed in June 1992 by four companies of consulting engineers that had already worked together in various countries and which possess a vast experience in various specialized fields, not only in the Mediterranean area but also worldwide.

The firms constituting the Group, which are all registered in W.B. roster, are the following :

- ENB Consultants Ltd (Exarchou & Nikolopoulos Consulting Engineers Overseas Ltd), Athens, GREECE.
- B.T.D. (Bureau Technique pour le Developpement s.a.r.l.) Beirut, LEBANON.
- HYDEA (Hydea s.r.l.) Florence, ITALY.
- S.P. (Studio ing. G.Pietrangeli Consulting Engineers s.r.l.) Rome, ITALY.

One of the main reasons that led to the creation of the M.C.G. was the establishment of a group which includes all the range of skills required to meet the task of the Emergency Recovery Programme of LEBANON, since each of these firms possesses specific experiences and capabilities.

1

ENB
Athens, Greece

B.T.D.
Beirut, Lebanon

S.P.
Rome, Italy

HYDEA
Florence, Italy

Headquarters :

c/o ENB Ltd, 82 - 84 Gramou str. Gr-151 24
Marousi, Athens, Greece, tel. (01) 8052-601

Beirut office :

M.C.G. Tapirama str. Remanao Bdg 7th Floor
ANTELIAS, Beirut, Lebanon-P.O.B 70492 ANTELIAS

M.C.G.MEDITERRANEAN CONSULTING GROUP

To achieve this goal M.C.G., has established a permanent office in Beirut at the Romanos Building at Tapirama Str., Antelias, and three member firms worked in the Damage Assessment of Engineering Works for the water supply and waste water sectors, financed by the EEC, on behalf of the Lebanese C.D.R. (Council for Development and Reconstruction). These member firms of the group were operating in the upper and lower coastal parts of the country, including Beirut and its suburbs, with 70 % of the population Lebanon and 60 % of its surface area, approximately.

Upon the completion of the damage assessment works and according to the contract requirements and at the request of the C.D.R. each of the above mentioned consulting firms submitted separately a technical and financial proposal for the supervision of the first year works and the study, design and supervision of the second and third year projects and is consequently ready to start as soon as possible the implementation of the works.

We do firmly believe that our group is able to lead, at a national level, the study, the design stages and the supervision of works, due to their acquaintance with the existing administrative and technical local conditions.

As a consequence, the technical and financial success of the E.R.P. in the sectors concerned, as well as the execution of the works, can be fully warranted thus avoiding all problems, inherent to firms not yet involved, in adapting to the local conditions.

We are ready to provide you with any further information about our group and would be pleased to visit you in Washington, if you deem it opportune.

for ENB Ltd.

A. Nikolopoulos

Yours faithfully,

for HYDEA s.r.l.

P. Giustiniani

for B.T.D.sarl.

M. Majdalani

c.c.

- Mr. Spiros T. Voyadzis-Country Operations (MN2) - fax 4771603
- Mr. Alastair J. Mc Kechnie - Infrastructure Operations (MN2) - fax 4770348
- Mr. Youssef Choucair (MN2IN) - Task Manager - fax 4770348
- Mr. Lars Rasmussen - Expert - fax 4770348
- Mr. C. Falkowski, Chef de Division, EEC, DGI Division H/5, fax 2291045
- C.D.R./OGER INTERNATIONAL

Ln 3562-LE

To: Fax USA (202) 477-0348

To: Youssef Choukair MN2IN

From: David Howarth

Date: February 03 1992

Subject: LEBANON - Bidding Documents for the Electricity Package

Youssef

Re your fax of yesterday on the above. I have discussed with Rene Mendonca whether we should go back to CDR and ask them to revise the documents in line with the FIDIC document for Electrical and Mechanical Goods. You should discuss with Francoise but the FIDIC document is far from ideal for supply and erect contracts (the Bank is presently preparing a standard bid document for supply and erect contracts) and our view is that as the FIDIC document will require substantial amendments to be acceptable to the Bank. Rene and I thought, based on a quick review, that the present draft, although based on civil works, is well prepared and we believe should not constitute a major risk if used.

Taking into account that speed is important, our view is that the cost of the potential delay of having to produce a new document is far greater than any potential claim that could arise

from using the present document vis-a-vis the use of the FIDIC document.

I would suggest that we go back to the consultants and point out that we have a concern that the bid documents have been prepared on the basis of a civil works contract. We are however prepared to proceed on the basis of the present document provided the consultant carries out a comparison of the document with the FIDIC electrical and mechanical document and amends as necessary.

I shall be taking a field trip tomorrow (Thursday) but I will be in the hotel (the Azadi Hotel) up to 7 a.m. Iran time and back in the hotel by 4 p.m. and will be working in my room (1515) a large part of Friday. Tel. No of the hotel is 98-21-297021 and Fax is 98-21-8083039. Please call me at any time (I am still waking at odd hours due to jet lag). I will be leaving early Saturday morning for Algeria.

Regards

David



Record Removal Notice



File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 5		Barcode No. 1180251		
Document Date 03 February, 1993	Document Type Memorandum			
Correspondents / Participants To: Youssef Choucair From: Francoise Bentchikou, LEGOP				
Subject / Title LEBANON - EMRP Power Component				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Sherrine M. Thompson</td><td>Date July 24, 2017</td></tr></table>	Withdrawn by Sherrine M. Thompson	Date July 24, 2017
Withdrawn by Sherrine M. Thompson	Date July 24, 2017			

Faculty of Engineering
Cairo University



Emma

LE - 3562

كلية الهندسة
جامعة القاهرة

To: Dr. Melhem Salman
Population and Human Resources Division
World Bank (202) 477-0036

Feb. 2, 1993

Dear Melhem...

We had a meeting last night and
it seems that they want to postpone the
negotiation time (may be a week)

Please call me to discuss few points

joirab Safar

RECEIVED
93 JAN 33 AM
MENA/MNE

Jean AKL
P.O.Box 165-474 - Beirut
Ph : (9611) 200 311
(3579) 514 411
Tlx : 42402 DESECO

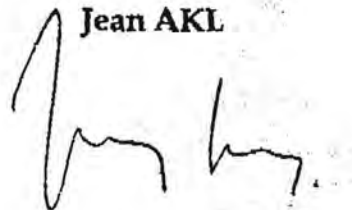
Beyrouth, le 2 Février 1993

Cher Melhem,

Ci-joint les justifications demandées. Elles sont dans une langue anglaise qui peut être améliorée, mais je crois que c'est "understandable".

Je garde un excellent souvenir de notre conversation de samedi dernier.

Toutes mes amitiés, et à bientôt.

Jean AKL


Technical and Vocational Education (TVE) in Lebanon

This paper describes very briefly the present situation of TVE and presents recommendations for an emergency recovery action.

1. Central Administration

The recent (Nov. 1992) creation of the Ministry of Technical Education and Vocational Training (MTEVT) aims at regrouping under one authority various departments disseminated between the Ministry of Education and the Ministry of Labour. A new organizational structure will be soon finalized, but will lack of expertise in TVE management and programme development.

The recommended action consists in organizing 2 or 3 seminars of 2 weeks each to train the heads of various departments towards TVE management techniques and modern procedures. This action may be complemented (for example within a UNDP project) by resident experts or consultants assisting the executive personnel.

2. Buildings

There is 25 public schools and institutes housed in 15 campuses. These campuses are suitably distributed over the country, except for Beirut where a new campus must be built (the Bir Hassan campus). The full capacity exceeds 10 000 students.

All buildings have suffered from age and lack of maintenance. Some have been severely hit by war. Their rehabilitation cost has been estimated at 10.5 million. However, savings of at least \$ 2.- million may be realized by involving students and trainees in some minor repairs. Such participation will depend, of course, on the ability of school managers to prepare and to conduct adequate programs (see section 4. below).

3. Equipment

Existing equipment – provided through the \$ 6.- million W.B. loan, Nbr 877 LE – covers about 80% of the present needs. Replacement, modernization and extension may be estimated at about \$ 4.- million, and could be provided through bilateral assistance programs. An amount of \$ 1.125 million is however requested for the Bir Hassan campus, as a minimal functioning requirement.

4. School managers

School principals and their assistants have never received any training towards school management.

Such training is needed for all management aspects, including :

- Students registration and file keeping.
- Teachers file keeping and evaluation.
- Examination and control techniques.

- Time and premises management.
- Equipment and building management.
- Safety and hygiene measures.
- Budget management.
- etc.

It is recommended that at least 3 seminars be prepared and conducted for this category of personnel. All seminars should be supported by an abundant documentation, which could also serve as reference.

5. Specialization streams and levels

VTE is splitted into two fields :

- The vocational training field, comprising 3 levels, for the training of semi skilled, skilled and highly skilled workers. There is a tendency to restrict this field to one or two levels accessible for both adults and youngsters.

The technical education field, comprising two 3-year levels, for the formation of technicians and higher technicians. The lower level (Technical Baccalaureate) is accessible after 9 years of general education, while the higher level (Higher Technician Grade) is accessible after termination of the secondary education.

Both fields and their levels include many specialization streams embracing all the employment sectors. More than 120 occupations are covered by the curricula. French (and sometimes english) is mostly used for teaching technical subjects, but a trend toward arabic is becoming stronger, due to the growing ignorance of foreign languages among students and even among teachers. For all industrial streams, no adequate textbooks are available, and the efficiency of the training is very poor.

It is suggested to make textbooks available for the most "productive" streams of specialization, i.e. the industrial and the construction trades (see section 7. below).

6. Curricula

New curricula have been prepared during the 1980's for the Technical Baccalaureate level, within UNDP projects. They introduce modernity and flexibility in the system. However, none was officially adopted until october 1992, when the Ministry of Education decided to apply them for only 8 industrial streams.

It is recommended that all new TB curricula be adopted, and that similar curricula be prepared for other fields and levels - at least for industrial and construction streams, which are urgently needed in the country.

7. Learning material

For the afore-mentioned streams of specialization, and at all levels, the lack of textbooks is critical. Obviously, investing in buildings and equipment is a waste if the teaching message cannot be caught by the students.

It is recommended to prepare textbooks for the selected streams, and to supply the Ministry with a sufficient quantity to cover the needs for 3 scholastic years. Books would be sold to the students, thus providing the Ministry with a capital for publishing them again.

8. Teachers

Although many teachers are graduated from the Technical Teachers' Institute (IPNET), their technical and pedagogical background is still dramatically poor. The provision of well prepared textbooks for students will greatly help them technically. For their pedagogical upgrading, it is suggested to provide them with a "teacher's guide" accompanying every textbook, and to organize short seminars in view of initiating them to the best use of the teaching material and equipment.

France is embarking in an assistance programme within the IPNET, for the training of new teachers and the upgrading of in-service ones. This long term action will complete the suggested measures.

OFFICE MEMORANDUM

Le - Emergency Recovery & Reconstruction

DATE: February 2, 1993

TO: Files

FROM: Youssef Choucair, Task Manager and Acting Division Chief (MN2IN)

EXTENSION: 32434

SUBJECT: LEBANON - Emergency Rehabilitation and Reconstruction Project
Summary of Negotiations

1. Negotiations for the above project took place in Washington, D.C. during January 25 and 29, 1993. The Agreed Minutes of Negotiations are attached. — O.D. 1/29/93
2. We have received approval of the Project Agreement with CDR and we expect to receive Government approvals of the negotiated Loan Agreement with the Government from the Ministry of Finance and for the Project Agreement with Banque du Liban (BdL) from BdL by Wednesday, February 3, 1993. The final documents are being completed for forwarding to the RVP for approval.
3. The delegation informed the Bank that the Government intends to have the solid waste component implemented by the Ministry of Environment rather than by the Ministry of Interior as agreed during appraisal. The Bank stated that it has no objection to this new arrangement.
4. The delegation requested that the Retroactive Financing be increased to US\$13 million from the current US\$8 million. The increment of US\$5 million would permit financing a contract for the installation of equipment in the wastewater treatment plant at Ghadir, south of Beirut. The new amount represents only 7 percent of the loan amount (the maximum allowed for emergency loan is 20 percent).
5. The Bank obtained the delegation's confirmation of the following understandings which were contained in our Acting RVP's memo of January 22, 1993: (a) all components will be committed within 20 months of loan effectiveness and disbursed within a maximum

Cleared with & cc: Messrs. Abushakra (LEGMN), Quintos (LOAEL)

cc: Messrs/Mme.: Chopra, Heron (MN2DR); Voyadzis, Hoppenbrouwer (MN2CO); Rasmusson (o/r), Peltekian (o/r) (MN2IN); Za'rour (MN2PH); Jensen (FRSFP)

ECA-MENA, Division BB, Chron Files

period of 40 months; (b) the allocation for the housing component will be reviewed at the first annual review - or earlier - and if progress is deemed less than satisfactory, remaining balances will be reallocated; (c) the implementation of the training subcomponent of the Vocational Training component would be the responsibility of the newly created Ministry of Technical Education and Vocational Training; and (d) the disbursement of funds to each component is subject to the establishment of the SIU for the relevant component.

YChoucair:bw

M:\LEB\PA013\LENN\SUMMNEG.MEM

LE - Emergency Recovery
& Reconstruction

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: February 2, 1993 10:46am

TO: Ramzi Fares (RAMZI FARES)

FROM: John Ijichi, MNAV (JOHN IJICHI)

EXT.: 35217

SUBJECT: Lebanon Reconstruction-Japanese Cofinancing

Many thanks for your EM of January 22 which I saw only this morning upon my return from mission. I am grateful for your suggestion and preparatory work which is very encouraging to me. Let me contact the Japanese first informally and then work out strategies together. Will contact you hopefully this week.

Thank you

John

CC: EMENA ISC Files (EMENA ISC FILES)

International Bank for Reconstruction and Development

SecM93-109

FROM: The Acting Secretary

January 26, 1993

NOTICE OF INVITATION TO NEGOTIATE

REPUBLIC OF LEBANON

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

The Bank is inviting the Republic of Lebanon to send representatives to Washington, D.C. to negotiate a proposed loan of US\$175 million equivalent to help finance the Emergency Reconstruction and Rehabilitation Project.

The loan would help finance the foreign exchange cost of the rehabilitation and reconstruction of infrastructure in the power, water and wastewater, solid waste, and vocational training sectors, to be implemented by the Council for Development and Reconstruction and the sector Ministries concerned over the three-year period, 1993-1996. The loan would also provide sub-loans to households whose housing conditions have been seriously impaired by the war. The housing finance component will be implemented by the Banque du Liban (Lebanon's Central Bank) and private banks.

Distribution

Executive Directors and Alternates
Office of the President
Executive Vice Presidents, IFC and MIGA
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, Bank, IFC and MIGA

ECA/MENA

THE WORLD BANK/IFC/M.I.G.A.
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 // Fax Tel. No. (202) 477-0348 // Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE January 22, 1993

NO. OF PAGES 1
(Including this sheet)

MESSAGE NO.

TO

H.E. Fouad Siniora
Minister of State for Financial Affairs
Beirut, Lebanon
Fax No: 1-212-478-1669

Mr. M. Fadl Chalak
President
Council for Development and Reconstruction
Beirut, Lebanon
Fax No: 1-212-478 1622

FROM

Name Alastair J. McKechnie, Division Chief

Dept/Div. Name MN2IN

Dept/Div. No. 286/40

Room No. H10-001

Telephone No. 202-473-3047

SUBJECT/

REFERENCE LEBANON - Emergency Reconstruction and Rehabilitation Project
Negotiations

MESSAGE

I am pleased to invite the Government of Lebanon to send duly empowered representatives to Washington D.C., USA, to negotiate the terms and conditions of the proposed Bank loan of US\$175 million equivalent for the Emergency Reconstruction and Rehabilitation Project. In addition to the Ministry of State for Financial Affairs, the Council for Development and Reconstruction should be duly represented. Negotiations are scheduled to start on January 25, 1993.

Best regards,

Alastair J. McKechnie

Transmission authorized by Alastair J. McKechnie, Division Chief, MN2IN

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax number listed above.

cc: YC, LR, AP
ECA/MENA BB


OFFICE MEMORANDUM

MENA Files

Le - Emergency Recovery & Reconstruction

DATE: January 22, 1993

TO: Mr. Mahmood A. Ayub, Acting RVP

FROM: Vinay Bhargava, Acting Director, MN2 

EXTENSION: 32600

SUBJECT: LEBANON - Proposed Loan of US\$175 Million Equivalent for the
Emergency Reconstruction and Rehabilitation Project

1. Please find attached for your approval, drafts of the Memorandum and Recommendation of the President, the Technical Annex and the Loan Agreement for the proposed Emergency Reconstruction and Rehabilitation Project, for which a US\$175 million equivalent loan is recommended. These documents have been cleared by the Disbursement Officer, and the Legal Department. Comments from the Procurement Advisor have been incorporated. Copies are being sent to the Assistant General Counsel, Operations, for clearance. It is proposed to commence negotiations on January 25, 1993. If you agree, please initial the Notice of Invitation to Negotiate, which is attached.

2. The project is in conformity with the RLC decisions (see minutes attached). Housing is the only component on which a decision was required after appraisal. This is now addressed below:

Housing. The housing component has been clarified and detailed and is now acceptable to the Ad Hoc Advisory Group. In order to target beneficiaries in the lower-middle income groups, our funds need to be complemented by additional donor funding at concessional terms in order to reduce the average cost of funds. The Government informed us that the Arab Fund is prepared to provide such funds and that the Saudi Fund is expected to make additional contributions at concessional terms as well. In the absence of such funding, we would reallocate the loan proceeds allocated to housing (US\$25 million) to other sectors included in the Project.

3. Other issues raised during the Regional Loan Committee of the White Cover Memorandum and Recommendations of the President and Technical Annex have been addressed as follows:

- (i) Macroeconomic stabilization. The new Government had begun to take fiscal measures. In addition to those reported in my BTO report of December 30, 1992 (also attached), subsequent to my visit, the Government eliminated the wheat subsidy and raised telephone charges, and the Parliament passed a bill to eliminate exemptions to import duties. We have been informed that Government will now proceed to

eliminate the customs dollar and implement the new tariff regime along the lines recommended by the Fund, in February, 1992.

- (ii) Electricity tariff. The Government has taken measures to improve collection and has raised connection fees. Increases in tariffs are planned for mid 1993.
 - (iii) Cost sharing. The Ministry of Finance has requested that local cost sharing percentages (20 percent on average) be on an increasing basis to accommodate the projected path of fiscal adjustment, to which the Government is committed. It is therefore proposed that the Bank's average share of expenditures for civil works and goods be established at 95 percent, 85 and 50 percent in years 1, 2 and 3 respectively. As originally proposed, our loan would finance 100 percent of the cost of consultants and housing sub-loans.
 - (iv) Size of the overall NERP. With regards to the overall size of the NERP, during my discussions with the Prime Minister and Minister of Finance, agreement was reached that for planning purposes, the size of the NERP would be reduced from US\$2.6 billion for three years, to just over US\$2.0 billion over four years.
 - (v) The Technical Assistance Component. The TA component is now defined in greater detail and focusses on institutional strengthening of the telecommunications and power sectors and on preparing for the privatization of these services. One reviewer, Mr. Michel Pommier, expressed some concern that the scope of the TA component appears to go beyond what is normally included in an emergency loan. With this in mind, we will review the TA component further during negotiations.
4. There are no major issues associated with the project and agreement in principle was obtained at appraisal on matters to be agreed during negotiations.
5. There are no conditions for Board presentation.
6. Negotiations are tentatively scheduled to start on January 25, 1993, and Board presentation is scheduled for March 2, 1993.

Attachments:

Minutes of the RLC meeting
Back-to-Office report of Ram Chopra
Draft Notice of Invitation to Negotiate
Draft Memorandum and Recommendation of the President together with - BR
Technical Annex
Draft Loan Agreement - n/att

cw & cc: Rigo (LEGMN), Quintos (LOAEL), Howarth (MNAVP)

Mmes./Messrs. Legg (IADDR), Squire, Husain (2), Ijichi (MNAVP),
Murli (MNACA), Chopra, Heron (MN2DR), Voyadzis,
Hoppenbrouwer (MN2CO), McKechnie, Choucair,
Rasmusson, Peltekian (MN2IN), Keare, Salman
(MN2PH), Ouahes (EMTIE), Saghir (CFSPS), Morais,
Abushakra (LEGMN)

Internal Documents Unit (3), ECA/MENA Files, Division Blackbook

YChoucair:dnj

M:\LEB\PA013\LENN\GRENCOV.MEM

OFFICE MEMORANDUM

DATE: November 25, 1992

TO: Distribution

Tariq Husain

FROM: Tariq Husain, MNAV

EXTENSION: 33907

SUBJECT: **LEBANON: Emergency Reconstruction and Rehabilitation Project**
Minutes of Regional Loan Committee Meeting (RLC)

1. A Regional Loan Committee (RLC) meeting was held on November 23, 1992, to discuss the above project. The meeting was chaired by Mr. Koch-Weser and attended by Messrs./Mesdames: Wyss (CODDR); Morais and Abushakra (LEGMN); Kohli (EMTDR); Heron (MN2DR); McKechnie and Choucair (MN2IN); Bhargava (MN2IE); Voyadzis and Hoppenbrouwer (MN2CO); Bhattacharya (FRSCR); Mirza (CMECM); and Squire, Husain, Howarth, Bouhabib, van Eeghen, Yamine, Ijichi, Kafka (MNAV).
2. Introductory remarks by Mr. Koch-Weser and McKechnie established the meeting agenda and some project history. Mr. McKechnie explained that the project had taken longer to prepare than originally anticipated, as two missions had to be recalled. Mr. McKechnie also emphasized the extent of destruction of physical infrastructure and institutions.
3. Macroeconomic Framework. The meeting agreed that there should be no explicit link between this project and macroeconomic stabilization. Nevertheless, there was an issue as to whether Lebanon was creditworthy for any lending, including this project, and whether the project and overall reconstruction program were sustainable and implementable. An affirmative answer to these questions could only be made if, prior to Board presentation, there were a basic understanding on the major pillars of a stabilization program and some initial measures had been taken. A strong message to this effect should be given to the Government in the next weeks. Thus, a four step scenario could be envisaged: initial stabilization measures, approval of this project, approval of an IMF endorsed stabilization program (which would build confidence in Lebanon both domestically and internationally) and finally a Consultative Group meeting.
4. Project Scope. The meeting discussed the sectoral composition of the proposed project, the state of readiness of each component and whether there were any special sectoral issues requiring attention. The meeting agreed that the project should maintain all of the proposed components, because a broader based program provided for more flexibility to reallocate funds should there be nonperformance of any one component. There were two caveats to this decision. One related to the housing

component, discussed in (a) below. The other was the need, in accordance with existing guidelines for emergency operations, to include in the project components which could be committed within a maximum 12 to 18 months and disbursed within 36 months. The following conclusions were reached on each sectoral component:

(a) Housing: There was an extended discussion of this component. The meeting accepted that the component would not directly benefit the urban population and that subsidies to the final beneficiaries would be involved. With regard to intermediaries for channeling the funds, the project team explained its proposal to start with a few commercial banks, who were interested, financially viable, and had the appraisal capability. While the team welcomed the cautionary remarks of the IFC representative on IFC's past poor experience, in other countries, with commercial banks lending for housing, it felt that in the current Lebanese context, such lending could be viable. The project team further explained that while the housing bank was currently bankrupt, largely due to macroeconomic reasons, the Government and private sector had taken a decision to recapitalize it imminently, and the team wished to preserve the flexibility to bring in the housing bank, once it had been recapitalized and restructured. The meeting agreed in principle on the inclusion of a housing component with the project team's parameters, but decided that a final decision should be taken only upon review of the mission's findings.

(b) Water, waste water and solid waste components: The meeting agreed that these components appeared well prepared.

(c) Education: The project team briefed the meeting on the rationale for selecting only vocational and technical schools for the proposed project -- this permitted the Bank to avoid being drawn into endless discussion and negotiation (and possible political backlash) on which lower level schools in which ethnically dominated area it would support. This explanation was accepted by the meeting.

(d) Power: The meeting noted the importance for this sector of increasing tariffs, as well as billings and collection, inter alia, to minimize the drain of the sector on the central budget (25 percent of which currently went to the sector). It was agreed that while there should be no explicit conditionality, an understanding should be reached with the

Government on proposed action in this regard prior to submission of the project to the Board. Similar understandings should be sought if the same problem applied to any other sector we were financing.

5. Technical Assistance Component. The meeting queried whether the technical assistance activities for strengthening economic management and developing a framework for privatization belonged in an emergency project. It was agreed that this TA was important for a sustainable solution to the immense reconstruction needs and, hence, qualified as emergency needs meriting support under the project. The proposed technical assistance program, however, should be realistically sized and carefully reviewed for incorporation of Bank lessons on technical assistance.
6. Cost sharing. The Department explained that 100% financing of project costs was being proposed in the interests of rapid project implementation. However, the meeting agreed that there should be some local cost sharing, for project sustainability and government commitment. The mission could have flexibility in determining local cost sharing percentages, which could be on an increasing basis.
7. Implementation. The project team explained that project implementation arrangements provided for: (i) strong coordination through a central role for the Council for Development and Reconstruction (CDR) and the creation of the advisory Technical Coordination Committee (TCC); and (ii) strong sectoral inputs through the establishment in sector ministries of sector implementation units (SIU), which would not be islands but become integral parts of the ministries. Coordination between CDR and ministries had increased in recent months, and was expected to increase further under the new Government. The understanding among all parties, including CDR, was that in the longer term the CDR should be phased out. The meeting agreed with the arrangements, but noted that the MOP needed to demonstrate clearly how these would work.
8. Overall Size of the Three-Year National Emergency Reconstruction Program (NERP). The Department team explained that for political reasons, the Government wished to keep its \$2.4 billion estimation of the NERP, although the program was ambitious over three years. A realistic estimate was a \$2 billion program over four years. The meeting agreed that the Bank could not go to the donors at the Consultative Group (CG) meeting supporting an unrealistic program. It was pointed out that the Bank project was self-contained, and hence the mission should not be asked to establish the viability of the overall program. However, the Bank would need to get the necessary information on a parallel track as a basis for any forthcoming CG meeting.
9. Project Processing. The meeting agreed that the while the mission could pre-negotiate in the field, negotiations should take place in Washington according to

the current timetable in January, and that Board presentation should remain in February.

10. Concluding Statement: Mr. Koch-Weser summarized the key decisions as follows:

(a) While there should be no explicit link between the project and macroeconomic stabilization, a strong message should be given to the Government that we would expect before Board a basic understanding on the main pillars of stabilization and initial measures (para. 3).

(b) In principle, the project could maintain its broad sectoral scope, with two provisos: that all components should be committed within 12 to 18 months and disbursed within 36 months; and that a final decision on the housing component would be taken on the mission's return. While there should be no explicit conditionality, we should seek an understanding and action, before Board, on electricity tariffs, including billings and collection; the same should be pursued for any other sector facing similar issues (para. 4).

(c) The TA component should be retained but should take into account lessons of experience with TA (para 5).

(d) While explicit percentages should be decided by the mission, there should be some cost sharing on the part of the Government (para. 6).

(e) Proposed project implementation arrangements were acceptable (para. 7).

(f) While the proposed project was self standing, for purposes of the CG, the Bank needed to establish the overall NERP at a realistic size and timetable (para. 8).

(g) Negotiations should take place in Washington in January, with Board presentation as scheduled in February (para. 9).

Distribution:

Messrs./Mmes. Koch-Weser (MNAVP); Wyss (CODDR); Morais and Abushakra (LEGMN); Kohli (EMTDR); Chopra, Heron (MN2DR); McKechnie, Choucair (MN2IN); Bhargava (MN2IE); Voyadzis and Hoppenbrouwer (MN2CO); Bhattacharya (FRSCR); Mirza (CMECM); and Squire, Husain, Howarth, Murli, Bouhabib, van Eeghen, Yamine, Ijichi, Kafka (MNAVP); Chopra (MN1DR); Birdsall (CECDR); Nishimizu (FRSDR); Hovaguimian (CMEDR); Pouliquen (INUDR); El-Ashry (ENVDR); Pellegrini (EMTIN); Salop (OSPVP)

OFFICE MEMORANDUM

#E/12/CR
-1/1
JPM
1/9

61 12/31

DATE: December 30, 1992

TO: Mr. Caio Koch-Weser, MNAV

FROM: Ram K. Chopra, MN2DR

EXTENSION: 32707

SUBJECT: LEBANON: BTO REPORT

1. I visited Lebanon for three days of intensive discussions (December 15-17) with the new Government of Prime Minister Hariri. Messrs. Hoppenbrouwer and Choucair, whose Emergency Reconstruction and Rehabilitation Project (ERRP) appraisal mission was in the field, joined me in most of the meetings. Mr. Shamsedin joined in a number of the key meetings. In addition to meetings with all key authorities, including the President, the Speaker of the House, the Prime Minister, the Minister of State for Finance Siniora, the Foreign Minister and the President of the Council for Development and Reconstruction (CDR), we also met with several sector ministers, the private sector, donors, and AUB. A schedule of the visit is attached as Annex IV.
2. Mr. Hariri's appointment has inspired confidence and led to great expectations. Some of the consequences of this confidence on short term economic developments are reported in Mr. Hoppenbrouwer's note that is attached as Annex II. In summary, a significant inflow of capital has arrested the depreciation of the Pound and the inflationary spiral, allowed the Central Bank to replenish its foreign exchange reserves, and the Government to switch from Central Bank credit to T-bills for the financing of its large deficit. But the current monetary and exchange rate policy stance has its fiscal costs, perhaps unavoidable, and the short term stability that has been achieved is tenuous and delicate. It could be upset by unforeseen political developments and is not sustainable in the absence of action to correct the macro-economic imbalances, in particular the fiscal deficit. The present Government, very much unlike its predecessor, is well aware that this is the case. It has started taking a number of measures and is prepared to take the necessary additional measures soon. At the same time, while the population at large expects too much from Mr. Hariri with his can-do reputation, it does not expect sacrifice, but rather immediate reconstruction and services to be delivered. Thus the Government faces the challenges of undertaking acceptable fiscal actions and managing, lowering if possible, expectations about what can be done and how quickly to erase the effects of 17 years of war.
3. The Prime Minister and his Cabinet have broad political support. The Christian groups that boycotted the elections are supportive of Mr. Hariri. Among the organized groups, Hezbollah is the only exception, but Mr. Hariri has reached out to Shia religious leaders and his relations with the Speaker of the House, Nabih Birri (Amal faction), are reportedly good. With both Saudi and Syrian support, Mr. Hariri's position is relatively strong. It is unlikely that the question of redeployment of Syrian troops will soon be made a major issue. In any event the eventual Syrian withdrawal, first from Beirut and subsequently from Lebanon is likely to be related to developments in the overall peace process. The Prime Minister, who also holds the Finance portfolio, has assembled an impressive

economic team closely managed and controlled by himself with a close associate, Minister of State for Finance Siniora, who is the de-facto Minister of Finance. The sector ministers are generally very good, but with some exceptions. Many have, like the P.M. himself, a private sector background and use staff from their enterprises, and personal resources, to run matters. In fact, a superstructure, with typical Lebanese private-sector drive and dynamism, is being imposed upon a very weak public administration. This is plausibly the only feasible approach in the short run, but a strengthening of institutions will have to take place if the Government is to carry out the ambitious reconstruction program in a sustainable manner, and not remain overly dependent on Mr. Hariri. Yet, no one advocates that the public sector be expanded; in fact, intentions are for the scope of private sector activity to be further widened into physical infrastructure expansion through BOT arrangements, particularly in telecommunications and power, and private management of public assets. Once immediate reconstruction and rehabilitation of physical infrastructure has taken place, they envisage a very limited role for Government in the future, as it had in the pre-war past. In the meantime, the proposed approach for a massive TA program to address the public administration's weaknesses as the reconstruction program is undertaken, while probably unavoidable, raises questions of coordination and effectiveness that are further discussed in para. 9 below.

4. Stabilization Program, ERRP Loan, IMF and Consultative Group (CG). While the Government's main focus of attention is the reconstruction program, it is cognizant of the need to take stabilization measures and the link between the two. The joint Fund/Bank letter of December 8 was, overall, well received with some doubts and questions about a number of the points and suggestions made by the Fund (e.g. on monetary policy and Central Bank T.A.). The Government also had reviewed the informal draft economic report presented to the previous Government as well as the aide-memoires of the Bank and Fund missions. There was general agreement that early action must be taken to reduce the fiscal deficit, in particular the current account, primarily through revenue measures while at the same time limiting the increase in current expenditures, particularly through wage restraint and a reduction in the budget transfers to the power company.¹ The Government's short term plan of action is attached as Annex I. The administrative measures are already beginning to have an effect on revenue collection. The plans with regard to import duties are in line with the IMF Fiscal Affairs recommendation, but would yield less than the Bank mission's suggestion for a low flat duty rate. Prospects for early passage by the Parliament of the components subject to its approval are enhanced by the earmarking of 10% of customs revenues to municipalities. In all, on the revenue side current projections are for an increase in the range of 80-90% (70-80% in real terms). As regards expenditures, the intention to maintain public sector wages at their current level is a courageous one considering the approximately 100% average inflation in 1992. This decision is facilitated by the appreciation of the Pound that has taken place in recent months, as a result of which inflation has come down to negligible levels (after rising 155% during the

¹/Mr. Hoppenbrouwer informally discussed the fiscal targets for 1993 and 1994 contained in the draft CEM with Minister Siniora's staff. These targets are for an improvement in the current account by about 10 percentage points of GDP between 1992 and 1994. The staff believed that this was a reasonable and achievable target. The overall deficit would not decline because of the initiation of the reconstruction program.

first nine months of the year, prices actually declined in October). The final decision regarding the planned early elimination of the wheat subsidy, currently about US\$25 million on an annual basis, will undoubtedly have to take into account the possible political repercussions of this sensitive issue. With respect to power tariffs, which, together with wage policy, are the key to expenditure control, current plans are to double them on average in early 1993, with further increases in the course of the year, and steps are being taken to improve billing and collection. On the basis of the actions being taken, the quality of the Cabinet, and their stated intentions of taking further action broadly in line with our recommendations, I recommend that we proceed with negotiations and Board presentation of the ERRP loan. Negotiations for the loan could possibly be completed by end-January and all indications are that initial key measures could be in place by that time.

5. The Government's team, together with the Central Bank, could likely design a consistent stabilization program. But IMF assistance would be extremely helpful. The Government may be reluctant to consider a formal IMF Stand-by program because it does not consider it politically acceptable at this stage. I indicated that endorsement of the program by the Fund vis-a-vis the donors in the context of a CG and presentation of the Government's program to its Board (if only for information purposes) would be desirable. In the concluding meeting, Prime Minister Hariri agreed that he would invite the IMF to assist the Government. He felt that the stamp of approval by the IMF would help the credibility of and confidence in his government. It was also agreed that the CG could not be held in February, as Mr. Hariri had initially expected. I indicated that I would recommend that we proceed with the ERRP regardless of the timing of the CG, and that we would attempt to convene a CG as soon as possible thereafter, once we are confident that it can be a successful one. The President and Prime Minister emphasized that a Bank decision to proceed with the loan would give confidence and an important signal to other donors.

6. During the final discussions, Mr. Siniora indicated that the Government would approach the Fund soonest with a request that the scope of work of the planned Article 4 Consultation Mission be expanded to include the design of the stabilization program. As regards the timing of this mission, the Government may be inclined to first complete the preparatory work it considers necessary, including formulation of the budget for 1993, even if that implies some delay in the CG.

7. The Emergency Reconstruction and Rehabilitation Project and the National Emergency Recovery Program (NERP). The appraisal of the ERRP is proceeding smoothly, without major issues, and Board presentation in February appears feasible. We discussed the issue of the size of the NERP, proposed by the Government at US\$2.6 billion over three years. There was full agreement with our suggestion to eliminate the proposal for public financing of productive sector credit to the private sector. This, together with other adjustments, including a reduction of about US\$100 million in the T.A. component, reduces the program to about US\$2.1 billion. There was an initial reluctance with our suggestion that the program be extended over four years (1993-96) in order to more realistically reflect implementation capacity, external financing possibilities and possibilities for contributions from the budget. The Government's initial position was that external financing can be arranged, in part because of Arab support, and that the Hariri "methods" will make quick implementation feasible. We suggested that it

would be advisable to lower expectations and in the end do better than planned rather than fall short. Our arguments as well as our analysis, based on the draft CEM, of the implications for fiscal policy of the counterpart fund requirements, convinced the Government to change its stance.

8. With an estimated direct and indirect foreign exchange component of about 80%, about US\$400 million would be required in counterpart funds to finance local costs over the four years. Despite the significant fiscal adjustment projected for the short term, little or no funds would be available in the first year, and less than required in the second. We confirmed that the Bank under its project could not finance 100% of project cost and indicated that other lenders would normally also limit their share to the foreign exchange component. We offered that we could possibly consider proposing a sliding disbursement scale and suggested that other donors be asked to consider the same. We suggested that a possible way to limit budget contributions in the initial years would be to seek program grant financing, including also food aid. Despite the above, there should be no problem with counterpart funds for the Bank financed project alone (about US\$30 million over three years).

9. Technical Assistance Coordination. Despite the reduction in the T.A. component of the NERP, the overall amount of T.A. needed for the program (about US\$200 million), much of it frontloaded, and for institutional strengthening outside the framework of the program, is very large. In addition to the current proposal to set up a T.A. coordination unit in the CDR, and the UNDP's proposal to establish a grant facility to channel donor contributions to the T.A. program, there is an urgent need for coordination at a higher level to ensure that the T.A. program adequately reflects both the short term reconstruction needs and the vision of the future role of the public sector, that T.A. activities for the public sector at large are selected in accordance with Government priorities and needs, that duplication is avoided, and that maximum use be made of the talents of Lebanon's private sector, both in Lebanon and from abroad. After consulting the UNDP Resident Representative on the idea, I therefore suggested to the Prime Minister that an inter-ministerial committee, including CDR and the Central Bank, be established, to be headed by the Prime Minister and supported by a small technical secretariat to undertake the required coordination. I indicated that we could consider a small free-standing T.A. loan to support this effort and to act as a catalyst for attracting the significant concessional or grant resources needed for the overall T.A. program. The Prime Minister agreed that it would be important to establish such a committee and welcomed the Bank's role and proposed T.A. loan.

10. Bank Assistance Beyond the ERRP. The Government is looking forward to working closely with the Bank. The Government would particularly welcome the Bank's advice and technical assistance, in addition to limited amounts of lending, because our terms are considered hard. The appreciation for the Bank, reflecting in part the work done so far by our ERRP and economic missions, was also evidenced by the Prime Minister's and President's request that we establish a resident mission and by the request for secondment of Bank staff working on the ERRP mission. While I expressed appreciation for the Government's confidence in the Bank and our willingness to work with the Government beyond the ERRP, I indicated that a resident mission and the requested secondments would not be possible at this stage.

11. The proposed focus of the future Bank program as outlined in my memo of November 30 to you is fully in line with Government priorities and, I am now even more convinced, responsive to the country's needs. The emphasis on human resource development is consistent with the views expressed repeatedly during my meetings that Lebanon has no assets but its people, that the high standard of education and health was the key factor behind the country's success in the 60s and 70s, including its role as a service center for the Arab world, and that Lebanon has to urgently make up for the lack of investment in human resources during more than a decade and a half. The early initiation of sector work in the human resources sector was welcomed by the Prime Minister, who stressed that he would want to see projects in this and other sectors developed in the context of a sectoral strategy that includes institutional and policy issues. In infrastructure, with the proposed Government approach to power and telecommunications development (para. 3 above), possible areas for early support, based in part on work done in connection with the ERRP, could include water supply, sewerage/solid waste and housing, with environment and transport as subsequent possibilities. The Government welcomed the idea to undertake sector work in the water supply and sewerage sector as soon as possible.

12. Social Safety Net. The discussions on this subject indicated that the Government does not consider it necessary or feasible to create a social safety net or to take special measures, other than designing policy changes to avoid the negative impacts on the poor, such as maintaining life-line consumption tariffs for public services and low import tariffs for basic necessities. There is genuine doubt that the public administration could deliver targeted subsidies efficiently, if at all, or that the budget could afford it. It is also clear that socio-political factors, particularly the denominational aspects, could make this a divisive issue. It is also argued that NGO's (broadly defined to include Hezbollah in the Shia areas) have traditionally provided this function, with external support, and continue to do so, although some of them may be less active now that the war is over. Finally, and more importantly in the Government's view, the stability of the exchange rate, through appropriate fiscal and monetary policies, and price stability, combined with the employment effects of the reconstruction and recovery program and overall growth generated by private sector confidence and activity will benefit the poor. On balance the initial fiscal measures being taken and proposed are probably not regressive and should not significantly affect the poorest and most vulnerable.

13. Concluding Remarks. Overall it was a productive mission and I came away favorably impressed by the quality and dedication of the new Government, the initial policy measures taken and the overall approach and future policies being considered. This Government has the best chance in many years to provide a measure of stability to foster the confidence of the private sector. Clearly there are risks. External events, particularly regional developments and the outcome of the ongoing peace talks, could upset the hard-found stability. Domestically, unfulfilled high expectations and factional differences could hamper the Government from taking the ambitious and difficult measures that are clearly required. On balance I recommend that the Bank should engage with the new Government, which would by itself help in increasing the confidence of the Lebanese private sector and the international community.

Attachments

Distribution: Messrs./Mmes. Squire, Husain, Murli, Bouhabib, Diwan, van Eeghen (MNAVVP); Heron, Tyler (MN2DR); Kohli, Sood (EMTDR); Shamsedin (EDS11); Garg (EMTAG); Bhargava (MN2IE); Okonjo-Iweala (EMTAG); McKechnie (MN2IN); Keare (MN2PH); Walton (DECVP); Martinez (EMTTF); Hayward (EMTWU); Golladay (EMTPG); Voyadzis, Hoppenbrouwer, Erim, Ozeki, Courtney (MN2CO); Sven Burmester (MN2EG); Choucair (IMF); ECA/MENA Files, Chron

LHoppenbrouwer:lem
M:\LEB\RCTOCKW

LEBANON: FISCAL MEASURES

I. Revenue Measures

The Ministry of Finance is confident that a substantial increase in government revenues in 1993 is achievable. This confidence is due to (i) some proposed fiscal reforms, (ii) tighter control procedures, (iii) real growth in the economy, and (iv) proposed increase in fees.

Some of these measures already taken include:

1. A proposed law (already sent to the parliament) to consolidate non-customs surcharges into the customs tariff and to totally eliminate most exemptions from custom duties.
2. Preparations regarding the simplification of customs tariff and the introduction of the dollar market rate for the valuation of imports have been completed. When the proposed law, mentioned above, is passed by the parliament (expected early January 1993) all the customs measures will be implemented simultaneously.
3. An additional inspection and audit unit has been introduced for the Beirut port and airport. No merchandise can be cleared without the approval of this unit.
4. A review of all fees such as car registration fees, traffic citations, stamp fees, etc. is being finalized and will be submitted to the parliament shortly.
5. The enforcement of actual values of property in the calculation of registration fees has started. To assist in this enforcement, zoning of all the main cities in Lebanon is almost complete. In addition, a task force comprised of inspectors from the public sector, auditors from the private sector and real estate experts has been formed with a clear mandate to ensure that all real estate divisions adhere to the new valuation system.
6. A tight computer control system has been introduced to track all real estate transaction values on a weekly basis.
7. A proposal regarding the settlement of building code violations and incursion of government property and seashores is being finalized and will be submitted to the parliament very soon.
8. An income tax reform is currently being discussed. The borrower believes that an across-the-board decrease in income tax rates will reduce the incentive for taxpayers to cheat on their declarations and may lead to higher income tax revenues. In addition, such a reform would help attract new investors.

9. A task force similar to the one described in point 5 above has been formed to (i) audit tax declarations and (ii) find ways to widen the base of taxpayers.

10. Telephone charges have been substantially increased. The increase has been approved by the cabinet and sent to parliament.

In short, the Government believes that the best way to increase revenues is by enhancing tax collection and diversification of the sources of tax.

II. Expenditure Measures

1. A decision has been taken in principle not to increase nominal wages and salaries.

2. An elimination of "ghost workers" by strictly controlling attendance.

3. Containment of internal debt service by gradually lowering the interest rates.

4. A study regarding the elimination of wheat subsidy is completed and expected to be implemented early January 1993.

5. An additional control unit has been established to check all tender offers for all ministries.

6. A plan regarding pricing and collection of electricity revenues is currently being prepared.

LEBANON-SELECTED SHORT-TERM ECONOMIC DEVELOPMENTS

1. Recent economic developments were last reported with Mr. Hoppenbrouwer's BTO Report dated October 26, 1992. The following is based on information obtained during his mission with Mr. Chopra.
2. The confidence inspired by the appointment of Mr. Hariri as Prime Minister led to large inflow of capital (including the conversion of US\$ to Lebanese Pound deposits). Because of Central Bank intervention in the foreign exchange market, the appreciation of the Pound was limited; the rate moved from about US\$1 = LL 2250 in mid-October to about 1850 at present. In the process the Central Bank replenished its (non-gold) foreign reserves holdings. Following a loss in reserves of US\$675 million during the first nine months of the year, close to US\$1.0 billion were added to the reserves, which by end-November stood at around US\$1.5 billion.
3. As a consequence of the increased Pound liquidity resulting from the Central Bank's purchases, the stock of outstanding T-bills sharply expanded (both on account of the reserve requirements on Pound deposits and voluntary purchases of T-bills). Whereas the stock of outstanding T-bills by end-September stood at about the end-1991 level, it subsequently more than doubled. In all, the stock of internal public debt, exclusive of interest on discounted T-bills, rose from LL 2.1 trillion to LL 3.2 trillion at the end of November. (In US\$ terms it declined from US\$2.4 billion to US\$1.7 billion.) Thus the financing of the Government's deficit switched from net credit from the Central Bank (about LL 750 billion during the first nine months of 1992) to T-bill financing; by end-November net Central Bank credit to the Government had become -LL 100 billion (a shift of LL 850 billion since end-September).
4. The parallels with the 1991 situation are clear. However, on this occasion, the Central Bank moved quickly to lower interest rates on short-term (3 months) T-bills (from 22.5% in mid-year to 13% at present). In order to induce a shift to longer maturities it set a sharply increasing yield curve, with rates on 2-year bills currently at 24%. The weighted average rate is about 17%. Despite this reduction, the current monetary and exchange rate policy obviously has significant fiscal costs. (With a stable exchange rate, there is an approximate 14 percentage point differential between the average rate paid on T-bills and the return on the added US\$ foreign reserves of the Central Bank.) The Central Bank is not currently considering the option of leaving T-bill rates to be market-determined, in part because it fears that the resulting decline will result in an excessive shift out of the Pound. The alternative of non-intervention in the foreign exchange market is also not being considered because of the expected resulting excessive appreciation of the LL. Thus, the authorities currently consider the fiscal impact of their sterilization policy to be the unavoidable cost of stabilizing, or moderating the appreciation, of the exchange rate.
5. Also in contrast to 1991, the current Government is fully aware that the fiscal deficit needs to be reduced despite the apparent stability that has been achieved. (Although CPI estimates are not yet available for November, it is likely that given the high import to GDP ratio and the appreciation of the exchange rate, inflation currently is negligible; after increasing by 155% during the first nine months of the year, the CPI index actually declined by 2% in October.) Based on information through November it is estimated that the overall deficit for 1992 will

be about LL 1.1 trillion, or about LL 150 billion less than had been estimated in October, with higher revenues and lower expenditures each accounting for about half of the difference. All of the deficit would be financed through domestic debt; both Central Bank financing and net foreign financing will be negative this year. (So far this year, the Government paid about US\$50 million in debt service arrears.) Government's plans for fiscal action are discussed in Mr. Chopra's BTO Report.

FROM: Vice President and Secretary

NOTICE OF INVITATION TO NEGOTIATE

REPUBLIC OF LEBANON

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

The Bank is inviting the Republic of Lebanon to send representatives to Washington, D.C. to negotiate a proposed loan of US\$175 million equivalent to help finance the Emergency Reconstruction and Rehabilitation Project.

The loan would help finance the foreign exchange cost of the rehabilitation and reconstruction of infrastructure in the power, water and wastewater, solid waste, and vocational training sectors, to be implemented by the Council for Development and Reconstruction and the sector Ministries concerned over the three-year period, 1993-1996. The loan would also provide sub-loans to households whose housing conditions have been seriously impaired by the war. The housing finance component will be implemented by the Banque du Liban (Lebanon's Central Bank) and private banks.

Distribution

Executive Directors and Alternates
Office of the President
Executive Vice Presidents, IFC and MIGA
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, Bank, IFC and MIGA

OFFICE MEMORANDUM

E
LE - Emergency Recovery
& Reconstruction

DATE: January 22, 1993

TO: Mr. D. Howarth, Regional Procurement Adviser

FROM: Rene Mendonca, MN2IE

EXTENSION: 32989

SUBJECT: Lebanon - Emergency Recovery Loan (Power Component).
Prequalification Evaluation Report

see 01/17/93

Please find attached the Evaluation Report concerning the Pre-Qualification of bidders for the above project (Power Component, Package C) for your clearance. Please note that we have reviewed the report and found the selection of pre-qualified bidders satisfactory. In view of the urgency of the project, we would appreciate your urgent attention.

att.

cc: Messrs. A. McKechnie, Y. Choucair (MN2IN), V. Bhargava (MN2IE)
(w/o attachment).

M:\Leb\pa015\evapreq.mem
RMendonca:

OFFICE MEMORANDUM

E
LE - Emergency Recovery &
Reconstruction

DATE: January 22, 1993

TO: Mr. D. Howarth, Regional Procurement Adviser (MNAVP)

FROM: Rene Mendonca, MN2IE. *RM*

EXTENSION: 32989

SUBJECT: Lebanon - Emergency Reconstruction Project (Power Component)
Draft Tender Documents (Package C), Rehabilitation of Distribution
Networks (lot 1) *11/att.*

1. The attached tenders documents have been prepared for Lot 1 financed by IBRD and Lot 2 financed by EIB, under the IBRD procurement guidelines. We have been advised by EIB and understand now that EIB would not accept our procurement guidelines. To this effect and since the bill of quantities have been prepared for the combined Lot 1 and 2, we will advise CDR to prepare the bill of quantities for lot 1 only. However, CDR would also be advised that if EIB changes his mind and decides to accept our procurement guidelines, the tender documents would need to be revised including lot 2 separately from lot 1 in the bill of quantities and the documents re-submitted for our review. In this case, separate prices for Lot 1 and 2 would be received.

2. Please note that the tender documents were prepared following closely the IBRD sample Bidding documents "Procurement of Works" and were found generally satisfactory. We suggest that you accept both languages French and English for the tender documents (instructions to bidders has been done in English and the specifications and bill of quantities in French). We have agreed that the margin of preference in bid evaluation for domestic bidders and joint venture of domestic and foreign bidders is not applicable for this bid.

3. As mentioned above, we have revised the documents taking into account Lot 1 only and our comments are marked in the margins. In view of the urgency of the rehabilitation works, we request your clearance of the above documents. If you have no objection, we will advise CDR of our "no objection" subject to incorporating our changes and comments (including changing the present combined (Lot 1 & 2) bill of quantities into Lot 1 only). CDR would forward a revised copy for our record.

cc: Messrs. McKechnie, Choucair (MN2IN), Bhargava (MN2IE)
(w/o attachment)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 22, 1993 10:34am

TO: Peter Bocock

(PETER BOCOCK)

FROM: Melhem Salman, MN2PH

(MELHEM SALMAN)

EXT.: 32528

SUBJECT: Lebanon - ERP Negotiations

Please find attached, ✓ for your information.

CC: EMENA ISC Files

(EMENA ISC FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 22, 1993 10:33am

TO: Youssef Choucair (YOUSSEF CHOUCAIR)

FROM: Melhem Salman, MN2PH (MELHEM SALMAN)

EXT.: 32528

SUBJECT: Lebanon - Emergency Reconstruction Program Negotiations

To follow up on our agreement, please be informed that my colleague, George Za'rour (Senior Education Specialist), will be participating in the above negotiations to deal with the vocational training component of the project. I would, therefore, appreciate your sending him a copy of the package for his perusal.

Thank you.

CC: Alfred T. Heron	(ALFRED T. HERON)
CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: Douglas Keare	(DOUGLAS KEARE)
CC: George Za'Rour	(GEORGE ZAROOR)
CC: EMENA ISC Files	(EMENA ISC FILES)

Le - Emergency Recovery & Reconstruction

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 22, 1993 02:26pm

TO: Vinay K. Bhargava (VINAY K. BHARGAVA)

FROM: Alfred T. Heron, MN2DR (ALFRED T. HERON)

EXT.: 32711

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation

Vinay,

Please see the note from Andres Rigo of LEGOP.

A1

CC: Ram K. Chopra

(RAM K. CHOPRA)

CC: EMENA ISC Files

(EMENA ISC FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 22, 1993 09:33am EST

TO: Alfred T. Heron (ALFRED T. HERON)

FROM: Andres Rigo, LEGOP (ANDRES RIGO)

EXT.: 81782

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation

Further to our discussion of yesterday and discussions of the operational lawyer with the task manager, this is to inform you that the loan documentation for the above project has been cleared by the Legal Department and we have no objection to issuing an invitation to negotiate on the understanding that subloans for the housing component will be exclusively for the construction of new housing and rehabilitation and reconstruction.

CC: Tariq Husain	(TARIQ HUSAIN)
CC: Herbert Morais	(HERBERT MORAIS)
CC: Hadi Abushakra	(HADI ABUSHAKRA)
CC: Nicolette Dewitt	(NICOLETTE DEWITT)
CC: Legal ISC Files	(LEGAL ISC FILES)

OFFICE MEMORANDUM

DATE: January 22, 1993

TO: Mr. D. Howarth, Regional Procurement Adviser

FROM: Rene Mendonca, MN2IE

EXTENSION: 32989

SUBJECT: Lebanon - Emergency Recovery Loan (Power Component).
Prequalification Evaluation Report

Please find attached the Evaluation Report concerning the Pre-Qualification of bidders for the above project (Power Component, Package C) for your clearance. Please note that we have reviewed the report and found the selection of pre-qualified bidders satisfactory. In view of the urgency of the project, we would appreciate your urgent attention.

att.

cc: Messrs. A. McKechnie, Y. Choucair (MN2IN), V. Bhargava (MN2IE)
(w/o attachment).

M:\Leb\pa015\evapreq.mem
RMendonca:

R. Mendonca,

I have no comment on
the prequalification.

J.A. Howarth.
01/27.

Le - Ln 3562

see for
1/17/93

Youssef Choucair, MN2CO
This has been cleared by RPA,
Please inform CDK of our
"no objection" accordingly for the Pre-Qualif eval. Report.
R. Mendonca, MN2IE
1/27/93
P.S. I am leaving tomorrow to HRN!



Record Removal Notice

File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 5		Barcode No. 1180251		
Document Date 22 January, 1993	Document Type Memorandum			
Correspondents / Participants To: D. Howarth, Regional Procurement Adviser (MNAVP) From: Rene Mendonca, MN2IE				
Subject / Title LEBANON - Emergency Reconstruction Project (Power Component) Draft Tender Documents (Package C), Rehabilitation of Distribution Networks (lot 1)				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by Sherrine M. Thompson</td><td>Date July 24, 2017</td></tr></table>	Withdrawn by Sherrine M. Thompson	Date July 24, 2017
Withdrawn by Sherrine M. Thompson	Date July 24, 2017			

LE - 3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

Files

No. 84/1

THE WORLD BANK/IFC/M.I.G.A.
HEADQUARTERS : WASHINGTON, D.C.
20433 USA
Fax No. : 001-202-4770348

TO : MR. ALSTAIR J. McKECHNIE
Division Chief, MN2IN

ATT: MR. YOUSSEF CHOUCAIR

1/21/93
Assigned to: *McKechnie*
Choucair
Rammanon
Belkhiria
1704-LEB

Beirut, 20 January 1993

Subject : Lebanon - National Emergency Recovery Program

Reference : Reconstruction and Rehabilitation of the Power
Sector. Review of Bidding Documents by World
Bank.
Your Fax dated January 11, 1993.

Dear Sir,

- 1- We acknowledge with thanks the receipt of your above mentioned fax.
- 2- We apologize for our delayed answer - we received your fax only on January 14, 1993 in our offices, even though it was sent on January 11, 1993.
- 3- We confirm that all correspondence to the World Bank regarding National Emergency Recovery Program will be addressed to Mr. Alstair J. McKechnie, Division chief, MN 2 IN (Attention Mr. Youssef Choucair) to ensure prompt processing in case that concerned staff member is not available to deal with our communication.
- 4- We are sending you in Annex to this fax the correction on our documents "Invitation for Bids" and "Instruction to Bidders" as requested by the World Bank, but we are not able to give you our full agreement on the required changes, while your fax makes us slightly confused.

Please note our comments on different statements provided in your fax :

- Doc # 453711
- A) The model in the Sample Bidding Document (SBD) was followed very comprehensively by CDR, but this document doesn't require its strict Application - as mentioned in your fax.

In the "Preface" of SBD, para 2, the following is stipulated:

"The sample bidding documents in this publication have been prepared for borrowers to use in the procurement of works through international competitive bidding (ICB). Their use is not mandatory, but the procedures and practices they convey have been developed through broad international experience, and they comply with the above guidelines".

Nevertheless, we duly corrected the documents according to WB wishes.

Para 3 of SBD is considering future instruction, e.g.

"Bidders may obtain further information from, and inspect and acquire the bidding documents, at the office of the Employer, at -----

----- (mailing address, street address, and cable/telex/facsimile numbers).

- B) According to WB delegation request, we changed on all Bidding documents the title from previous designation to "National Emergency Recovery Program (NERP)". In your fax you related Bidding Documents to Emergency Reconstruction and Rehabilitation Project (ERRP).

Please advise which designation we have finally to maintain ?

- C) We had applied the World Bank wording as used for Package C (Distribution) in the Agreed Timetable for Bidding Process (W.B.Aide Memoire dated December 26, 1992, Annex 3, Attachment 3, Page 1 of 1). But we will change according to your wishes.

- D) We are very sorry to constat that we didn't understand apparently the issue discussed by your December mission, but your proposal to divide the work in two Lots has never been accepted by us. (On the contrary, we first intend to get only one Contractor for all three Packages, which unfortunately appear impossible to realise).

It is our considered opinion that splitting Package C into two lots would offer none advantage.

In case of two different Bids, if the amount available at the moment of Bidding is only the one financed by W.B., only one lot would be awarded - as it is not possible to award only 50% of contractual amount to two different Bidders. If only one Lot is awarded, the WB will be engaged only with Great Beirut reconstruction, while Lot No.2 should be considered only when the financing will be available. This solution is not good neither for the WB, nor for us (see please clause 14 of December mission AIDE-MEMOIRE: Financing of the WB"would allow the return of displaced people to their villages"...).

The work on both objectives (Great Beirut and interior of the country) shall start at the same time, and under same contract, as technical reconstruction of supply to large number of villages is closely related to re-establishment of supply sub-stations and M.V. lines from Beirut.

Furthermore Revision of prices will be applied for this project since the project Execution Time is extended from 12 to 18 months. This favours tendering under only one Package basis. The disbursements of Project costs are envisaged almost in same amounts during all Project execution time. So, even an EIB financment available 9 months after July 1, 1993 (expected date of work launching), will not be too late.

You are most kindly requested to reconsider your position and to accept the launching of Tender for Distribution on the only Package C.

The documents (Technical specifications) we sent for your approval January 15, were provided as well on one Package basis, permitting launching of Bids as envisaged on February 15, 1993 without any problem.

We count very much on the WB cooperation and understanding, and we hope to receive your comments soon.

Yours faithfully

Al-Fadl CHALAK
President



Council for Development
and Reconstruction (CDR)

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

LE - 3562

01/18/93

REF.: 56/1

DATE: 18/01/1993

Mr. Alstair J. McKechnie
Division Chief, MN2IN
The World Bank/IFC/M.I.G.A
Head Quarters: Washington, D.C. 20433 U.S.A
1818 H Street

Subject: Lebanon-National Emergency Recovery Program
Power Sector Rehabilitation
Pre-qualification of Bidders

Dear Mr. McKechnie,

Further to our telefax dated 17/01/1993, concerning the above subject, we enclose herewith copy of our "Pre-Qualification of Bidders Report" relating thereto.

Doc # 53710

It would be appreciated if your comments and approval could be transmitted to us as soon as possible.

Sincerely,

Al-Fadl CHALAK
President



Council for Development
and Reconstruction

INFRASTRUCTURE DIVISION - CD2

Date Rec'd 1-25-93

Date Ack'd 2-5-93

Assigned to: Choucair

Rasmussen

Pelletier (o/w)

Log No. LEB-93-P02

Enclosure: As mentioned above

cc: - Dr. Youssef Choucair

Le-Ln 3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE****TO : THE WORLD BANK/IFC/M.I.G.A**
HEAD QUARTERS: WASHINGTON, D.C. 20433 USA
1818 H STREET**FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R.)**
Beirut - Lebanon**ATTN. : MR. ALSTAIR J. McKECHNIE,**
DIVISION CHIEF, MN2IN

(ATT.: DR. YOUSSEF CHOUCAIR)

FAX NO. : (001-202) 477-0348**FAX NO.: (1-212) 478 16 22****SUBJECT : LEBANON-NATIONAL
EMERGENCY RECOVERY
PROGRAM-POWER SECTOR
REHABILITATION
PRE-QUALIFICATION OF BIDDERS****REF.:****DATE : 17/01/93****NO. OF PAGES: (39) INCLUDING COVER SHEET**

Doc H 53710

PLEASE FIND ENCLOSED HERewith COPY OF OUR "PRE-QUALIFICATION REPORT" FOR YOUR READING AND APPROVAL. ORIGINAL COPY THEREOF WILL BE SENT BY DHL TOMORROW.

SHOULD YOU NEED ANY FURTHER INFORMATION, PLEASE DO NOT HESITATE TO CONTACT US.

SINCERELY,

AL-FADL CHALAK
PRESIDENTCOUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION

INFRASTRUCTURE DIVISION - CD

Date Rec'd 1/19/93

Date Ack'd 2-5/93

Assigned to:

~~McKechnie~~~~Choucair~~~~Harmonson~~~~Pettibone, Jr~~

1689-LEB

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.:
(1-212) 478 16 30. BEIRUT-LEBANON

LE - Emergency Recovery

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: January 13, 1993 09:16am

TO: Laurens Hoppenbrouwer (LAURENS HOPPENBROUWER)

FROM: Melhem Salman, MN2PH (MELHEM SALMAN)

EXT.: 32528

SUBJECT: LEBANON - ERP Education Component

I quite agree with you (EM of January 11, 1993) that comments at this stage should not suggest an extension of the scope of a component, nor should they propose any substantive change in the project design. Please note that my EM of January 11 to the task manager did neither. It reacts to the appraisal mission's aide-memoire and raises important policy and technical issues that would affect the future focus of technical education in Lebanon. Further, beyond covering only the reconstruction of facilities, the vocational training component will cover several million dollars in curricula development and book productions. To us, this is not the issue. The issues are, inter alia, the nature of the proposed curricula changes and the role of the private sector; all these issues were raised with the mission before its departure and need to be addressed clearly in the project document and during negotiations by a specialist.

Please recall that MN2PH identified and financed two consultants, an engineer and Mr. Jean Akl (education specialist), who joined both the preparation mission and the second appraisal mission. We remain fully supportive of the project and its task management and will contribute to expedite the processing of this important component.

For everyone's information, the task manager and I have discussed my earlier memo and have agreed on a number of clarifications and additions to its text and to the project document. I am sure MN2PH will further contribute to the project document upon its circulation (just received). The TORs for the consultant will be adjusted by MN2PH to include close interaction with the private sector (Chamber of Commerce and Industries) to confirm their needs and reflect them in the curricula. It was also agreed that some funds in the ERL will be allocated to finance technical assistance for the newly formed Ministry of Vocational Training. We will have further comments upon review of the project documents.

Proposed Three-Year Reconstruction Program

MN2PH, and COD for that matter, have already agreed to focus on the basic education sector in addition to the vocational

training sector. I propose that the Lebanon Country Team be activated to use it as a platform for discussions of our strategy, priorities and proposed interventions in the proposed three-year reconstruction program.

CC: Youssef Choucair	(YOUSSEF CHOUCAIR)
CC: Alfred T. Heron	(ALFRED T. HERON)
CC: Douglas Keare	(DOUGLAS KEARE)
CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: Spiros Voyadzis	(SPIROS VOYADZIS)
CC: Peter Bocock	(PETER BOCOCK)
CC: George Za'Rour	(GEORGE ZAROUR)
CC: EMENA ISC Files	(EMENA ISC FILES)

YC
your your file
Refund me

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

No. 48/1

Le - Emergency Recovery & Reconstruction

THE WORLD BANK
Industry and Energy Division
Technical Department
Europe and Central Asia, Middle East
and North Africa regions -

1818 H. Street, N.W
Washington, D.C 20433 - USA

Beirut, January 13 1993

ATT : MR. SALEM OUAHES

RE : LEBANON - Emergency Rehabilitation and
Reconstruction Project

RE : Contract E/C
Distribution, Reconstruction and Rehabilitation
Approval of Tender Documents (Partial)

Dear Sir,

We have the pleasure of submitting to your attention the
following draft Tender Document for your Approval :

INVITATION FOR BIDS

SECTION 1	:	INSTRUCTION TO BIDDERS
SECTION 2	:	GENERAL CONDITIONS OF CONTRACT
SECTION 3	:	CONDITION OF PARTICULAR APPLICATION
SUB-SECTION 4.0	:	GENERAL TECHNICAL CONDITIONS FOR CONTRACT
SUB-SECTION 4.1	:	DISTRIBUTION - COMMON CLAUSES
SUB-SECTION 4.2	:	DISTRIBUTION - TECHNICAL SPECIFICATIONS AND QUESTIONNAIRES
SECTION 5	:	FORM OF BID, APPENDIX TO BID, AND BID SECURITY
SECTION 6	:	BILL OF QUANTITIES

BA

SECTION 7 : FORM OF AGREEMENT

SECTION 8 : FORMS OF : PERFORMANCE BANK GUARANTEE,
AND BANK GUARANTEE FOR ADVANCE PAYEMENT,
AND DEFECT LIABILITY PERIOD, AND SITE
VISIT CERTIFICATE, AND AQUITANCE
CHARGEABLE TO COVER REPRODUCTION AND
MAILING COST FOR BIDDING DOCUMENTS.

SECTION 9 : DRAWINGS

APPENDIX : Hereabove mentioned documents.

Very truly yours,

Al Fadl CHALAK
President



Council for Development
and Reconstruction (CDR)

LE - Emergency Recovery

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 13, 1993 10:06am

TO: See Distribution Below

FROM: Youssef Choucair, MN2IN (YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - Reconstruction project

I am forwarding the first comment received on the Green cover.

Mr. Bukley, the peer reviewer for the Housing component, is a senior Economist and Housing specialist in PRE.

DISTRIBUTION:

TO: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
TO: Alfred T. Heron	(ALFRED T. HERON)
TO: Barbara Kafka	(BARBARA KAFKA)
CC: Hadi Abushakra	(HADI ABUSHAKRA)
CC: EMENA ISC Files	(EMENA ISC FILES)

LE - Emergency Recovery

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: January 13, 1993 09:16am EST

TO: Laurens Hoppenbrouwer (LAURENS HOPPENBROUWER)

FROM: Melhem Salman, MN2PH (MELHEM SALMAN)

EXT.: 32528

SUBJECT: LEBANON - ERP Education Component

I quite agree with you (EM of January 11, 1993) that comments at this stage should not suggest an extension of the scope of a component, nor should they propose any substantive change in the project design. Please note that my EM of January 11 to the task manager did neither. It reacts to the appraisal mission's aide-memoire and raises important policy and technical issues that would affect the future focus of technical education in Lebanon. Further, beyond covering only the reconstruction of facilities, the vocational training component will cover several million dollars in curricula development and book productions. To us, this is not the issue. The issues are, inter alia, the nature of the proposed curricula changes and the role of the private sector; all these issues were raised with the mission before its departure and need to be addressed clearly in the project document and during negotiations by a specialist.

Please recall that MN2PH identified and financed two consultants, an engineer and Mr. Jean Akl (education specialist), who joined both the preparation mission and the second appraisal mission. We remain fully supportive of the project and its task management and will contribute to expedite the processing of this important component.

For everyone's information, the task manager and I have discussed my earlier memo and have agreed on a number of clarifications and additions to its text and to the project document. I am sure MN2PH will further contribute to the project document upon its circulation (just received). The TORs for the consultant will be adjusted by MN2PH to include close interaction with the private sector (Chamber of Commerce and Industries) to confirm their needs and reflect them in the curricula. It was also agreed that some funds in the ERL will be allocated to finance technical assistance for the newly formed Ministry of Vocational Training. We will have further comments upon review of the project documents.

Proposed Three-Year Reconstruction Program

MN2PH, and COD for that matter, have already agreed to focus on the basic education sector in addition to the vocational

training sector. I propose that the Lebanon Country Team be activated to use it as a platform for discussions of our strategy, priorities and proposed interventions in the proposed three-year reconstruction program.

CC: Youssef Choucair	(YOUSSEF CHOUCAIR)
CC: Alfred T. Heron	(ALFRED T. HERON)
CC: Douglas Keare	(DOUGLAS KEARE)
CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: Spiros Voyadzis	(SPIROS VOYADZIS)
CC: Peter Bocock	(PETER BOCOCK)
CC: George Za'Rour	(GEORGE ZAROUR)
CC: EMENA ISC Files	(EMENA ISC FILES)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 13, 1993 02:11pm

TO: Youssef Choucair (YOUSSEF CHOUCAIR)

FROM: Alfred Gulstone, AFTIE (ALFRED GULSTONE)

EXT.: 34297

SUBJECT: Lebanon- Emergency Reconstruction and Rehabilitation Project

I have quickly reviewed the draft green cover MOP and technical annex and have no comments .

Regards

Al Gulstone.

CC: Alastair J. McKechnie

(ALASTAIR J. MCKECHNIE)

CC: Africa ISC Files

(AFRICA ISC FILES)

LE - Emergency Recovery

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 13, 1993 02:11pm EST

TO: Youssef Choucair (YOUSSEF CHOUCAIR)

FROM: Alfred Gulstone, AFTIE (ALFRED GULSTONE)

EXT.: 34297

SUBJECT: Lebanon- Emergency Reconstruction and Rehabilitation Project

I have quickly reviewed the draft green cover MOP and technical annex and have no comments .

Regards

Al Gulstone.

CC: Alastair J. McKechnie

(ALASTAIR J. MCKECHNIE)

CC: Africa ISC Files

(AFRICA ISC FILES)

LE - Emergency Recovery

A L L - I N - I N O T E

DATE: 12-Jan-1993 04:47pm EST

TO: Youssef Choucair (YOUSSEF CHOUCAIR)

FROM: Robert Buckley, TWURD (ROBERT BUCKLEY)

EXT.: 33938

SUBJECT: lebanon reconstruction

Youssef,

As I told you over the phone, I like the housing side of your project. You have set it up so that there is credible underwriting of an investment that should be fundamental to their restructuring, without hosting the wrong kinds of risks on lenders. The objections about commercial bank involvement are also addressed by the prospects of refinancing in the future. The gains in competitive but private, as it appears to me, underwriting are important. I have not looked at the other parts of the project, but this side is effective.

Bob

CC: Lawrence Hannah (LAWRENCE HANNAH)

LE - Emergency Recovery

A L L - I N - 1 N O T E

DATE: 12-Jan-1993 01:03pm EST

TO: Youssef Choucair

(YOUSSEF CHOUCAIR)

FROM: Laurens Hoppenbrouwer, MN2CO

(LAURENS HOPPENBROUWER)

EXT.: 32716

SUBJECT: Lebanon ERRP Disbursements

Youssef,

I just got the package. Good job.

Re. Item C (Financing Plan) of Alastair's memo, as you know I fully support the idea of a sliding disbursement scale. I believe that the disbursement % would not come down as low as 50% in year three. My rough calculation is as follows:

Total project cost, excluding housing beneficiary contribution is \$ 210 million, of which Bank would on average finance 83.3%.

Thus if one assumes that the disbursement % in year 1 (CY93) is 95%, and in year 2 (CY94) equal to the average (83.3%), and that loan disbursements are as shown on page 9 (\$ 80 million in CY93, \$65 million in CY94, and \$30 million in CY95), than one implicitly assumes that total project expenditures would be as follows : year 1 \$ 84.2 m (80/.95), year 2 \$ 78 m. (65/.833), and year 3 \$47.8 (210 less expenditures in year 1). The disbursement of \$30 million in year 3 would thus imply a disb. % of 63% (30/47.8).

I am aware that the above ignores the differences in disb% between various items.

You may wish to have someone review this aspect, not necessarily in order to have it precise at this stage, but rather, and that is the reason for my query, because in the review the question may be asked whether 50% in year 3 may not be dangerously low given resulting dependence on Govt. contribution of same magnitude.

Laurens

CC: Alastair J. McKechnie

(ALASTAIR J. MCKECHNIE)

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: January 12, 1993 02:46pm

TO: Miguel Quintos

(MIGUEL QUINTOS)

FROM: Youssef Choucair, MN2IN

(YOUSSEF CHOUCAIR)

EXT.: 32434

SUBJECT: LEBANON - Emergency Reconstruction and Rehabilitation Project

Please read the attached EM from Luarens Hoppenbrouwer and let me have your comments ASAP.

I am sending you a copy of the Green cover draft which was issued today for review.

CC: EMENA ISC Files

(EMENA ISC FILES)

✓ "LE - Emergency Recovery & Reconst.
" JO - Transport (03)

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: January 8, 1993 11:30am EST

TO: Ram K. Chopra (RAM K. CHOPRA)

FROM: Alastair J. McKechnie, MN2IN (ALASTAIR J. MCKECHNIE)

EXT.: 33047

SUBJECT: Lebanon - Emergency Recovery Loan
Jordan - Transport III Project

1. I discussed potential Board dates with Mr. Murli who confirmed that dates in the second half of March were very difficult to obtain.

2. We agreed the following tentative dates for the two projects:

Lebanon March 2

Jordan March 9

3. Given the constraints of the Jordanian team, we would need to negotiate the transport project in Paris on January 23-25, immediately before the CG meeting. We would need to send Messrs Wolden and Tharakan to Paris for the negotiations. Tejinder Minhas (MN2CO), Aly Abu Akeel (LEG) and I would be in Paris or passing by on mission at that time. We would therefore need to fund two additional airfares and extra subsistence for up to 5 persons and I would welcome your advice on how to budget for this.

CC: Spiros Voyadzis	(SPIROS VOYADZIS)
CC: Alfred T. Heron	(ALFRED T. HERON)
CC: Margaret H. O'Donnell	(MARGARET H. O'DONNELL)
CC: J. Murli	(J. MURLI)
CC: Youssef Choucair	(YOUSSEF CHOUCAIR)
CC: Terje Wolden	(TERJE WOLDEN)
CC: George Tharakan	(GEORGE THARAKAN)
CC: EMENA ISC Files	(EMENA ISC FILES)

CONSEIL DU DEVELOPPEMENT & DE LA RECONSTRUCTION
BEYROUTH-LIBAN

No. 16/1

Beirut, January 5, 1993

THE WORLD BANK
Industry and Energy Division
Technical department
Europe and Central Asia, Middle East
and North Africa Regions
1818 H. Street, N.W.
WASHINGTON, D.C. 20433
U.S.A.

Attn.: Mr. Salem OUAHES

RE: Contract E1/C
Distribution
Reconstruction and Rehabilitation
Approval of Tender Documents
(Partial)

Dear Sirs,

*Lebanon - Emergency Reconstruction and
Rehabilitation Project - ERPR*

We have the pleasure of submitting to your attention the following draft
Tender Document for your approval:

SECTION 1: Instruction to bidder
SECTION 2: General conditions of contract
SECTION 3: Conditions of particular application
SECTION 5: Form of bid, Appendix to bid, and Bid security
SECTION 7: Form of agreement
SECTION 8: Forms of: Performance Bank guarantee for advance
payment, Defect liability period, Site visit certificate,
and Aquittance the Fee chargeable to cover the reproduction
and mailing cost for bidding documents

- Doc # *AS3709*

The SECTIONS: "4" (Technical specifications), "6" (Bill of quantities) and
"9" ("Drawings") should be forwarded for your evaluation latest January 15, 1993.

Sincerely,

Al-Fadi CHALAK
President

Council for Development and
Reconstruction



INFRASTRUCTURE DIVISION - CD2

Date Rec'd *1-11-93*Date Ack'd *2-5-93*Assigned to: *Choucair**Kasimian**Pelletier*Log No. *LEB-93-P01*

Appendix: Hereabove mentioned documents.