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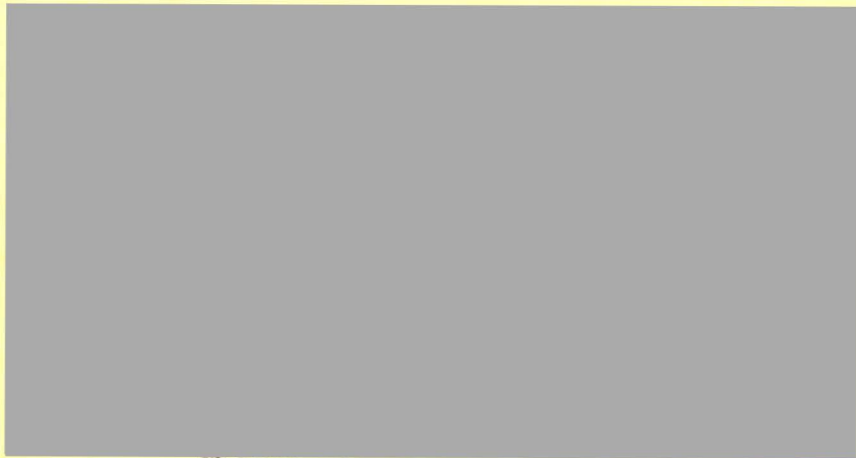
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1467852

R1998-097 Other #: 135 131587B

Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336
Correspondence - Volume 21



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LEBANON - Emergency
Reconstruction & Rehabilitation
Project

**L
B**

21

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2**

CLOSE-OUT SHEET

This File Covers The Period From JAN. 97 To AUG. 97

For Further Correspondence, See (3562) JUL-22

C0440

14-000



Record Removal Notice

File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 21		Barcode No. 1467852		
Document Date 28 August, 1997	Document Type Memorandum			
Correspondents / Participants To: Jean-Claude Villiard From: Mario Antonio Zelaya, MNSID				
Subject / Title Statement of Mission Objectives for Jordan Comm. Infrastructure and Lebanon Coastal Pollution, ERRP and Municipal Dev. Fund Proj.				
Exception(s) Deliberative Information				
Additional Comments		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.		
		<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Withdrawn by Sherrine M. Thompson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	Withdrawn by Sherrine M. Thompson	Date July 24, 2017
Withdrawn by Sherrine M. Thompson	Date July 24, 2017			

OFFICE MEMORANDUM

LB-3562

Approved
[Signature]
7/3/97

DATE: July 3, 1997

TO: Ms. Tufan Kolan, Acting Director, MNCMS

THROUGH: ^{MAK} Mohsin Alikhan, Acting Director, MNSID

FROM: *[Signature]* Suhail Jme'an, Consultant, MNSID

EXTENSION: 32991

SUBJECT: **Lebanon: Emergency Reconstruction and Rehabilitation Project and Amendment (Loan 3562-LE and 3562-1-LE)**
Amendment to Loan Agreement and Agreement Amending the Loan Agreement

1. We seek your approval of the proposed amendment to the Loan Agreement, dated March 8, 1993, and the subsequent Agreement Amending the Loan Agreement, dated July 15, 1996, for the above referenced project.
2. The proposed amendment includes a change in the scope of the project by canceling one activity (development of curricula) and adding another (training in key trades). This change in the scope remains within the objectives of the project. An additional minor change would be to allow the use of Statement of Expenditures for Consultant Services contracts and training according to Bank Guidelines.
3. The Minister of State for Financial Affairs in Lebanon sent us a formal request, dated June 23, 1997, to amend the Loan Agreement for the said project to allow for financing of training activities not included within the original project description.
4. Discussions with the Government on the proposed changes were held with a Bank mission in July 1996. It was then agreed that the proposed training activities would focus on providing urgently needed training to key persons in various trades related to the ongoing reconstruction initiative. These activities would comprise:
 - (i) consumables and tools for about \$1.42 million (contracts already awarded) (to be funded under the existing Category 2(d) of Schedule 1); and
 - (ii) direct training costs for about \$1.03 million consisting of trainers fees, stipends for trainees and other related incidental costs (to be funded under the existing Category 3 of Schedule 1).
5. The financing of these activities would be covered by the amount originally allocated for the curricula development activities, which are no longer part of this project.


The Government has decided to do the work for all the curricula development activities in-house and fund it from its budget.

6. If you agree to the proposed amendment please sign the attached amending letter.

Attachment

cw & cc: Mmes. Abu-Odeh (LEGMN); Koilpillai (LOAEL)

cc: Messrs./Mmes. Kolan, Hoppenbrouwer (MNCMS); Baudouy, Demetriou, El Rashidi (MNSHD); Zelaya (o/r), Saghir (o/r), Rasmusson, Jme'an, Le, (MNSID) ECA/MNA Files, Division Files

 SJme'an:bwm
m:\leb\43297\amend.mem

F-2
LB-PA-43297

FACSIMILE COVER SHEET AND MESSAGE

DATE: July 3, 1997 **NO. OF PAGES:** 5 **MESSAGE NO.:**
(including cover sheet)

TO: H.E. Fuad Siniora **FAX NO.:** 961 1 648 259
Title: Minister of State for Financial Affairs 961 1 801 576
Organization: Ministry of Finance
City/Country: Beirut, Lebanon

COPY TO: Mr. Nabil El-Jisr **FAX NO.:** 961 1 647 947
Title: President
Dept/Div: Council for Development and Reconstruction
Room No.: Beirut, Lebanon

FROM: Ms. Tufan Kolan **FAX NO.:** (202) 477 1691
Title: Acting Director Telephone: (202) 473 3234
Dept/Div: Mashreq Country Management Unit
Room No.: H10-065

SUBJECT: **Lebanon: Emergency Reconstruction and Rehabilitation**
(Loan 3562-LE and 3562-1-LE)
Amendment to Loan Agreement and Agreement Amending the Loan
Agreement.

MESSAGE:

Your Excellency:

Please refer to the attached letter for your reference. Two signed originals will be mailed by DHL to you for your counter-signature.

Kindly return a signed original for our records.

July 3, 1997

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

**Re: Loan 3562-LE and Loan 3562-1-LE (Amendment)
(Emergency Reconstruction and Rehabilitation Project)
Amendment to the Loan Agreement and the Agreement Amending
the Loan Agreement**

Excellency:

We refer to the Loan Agreement between the Lebanese Republic (the Borrower) and the International Bank for Reconstruction and Development (the Bank), dated March 8, 1993, as amended (the Loan Agreement), and the Agreement Amending Loan Agreement, dated July 15, 1996 (the Amendment). We also refer to your request, dated June 23, 1997, that the Loan Agreement and the Amendment be amended to allow for the financing of training activities of persons in several trades through the use of amounts originally allocated for the current Part D (2) of the Project.

We are pleased to inform you that the Bank accedes to your request and that the Loan Agreement and the Amendment are hereby amended as follows:

1. In Section 1.02 (n) of the Loan Agreement the letters "MOT EVT" are deleted and replaced with the letters "MVTE". The words "Technical Education and Vocational Training" are deleted and replaced with the words "Vocational and Technical Education".
2. The table in paragraph 1 of Schedule 1 to the Amendment is amended to read as set forth in the Attachment to this Letter.
3. In paragraph 4 of Schedule 1, the comma in the third line is deleted and replaced with a colon and the letter (a). The full stop in the last line is deleted and replaced with a semi-colon, the word "and" and the letter (b), followed by a new sub-paragraph that reads: " under contracts costing less than \$100,000 equivalent for services with

July 3, 1997

consulting firms, \$50,000 equivalent for services with individual consultants, and all contracts for training.”

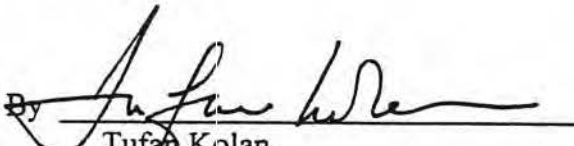
4. In Schedule 2 to the Loan Agreement, paragraph D (2) is deleted, D (3) is relettered as D (2), and the new D (2) is amended as follows:

- (a) the word “MOT EVT” is deleted and replaced with “MVTE”; and
- (b) a coma and the following additional words are added at the end of the paragraph: “and the training of persons in key trades.”

Please confirm your agreement with the foregoing by signing, dating and returning to us the form of confirmation in the enclosed copy of this letter.

Sincerely,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By 
Tufan Kolan
Acting Director
Mashreq Country Management Unit

CONFIRMED:

LEBANESE REPUBLIC

By: _____
Authorized Representative

Date: _____

Attachment

SCHEDULE 1

Withdrawals of the Proceeds of the Loan

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	<u>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Civil works		
(a) Under Part A of the Project	76,000,000	44% prior to September 1, 1995 and 85% thereafter
(b) under Part B of the Project	1,700,000)))))	90 % prior to July 1, 1994, and 60% from July 1, 1994 to April 11, 1996, and 85% thereafter
(c) Under Part C.1 of the Project	600,000)))	
(d) under Part D of the Project	8,000,000)	
(2) Equipment and Materials:		
(a) Under Part A of the Project	2,000,000))))	100% of foreign expenditures; 100% of local expenditures;
(b) under Part B of the Project	68,400,000)))))	(ex-factory cost and 80% of local expenditures for other items procured locally)

<u>Category</u>	<u>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(c) Under Part C.1 of the Project	13,700,000))	
(d) under Part D of the Project	700,000)	
(3) Consultants' services and training under Part D.2 and E of the Project	29,700,000	100%
(4) Unallocated	0	
(5) Incremental operating costs under Part C.2 of the Project	6,000,000	90% prior to July 1, 1994; 70 % from July 1, 1994, to June 30, 1995 and 40% thereafter
(6) Grants under Part F of the Project	18,200,000	85% of amounts paid
 TOTAL	<hr/> <u>225,000,000</u>	

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

DATE: July 2, 1997 12:22pm

TO: TUFAN KOLAN (TUFAN.KOLAN@A1@WBWASH)
TO: SUHAIL JME AN (SUHAIL.JME.AN@A1@WBWASH)

FROM: Vasilios Demetriou, MNSHD (VASILIOS.DEMETRIOU@A1@WBHQB)

EXT.: 81220

SUBJECT: **Lebanon Cr. 3562-LEB**
Amendment of Project Description

Tufan/Suhail,

In the Vocational Education component of ERRP, we are deleting one activity development of curricula and adding training in key trades. The actual wording in the documents may be different but this is the general idea. The amendment letter has the correct terminology as they appear in the formal documents.

The deletion of curriculum activities is a good idea since after several years of inactivity or proposals that did not comply with Bank procedures, the Ministry finally decided to do the work in-house and with consultants of its choice (it's a complicated story) and fund it from its budget.

The addition of training will enable MVTE to undertake accelerated training in key trades, which is needed urgently. Equipment is being procured under the equipment category and fees for trainers are covered under the consultant category. The only issue with training was that MOF wanted assurances that the trainers are not public servants (and they are not).

We also need to address another issue, the use of SOEs for consultants. Now that we have six persons (the TSU) on the payroll, it would be a good idea to pay their salaries from the Special Account and avoid the need for contract records here etc. Lama, told me that she would be happy to incorporate this change as well.

We need to inform our RVP of these changes (OD 13.05 see page 2 relevant paras 34 & 35). I would be happy to help Suhail prepare a short memo from Inder to Kamal.

Thanks,
Vas

34. Except for routine modifications (para. 23), amendments to the legal agreements, including the waiver of conditions, require the approval of the CD director. If a proposed amendment is substantial, particularly if it involves a significant change in project scope and concept, or if the waiver of a condition is of major significance, it must be endorsed by the RVP and approved by the executive directors. The RVP in consultation with LEG, is responsible for deciding whether a proposed amendment to a Loan/Credit Agreement or a waiver is major and therefore needs to be submitted to the Board for approval on a no-objection basis. For amendment and waivers requiring Board approval, and for supplemental loans, the RVP may seek the guidance of the MD concerned.

35. The monthly Report to the Executive Directors on Bank and IDA Operations, prepared by the Secretary's Department in consultation with the Regions, informs the executive directors of minor changes in the project description and loan covenants. Substantial changes and supplemental loans are submitted by the appropriate RVP to the executive directors in the form of a Memorandum and Recommendation of the President (MOP). Board approval is normally sought on a "no-objection" basis, but in special circumstances, for example, where the proposed change substantially alters the project concept or design, or where the supplemental loan is large, the MOP is considered at a Board meeting. The MOP focuses on the cause of the change or additional financing needs, the measures taken to deal with the situation, and any new arrangements for project execution. It is brief and provides the executive directors with background information and justification for continuing the project and, in the case of a supplemental loan, the need and justification for additional Bank financing. The MOP includes a newly estimated economic rate of return or other appropriate justifications, supported by reference to changes in benefits and costs. The MOP concisely describes any changes required in the loan documents.

CC: JACQUES BAUDOY (JACQUES BAUDOY@A1@WBWASH)
CC: LAMA ABU-ODEH (LABUODEH@WorldBank.org@INTERNET)
CC: MARIO ANTONIO ZELAYA (MARIO ANTONIO ZELAYA@A1@WBWASH)
CC: RANDA EL RASHIDI (RANDA EL RASHIDI@A1@WBWASH)
CC: ECA MNA ISC FILES (ECA MNA ISC FILES@A1@WBWASH)

LB - 3552

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 26, 1997 00:24am

TO: Suhail Jme'An

(SUHAIL JME AN)

FROM: Mario Antonio Zelaya, MN2PI

(MARIO ANTONIO ZELAYA)

EXT.: 30609

SUBJECT: Suhail please follow-up the final minutes of the meeting attached
seek final clearance of Tufan

Suhail, this is the draft minutes of the subject meeting. Please consider Tufan's comments and ay from Vas Demetriou. Please issue the final after getting the final clearance, \. send me a copy to Beirut.

Thanks and regards,

Mario

CC: Tufan Kolan

(TUFAN KOLAN)

CC: VASILIOS DEMETRIOU

(VASILIOS DEMETRIOU @A1@WBHQB)

CC: ECA MNA ISC Files

(ECA MNA ISC FILES)

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE:

TO: Tufan Kolan (TUFAN KOLAN)

FROM: Mario Antonio Zelaya, MN2PI (MARIO ANTONIO ZELAYA)

EXT.: 30609

SUBJECT: Lebanon-ERRP Ln3562-LE/Minutes of Mid-Term Review Issues Meeting

A meeting, chaired by Ms. Tufan Kolan, Acting Director, was held on June 25, 1997 at 10:00 a.m. in Mr. Sud's office to discuss the issues note for the subject project Mid-Term Review Mission I will undertake from June 26 to July 12, 1997. In attendance were Messrs./Mesdames: Sarshar Khan, Acting MN2PI Chief; Lama Abu-Odeh, LEGMN; Vasilios Demetriou, MNSHD; Laurens Hoppenbrouwer, MN2CO; and myself. A summary of the discussions and decisions taken are given below.

Regarding Issue 1- Procurement of pending works.

(a) Regarding CDR's implementation capacity, the meeting agreed that CDR is swamped with work and the mission should explore the possibility of CDR assigning senior staff full-time to the ERRP to ensure the project is completed before loan closing; and (b) Regarding pending procurement by the Electricite du Liban (EdL), the mission will arrange a joint meeting between EdL and CDR to reach agreement of how they will cooperate to proceed expeditiously to complete implementation of pending project components prior to Loan closing on December 31, 1998;

Regarding Issue 2- Completion of the Vocational Education Component.

The meeting advised the mission to review jointly with CDR and MVTE the pending works reported by Mr. Vas Demetriou in his BOT of May 1997, and evaluate what could be completed before Loan closing. Any sub-components which could not be completed before Loan closing should be considered under the proposed loan for Vocational and Technical Education (Mr. Demetriou agreed to do that). It was agreed, in principle, based on Mr. Demetriou's BTO that only the following sub-components may be completed prior to Loan closing: (i) the accelerated training sub-component (about US\$2.45 million equivalent), (ii) the design (excluding supervision) services (less than \$0.4 million equivalent), (iii) the Technical Support Unit til Loan closing (about \$0.35 million equivalent), and (iv) the design and preparation of tender documents for Civil Works (amount to be determined out of the \$4.16 million Bank share of civil works). In principle, only those works which could be completed prior to Loan closing should be considered and the balance may be considered for re-allocation to other ERRP components which could be completed before Loan closing. Also, the mission will hold a joint meeting with CDR and the Ministry of Vocational and Technical Education and reach agreement on how both organizations should cooperate to expedite implementation of those sub-components which could be completed before Loan closing. These agreements will be included in the time-based action plan.

Regarding Issue 3-Extending the Loan Closing date. The meeting advised the mission to review those contracts already approved by the Bank and determine to the best of its judgement the time needed for completion. According to a recent

report from Mr. Lars Rasmusson who visited Lebanon in May 1997, completion of some contracts approved by the Bank may extend up to six or more months beyond loan closing. The Mission will recommend to Management on the best course of action upon return to Headquarters. In principle, any extension to the closing date should be only to complete those contracts already approved by the Bank.

Regarding Issue 4- Re-allocation of uncommitted funds to existing contracts. The meeting agreed that such an option may be feasible provided: (i) it is legal to extend the contracts, particularly as it regards the extent of increase to the original contract amount; (ii) the extension of the contract will not require extending the Loan closing date; and (iii) the additional works are within the project scope and objectives. The mission should examine the possibility of extending existing satisfactory contracts under the VTE component for the rehabilitation of schools, as such facilities were not fully rehabilitated due to the lack of sufficient funds.

Finally, the mission will record all its findings and agreements in the Memorandum of Understandings.

CC: Inder Sud	(INDER SUD)
CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: Sarshar Khan	(SARSHAR KHAN)
CC: Lama Abu-Odeh	(LAMA ABU-ODEH)
CC: Laurens Hoppenbrouwer	(LAURENS HOPPENBROUWER)
CC: VASILIOS DEMETRIOU	(VASILIOS DEMETRIOU @A1@WBHQB)
CC: Hannah Koilpillai	(HANNAH KOILPILLAI)
CC: Suhail Jme'An	(SUHAIL JME AN)
CC: Blanche Williams	(BLANCHE WILLIAMS)
CC: Marie Ange Le	(MARIE ANGE LE)
CC: ECA MNA ISC Files	(ECA MNA ISC FILES)

LB - 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 26, 1997 09:58am

TO: Mario Antonio Zelaya (MARIO ANTONIO ZELAYA@A1@WBWASH)

FROM: Vasilios Demetriou, MNSHD (VASILIOS DEMETRIOU@A1@WBHQB)

EXT.: 81220

SUBJECT: RE: Suhail please follow-up the final minutes of the meeting attached
seek final clearance of Tufan

Mario,

I have no comments on the minutes prepared, and I agree with the recommendations.

Thanks,
Vas


CC: Suhail Jme'An (SUHAIL JME AN@A1@WBWASH)
CC: Tufan Kolan (TUFAN KOLAN@A1@WBWASH)
CC: ECA MNA ISC Files (ECA MNA ISC FILES@A1@WBWASH)

OFFICE MEMORANDUM

LB - 3562

DATE: June 26, 1997

TO: Distribution

FROM: 
Mario A. Zelaya, Task Manager, MN2PI

EXTENSION: 3-0609

SUBJECT: **LEBANON: ERRP Mid-Term Review Issues Meeting
Minutes of Review Meeting**

1. A meeting, chaired by Ms. Tufan Kolan, Acting Director, was held on June 25, 1997, at 10:00 a.m. in Mr. Sud's office to discuss the issues note for the subject project Mid-Term Review Mission I will undertake from June 26 to July 12, 1997. In attendance were Messrs./Mesdames: Sarshar Khan, Acting MN2PI Chief; Lama Abu-Odeh, LEGMN; Vasilios Demetriou, MNSHD; Laurens Hoppenbrouwer, MN2CO; and myself. A summary of the discussions and decisions taken are given below.

2. **Regarding Issue 1- Procurement of pending works.** (a) Regarding CDR's implementation capacity, the meeting agreed that CDR is swamped with work and the mission should explore the possibility of CDR assigning senior staff full-time to the ERRP to ensure the project is completed before loan closing; and (b) regarding pending procurement by the Electricite du Liban (EdL), the mission will arrange a joint meeting between EdL and CDR to reach agreement of how they will cooperate to proceed expeditiously to complete implementation of pending project components prior to Loan closing on December 31, 1998.

3. **Regarding Issue 2- Completion of the Vocational Education Component.** The meeting advised the mission to review jointly with CDR and MVTE, the pending works reported by Mr. Vas Demetriou in his BOT of May 1997, and evaluate what could be completed before Loan closing. Any sub-components which could not be completed before Loan closing should be considered under the proposed loan for Vocational and Technical Education (Mr. Demetriou agreed to do that). It was agreed that of the \$7.4 million for vocational education component, about \$2.45 million equivalent had been firmly committed for the accelerated training component. Another \$0.35 million was committed for the Technical Support Unit. For the remaining sum, it was agreed in principle that activities which can be completed by the project closing date could be considered. These activities could include (i) variation orders to complete the rehabilitation works at vocational schools which were not carried out due to lack of funds or omitted from the original contracts due to inadequate field surveys; (ii) design works and preparation of tender documents for civil works (the contracts would be awarded

under the proposed Vocational Education Project); and (iii) other activities that are of small scope and can be completed within the closing date. It was also agreed that any "unallocated" amount from the remaining fund for the vocational education component, should be reallocated, in agreement with the MVTE, to other project components. If necessary, to ensure that the vocational education program does not get "shortchanged", the mission is authorized to inform the MVTE Minister that the Bank could increase the proposed loan amount for the vocational education component by the amount reallocated to other components. Also, the mission will hold a joint meeting with CDR and the MVTE and reach agreement on how both organizations should cooperate to expedite implementation of those sub-components which could be completed before Loan closing. These agreements will be included in the time-based action plan.

4. **Regarding Issue 3-Extending the Loan Closing date.** The meeting advised the mission to review those contracts already approved by the Bank and determine to the best of its judgment the time needed for completion. According to a recent report from Mr. Lars Rasmusson who visited Lebanon in May 1997, completion of some contracts approved by the Bank may extend up to six or more months beyond loan closing. The Mission will recommend to Management on the best course of action upon return to Headquarters. In principle, any extension to the closing date should be only to complete those contracts already approved by the Bank.

5. **Regarding Issue 4- Re-allocation of uncommitted funds to existing contracts.** The meeting agreed that such an option may be feasible provided: (i) it is legal to extend the contracts, particularly as it regards the extent of increase to the original contract amount; (ii) the extension of the contract will not require extending the Loan closing date; and (iii) the additional works are within the project scope and objectives. The mission should examine the possibility of extending existing satisfactory contracts under the VTE component for the rehabilitation of schools, as such facilities were not fully rehabilitated due to the lack of sufficient funds.

6. Finally, the mission will record all its findings and agreements in the Memorandum of Understandings.

cw & cc: Ms./Mr.: Kolan (MN2DR); Demetriou (MNSHD) - By E-Mail

Distribution:

Messrs./Mmes. Badouy, El Rashidi (MNSHD); Hoppenbrouwer (MN2CO);
McKechnie, Khan, Saghir (o/r), Rasmusson, Jme'an, Le, (MN2PI);
Abu-Odeh (LEGMN); Koilpillai (LOAEL)

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MZelaya:bw

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LB-3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO : Mr. Alastair McKechnie
Chief
MN2PI
The World Bank

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

FAX NO.: (202) 477-0348

FAX NOS.: (961-1) 86 44 94
(961-1) 64 7947

SUBJECT: Lebanon-ERRP(3562 LE)-Loan Agreement and
CDR Project Agreement-CDR's Audited
Accounts

REF. : 1884/97/P.O.

DATE : 25/6/1997

NO. OF PAGES: (1) INCLUDING COVER SHEET

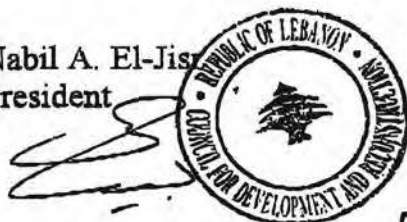
Dear Mr. McKechnie,

Ref. Article IV - Financial Covenants - Section 4.01(b) of the Loan Agreement and CDR Project Agreement dated 8-3-1993, we would like to inform you that we will be sending you CDR's audited accounts, as well as, the auditor's reports of the special account and payments made on the basis of Statements of Expenditures(SOE), as soon as we receive a final and official copy from our auditors Deloitte et Touche.

Thank you for your cooperation.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction
NM

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	LEBANON
Project:	ERRP
Rec'd:	6/25/97 Log No. 31 A
Assigned to:	Mr. JME'AN
Copy to:	Mr. JME'AN (E-D) (B.W) Division Chief Division Files EMENA Files
Action:	Acknowledged 6/25/97

*Blanche, pls draft
reply acknowledging this message and
looking forward to receiving the audit reports
thanks NM*

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NOs.:
(961-1) 643980 /1/2/3- BEIRUT-LEBANON

LB-3562

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

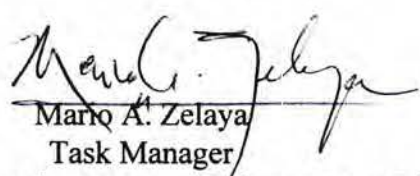
DATE:	June 25, 1997	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil A. El-Jisr Title: President Organization: Council for Development & Reconstruction City/Country: Beirut, Lebanon	FAX NO.: (961-1) 64-79-47	
FROM:	Mario A. Zelaya Title: Task Manager Dept/Div: Private Sector Development and Infrastructure Division Room No.: H10-013	FAX NO.: (202) 477-0348 Telephone: (202) 473-0609 Dept./Div. No.: 286-40	
JBJECT:	LEBANON: ERRP (Loan No. 3562-LE) - Loan Agreement and CDR Project Agreement - CDR's Audited Accounts		

MESSAGE:

Dear Mr. El-Jisr,

We acknowledge receipt of your fax dated June 25, 1997, on the above subject and look forward to receiving the audit reports as mentioned in your fax.

Sincerely yours,



Mario A. Zelaya
Task Manager

Private Sector Development and Infrastructure Division
Middle East Department
Middle East and North Africa Region

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cc: Messrs./Mmes.: Rasmusson, Le, Dennis (MN2PI)

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THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-8391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE:	June 25, 1997	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil A. El-Jisr Title: President Organization: Council for Development & Reconstruction City/Country: Beirut, Lebanon		FAX NO.: (961-1) 64-79-47
FROM:	Mario A. Zelaya Title: Task Manager Dept/Div: Private Sector Development and Infrastructure Division Room No.: H10-013		FAX NO.: (202) 477-0348 Telephone: (202) 473-0609 Dept/Div. No.: 286-40
SUBJECT:	LEBANON: ERRP (Loan No. 3562-LE) - Loan Agreement and CDR Project Agreement - CDR's Audited Accounts		

MESSAGE:

Dear Mr. El-Jisr

LB-3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO : Mr. Alastair McKechnie
Chief
MN2PI
The World Bank

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

FAX NO.: (202) 477-0348

FAX NOS.: (961-1) 86 44 94
(961-1) 64 7947

SUBJECT: Lebanon-ERRP(3562 LE)-Loan Agreement and
CDR Project Agreement-CDR's Audited
Accounts

REF. : 1884/97/P.O.

DATE : 25/6/1997

NO. OF PAGES: (1) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Ref. Article IV - Financial Covenants - Section 4.01(b) of the Loan Agreement and CDR Project Agreement dated 8-3-1993, we would like to inform you that we will be sending you CDR's audited accounts, as well as, the auditor's reports of the special account and payments made on the basis of Statements of Expenditures(SOE), as soon as we receive a final and official copy from our auditors Deloitte et Touche.

Thank you for your cooperation.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction
NM

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	LEBANON
Project:	ERRP
Rec'd. 6/25/97	Log No. 31 A
Assigned to:	M.K. JME'AN
Copy to:	(E-D) (B.W) Division Chief Division Files EMENA Files
Action:	

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NOs.:
(961-1) 643980 /1/2/3- BEIRUT-LEBANON

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 25, 1997 03:11pm

TO: SUHAIL JME AN (SUHAIL JME AN@A1@WBWASH)

FROM: Vasilios Demetriou, MNSHD (VASILIOS DEMETRIOU@A1@WBHQB)

EXT.: 81220

SUBJECT: **Lebanon Ln 3562-LEB (Voc Educ. Comp)**
Evaluation of Bids for Supply of Tools and Equipment

Suhail,

Please proceed with the "no objection" for the contracts as proposed by CDR. I have checked the proposed awards and have no further comments.

I suggest that you include the lot number and the generic description of the goods supplied by each supplier (sub-totals and totals).

Please enter the information for each contract into the system (Form 384P) if you need to. I am not sure what the threshold is for this project, but it is safer to enter the information.

Thanks,
Vas

CC: MARIO ANTONIO ZELAYA (MARIO ANTONIO ZELAYA@A1@WBWASH)
CC: JACQUES BAUDOUY (JACQUES BAUDOUY@A1@WBWASH)
CC: RANDA EL RASHIDI (RANDA EL RASHIDI@A1@WBWASH)
CC: MIRA HONG (MHONG@WorldBank.org@INTERNET)
C: ECA MNA ISC FILES (ECA MNA ISC FILES@A1@WBWASH)

LB - 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 25, 1997 01:50pm

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

FROM: Mario Antonio Zelaya, MN2PI (MARIO ANTONIO ZELAYA)

EXT.: 30609

SUBJECT: Lebanon-ERRP Mid-Term Review Mission/Statement of Mission Objectives

I am planning to arrive in Lebanon on June 28, 1997 for a stay of about two weeks. The main purpose of my mission will be to conduct a mid-term review to follow up on the issues discussed and agreed during the pre-mission issues review meeting chaired by Ms. Tufan Kolan, Acting Director, on June 25, 1997 (see separate minutes of meeting). I will also spend about three days to assist MNSHD in the identification of the proposed Community Development Fund for Lebanon as agreed in the meeting with Mr. Sud dated May 30, 1997.

Regarding the ERRP, in addition to the normal supervision, I will follow-up on the findings and recommendations of recent supervision missions of Messrs. Skelton in April/May 1997; Mr. Demetriou and Ms. El-Rashidi in May 1997; Mr. Rasmusson in May 1997; and Mr. Saghir in May/June 1997. I will specifically follow-up on the recommendations of the pre-mission issues review meeting as recorded in the minutes of the meeting (separate EMail).

Regarding the proposed Community Development Fund, I will work closely with Mr. Basam Ramadan (task manager) in the identification of the project. In this regard, I will meet with concerned officials primarily of the Ministry Of Municipal Affairs who would be the main beneficiary of the proposed loan. I will look into institutional aspects associated with the implementation of type of investments to be funded under the proposed project, as well as the type of eligible investments, cost-recovery/operation and maintenance issues. I will also review implementation arrangements that should be considered during project preparation and recommend on a plan of actions leading for timely project preparation. I will report to the task manager and key MNSHD staff (Mr. David Steel) who are also involved in the proposed project.

Upon my return to Headquarters I will prepare timely BTOs for each project.

- CC: Inder Sud (INDER SUD)
- CC: Tufan Kolan (TUFAN KOLAN)
- CC: Adil Kanaan (ADIL KANAAN)
- CC: Sarshar Khan (SARSHAR KHAN)
- CC: Laurens Hoppenbrouwer (LAURENS HOPPENBROUWER)
- CC: Lama Abu-Odeh (LAMA ABU-ODEH)
- CC: Hannah Koilpillai (HANNAH KOILPILLAI)
- CC: VASILIOS DEMETRIOU (VASILIOS DEMETRIOU @A1@WBHQB)
- CC: Rama Skelton (RAMA SKELTON)

CC: Jamal Saghir
CC: Randa El-Rashidi
CC: Blanche Williams
CC: Remote Addressee
CC: David Steel
CC: ECA MNA ISC Files

(JAMAL SAGHIR)
(RANDA EL RASHIDI)
(BLANCHE WILLIAMS)
(bramadan@omsar.gov.lb@internet)
(DAVID STEEL)
(ECA MNA ISC FILES)

LB_ ln 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 23, 1997 04:04pm

TO: Lama Abu-Odeh

(LAMA ABU-ODEH)

FROM: Mario Antonio Zelaya, MN2PI

(MARIO ANTONIO ZELAYA)

EXT.: 30609

SUBJECT: Lebanon-ERRP Ln 3562-LE/GOL Request to Amend the Project Descript.
in the Loan Agreement.

Lama, greetings!

I just received a request from H.E. Fuad Siniora, MoF, to amend the L.A. of the subject project to include "Training Activities." We had agreed to this change, in principle, as we drafted the letter (in 9/20/96) we just received.

Would you please draft an amendment to the L.A. and P.A. if needed to reflect the change requested. I am faxing you a copy of the request now. I'll ask Marie Ange to follow-up.

Your prompt reply will be appreciated as I'll be leaving on mission to Lebanon on 6/26/97.

Many thanks and regards,

Mario

CC: Sarshar Khan

(SARSHAR KHAN)

CC: Alastair J. McKechnie

(ALASTAIR J. MCKECHNIE)

CC: Hannah Koilpillai

(HANNAH KOILPILLAI)

CC: Laurens Hoppenbrouwer

(LAURENS HOPPENBROUWER)

CC: VASILIOS DEMETRIOU

(VASILIOS DEMETRIOU @A1@WBHQB)

CC: Marie Ange Le

(MARIE ANGE LE)

CC: Blanche Williams

(BLANCHE WILLIAMS)

CC: ECA MNA ISC Files

(ECA MNA ISC FILES)

REPUBLIC OF LEBANON
MINISTRY OF FINANCE

CB-3562

06-23-97

THE MINISTER

Mr. Alastair J. McKechnie
Division Chief
Private Sector Development and
Infrastructure Division
Middle East Department
Middle East & North Africa Region
The World Bank

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	<u>LEBANON</u>
Project:	<u>ERRP SUPPLEMENTAL</u>
Rec'd:	<u>JUNE 23 97</u> Log No. <u>358</u>
Assigned to:	<u>M. A. JME'AN</u> (B.W)
Copy to:	Division Chief Division Files EMEN: Files
Action:	

LEBANON: Emergency Reconstruction and Rehabilitation Project (ERRP)-
(Ln. 3562-LE)- Request for an Amendment to the Loan Agreement

Dear Mr. McKechnie,

We would like to request an amendment to the Loan Agreement (Ln. 3562-LE) to allow for financing of "training activities" designed to respond to the ongoing reconstruction and rehabilitation efforts of the country. Further to our discussions with the July 1996 World Bank mission, it was agreed that the inclusion of a "training component" would be congruent with the overall objectives of the Emergency Recovery and Rehabilitation Project given its importance in accelerating the reconstruction efforts.

Specifically, this activity will focus on the provision of training key persons involved in various trades related to the reconstruction initiatives. The training activity comprises two components : (a) consumables and tools (funded under the existing category 2D); and (b) direct training costs consisting of trainer fees, stipends for trainees and other incidental costs (funded) under the existing category 3). We expect that the financing of these activities would be partially covered by the amount originally allocated for the curricula development component which is no longer part of the Project.

Your concurrence and action in this matter will allow us to proceed quickly with the implementation of this component and maintain the momentum and interest created on the part of the beneficiaries of this Project.

Sincerely,



Fuad Siniora

Minister of State
for Financial Affairs

LB-3562
6-23-97

Run: 1997-06-23 18:49:47.420973

Project ID: 5336	Board Approval Date: 03/04/1993	Form 590 Sequence No 14
Project Name: EMERGENCY RECOVERY	Borrower: GOVERNMENT	
Task Manager: ZELAYA	TM Division: MN2PI	Since: 02/01/1996

BLOCK 1. IDENTIFIERS

Region: MNA	Country: LEBANON	Sector: UY	Lending Instrument: ERL	
Prog. Obj. Cat.: EN	EA Category: B	PTI? N	NGO? N	Resettlement? N

Loan Information (\$M)								
<u>Agreement Type</u>	<u>L/C/G Number</u>	<u>Original Amounts</u>	<u>Revised Amounts</u>	<u>Currency Indicator</u>	<u>Product Line</u>	<u>Signing Date</u>	<u>Effectiveness Date</u>	<u>Supplemental Project ID</u>
IBRD	35621	50.00		POOL	PE	07/15/1996	05/27/1997	43297
IBRD	35620	175.00		POOL	PE	03/08/1993	09/17/1993	
Total Original Amount: 175.00				Total Revised Amount: 225.00				

<u>Cofinancing</u>	<u>Agency</u>	<u>Board Amount (\$M)</u>	<u>Current Amount (\$M)</u>
<u>Trust Funds</u>			
<u>Others</u>	ARAB FU	75.00	0.00
	FRA	20.80	0.00
	IFAD	4.00	0.00
	ISLAMIC	14.70	0.00
	ITA	189.10	0.00
	KUWAIT	41.70	0.00
	MULTILA	327.60	0.00
	Total	672.90	0.00

<u>Guarantee Type:</u>	<u>Guarantee Amount (\$M):</u>
This form is part of <input type="checkbox"/> Initial summary <input type="checkbox"/> Supervision mission <input checked="" type="checkbox"/> Portfolio status update <input type="checkbox"/> Mid-term review <input type="checkbox"/> ICR mission	Read together with <input type="checkbox"/> Aide-memoire <input type="checkbox"/> BTO memo of: <input type="checkbox"/> Follow-up letter of:
	Mission End Date: 07/25/1996 Months since last mission: 11 Next mission planned: 06/29/1997
	This Form 590 Date: 06/23/1997 Last Form 590 Date: 09/19/1996

<u>Supervision Effort</u>	<u>Total Staff-weeks</u>	<u>Total \$000</u>	<u>Field Staff-weeks</u>	<u>Field \$000</u>	<u>As of</u>
Current FY - Planned	20.00	82.59			06/23/1997
Current FY - Actual	15.85	63.82	4.10	27.78	
Board through preceding FY	145.30	500.11	60.75	207.06	
Total Actual	161.15	563.93	64.85	234.84	

<u>UPI Number</u>	<u>Mission Member</u>	<u>Division</u>	<u>Number of Field Days</u>	<u>Role or Specialization</u>	<u>Previous mission?</u>

Project ID: 5336**Project Name:** EMERGENCY RECOVERY**Task Manager:** ZELAYA**Board Approval Date:** 03/04/1993**Borrower:** GOVERNMENT**TM Division:** MN2PI**Form 590 Sequence No** 14**Since:** 02/01/1996**BLOCK 2. PROJECT DEVELOPMENT OBJECTIVES****1.**

(i) To rehabilitate, repair and reconstruct war-damaged physical and social infrastructure facilities and housing; and (ii) strengthen the Government's institutional capabilities in implementing the NERP.

Key indicators of development outcome/impact

(Currently being discussed in the field by a Bank mission.)

(i) Timely completion and satisfactory operation of:

- water and wastewater being rehabilitated;
- solid waste recycle system in Beirut;
- power generation plants being rehabilitated;
- vocational and technical training facilities;
- number of schools repaired.

(ii) Number of housing loans made and houses reconstructed;

(iii) Number of ministries and government agencies receiving technical assistance and number of training programs.

Have project development objectives changed since Board approval? N**Date:****Has there been a mid-term review? N****Date:****Has the project been restructured? N****Date:****MTR scheduled for**

06/29/1997

Project ID: 5336
Project Name: EMERGENCY RECOVERY
Task Manager: ZELAYA

Board Approval Date: 03/04/1993
Borrower: GOVERNMENT
TM Division: MN2PI

Form 590 Sequence No 14
Since: 02/01/1996

BLOCK 3. MANAGEMENT INFORMATION SYSTEMS

		<u>Closing Date</u>	<u>Proj Cost (\$M)</u>		
Original from SAR/MOP		12/31/1996	223.9	Project age in years:	4.3
As formally revised		12/31/1998	293.1	As % of elapsed time from Board to expected closing:	63.0
Expected - this Form 590		12/31/1999	293.1	Number of formal closing date extensions:	1
Expected - last Form 590		12/31/1998	293.1	Date of last extension:	05/01/1996
Cost overrun (percent):	30.9			Closing Delay (months):	24
Disbursement amounts in millions of US\$			Original Disbursement lag (% forecast): 23.1		
As of 05/31/1997			Original Disbursement lag (months): 24		
		<u>Amount</u>	<u>%</u>	Revised Disbursement lag (% forecast): 4.0	
Original SAR/MOP Forecast		175.0	100.0	Revised Disbursement lag (months): 2	
Formally Revised Forecast		140.0	62.2	Date of last disbursement: 05/31/1997	
Actual Disbursements		134.4	59.7	Are disbursements now under suspension? N	
Revised Disb. Forecast for Current FY		35.0	15.5	<i>Please indicate the latest date suspension was:</i>	
Actual Disbursements For Current FY		24.3	10.8	Imposed:	Lifted:
Undisbursed Loan/Credit/Grant Balance		90.5	40.2		
Reasons for Formally Revising Disbursement Estimates					
Supplemental Loan/Credit					
Quick Disbursing Components					
(For SALs, SECALs, RILs, DRLs, and Hybrids only)					
	<u>Date</u>	<u>Expected Amount (\$M)</u>	<u>Actual Date</u>	<u>Expected v. Actual (months)</u>	
Actual Amount (\$M):					
	Overdue		Received		
Audited Financial Statements	<u>1-3 Months</u>	<u>>3 Months</u>	<u>Qualified</u>	<u>Account. Issues</u>	
- entity/organization	N	N	N	N	
- project (incl. SOE)	N	Y	N	N	
- special accounts	N	N	N	N	
Progress Reports	N	N			
Actions Taken on Audit/Accountability Issues					
On April 3, 1997, Bank requested auditor's opinion on the use of SOEs, which had not been addressed in the audit report for the period 3/8/93-12/31/95. A response from CDR enclosing the auditor's reply was received on June 11, 1997. The auditor's response stated that "no disbursements were effected from 3/8/93-12/31/95 in respect of SOE relating to the loan account."					

Project ID: 5336
 Project Name: EMERGENCY RECOVERY
 Task Manager: ZELAYA

Board Approval Date: 03/04/1993
 Borrower: GOVERNMENT
 TM Division: MN2PI

Form 590 Sequence No 14
 Since: 02/01/1996

BLOCK 4. IMPLEMENTATION PROGRESS RATINGS

<u>Last 590</u>	<u>This 590</u>	<u>Component</u>	<u>Category</u>	<u>Cost (\$M)</u>
	S	WATER	Physical	122.2
	S	POWER	Physical	79.7
	S	HOUSING	Physical	38.5
	S	SOLID WASTES	Physical	45.0
	U	VOCATIONAL TRAINING	Physical, Institution-building	18.7
	S	TECHNICAL ASSISTANCE	Policy, Institution-building	10.0

<u>Last 590</u>	<u>This 590</u>	<u>Specific aspects</u>	
1	S	Counterpart funds	
1	S	Project management	
2	S	Procurement	HS Highly Satisfactory
		Resettlement	S Satisfactory
1	S	Environment	U Unsatisfactory
		Environmental plan	HU Highly Unsatisfactory
1	S	Financial covenants	NR Not Rated
1	S	Other legal covenants	Not Applicable
		WID Impact	
		Monitoring and Evaluation	

<u>Last 590</u>	<u>This 590</u>	<u>Summary Implementation Progress Rating (IP)</u>
S	S	<i>Summary IP rating should be based primarily on progress by component</i>

Check principal reasons for (highly) unsatisfactory IP rating, or if IP rating is satisfactory but problems exist, check principal problems:

- | | |
|--|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Legislative approvals <input checked="" type="checkbox"/> Administrative problems <ul style="list-style-type: none"> <input type="checkbox"/> Central core government <input checked="" type="checkbox"/> Sectoral ministries/agencies <input type="checkbox"/> Provincial/state authorities <input type="checkbox"/> Local government <input type="checkbox"/> Counterpart fund shortfall <ul style="list-style-type: none"> <input type="checkbox"/> Central government <input type="checkbox"/> State/provincial/local <input type="checkbox"/> Internal cash generation <input type="checkbox"/> Suspended Bank/IDA disbursements <input type="checkbox"/> Other donors/cofinanciers <input checked="" type="checkbox"/> Project management <ul style="list-style-type: none"> <input type="checkbox"/> Implementing agency staffing <input type="checkbox"/> Consultant performance | <ul style="list-style-type: none"> <input type="checkbox"/> Management of Special Accounts <input type="checkbox"/> Shortage and/or delay in supply of materials <input type="checkbox"/> Procurement <input type="checkbox"/> Supplier/contractor performance <input type="checkbox"/> Land acquisition <input type="checkbox"/> Resettlement <input type="checkbox"/> Other environmental <input type="checkbox"/> Community/NGO/political opposition <input type="checkbox"/> Project/component design <input type="checkbox"/> Borrower commitment <input type="checkbox"/> Turnover of government officials/project management staff <input type="checkbox"/> Inadequate resources for supervision <input type="checkbox"/> Inappropriate conditionality |
|--|--|

Other reasons:

INCREASED WORKLOAD ON CDR

Project ID: 5336	Board Approval Date: 03/04/1993	Form 590 Sequence No 14
Project Name: EMERGENCY RECOVERY	Borrower: GOVERNMENT	
Task Manager: ZELAYA	TM Division: MN2PI	Since: 02/01/1996

BLOCK 5. KEY ASSUMPTIONS AND RISKS RATINGS

Risk Ratings		Generic Assumptions	
Last 590	This 590		
	S	World Market Conditions/Prices	
	H	Local/National Market Conditions/Prices	
	S	Climatic/Environmental Conditions	H High
	S	Political/Security Conditions	S Substantial
	S	Macroeconomic Policies/Conditions	M Modest
	S	Sector Policies/Conditions	N Low or Negligible
	S	Private Sector Response	NR Not Rated
	S	Community/NGO Support	Not Applicable
	S	Government Administrative Capacity	
	S	Counterpart Funding	

Risk Ratings		Project-specific Assumptions	Identified in SAR?
Last 590	This 590		
	M	POLITICAL/SECURITY CONDITIONS	Y
	M	MACROECONOMIC POLICIES/CONDITIONS	Y
	M	GOVERNMENT ADMINISTRATIVE CAPACITY	Y

Risk Ratings		Summary Risks Rating
Last 590	This 590	
	S	

Project ID: 5336

Project Name: EMERGENCY RECOVERY

Task Manager: ZELAYA

Board Approval Date: 03/04/1993

Borrower: GOVERNMENT

TM Division: MN2PI

Form 590 Sequence No 14

Since: 02/01/1996

BLOCK 6. DEVELOPMENT OBJECTIVES: PERFORMANCE FACTORS AND RATING

Factors on which DO rating is based (where possible, refer to the key development outcome/impact indicators in Block 2)

In spite of recent events in South Lebanon, which are outside the control of the Govt., Project Development Objectives (DO) is rated Satisfactory (S) on the grounds that: (i) rehabilitation of damaged infrastructure is progressing satisfactorily; and (ii) substantial progress has been achieved in strengthening government institutions.

Implementation Progress (IP) is rated "S" because about 90% of loan proceeds of original ERRP (US\$175 million) are committed, and about 77% have been disbursed in spite of events outside the control of the Borrower. It is expected that the one additional year extension to the loan closing date (extended to 12/31/99) will be required to complete the disbursements of the original ERRP and the supplement (US\$50 million). The power supply for Greater Beirut has been substantially restored; and rehabilitation of water supply and solid waste services are on schedule. Institutional capacity is progressing satisfactorily as CDR has been effectively managing implementation of the reconstruction and rehabilitation program, assisting sectoral ministries in building institutional capacity, and promoting private sector management of public services (telecom and solid waste sectors).

Other ratings: These ratings were better than satisfactory except for procurement and training which, though progressing satisfactorily, are behind schedule. It should be noted that procurement delays have been in part caused by events outside the control of the Borrower, which have diverted its attention to attend to emergencies.

Last 590

S

This 590

S

Summary Development Objectives (DO) Rating

HS Highly Satisfactory

U Unsatisfactory

S Satisfactory

HU Highly Unsatisfactory

Project ID: 5336**Project Name:** EMERGENCY RECOVERY**Task Manager:** ZELAYA**Board Approval Date:** 03/04/1993**Borrower:** GOVERNMENT**TM Division:** MN2PI**Form 590 Sequence No** 14**Since:** 02/01/1996**BLOCK A. SUMMARY OF CURRENT PROJECT STATUS, ISSUES AND PROBLEMS**

(i) Overall project implementation continues to progress satisfactorily in the power, telecom and water and wastewater sectors. The education sector, due to changes in minister and some rules, has progressed with difficulty. Also, the VTE is facing some difficulties with consultants and contractors for the civil works sub-component and is considering rebidding such service and contracts. An amendment to the Loan Agreement will be requested soon to include a training component. Regarding the original housing loans component, US\$25 million was reallocated to the power component. With respect of the water and wastewater component, about US\$53 million has been committed leaving a balance of about US\$7 million, which could be used for additional works in Laboue, Aanjar and Majdel Aanjar in the Beka'a Valley. CDR will submit soon for Bank review a request to reallocate uncommitted funds. Concerning the solid waste management component, about US\$8 million of uncommitted funds will be reallocated to the water and telecom components, as works initially included in the ERRP, except for the equipment for the Tripoli landfill and the Qarantina compost plants in Beirut, will be undertaken within the scope of the proposed Solid waste and Enviromental Management Project. US\$27.5 million has been allocated to expenditures related to the April 1996 hostilities in South Lebanon, of which US\$18.5 million is for housing grants. Regarding the latter, the High Relief Committee already started disbursements (about US\$6 million equivalent) for which reimbursements will be requested soon.

(ii) The Consultancy contract for the supervision of the second and third years of the ERRP has been terminated on account of having reached the ceiling of the contract amount; however, the Borrower will notify the Bank of other arrangements it is now considering to cover such needs.

(iii) Regarding the ERRP supplemental loan, about US\$28.5 million out of the US\$50 million or about 57% have been allocated to the water supply and wastewater component. Two water and wastewater contracts will extend well beyond the current loan closing date (12/31/98). Therefore, a one-year extension of the loan closing date will be required.

Problems that are likely to/may delay project implementation over the next six to twelve months

The weak institutional capacity of the Ministry of Vocational Training & Education may delay implementation of the VTE component. Substantial implementation delays may require reallocation of resources to other components. This issue will be discussed at the mid-term review.

Project ID: 5336

Project Name: EMERGENCY RECOVERY

Task Manager: ZELAYA

Board Approval Date: 03/04/1993

Borrower: GOVERNMENT

TM Division: MN2PI

Form 590 Sequence No 14

Since: 02/01/1996

BLOCK B. STATUS OF PREVIOUSLY AGREED ACTIONS AND RECOMMENDATIONS

Borrower:

Bank:

Project ID: 5336	Board Approval Date: 03/04/1993	Form 590 Sequence No 14
Project Name: EMERGENCY RECOVERY	Borrower: GOVERNMENT	
Task Manager: ZELAYA	TM Division: MN2PI	Since: 02/01/1996

BLOCK C. AGREEMENTS AND RECOMMENDATIONS

Borrower:

Agency: CDR Action Number: 1 Due Date: 09/30/1997

Submit shortlist of local and foreign consultants with qualifications for the supervision of the ERRP works.

Agency: CDR Action Number: 2 Due Date: 06/30/1997


Request amendment to the project description to include the training sub-component under the vocational training and education sector program.

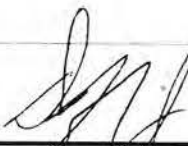
Bank:

Action Number: 1 Due Date: 07/15/1997

To review above matters during the upcoming mid-term project review.

SIGNATURES


for Mr. Zelaya
 Task Manager
 Date: 6/23/97


 Managing Division Chief/Portfolio Mgr
 Date: 6/23/97

Project: LB-PE-5336 - EMERGENCY RECOVERY
 Approval Amount: 225.00

Effective Date: 09/17/93
 Cancellation : .00

Fiscal Year	Actual Amt. Cumulative	Profile Amt. Cumulative	Formally Revised Amt. Cumulative	Original Amt. Cumulative	Revised Amt. Cumulative
1993					
Mar, 1993					
Jun, 1993				20.00	
1994					
Sep, 1993		3.39		30.00	
Dec, 1993	21.87	6.78	21.87	40.00	21.87
Mar, 1994	21.87	10.17	21.87	50.00	21.87
Jun, 1994	23.94	13.56	23.94	70.00	23.94
1995					
Sep, 1994	41.18	22.56	41.18	90.00	41.18
Dec, 1994	48.81	31.56	48.81	110.00	48.81
Mar, 1995	71.88	36.06	71.88	120.00	71.88
Jun, 1995	81.77	40.56	81.77	135.00	81.77
1996					
Sep, 1995	89.46	49.56	89.46	145.00	89.46
D 1995	98.97	58.56	98.97	155.00	98.97
1 1996	107.22	67.56	107.22	160.00	107.22
Jun, 1996	110.10	76.56	110.10	165.00	110.10
1997					
Sep, 1996	121.15	90.06	121.15	170.00	121.15
Dec, 1996	126.92	103.56	126.92	175.00	126.92
Mar, 1997	130.02	112.56	130.02		130.02
Jun, 1997	134.45	121.56	145.10		145.10
1998					
Sep, 1997		135.06	155.60		155.60
Dec, 1997		148.56	166.10		166.10
Mar, 1998		157.56	177.00		177.00
Jun, 1998		166.56	191.00		191.00
1999					
Sep, 1998		175.56	204.00		204.00
Dec, 1998		184.56	217.00		217.00
Mar, 1999		193.56	225.00		225.00
Jun, 1999		202.56			
2000					
Sep, 1999		207.06			
Dec, 1999		211.56			
M 2000		218.31			
J 2000					

Form 590 Date: 09/19/1996

Project ID: LB-PE-5336 - EMERGENCY RECOVERY

Covenant Class(s)	Status	Original Fulfill Date	Revised Fulfill Date	Description of Covenant	Comments
Agreement: LOAN Loan Number: IBRD -35620					
<i>Text Reference: LOAN 1: 4.01</i>					
01	C	06/30/1994		a. Borrower to maintain records of SOEs until at least 1 year after Bank has received audit report for FY in which the last withdrawal was made; b. Furnish Bank the audit report of SOEs not later than 6 mos. after end of FY.	None.
<i>Text Reference: LOAN 2: 4.02</i>					
03	C	12/31/1993		Make budgetary allocations to fund recurrent cost for Parts A (Water/Wastewater), Part B (Power), Part C (Solid Waste) and Part D (Education).	None.
<i>Text Reference: LOAN 3: 4.03</i>					
11,10	NC	12/31/1993		Prepare an Action Plan to improve cost recovery in the water and wastewater, power and solid waste sectors to fund operations, maintenance and recurrent cost.	None
<i>Text Reference: LOAN 4: 4.04</i>					
05	C			Operation and maintenance services under Parts A, B and C to be performed by private sector contractors whenever ministries or agencies are unable to perform such services adequately.	None.
<i>Text Reference: LOAN 5: 4.05</i>					
02	C			Borrower to take steps to protect itself against risks of loss resulting from the rate of exchange between the currencies used on its operation.	None.

Status:

- C - Complied with
- CD - Compliance after Delay
- NC - Not Complied with
- SOON - Compliance Expected in Reasonably Short Time
- CP - Complied with Partially
- NYD - Not Yet Due

Form 590 Date: 09/19/1996

Project ID: LB-PE-5336 - EMERGENCY RECOVERY

Covenant Class(s)	Status	Original Fulfill Date	Revised Fulfill Date	Description of Covenant	Comments
Agreement: PROJ Loan Number: IBRD -35620					
Text Reference: PROJ 1: 4.01 01	C			Project accounts to be audited for each FY and forwarded to the Bank no later than 6 months after the end of each FY.	None.
Text Reference: PROJ 2: 4.01 01	C	06/30/1994		Records, accounts and financial statements to be audited each FY; certified copies of financial statements and auditor's report to be forwarded to the Bank no later than 6 months after the end of each FY.	None.

Status:

- C - Complied with
- CD - Compliance after Delay
- NC - Not Complied with
- SOON - Compliance Expected in Reasonably Short Time
- CP - Complied with Partially
- NYD - Not Yet Due

Covenant Class

-
- 1 Accounts/audit
 - 2 Financial performance/generate revenue from beneficiaries
 - 3 Flow and utilization of Project funds
 - 4 Counterpart funding
 - 5 Management aspects of the Project or of its executing agency
 - 6 Environmental covenants
 - 7 Involuntary resettlement
 - 8 Indigenous people
 - 9 Monitoring, review and reporting
 - 10 Implementation
 - 11 Sectoral or cross-sectoral budgetary or other resource allocation
 - 12 Sectoral or cross-sectoral regulatory/institutional action
 - 13 Other

REPUBLIC OF LEBANON
MINISTRY OF FINANCE

THE MINISTER

Mr. Alastair J. Mckechnie
Division Chief
Private Sector Development and
Infrastructure Division
Middle East Department
Middle East & North Africa Region
The World Bank

*Pls. Fax a copy of this
message to:
Ms. Lama Abu-odeh
to draft
amendment to
loan documents*
ML 6/23

LB-3562

06-23-97

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	LEBANON
Project:	ERRP SUPPLEMENTAL
Rec'd:	JUNE 23, 97 Log No: 358
Assigned to:	MAK JAE'AN
Copy to:	ML 7/6/97 (B.W) Division Chief Division Files EMENA Files
Action:	Legal Amendment Sent to HE. 07/03/97

**LEBANON: Emergency Reconstruction and Rehabilitation Project (ERRP)-
(Ln. 3562-LE)- Request for an Amendment to the Loan Agreement**

Dear Mr. Mckechnie,

We would like to request an amendment to the Loan Agreement (Ln. 3562-LE) to allow for financing of "training activities" designed to respond to the ongoing reconstruction and rehabilitation efforts of the country. Further to our discussions with the July 1996 World Bank mission, it was agreed that the inclusion of a "training component" would be congruent with the overall objectives of the Emergency Recovery and Rehabilitation Project given its importance in accelerating the reconstruction efforts.

Specifically, this activity will focus on the provision of training key persons involved in various trades related to the reconstruction initiatives. The training activity comprises two components: (a) consumables and tools (funded under the existing category 2D); and (b) direct training costs consisting of trainer fees, stipends for trainees and other incidental costs (funded) under the existing category 3). We expect that the financing of these activities would be partially covered by the amount originally allocated for the curricula development component which is no longer part of the Project.

Your concurrence and action in this matter will allow us to proceed quickly with the implementation of this component and maintain the momentum and interest created on the part of the beneficiaries of this Project.

Sincerely,

Fuad Siniara

Fuad Siniara
Minister of State
for Financial Affairs

LB-3562

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: June 20, 1997 **NO. OF PAGES:** 2 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil A. El-Jisr **FAX NO.:** 961 1 647 947
Title: President
Organization: Council for Reconstruction and Development
City/Country: Beirut, Lebanon

FROM: Mario A. Zelaya **FAX NO.:** (202) 477 1619
Title: Task Manager Telephone: (202) 473 0609
Dept/Div: Middle East Dept. (MN2PI) Dept./Div. No.:
Room No.: H10-013

SUBJECT: **LEBANON: ERRP (Loan 3562-LE) Electricity Component - Progress Report**

MESSAGE:

Dear Mr. El-Jisr,

Please see enclosed letter.

Enclosure

Transmission authorized by: authorization

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

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

June 18, 1997

Mr. Nabil A. El-Jisr
President
Council for Development and Reconstruction
Tallat Al-Saray
P.O. Box 5351/116
Beirut Lebanon

Dear Mr. El-Jisr:

LEBANON: ERRP (Loan 3562-LE) Electricity Component - Progress Report

We acknowledge receipt, with thanks, of your letter No. 1675/97/P.O. dated June 18, 1997, enclosing a copy of the bi-Monthly Progress Report No. 35 prepared by Electricité de France (EDF) for the months of February and March 1997.

We are reviewing the report and comments, if any, will be communicated in due course.

Sincerely,


Mario A. Zelaya
Task Manager

Private Sector Development & Infrastructure Division
Middle East Department
Middle East and North Africa

cc: Mr. Skelton (MN2PI)

MZelaya:bw
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N-Supplemental
LB-PA-5336

WB MN2IN

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FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
051	MEMORY TX	PERSONAL CODE ****	90119611647947	02/02	OK

ERRORS

1) HANG UP OR LINE FAIL 2) BUSY 3) NO ANSWER 4) NO FACSIMILE CONNECTION

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE:	June 20, 1997	NO. OF PAGES: 2 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil A. El-Jisr Title: President Organization: Council for Reconstruction and Development City/Country: Beirut, Lebanon		FAX NO.: 961 1 647 947
FROM:	Mario A. Zelaya Title: Task Manager Dept/Div: Middle East Dept. (MN2PI) Room No.: H10-013		FAX NO.: (202) 477 1619 Telephone: (202) 473 0609 Dept./Div. No.:
SUBJECT:	LEBANON: ERRP (Loan 3562-LE) Electricity Component - Progress Report		

MESSAGE:

Dear Mr. El-Jisr,

Please see enclosed letter.

برنامج الأمم المتحدة الإنمائي
تعمية بشرية مستدامة

United Nations Development Programme
Sustainable human development

UNDP



N-Supplement-6-E
LB-PA-5336

1

FAX MESSAGE

Fax No.:	00-1-202-477-1603 THE WORLDBANK Washington, D.C.	Fax Ref:	SEC 97116
To:	Ms. Blanche Williams WORLDBANK - Washington DC	File:	PO 105/3/aa ADM/250/26
From:	Ross Mountain Designated Official for Security and UNDP Resident Representative	Date:	20 June 1997
Subject:	Security Clearance	Pages:	1/1

With reference to your higgins message of 17 June 1997, kindly note that security clearance is granted to :.

Mr. Mario Antonio Zelaya (Honduran)

to travel to Beirut, Lebanon, to supervise the Emergency Rehabilitation and Reconstruction Project from June 26 to July 11, 1997, with accomodation at the Intercontinental Hotel, Ain El Mreisse, Tel : 1 - 369 280.

Please be advised that the UNIFIL and ICA areas in southern Lebanon are in phase Three, while the rest of the country is in phase One. The Designated Official maintains information on all visitors to the country, so that each can be advised if there is a sudden deterioration in the security situation. For the safety of visitors, it is essential that we would be advised of the accomodations to be used while the country. In addition, any-in-country travel within the Southern Area of Lebanon (North of Litany) after arrival or changes in accomodation are to be reported immediately to the Designated Official. Whereas, any in-country travel with the Southern Area of Lebanon (South of Litany) after arrival is to be reported to UNIFIL Naqoura.

Regards.

MENA - CD2
Private Sector Development & Infrastructure
Ln/Credit No: LEBANON
Project: UNDP
Rec'd: JUNE 24 97 Log No: 359
Assigned to: M. Z. (B.10)
Copy to: Division Chief
Division Files
EMEA
Action: No action required

LB-3562

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: June 19, 1997 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil El-Jisr **FAX NO.:** 961-1-64-79-47
Title: President
Organization: Council for Development and Reconstruction (CDR)
City/Country: Beirut, Lebanon

FROM: Sarshar Khan **FAX NO.:** (202) 202-477-0348
Title: Acting Division Chief Telephone: (202) 202-4732610
Dept/Div: Private Sector Development and Infrastructure Dept./Div. No.: 28640
Room No.: H10-111

SUBJECT: Lebanon-ERRP (Loan 3562-LE) Clearance of Supervision Mission

MESSAGE:

Dear Mr. El-Jisr:

We propose a mission of Mr. Mario A. Zelaya, Task Manager, to visit Lebanon from about June 28 to July 11, 1997. The purpose of the mission is to complete the mid-term project review started by earlier missions of Messrs. Skelton, Demetriou, Saghir, and Rasmusson and Ms. El Rashidi, who visited Lebanon in separate missions in April-May 1997. Mr. Zelaya, in addition to meeting with concerned CDR's staff, will meet with concerned sector implementation units to review and agree on a plan of actions leading to substantially completing the program before loan closing on December 31, 1998. Mr. Zelaya will also review with CDR the updated program implementation plan and a projection of disbursements through program completion. Please let me know if the timing of the mission is convenient.

Sincerely,

Sarshar Khan
Acting Division Chief
Private Sector Development and Infrastructure
Middle East Department
Middle East and North Africa Region

Transmission authorized by: Sarshar Khan, Acting Division Chief, MN2PI

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

cc. Messrs/Mmes: McKechnie, Skelton, Saghir, Le, Williams, Wheeler (MN2PI);
Baudouy, Demetriou, El Rashidi (MNSHD); Kanaan o/r, Roy,
Hoppenbrouwer o/r (MN2CO); Kolan o/r (MN2DR).

ECA and MENA Information Center, Division Files

MZelaya:mz

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N-Supplemental
LE-PA-5336

WB MN2IN

(AUTO)

THE FOLLOWING FILE(S) ERASED

FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
054	MEMORY TX	PERSONAL CODE ****	90119611647947	01/01	OK

ERRORS

- 1) HANG UP OR LINE FAIL
- 2) BUSY
- 3) NO ANSWER
- 4) NO FACSIMILE CONNECTION

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
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FACSIMILE COVER SHEET AND MESSAGE

DATE:	June 19, 1997	NO. OF PAGES: 1	MESSAGE NO.:
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TO:	Mr. Nabil El-Jisr	FAX NO.:	961-1-64-79-47
Title:	President		
Organization:	Council for Development and Reconstruction (CDR)		
City/Country:	Beirut, Lebanon		
FROM:	Sarshar Khan	FAX NO.:	(202) 202-477-0348
Title:	Acting Division Chief	Telephone:	(202) 202-4732610
Dept/Div:	Private Sector Development and Infrastructure	Dept./Div. No.:	28640
Room No.:	H10-111		
SUBJECT:	Lebanon-ERRP (Loan 3562-LE) Clearance of Supervision Mission		

MESSAGE:

Dear Mr. El-Jisr:

We propose a mission of Mr. Mario A. Zalaya, Task Manager, to visit Lebanon from

LB- Coastal Pollution & Water Supply Pr

LB- 3562

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: June 17, 1997 **NO. OF PAGES:** 15 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil El-Jisr **FAX NO.:** 961 1 647-947
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon

COPY: H.E. Elias Hobeika **FAX NO.:** 961 1 449-639
Title: Minister of Hydraulic and Electric Resources
Organization: Ministry of Hydraulic and Electric Resources
City/Country: Beirut, Lebanon

FROM: Sarshar Khan **FAX NO.:** (202) 477-0348
Title: Acting Division Chief Telephone: (202) 473-2610
Dept/Div: Private Sector Development and Infrastructure Dept./Div. No.: 286/40
Room No.: H10-001

SUBJECT: Lebanon: Coastal Pollution Control and Water Supply Project

MESSAGE:

Dear Mr. El-Jisr,

First we would like to express our thanks for the assistance of the staff from CDR and the Ministry of Hydraulic and Electric Resources (MHER) to the mission, which greatly facilitated our works. The mission prepared a Memorandum of Understanding (MOU), dated June 10, 1997, that was reviewed and agreed by CDR. The MOU covers both the Coastal Pollution Control and Water Supply Project (CPCWSP) and a mid-term review of the ERRP/ERRP Supplementary regarding its water supply and wastewater component.

The mission jointly with staff from CDR and MHER identified specific issues and actions to be taken, which have been summarized in enclosed MOU. These matters should now be followed up, and we are looking forward to learn about

Transmission authorized by: authorization

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

June 17, 1997

your appointment of a Project Manager for the CPCWSP. We will also be available to assist as needed.

Best personal regards.

Sincerely,



Sarshar Khan
Acting Division Chief
Private Sector Development & Infrastructure
Middle East Department
Middle East & North Africa Region

cc: Mr. Khalid M. Al-Saad
The World Bank

LEBANON

**EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
(ERRP)
ERRP SUPPLEMENTARY
COASTAL POLLUTION CONTROL AND WATER SUPPLY PROJECT**

Memorandum of Understanding
(Mission May 21 to June 11, 1997)

1. A World Bank mission, Mr. Lars Rasmusson visited Lebanon from May 21 to June 11, 1997 and Mr. Jamal Saghir from June 2 to 19, 1997, to:
 - a) carry out a mid-term review of the **ERRP and ERRP Supplementary**;
 - b) review the ongoing **Coastal Pollution Control and Water Supply Project (CPCWSP)**;
 - c) assist in the preparation of proposed **Awali-Beirut Water Conveyor Project (A-BWCP)** and to review present status on preparatory works for Bisri dam; and
 - d) initiate the preparation of proposed **Greater Beirut Water Supply and Wastewater Project (GBWSWP)**.

The mission was assisted by Mr. Etienne Linard, Regional Procurement Advisor, in the review of draft Request for Proposals (RfPs) for proposed Operation, Maintenance and Training Services (OM&TS) contract under the CPCWSP. The mission worked and met with representatives from the CDR, the Ministry of Hydraulic and Electric Resources (MHER), the Ministry of Environment (MOE), the Ministry for Administrative Reforms (MAR), the Litani River Authority (LRA), the Arab Fund, the EU, the EIB, Italien Aid, the SIU and consultants working on different projects. The mission made field visits to the Beka'a Valley to review works under an ongoing contract and sites for proposed contracts and to proposed sites for A-BWCP. The ERRP Supplementary has been declared effective and the CPCWSP is expected to be signed in June 1997. This Memorandum of Understanding (MOU) covers projects under a) and b), while a separate MOU has been prepared for projects under c) and d).

2. The mission addressed regarding the **ERRP/ERRP Supplementary**:
 - a) status on preparation and implementation of remaining contracts;
 - b) status on cost estimates and disbursements; and
 - c) use of remaining funds.

3. The mission addressed regarding the **CPCWSP**:
- a) preparation of detailed engineering for works in different sub-project areas including oceanographic surveys;
 - b) progress made under land acquisition and resettlements;
 - c) processing of Nabatiye water supply and wastewater contract;
 - d) preparation of RfPs for an OM&TS contract and of a short list of firms to be invited to submit proposals;
 - e) preparation of TORs for supervision of the OM&TS contract and of a short list of consulting firms to be invited to submit proposals;
 - f) identification of pre-treatment requirements for industrial effluents and preparation and implementation of pre-treatment works;
 - g) preparation of an Environmental Monitoring Plan (EMP) with appointment of consulting firm;
 - h) under sector reforms establishment of a Steering Committee (SC) and Technical Secretariat (TS) and appointment of an Institutional Specialist (IS);
 - i) status on finalization of the draft law for sector reforms;
 - j) continuation of project management; and
 - k) establishment of a project monitoring system.

SUMMARY

4. The following summarizes major conclusions and actions taken or to be taken:
- a) regarding the **ERRP/ERRP Supplementary**:
 - ◆ the closing date for ERRP/ERRP Supplementary is December 31, 1998, while completion date for a major contract is scheduled for the first half of 1999. All efforts should be made to enable completion of the bulk of the works before closing date. An extension of the closing date might be considered by the Bank management in late 1998, which would then be made in view of actual performance under project implementation;
 - ◆ under the ERRP about US\$7 million remain uncommitted, which could be used under an extension of ongoing Ba'albeck Nabi Chit contract and/or for an extension of wastewater collection and treatment facilities in the Beka'a Valley for Laboue, Aanjar, and Majdel Anjar. CDR will before July 1, 1997, submit a proposal on additional works to be included to the Bank for review and approval; and

- ◆ to keep the Bank informed on the implementation of remaining contracts the CDR will submit to the Bank before July 1, 1997, a detailed and updated implementation schedule. This should form the basis for the preparation of quarterly progress report with the first one, covering the second quarter of 1997, to be submitted to the Bank by July 15, 1997;
- b) regarding the **CPCWSP**:
- ◆ only minor progress has been made, since previous mission, on land acquisition and resettlement for the Sour treatment site, when a revised action plan was agreed. This activity is now becoming critical and if further delays will occur, it could effect the start of the construction works as presently planned;
 - ◆ an updated cost estimate for the Sour outfall main indicates a significant cost increase. Although an updating of previous cost estimate for the Kesrouan outfall main has still to be carried out, there are indications of a possible cost increase. However, because of the nature of the works the estimated costs will remain uncertain until bids have been received. In order the guard against potential cost increases for the outfall mains, the ultimate size of the Nabatiye contract could be considered to be kept flexible and adjustable to actual availability of funds;
 - ◆ revisions were made to the draft RfPs for the OM&TS contract for which invitation of proposals is scheduled for August 1997. The MHER will ensure the availability of adequate counterpart funds;
 - ◆ the preparation of a study on the provision of pre-treatment facilities as required for industrial effluents should start before October 1, 1997;
 - ◆ the SC with its TS is scheduled to be established soon and announcement for the recruitment of an IS would take place in June 1997. The IS is scheduled to be in place by October 1997;
 - ◆ the amended draft law will be submitted to the Bank for review in July 1997;
 - ◆ arrangements have been made for the continuation of the SIU contract to October/November 1997 with a second extension expected to follow to mid-1998, when a permanent arrangement should put in place; and
 - ◆ CDR should submit to the Bank for review the first progress report for the quarter ending September 30, 1997 within 30 days.

The above matters are further elaborated upon in below paragraphs.

5. The appointment by CDR of a **Project Manager** for the CPCWSP remains to be done. This matter, that was agreed during previous mission, was again discussed by this mission in view of the critical need for this position. The CPCWSP includes a number of components involving different financing and implementing agencies, which need to be closely coordinated and managed. The CDR will appoint a Project Manager before mid-July 1997 and inform the Bank on its choice.

ERRP AND ERRP SUPPLEMENTARY

6. Present status is:

- a) under the ERRP only one contract, the Ba'albeck Nabi Chit, is ongoing. Completion of this contract is currently scheduled for mid-1998. Present issues refer to: land acquisition has still to be finalized; an underestimation of length of pipes that will require a correction of the contract amount; and proposed change of AC pipes within distribution networks to ductile iron or PVC. The CDR/SIU will address these matters and inform the Bank on conclusions reached;
- b) of the water supply and wastewater component of the ERRP loan, amounting to US\$60 million, about US\$53 million has been committed including the Ba'albeck Nabi Chit contract taking into account expected variation orders. This leaves a remaining amount of about US\$7 million, which could be used for additional works referred to under c) and d) below. The mission did not have any specific objections to proposed additions neither to proposed prioritizations. It was agreed that CDR will, before July 1, 1997, submit to the Bank for review/approval a proposal, including technical justifications and implementation schedules, for use of remaining funds;
- c) MHER has proposed to extend the Ba'albeck Nabi Chit contract to additionally include some adjacent areas/villages. In this context and in view of larger quantities of groundwater -- than originally foreseen -- available from boreholes already drilled, the supervisory consultant has prepared an outline proposal on extension and design changes of the water supply systems, which might imply additional costs of about US\$3 million. This could be included as an addendum to existing contract amounting to about US\$18 million;
- d) other works identified for potential inclusion under the ERRP are the extension of wastewater collection and disposal facilities for Laboue, Aanjar and Majdel Aanjar in the Beka'a Valley in this order of priority. The mission reviewed a technical note prepared for Laboue and had no comments. CDR will submit a request to the Bank for the inclusion of proposed works for Laboue as a variation order under the Ba'albeck Nabi Chit contract;
- e) out of US\$50 million under the ERRP Supplementary, US\$28.5 million has been allocated for water supply and wastewater. Two contracts are being processed with one for Ba'albeck wastewater treatment works, including trunk main, and one for Metn and Barouk water supply. Although bids have still to

be received for Metn and Barouk water supply, it is estimated that available amount will be sufficient for these contracts;

- f) for the Ba'albeck wastewater treatment works the evaluation report has been prepared and will be submitted to the Bank for review during June 1997. The CDR Board has approved the evaluation report as well as a proposal to change the site for the treatment works to a place further away from the urban area. The mission did not object to proposed change, since it does provide a better technical and long-term solution. This could also be negotiated with the contractor, recommended for award of contract, and covered in an addendum.

Consultant proposals for construction supervision had been proposed to be invited, but during the mission CDR proposed, because of time constraints, to negotiate a contract with the consulting firm that has carried out the engineering design and is presently supervising the Ba'albeck Nabi Chit contract. This has been submitted to the CDR Board for approval. A contract under such an arrangement would be expected to be signed before July 15, 1997.

Land acquisition for previously proposed site for the treatment works has been processed by CDR to the stage for submission to the Council of Ministers. It has still to be initiated for the new site with relevant documentation proposed to be prepared by the supervisory consultant when appointed. Although no specific problems are envisaged, land acquisition could be expected to take up to 6 months from submission of documentation to CDR.

This contract is also linked to and should be coordinated with the extension of the wastewater collection network included under the Ba'albeck Nabi Chit contract. In view of proposed changes CDR will submit to the Bank for review, together with the evaluation report, a detailed implementation schedule showing steps to be taken and time requirements for land acquisition and appointment of supervisory consultant.

- g) for the Metn and Barouk water supply contract, announcement for tender invitation took place during the mission, which would enable contract award by late 1997. Contract duration is planned to 17 months, which would imply contract completion by mid-1999. Consultant proposals for construction supervision were invited during the mission with award of contract expected within a 3-4 months period or ahead of expected date for award of the construction contract;
- h) the utilization of works to be constructed for Metn water supply will be subject to implementation of proposed contract for Fouar Antelias - including water intake, treatment works and transmission main - with financing expected to be provided under Italian Aid. The mission was informed that a financial agreement is being processed for approval and expected to be signed in June/July 1997 and met with Italian experts, who were preparing an environmental assessment. The engineering design with preparation of tender documents would be completed within 2-3 months. The earliest completion

date for the Fouar Antelias contract would be in the latter half of 1999 or about 6 months later than expected completion date for the Metn and Barouk water supply contract;

- i) the above would indicate that completion of part of remaining works will be beyond the loan closing date, December 31, 1998, and that a 6 to 12 months extension would be required. It could be assumed that the Bank management will decide on eventual extension of the closing date by end 1998 in view of progress made under contracts implementation. This would imply that, in case no extension will be approved, local financing will have to cover all expenditures to be incurred after December 31, 1998. Bank no-objection to award of remaining contracts will be given on this premise;
- j) to ensure full utilization of remaining funds, these could move between the ERRP and ERRP Supplementary and also, if justified, finance a portion of the Nabatiye contract under the CPCWSP. A complete picture of funding requirements will first be available at the time for award of the Metn and Barouk water supply contract and of potential additional contracts/variation orders discussed above; and
- k) the mission received from CDR an updated table, which is enclosed, on status on fund commitments and disbursements. Under the ERRP 86 % has been committed with 57 % disbursed. Under the ERRP Supplementary regarding the water supply and wastewater component the first commitment will be the award of contract for Ba'albeck wastewater treatment works. In order to closely supervise the implementation of remaining contracts the CDR will submit to the Bank for review before July 1, 1997, a detailed and updated implementation schedule (also to include the contract for Fouar Antelias) with projected expenditures to be incurred and disbursements to be effected on a monthly basis. This should then form the basis for the preparation of quarterly progress reports, which should include an analysis of specific issues and how they are proposed to be resolved. The first quarterly progress report, to cover the second quarter of 1997, should be submitted to the Bank for review by July 15, 1997. These quarterly reports will then show progress made and provide a basis for a decision to be made by the Bank on eventual extension of the closing date.

CPCWSP

7. Present status on **engineering design** (wastewater collection and disposal), oceanographic surveys and contracts implementation is:

- a) the engineering design is progressing well with contract for collection and treatment works scheduled to be awarded by April 1998 for Saida, by January 1998 for Sour, and by March 1998 for Kesrouan;
- b) the oceanographic surveys will be completed by September/October 1997 after inclusion of the summer season. Progress made so far has been satisfactory;

- c) based on an analysis of the oceanographic surveys the detail design for the outfall mains can be prepared with contracts scheduled to awarded by December 1998 for Saida, by August 1998 for Sour, and by July 1998 for Kesrouan. It should be considered to tender for the three outfall mains at the same time and through the possible award of one contract to achieve the advantages of economy of scale. Such a contract could then, in practice, be executed as three sub-contracts. This is a matter to be decided at a later date;
- d) for Saida the trunk main is presently included and financed under the southern highway project, for which contract has been awarded, but works have yet to start. In case this will not materialize, another arrangement has to be made for the execution of the trunk main;
- e) for Sour the wastewater is proposed to be treated for unrestricted use for irrigation and to be pumped to an adjacent irrigation canal operated under the Litani River Authority (LRA). The treated wastewater will be delivered free of charge, but an agreement has still to be reached with the LRA on its acceptance. Such an agreement should be reached at an early stage, since this will be subject to the construction of pertinent pumping station and delivery main; and
- f) an updated cost estimate for the Sour outfall main shows US\$9 million as compared to the appraisal estimate of US\$3.2 million. A similar update for the Kesrouan outfall main is expected by September 1997. However, because of the nature of works any reliable cost estimate will only be available at the time for submission of bids. In order to ensure the availability of Bank funds for the outfall mains it is proposed to consider the possibility to maintain a flexibility under the Nabatiye water supply and wastewater contract and adjust the contract size to the funding situation;

8. The status on **land acquisition and resettlements** are:

- a) the following Action Plan on land acquisition and resettlement for the site for Sour wastewater treatment works has been submitted by CDR to the Bank:
 - ◆ STEP 1: preparation of documentation to be annexed to the decree for expropriation and submission to CDR; this was done in December 1996;
 - ◆ STEP 2: this step has been added since previous MOU and refers to approval to be given by MHER before the documentation can be sent to the CDR Board for approval; the MHER approval has been given and the documentation was during the mission submitted to the Board, which has yet to give its approval; this corresponds to about 5 months for CDR's internal processing of the documentation to the Board;

- ◆ STEP 3: submission of the decree by CDR to the Council of Ministers for approval; this was previously scheduled to end February 1997 and has now been rescheduled to June 15, 1997;
- ◆ STEP 4: expropriation will be declared by decree from the Council of Ministers; rescheduled to July 15, 1997;
- ◆ STEP 5: CDR will convey the decree and the completed file to the competent expropriation commission; rescheduled to August 15, 1997. Procedures to be followed include summoning owners and persons holding legal rights to full hearings. Procedures to be completed have been rescheduled to September 15, 1997;
- ◆ STEP 6: CDR will deposit the compensation, as determined, notify those entitled to be paid, and serve an order of occupation of expropriated land and property; rescheduled to October 15, 1997;
- ◆ STEP 7: CDR will issue a decree of possession of the expropriated land; rescheduled to November 15, 1997.

The above process has been delayed, and any further delays could effect the commencement of construction works, since STEP 7 should be completed before contract can be awarded for wastewater collection and treatment works, which is scheduled for January, 1998. The CDR will inform the Bank in case any slippages will occur in the above dates.

b) status on land acquisition in other sub-project areas is:

- ◆ SAIDA: the land for the wastewater treatment works has already been expropriated in connection with proposed extension of the southern highway;
- ◆ KESROUAN: documentation required under step 1 for land acquisition for sites for wastewater treatment works and pumping stations has been submitted by the consultant to CDR; this should then be processed as for Sour;
- ◆ NABATIYE: no land acquisition required.

9. Status on processing the contract for **Nabatiye water supply and wastewater** is:

- a) during previous mission it was agreed that tender documents should be submitted to the Bank for review in April with bid invitation to take place in May 1997. The tender documents were during the mission submitted by the consultant to SIU for review, whereafter they will be forwarded to the CDR for its review. Barring further delays the documents could be expected to be sent to the Bank in July for its review; and
- b) specific procurement notice has been announced in Development Business.

10. Status on preparation of RfPs for OM&TS is:

- a) draft RfPs were submitted, as agreed, by the SIU to the CDR and MHER by end April, but no copies were forwarded to the Bank. No review of the documents had been carried out by CDR and MHER before arrival of the mission. The RfPs covers the whole of Lebanon except Mount Lebanon, which is proposed to be covered by Lyonnaise des Eaux, but for which a contract has still to be signed;
- b) the RfPs was reviewed by the mission together with the SIU, and inputs were also provided by CDR and MHER. Conclusions were reached on revisions to be made and a revised draft was agreed to be submitted to the Bank for review by mid-June 1997. Bank comments would be expected by early July, which would enable finalization of the documents by July/August with invitation of proposals by August 1997;
- c) the CDR/MHER should submit a short list of firms -- with wide geographical spread and no more than 2 firms from any country -- to be invited to submit proposals to the Bank for review by end-June 1997; and
- d) for the supervisory consultancy it was agreed that its coverage should be limited to the coverage of the RfPs and not, as previously proposed, include the whole of Lebanon. Documents for invitation of proposals should be submitted to the Bank for review by mid-June 1997 also to include a short list of consulting firms. This should enable invitation to take place by August 1997. It is essential that this consultancy is appointed in time to enable its participation in the review of proposals for the OM&TS contract;

11. Status on arrangements to be made to ensure pre-treatment of industrial effluents, where required, is:

- a) an inventory of industrial effluents, prepared by Dar Al Handasah, will be finalized shortly. Rules and regulations have been established on industrial effluents and the legal structure for enforcement of pre-treatment requirements, where needed, is in place;
- b) as a continuation of the above inventory and with specific focus on the sub-project areas under this project, a study should be prepared to cover: a detailed inventory of industries relevant to this project; assessment of present and projected effluents; assessment of effluent compositions and treatment requirements; and arrangement and time schedule for implementation of proposals. Outline TORs were prepared by the mission and discussed with the MOE;
- c) the study could be implemented as a continuation of the Dar Al Handasah contract and financed under the same agreement or under a separate contract, which could be financed under the Bank loan. The implementation of the study will be managed by CDR/MOE with the assistance of SIU1;

- d) the finalization of the TORs for the study will be carried out by MOE and SIU1 and submitted to CDR and the Bank for review/approval before July 1, 1997. The Bank should then also be informed on approach to contracting, and in case of Bank financing a short list of consulting firms to be invited to submit proposals should be submitted to the Bank for approval; and
- e) the study should commence before October 1, 1997, for completion within a 6 months period.

12. Status on the preparation of an **Environmental Monitoring Plan (EMP)** with appointment of consulting firm is:

- a) draft TORs for the preparation of an EMP was submitted by previous mission for review by CDR, SIU, and MOE. This did not take place but was done during this mission. Finalization of the TORs incorporating comments made will be done by SIU with copy to be sent to the Bank for review before July 1, 1997; and
- b) CDR will be responsible for the preparation of the EMP and coordinate with MOE as needed. CDR should submit to the Bank for review before July 1, 1997, a short list of consulting firms to be invited to submit proposals. Invitation of proposals should be scheduled for August 1997.

13. Status under **sector reforms** is:

- a) the advertisement for an Institutional Specialist (IS) and related TORs were during the mission approved by the MHER. Next step is its submission to the CDR Board for approval, which is expected to take place by mid-June 1997. The Bank, when informed on the Board's approval, will publish the advertisement in the Development Business, and CDR should do the same in the local press. Applications should be submitted before August 20, 1997, and reviewed by CDR and the Steering Committee (SC) (see b) below). An evaluation report with recommendation to appointment and including the applications for the 5 highest rated candidates should be sent to the Bank for review before September 15, 1997. The CDR/SC could, as needed, be assisted by the SIU (Binnie and Partners) homeoffice in the interview of potential candidates in UK and France. The final decision on the appointment of candidate should be made by the SC;
- b) the establishment of the Steering Committee (SC) through an administrative order by the Minister of MHER was agreed by the Minister to take place soon. The SC, to be chaired by the Minister for MHER, will be composed of representatives from the MHER, CDR, Ministry of Finance, Ministry of Administrative Reforms, Ministry of Agriculture, and Ministry of Environment. The Bank will be informed on appointed members;
- c) the draft law as amended will be submitted to the Bank for review by early July 1997. If further amendments will be needed to properly reflect the objectives

under sector reforms, these should be incorporated in the draft law before mid-August 1997. The draft law will then be submitted to the Council of Ministers for approval before being introduced to the Parliament;

- d) for implementation of phase 2 under sector reforms ECU 2.53 million, which constitutes a component of proposed EU grant to the Ministry of Administrative Reforms (MAR), should be made available. This component has been earmarked for use in the water supply and wastewater sector. The EU agreement is expected to be signed in September 1997, and an organizational structure for the implementation of proposed technical assistance has to be put in place. The structure to be established for implementation of water supply and wastewater sector reforms -- a SC with a Technical Secretariat to be headed by the IS -- will manage the ECU 2.53 million but under overall monitoring and coordination from the MAR. Once the EU agreement has been signed, an agreement should be reached between the SC and the MAR on the modality for the use of the ECU 2.53 million. The funds are urgently required, and all efforts should be made, to include the assistance of EIB, to make the funds available. Other potential sources of funds should also be explored; and
- e) the MHER should prepare an action program for steps to be taken under sector reforms -- to enable early initiation -- and submit it before July 1, 1997, to the Bank and the EIB for review. The implementation of the action program should then be followed-up and coordinated by Bank and EIB missions.

14. Status on continuation of **project management** is:

- a) during the mission an agreement was approved by CDR to extend the SIU contract to October/November 1997 with the retaining of about 10 staff members. This would basically enable the SIU, for the time being, to continue with present assignments;
- b) the SIU extension will be financed by the EU to an amount of ECU 750,000 under a new contract that is expected to be signed shortly. Funding of SIU under the old agreement expired on May 26, 1997, and in case under EU procedures no retroactive financing can take place, the CDR will fund the SIU until a new EU contract has been concluded;
- c) under the EU Investment Planning Program (IPP), proposed commitments under two budget lines include ECU 21.0 million and ECU 4.0 million. The EU will, based on past experience, evaluate arrangements to be made for continuation of project management taking into account the need for increased local participation. The EU will appoint a consultant for evaluation and preparation of TORs for invitation of proposals. This activity has still to be initiated, and a new project management team would not be expected to be in place before the second quarter of 1998. This would necessitate a second extension of the SIU contract to bridge the gap with funding to be provided

from the ECU 4.0 million. The new project management team would then be funded under the budget line of ECU 21 million; and

- d) CDR has under the CPCWSP agreed to maintain a project management unit, which has been referred to as "SIU or its successor". In this context the Bank will review arrangements to be made on project management to ensure satisfactory execution of Bank financed projects.

15. For the development of a **progress reporting system** including performance indicators it was agreed:

- a) the reporting system should be simple and should not only serve the Bank or other financing agencies but provide a useful tool under project management;
- b) the reporting system should monitor projected data, at the time for project appraisal, with actual data and provide early indications on eventual slippages in project execution. This should then trigger actions to be taken to adjust to such delays. The reporting system should include from the appraisal report: Annex 2, table 3; Annex 5, tables 1,2 and 3; implementation schedule as a barchart; and under Annex 7 tables prepared for monitoring indicators. Tables should be prepared to show projected as well as actual data;
- c) information should be prepared on a quarterly basis except for the monitoring indicators which should be prepared on an annual basis; and
- d) the first progress report, which should be submitted within 30 days after the end of the reporting period, should be prepared for the quarter ending September 30, 1997.


Lars Rasmusson


Jamal Saghir

World Bank Mission

Beirut, Lebanon
June 10, 1997

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			90119611449639	15/15	OK

ERRORS

1) HANG UP OR LINE FAIL 2) BUSY 3) NO ANSWER 4) NO FACSIMILE CONNECTION

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE:	June 17, 1997	NO. OF PAGES: 15 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil El-Jisr Title: President Organization: Council for Development and Reconstruction City/Country: Beirut, Lebanon	FAX NO.:	961 1 647-947
COPY:	H.E. Elias Hobeika Title: Minister of Hydraulic and Electric Resources Organization: Ministry of Hydraulic and Electric Resources City/Country: Beirut, Lebanon	FAX NO.:	961 1 449-639
FROM:	Sarshar Khan Title: Acting Division Chief Dept/Div: Private Sector Development and Infrastructure Room No.: H10-001	FAX NO.: (202) 477-0348 Telephone: (202) 473-2610 Dept./Div. No.: 286/40	
SUBJECT:	Lebanon: Coastal Pollution Control and Water Supply Project		

cc: Meesrs./Mesdames McKechnie (o/r), Jme'an, Masanque, Le, Dennis, Williams
(MN2PI)
ECA/MENA and Division Files

SJme'an/bw
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LB-PA-5336

cc: Messrs./Mesdames McKechnie, Jme' An, Le, Williams (MN2PI)

ECA/MENA Information Center, Division Files

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WB MNZIN

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THE FOLLOWING FILE(S) ERASED

FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
005	MEMORY TX	PERSONAL CODE ****	90119611647947	01/01	OK

ERRORS

1) HANG UP OR LINE FAIL 2) BUSY 3) NO ANSWER 4) NO FACSIMILE CONNECTION

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE:	June 12, 1997	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil El-Jisr Title: President Organization: Council for Development and Reconstruction (CDR) City/Country: Beirut, Lebanon		FAX NO.: (961-1) 64-79-47
FROM:	Mario A. Zelaya Title: Task Manager Dept/Div: Private Sector Development and Infrastructure Room No.: H 10 013		FAX NO.: (202) 202-477-0348 Telephone: (202) 202-473-0609 Dept./Div. No.: 286/40
SUBJECT:	Lebanon- ERRP (Loan 3562-LE) Revised Implementation Schedule and Projection of Disbursements		

MESSAGE:

Dear Mr. El-Jisr:

LB-3562

06-11-97

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO : Mr. Mario Zelaya
Task Manager
MN2PI
The World Bank

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

FAX NO.: (202) 477-0348

FAX NO.: (961-1) 86 44 94
(961-1) 64 79 47

SUBJECT: Lebanon-ERRP(Loan No. 3562 LE)- Electricity
Component-Progress Report

REF. : 1674/97/P.O.

DATE : 11/06/97

NO. OF PAGES: (1) INCLUDING COVER SHEET

Dear Mr. Zelaya,

We are sending you by express mail a copy of the bi-Monthly Progress Report No. 35 prepared by Electricité de France (EDF) for the months of February and March 1997.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

MENA - CD2
Private Sector Development & Infrastructure

Ln/Credit No. LEBANON
Project ERRP SUPPLEMENTAL
Rec'd: 6/11/97 Log No. 355P
Assigned to: M. Z. JAMEAN
Copy to: M. Z. JAMEAN (B.W)
Division Chief
Division Files
EMENA Files
Action: NONE req'd S. WHEELER

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.:
(961-1) 643980 /1/2/3- BEIRUT-LEBANON

LB-3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO :	Mr. Alastair McKechnie Chief MN2PI The World Bank	FROM :	COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION BEIRUT - LEBANON
FAX NO.:	(202) 477-0348	FAX NOS.:	(961-1) 86 44 94 (961-1) 64 79 47
SUBJECT:	Lebanon-ERRP(Loan No. 3562 LE)-Loan Agreement-Audit of Statements of Expenditures	REF. :	1678/97/P.O.
DATE :	11/06/97	NO. OF PAGES:	(3) INCLUDING COVER SHEET

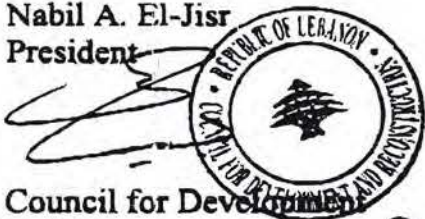
Dear Mr. McKechnie,

Ref. Article IV-Financial Covenants-Section 4.01(a) of the Loan Agreement dated 8/3/1993, please find enclosed the audit of Statements of Expenditures related to the above referenced loan for the fiscal year 1995 as audited by Deloitte and Touche.

We trust that the enclosed report meets with the requirements under the above mentioned section of the Loan Agreement and would, thus, satisfy what has been requested in your letter dated 8/4/97.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction
NM

*Sahar, please credit a.s.a.p.
and let me have your views to
respond.
Thanks MZ 6/11/97*

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	<u>LEBANON</u>
Project:	<u>ERP SUPPLEMENT</u>
Rec'd:	<u>JUNE 11 97</u> Log No: <u>28 A</u>
Assigned to:	<u>M.Z JMC'AN</u>
Copy to:	Division Chief (B.W)(E.D) Division Files EMENA Files
Action:	<u>ACK'NG. 06/17/97</u>

S.J.

**IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.s:
(961-1) 643980 /1/2/3- BEIRUT-LEBANON**

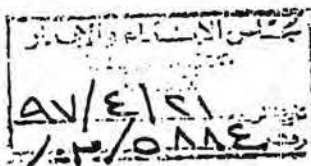
Deloitte & Touche



131 Phoenicia Street
P.O. Box 961
Beirut, Lebanon

Telephone (1) 364700-644180-405250
Facsimile (1) 367087-403405
Telex 20566 & 42331 (SABACO LE)

BT 2186/DTT1



President
Council for Development and Reconstruction
Beirut, Lebanon

Dear Mr. El-Jisr,

Kindly find enclosed a supplementary certification in connection with our audit of the Statement of Special Account of Projects Funded by the International Bank for Reconstruction and Development - Loan # 3562 LE (ERRP) of the Council for Development and Reconstruction for the period from March 8, 1993 to December 31, 1995.

Please accept our best regards.

Very truly yours,
DELOITTE & TOUCHE

Joseph K. El-Fadi

**Deloitte &
Touche**

131 Phoenicia Street
P.O. Box 961
Beirut, Lebanon

Telephone (1) 364700-644180-405250
Facsimile (1) 367087-403405
Telex 20566 & 42331 (SABACO LE)

BT 2186/DTTI

President
Council for Development and Reconstruction
Beirut, Lebanon

Subject: IBRD - Loan # 3562 LE (ERRP)

In connection with our audit of the Special Account of projects funded by the International Bank for Reconstruction and Development - Loan # 3562 LE (ERRP) for the period from March 8, 1993 to December 31, 1995, and further to our auditor's report issued on November 30, 1996 regarding the above special account, we hereby certify that based on the Council for Development and Reconstruction books and records, no disbursements were effected from March 8, 1993 to December 31, 1995 in respect of the statement of expenditures relating to the loan account referred to under subject above.

Beirut, Lebanon
April 21, 1997


Deloitte & Touche

Deloitte Touche
Tohmatsu
International

LB-Ln3562

06/11/97

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO : Mr. Alastair McKechnie
Chief
MN2PI
The World Bank

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

FAX NO.: (202) 477-0348

FAX NOS.: (961-1) 86 44 94
(961-1) 64 79 47

SUBJECT: Lebanon-ERRP(Loan No. 3562 LE)-Loan
Agreement-Audit of Statements of Expenditures

REF. : 1678/97/P.O.

DATE : 11/06/97

NO. OF PAGES: (3) INCLUDING COVER SHEET

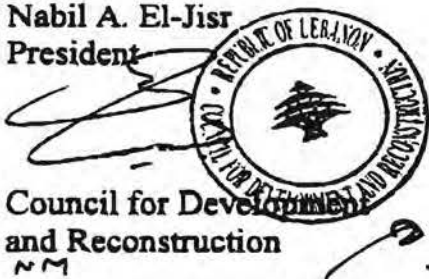
Dear Mr. McKechnie,

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We trust that the enclosed report meets with the requirements under the above mentioned section of the Loan Agreement and would, thus, satisfy what has been requested in your letter dated 8/4/97.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction
NM

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	LEBANON
Project:	ERP SUPPLEMENT
Rec'd:	JUNE 11 97 Log No: 28 A
Assigned to:	M. Z. JMC'AN (B W)
Copy to:	Division Chief Division Files EMENA Files
Action:	_____

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.s:
(961-1) 643980 /1/2/3- BEIRUT-LEBANON

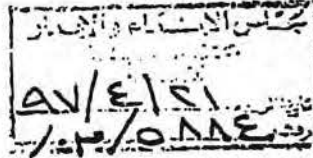
Deloitte & Touche



131 Phoenicia Street
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Beirut, Lebanon

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Facsimile (1) 387087-403405
Telex 20566 & 42331 (SABACO LE)

BT 2186/D1T1



President
Council for Development and Reconstruction
Beirut, Lebanon

Dear Mr. El-Jisr,

Kindly find enclosed a supplementary certification in connection with our audit of the Statement of Special Account of Projects Funded by the International Bank for Reconstruction and Development - Loan # 3562 LE (ERRP) of the Council for Development and Reconstruction for the period from March 8, 1993 to December 31, 1995.

Please accept our best regards.

Very truly yours,
DELOITTE & TOUCHE

Joseph K. El-Fadi

**Deloitte &
Touche**



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Telex 20566 & 42331 (SABACO LE)

BT 2186/DTTI

President
Council for Development and Reconstruction
Beirut, Lebanon

Subject: IBRD - Loan # 3562 LE (ERRP)

In connection with our audit of the Special Account of projects funded by the International Bank for Reconstruction and Development - Loan # 3562 LE (ERRP) for the period from March 8, 1993 to December 31, 1995, and further to our auditor's report issued on November 30, 1996 regarding the above special account, we hereby certify that based on the Council for Development and Reconstruction books and records, no disbursements were effected from March 8, 1995 to December 31, 1995 in respect of the statement of expenditures relating to the loan account referred to under subject above.

Beirut, Lebanon
April 21, 1997


Deloitte & Touche

**Deloitte Touche
Tohmatsu
International**

LB-3562

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

DATE: June 9, 1997 02:55pm

TO: MCI Services Telex/FAX/Cable/Courier (MCICTF@A=MCILAN@C=US@X400)

FROM: Cecilia Balchun, LOAEL (CECILIA BALCHUN)

EXT.: 84125

SUBJECT: 3562-LE - APPLICATION CDR 72-A (SUPPLEMENT)

:44230&4
OINFO

-SUBJECT : 3562-LE - APPLICATION CDR 72-A (SUPPLEMENT)
-DRAFTED BY: C.BALCHUN EXT: 84125
-AUTHORIZED BY: H.KOILPILLAI

FAX # 0119611647947
-#RETURN 202 5221649
-MS. NADA MUFARRIJ
-COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
-BEIRUT, LEBANON
-EXPRESS

BT

WASHINGTON, D.C. 30-May-1997

WE ARE PLEASED TO INFORM YOU THAT, NOW THAT FUNDS HAVE BECOME AVAILABLE UNDER CONTRACT 1336/7 WITH KUK DONG (M-35), WE HAVE PROCESSED A SUPPLEMENT TO APPLICATION CDR 72-A FOR US\$15,037.84. THE TRANSFER OF FUNDS SHOULD BE EFFECTED WITHIN 4 TO 5 WORKING DAYS.

WITH REGARD TO THE RECONCILIATION TO THE SPECIAL ACCOUNT FORM, PLEASE BE INFORMED OF THE FOLLOWING:

AAA THE AMOUNT RECOVERED STATED UNDER ITEM NO. 2 SHOULD BE US\$705,709.06; ITEM NO. 3 SHOULD THEN READ US\$12,294,290.94. AS WE EXPLAINED IN OUR FAX FROM LAST FRIDAY, THE AMOUNT OF US\$31,883.02 RETURNED TO THE SPECIAL ACCOUNT DOES NOT INCREASE THE INITIAL DEPOSIT TO THE SPECIAL ACCOUNT. IT REPLACES THE AMOUNT ERRONEOUSLY DEBITED AND CLAIMED UNDER APPLICATION 32. TO SOLVE THIS DISCREPANCY, WE WILL PROCESS THE NEXT APPLICATION BY THE AMOUNT CLAIMED BY CDR LESS US\$31,883.02. THE EXTRA ELEGIBLE JUSTIFICATION WILL BE UTILIZED TO REPLACE THE ONE PREVIOUSLY SUBMITTED IN ERROR;

BBB THE AMOUNT OF US\$10.04 FOR BANK CHARGES IS ELEGIBLE TO BE CLAIMED. PLEASE DO SO IN THE NEXT APPLICATION REPLENISHMENT APPLICATION BY DETAILING THE AMOUNT AND DESCRIPTION IN THE SUMMARY SHEET;

CCC THE AMOUNT REDUCED UNDER 73 OF US\$49,676.75 DUE TO

INSUFFICIENT FUNDS UNDER CONTRACT WITH GALION (M-29) NEEDS TO BE RETURNED TO THE SPECIAL ACCOUNT AS SOON AS POSSIBLE; AND

DDD WE NOTED THAT THE AMOUNT UNDER ITEM 6 OF THIS FORM HAS BEEN INCREASING. PLEASE PROVIDE US WITH DETAILS AND WHEN THIS AMOUNT WILL BE REFUNDED; AND

FOR FUTURE APPLICATIONS, WE WOULD APPRECIATE IF THE RECONCILIATION FORM, THE BANK STATEMENT AND THE SUMMARY SHEETS ARE SENT IN DUPLICATE.

BEST REGARDS, CECILIA BALCHUN, DISBURSEMENT ANALYST, ECA/MNA/LAC DISBURSEMENT DIVISION, LOAN DEPARTMENT, WORLD BANK.

CC: Mario Antonio Zelaya
CC: Hannah Koilpillai
CC: Marie Ange Le

(MARIO ANTONIO ZELAYA)
(HANNAH KOILPILLAI)
(MARIE ANGE LE)

MA - In 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 6, 1997 02:21pm

TO: Vasilios Demetriou (VASILIOS DEMETRIOU @A1@WBHQB)

FROM: Marie Ange Le, MN2PI (MARIE ANGE LE)

EXT.: 33064

SUBJECT: RE: Lebanon Cr. 3562-LEB
Consultant for the Technical Support Unit

Vas:

Mr. Zelaya informs me that he still has not received the incoming letter from the Minister of MVTE referred to in your EM of June 5, 1997.

Please provide us with a copy so that the "No Objection" fax can be issued.

Marie-Ange

- | | |
|---------------------------|-----------------------------------|
| CC: MARIO ANTONIO ZELAYA | (MARIO ANTONIO ZELAYA) |
| CC: JACQUES BAUDOUY | (JACQUES BAUDOUY) |
| CC: ALASTAIR J. MCKECHNIE | (AMCKECHNIE @WorldBank.org@INTER |
| CC: RANDA EL RASHIDI | (RANDA EL RASHIDI) |
| CC: MIRA HONG | (MHONG @WorldBank.org@INTERNET) |
| CC: ECA MNA ISC FILES | (ECA MNA ISC FILES) |

LV. In 3796

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 6, 1997 12:23pm

TO: Lars Jeurling (LARS JEURLING @A1@BALTIC)

FROM: Zeina Samara, LOAEL (ZEINA SAMARA)

EXT.: 84147

SUBJECT: **RE: Would you kindly handle this URGENTLY**
TF 21483: Swedish Grant

This is to advise you that we have received the original application under the referenced grant; however, the letter designating the official representatives which was included in the application was not an original.

Based on your message urging us to pay, we have approved the application on an exceptional basis and we have asked the Cash Department to effect the payment as soon as possible.

In this respect, we would be grateful if you can arrange to send us the original letter designating the official designatories so that Legal can confirm its validity.

Many thanks and best regards.

Zeina

CC: SUBASH CHANDRA (SUBASH CHANDRA)
CC: Nicholay Chistyakov (NICHOLAY CHISTYAKOV)
CC: BB (PAPER MAIL)
CC: ECA MNA ISC Files (ECA MNA ISC FILES)

LB - In 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 5, 1997 02:12pm
TO: MARIO ANTONIO ZELAYA (MARIO ANTONIO ZELAYA@A1@WBWASH)
FROM: Vasilios Demetriou, MNSHD (VASILIOS DEMETRIOU@A1@WBHQB)
EXT.: 81220
SUBJECT: **Lebanon Cr. 3562-LEB**
Consultant for the Technical Support Unit

Mario,

Good News on ERRP (Voc Ed. Component)

After a long wait, the Minister of MVTE has finally selected four very good persons to staff the Technical Support Unit (TSU). This unit will eventually grow to become a PIU for the new VTE project. I hope that with these new staff on board the project will begin to move. Before, there was a lot of confusion among CDR and MVTE staff, not to mention the friction between the Minister and the DG. Nobody was really in charge or accountable. At least, this unit will take some action on decisions already taken.

My mission already told the Minister informally that the Bank will not object to this move and that 19-month contracts with each staff would be acceptable (the remaining life of the Loan).

Action Needed

You need to sent a "no objection" letter signed by your Manager to CDR copied to Minister Farouk Barbir. The incoming letter from Minister was copied to you yesterday. Please let me know if you need further information. Minister Barbir's fax is (961-1) 371-689.

Many thanks,
Vas

P.S. I would appreciate your quick response (we are being watched you know!!)

- CC: JACQUES BAUDOUY (JACQUES BAUDOUY@A1@WBWASH)
- CC: ALASTAIR J. MCKECHNIE (AMCKECHNIE@WorldBank.org@INTERNET)
- CC: MARIE ANGE LE (MARIE ANGE LE@A1@WBWASH)
- CC: RANDA EL RASHIDI (RANDA EL RASHIDI@A1@WBWASH)
- CC: MIRA HONG (MHONG@WorldBank.org@INTERNET)
- CC: ECA MNA ISC FILES (ECA MNA ISC FILES@A1@WBWASH)

LB - ln 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: June 5, 1997 02:19pm

TO: Vasilios Demetriou (VASILIOS DEMETRIOU @A1@WBHQB)

FROM: Mario Antonio Zelaya, MN2PI (MARIO ANTONIO ZELAYA)

EXT.: 30609

SUBJECT: **RE: Lebanon Cr. 3562-LEB**
Consultant for the Technical Support Unit

Vas, welcome back and thanks for your good work supervising the ERRP. I'll look for the letter on the subject matter to issue a "no objection." I hope with this unit in place the component may take off.

epharisto,
re rds,
Mario

CC: JACQUES BAUDOY (JACQUES BAUDOY)
CC: ALASTAIR J. MCKECHNIE (AMCKECHNIE @WorldBank.org@INTER)
CC: MARIE ANGE LE (MARIE ANGE LE)
CC: RANDA EL RASHIDI (RANDA EL RASHIDI)
CC: MIRA HONG (MHONG @WorldBank.org@INTERNET)
CC: ECA MNA ISC FILES (ECA MNA ISC FILES)

VD/MH

LB-3562

SUMMERLAND HOTEL
Beirut, Lebanon
Room 245

LB-Vocational & Technical Education Pr

FAX COVER SHEET

DATE: May 31, 1997 TIME: 2:53 PM
TO: Mr. Vasilios Demetriou, World Bank, MNSHD Fax: (001-202) 477-0036
FROM: Randa El-Rushidi, World Bank Staff
Phone: 961-1-313-030 FAX: 961-1-319-213

RE: **LEBANON:** (1) Revision of the Aide-Memoire for the Vocational and Technical Education Project based on the discussion with Jihan Haider. The additional information and revisions are listed below.

ID 35687 - LEB
Ln. 3562 - LEB

Number of pages including cover sheet: 2

Message

Dear Vas,

Hope you had a good flight back and managed to get some rest. I received some feedback on the donor assistance section of the Aide-Memoire of the pre-appraisal mission of the Vocational and Technical Education Project based on a discussion with Jihan Haider. The additional information and revisions are listed below.

Islamic Bank

The Islamic Development Bank (IDB) is providing a soft loan in the amount of US\$7.8 million for civil works for the construction of 16 schools. This amount finances 39% percent of civil works for 16 new schools, the balance is to be financed by GOL. The location of schools to be financed by IDB has not been finalized, in fact the loan has not been signed for the civil works component. The grant agreement we received was for the equipment list to be financed by IDB.

Apparently, both the Arab Fund, IDB and OPEC are providing parallel financing for the 31 new VTE schools. There is an inter-change of who pays for what, depending on available funds. See below for elaboration.

OPEC

The US\$4 million provided by OPEC to finance three schools in North Lebanon are part of the agreed upon locations from the original list of schools to be financed by the Arab Fund and/or the IDB. Tentatively, the locations are Halba, Amyoun and Baghoun. We were advised not to list the locations, as this might change, depending upon which schools IDB will agree to finance. IDB will provide financing for the equipment for the 3 selected schools.

MNSHD

Ln./Cr./PID no.: 38687-LB
Project: Voc. & Technical Education
Date Received: 06/02 Log no.: 2
Assigned for action: V. Demetriou
Copy to: JB, RER, Mena and div. files
Action taken:

MNSHD

Ln./Cr./PID no.: LN.3562-LEB
Project: Emergency Reconstruction (Voc. Trgn)
Date Received: 06/02 Log no.: 1
Assigned for action: V. Demetriou
Copy to: JB, RER, Mena and div. files
Action taken:

Arab Fund

The Arab Fund will only finance 78% of civil works, design, construction, equipment and supervision of the 15 new schools. We have the list of schools. At least this activity is clear, unlike the IDB.

French Protocol

We need to change the heading French Cooperation to French Protocol. It was suggested that we phrase the paragraph to say: "French protocol of 1995 allocated US\$2 million..... the rest stays, and then we need to say that "in 1996 a grant of 2 million francs for TA was provided to complement activities to be financed under the 1996/97 loans."

VTE Component of the ERRP (L.n. 3562)

Equipment. I was informed by Nada that the amount required to finance the equipment component of the accelerated training component amounted to US1.9 million, and therefore, exceeded our expectations (US1.42 million). It was tentatively decided, that MVTE should finance the balance required, because as we know all funds were allocated towards well defined activities, all in need of financing. They will inform us of their final decision.

Technical Support Unit (TSU). The TSU staff met with Nada to discuss revised salary scales. She seems amenable towards increasing the salaries of the Architect, Procurement, Accountant and TA Specialist (Deputy), but not that of the Project Director or the Executive Secretary. This is an internal matter, they will sort it out.

I had the opportunity to provide feedback to H.E. Barbir on the importance of the appropriate location of the TSU staff, and the implications involved. He stated that he would handle it in a manner which would ensure that TSU staff would be able to perform their work in an efficient and expeditious manner.

VTE PHRD. I faxed Nada a copy of the activities to be financed under the Government executed portion of the PHRD. She will follow up with Mr. Haddad.

That's all for now. Let me know if you need further assistance. I can be reached in Cairo at (202) 3465-820.

All the best, Randa.

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: May 27, 1997 02:36pm

TO: MCI Services Telex/FAX/Cable/Courier (MCICTF@A=MCILAN@C=US@X400)

FROM: Blanche Williams, MN2PI (BLANCHE WILLIAMS)

EXT.: 36090

SUBJECT: **LEBANON: EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
(AMENDMENT) - LOAN NO. 3562-1-LE - LOAN EFFECTIVENESS**

:28640
OINFO

-SUBJECT : LEBANON: EMERGENCY RECONSTRUCTION AND REHABILITATION
-PROJECT (AMENDMENT) LOAN NO. 3562-1-LE - LOAN EFFECTIVENESS
-DRAFTED BY: MARIO A. ZELAYA:BW EXT: 30609
-AUTHORIZED BY: ALASTAIR J. MCKECHNIE
-CW AND CC: MS. ABU-ODEH (LEGMN)
-FILENAME: M:\LEB\5336\SPN\EFFECT.DOC M-8

923 23513 =
-H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL AFFAIRS
-MINISTRY OF FINANCE
-BEIRUT, LEBANON

923 42490 =
-MR. NABIL A. EL-JISR, PRESIDENT
-COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
-BEIRUT, LEBANON

BT
WASHINGTON, D.C. 27-May-1997

AD. ISSUED TO H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL
AFFAIRS, MINISTRY OF FINANCE. COPIED TO MR. NABIL A. EL-JISR,
PRESIDENT, COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION, BEIRUT,
LEBANON

RE: LEBANON - EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
(AMENDMENT) - LOAN NO. 3562-1-LE - LOAN EFFECTIVENESS

BANK ACCEPTS EVIDENCE SUBMITTED IN FULFILLMENT OF CONDITIONS
PRECEDENT TO EFFECTIVENESS OF LOAN AGREEMENT (EMERGENCY
RECONSTRUCTION AND REHABILITATION PROJECT - AMENDMENT) DATED JULY
15, 1996 BETWEEN THE LEBANESE REPUBLIC AND THE BANK. CONSEQUENTLY,
LOAN AGREEMENT AND PROJECT AGREEMENT OF SAME DATE BETWEEN BANK AND
CDR BECOME EFFECTIVE TODAY, MAY 27, 1997. PLEASE TELEX CONFIRMATION
RECEIPT OF THIS TELEX.

REGARDS, ALASTAIR J. MCKECHNIE, DIVISION CHIEF, PRIVATE SECTOR
DEVELOPMENT AND INFRASTRUCTURE DIVISION, COUNTRY DEPARTMENT II,
MIDDLE EAST AND NORTH AFRICA REGION, WORLD BANK

CC: Alastair J. McKechnie
CC: Tufan Kolan
CC: Laurens Hoppenbrouwer
CC: Lama Abu-Odeh
CC: Hannah Koilpillai
CC: Mario Antonio Zelaya
CC: Lars Rasmusson
CC: Marie Ange Le
CC: Imelda Sevilla
CC: Blanche Williams
CC: ECA MNA ISC Files

(ALASTAIR J. MCKECHNIE)
(TUFAN KOLAN)
(LAURENS HOPPENBROUWER)
(LAMA ABU-ODEH)
(HANNAH KOILPILLAI)
(MARIO ANTONIO ZELAYA)
(LARS RASMUSSON)
(MARIE ANGE LE)
(IMELDA SEVILLA)
(BLANCHE WILLIAMS)
(ECA MNA ISC FILES)

LB-3562

05-26-97

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO : Mr. Alastair McKechnie
Chief
MN2PI
The World Bank

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

FAX NO.: (202) 477-0348

FAX NOS.: (961-1) 864 494
(961-1) 647 947

SUBJECT: Lebanon-Emergency Reconstruction and
Rehabilitation Project (ERRP)-Loan No. 3562-1-
LE -Effectiveness of the Agreement Amending
Loan Agreement and the Agreement Amending
CDR Project Agreement

REF.: 1447/97/P.O.

DATE : 26/05/97

NCL OF PAGES: (5) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Ref. Article XII-Sections 12.01&12.02 of the General Conditions and Sections 2.01 and 2.02 of Article II of the above mentioned Agreement Amending Loan Agreement, please find attached the legal opinion of the Department of Legislation and Consultations of the Ministry of Justice, as well as, the Agreement Amending Subsidiary Agreement between the Ministry of Finance and the Council for Development and Reconstruction. We trust that the Agreement Amending Loan Agreement and the Agreement Amending CDR Project Agreement will be declared effective soonest.

Please be informed that we are sending you by express mail the originals of the above mentioned documents.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

NM

MENA - CD2	
Private Sector Development & Infrastructure	
Int/Cred. No:	LEBANON
Project:	ERRP SUPPLEMENTAL
Rec'd:	MAY 27 97 Log No 344
Assigned to:	M.Z. JAM'AN (B-10)
Copy to:	Division Chief Division Eng EMEN' tes
Action:	

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NOs.:
(961-1) 643980 /1/2/3 - BEIRUT-LEBANON



Record Removal Notice

File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 21		Barcode No. 1467852		
Document Date 26 May, 1997	Document Type Legal Opinion			
Correspondents / Participants				
Subject / Title Legal opinion of the Department of Legislation and Consultations of the Ministry of Justice				
Exception(s) Attorney-Client Privilege				
Additional Comments		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.		
		<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			

LB - In 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: May 13, 1997 09:10am

TO: Remote Addressee

(MCTCTF@A=MCILAN@C=US@X400)

FROM: Blanche Williams, MN2PI

(BLANCHE WILLIAMS)

EXT.: 36090

SUBJECT: LEBANON - ERRP SUPPLEMENTAL LOAN (LOAN NO. 3562-1-LE AMENDMENT)

:28640

OINFO

-SUBJECT : LEBANON: ERRP SUPPLEMENTAL LOAN (LOAN NO. 3562-1 LE
-AMENDMENT) - EXTENSION OF EFFECTIVENESS DEADLINE

-INITIATED BY: MARIO ZELAYA:BW

EXT: 30609

-Cv. & CC: LAMA ABU-ODEH, LEGMN

-AUTHORIZED BY: INDER SUD, DIRECTOR, MN2

923 23513 =

-H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL AFFAIRS

-MINISTRY OF FINANCE

-BEIRUT, LEBANON

923 42490 =

-MR. NABIL A. EL-JISR, PRESIDENT

-COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

-BEIRUT, LEBANON

BT

WASHINGTON, D.C. 12-May-1997

RE: LEBANON - ERRP SUPPLEMENTAL LOAN (LOAN 3562-1 LE AMENDMENT) -
EXTENSION OF EFFECTIVENESS DEADLINE

ADDRESSED TO H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL
AFFAIRS, MINISTRY OF FINANCE; COPIED TO MR. NABIL A. EL-JISR,
PRESIDENT, COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION (CDR), BEIRUT,
LEBANON

TODAY, AFTER CONSIDERATION OF REASONS FOR DELAY, THE INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT (BANK) HAS EXTENDED THE
PERIOD WITHIN WHICH THE AGREEMENT AMENDING THE LOAN AGREEMENT HAS TO
BECOME EFFECTIVE AND HAS ESTABLISHED MAY 30, 1997 AS A LATER DATE FOR
PURPOSES OF SECTION 12.04 OF THE GENERAL CONDITIONS. BANK SHOULD
RECEIVE THE FOLLOWING: (I) EVIDENCE THAT THE SUBSIDIARY LOAN
AGREEMENT HAS BEEN AMENDED PURSUANT TO SECTION 2.01 OF THE AMENDING
AGREEMENT; AND (II) THE LEGAL OPINION REQUIRED BY SECTION 12.02 OF
THE GENERAL CONDITIONS THAT THE AGREEMENT AMENDING THE LOAN AGREEMENT
HAS BEEN DULY RATIFIED BY, AND EXECUTED AND DELIVERED ON BEHALF OF,
AND IS LEGALLY BINDING UPON THE BORROWER IN ACCORDANCE WITH ITS
TERMS, THE AGREEMENT AMENDING THE CDR PROJECT HAS BEEN DULY
AUTHORIZED BY CDR AND IS LEGALLY BINDING UPON CDR IN ACCORDANCE WITH

ITS TERMS AND THAT THE AMENDED SUBSIDIARY LOAN AGREEMENT HAS BEEN DULY AUTHORIZED BY THE BORROWER AND CDR AND IS LEGALLY BINDING UPON THE BORROWER AND CDR IN ACCORDANCE WITH ITS TERMS.

BEST REGARDS, INDER SUD, DIRECTOR, MN2, THE WORLD BANK.

CC: ECA MNA ISC Files

(ECA MNA ISC FILES)

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

TO : Mr. Alastair McKechnie
Chief
MN2PI
The World Bank

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

FAX NO.: (202) 477-0348

FAX NOS.: (961-1) 86 44 94
(961-1) 64 79 47

SUBJECT: Lebanon-ERRP(Loan No. 3562-1 LE)-
Supplemental Loan-Agreement Amending Loan
Agreement- Establishing a New Date for Loan
Effectiveness

REF.: 1322/97/P.O.

DATE : 12/5/97

NO. OF PAGES: (1) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Reference is made to Article XII-Section 12.04 of the General Conditions and Article II-Section 2.04 of the Agreement Amending the Loan Agreement dated 15/7/96, and your telex dated 8/2/97 in which you have established 12/5/97 as the date for declaring the above mentioned agreement effective.

Please be informed that the Agreement Amending Loan Agreement has been approved by the General Assembly of the Lebanese Parliament on 2/4/97.

We would, thus, highly appreciate it if you would establish a new date for declaring this Agreement effective, taking into consideration the time needed to get the legal opinion required as per Article 6.02 of the above mentioned loan agreement from the Department of Legislation and Consultation of the Ministry of Justice. For this purpose, we are proposing 26/5/97 as the new date for declaring effectiveness.

Thanking you in advance for your cooperation,

Sincerely Yours,

Nabil A. El Jisr
President



for NM
Council for Development
and Reconstruction
NM

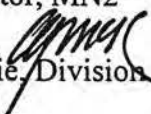
MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	_____
Project:	<u>LEB-ERRP</u>
Rec'd:	<u>5/12</u> Log No: <u>331</u>
Assigned to:	<u>M2, M1, BLU</u>
Copy to:	Division Chief Division Files EMENA Files
Action:	_____
_____	_____
_____	_____

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NOs.:
(961-1) 643980 /1/2/3- BEIRUT-LEBANON

OFFICE MEMORANDUM

DATE: May 12, 1997

TO: Mr. Inder Sud, Director, MN2

FROM: Alastair J. McKechnie,  Division Chief, MN2PI

EXTENSION: 33047

SUBJECT: **LEBANON - ERRP Supplemental Loan (Loan No. 3562-1-LE)**
Third Extension of Effectiveness Deadline

The Government, in its fax of May 12, 1997 (copy attached), has informed us that the Agreement Amending the Loan Agreement dated July 15, 1996, has been approved by the General Assembly of the Lebanese Parliament on April 2, 1997, and requested for additional time for the legal opinion.

The Supplemental Loan was approved by the Board on May 30, 1996 and signed on July 15, 1996. Since then, the Bank has agreed twice to the postponement of the original effectiveness deadline to February 10, 1997 and May 12, 1997.

Based on the above, I recommend that we grant the request for an extension of the current deadline for effectiveness to May 30, 1997.

cc: Mmes./Messrs. Venkatraman (MN2DR); Hoppenbrouwer (MN2CO), Zelaya (o/r),
Rasmusson, Le, Sevilla (MN2PI)); Abu-Odeh (LEGMN);
Koilpillai (LOAEL)

ECA/MNA ISC Files, Division Blackbook

/bw

m:\leb\5336\spn\eff-mem.doc

M-4

LB-PA-5336

**Deloitte Touche
Tohmatsu**



LB-3562
05-12-97

Fax Transmission

185, avenue Charles de Gaulle
92200 Neuilly-sur-Seine - France
Tel: 33 1 40 88 28 00
Fax: 33 1 40 88 28 28

To: Mr Jamal Saghir Fax number: 00.1.202.477.1691

From: Mr Bernard Duquenne Ref:

cc: Fax number:

Subject: Lebanon

Date: May 12, 1997

Number of pages (Including this one):

To confirm receipt, or if you do not receive all pages, please call: Fanny Mons Extension:

2619

Comments:

Dear Jamal,

Following our telephone conversation last Friday, I would like to clarify the following points concerning the management of the consultants of Deloitte & Touche as described in my fax to you dated May 5, 1997 :

- the Project Manager will spend approximately 25% of his time in managing the project overall and 75% of his time in managing specifically the Work Programmes Nos 1, 2, 3 and 4. The Work Programme No 5 will be managed specifically by C eris.
- Myself I shall be managing the overall project in liaison with Olivier Gou edard-Comte and we are both planning to spend approximately 3 man/months over a one year period to do so.
- Personally, I shall also been supervising directly the Work Programme No 6 on human resources for a period estimated at 3 man/months as shown in the indicative planning per man/days and per months attached to my letter dated May 5, 1997.

Confidentiality Notice : This page and any accompanying documents contain confidential information intended for a specific individual and purpose. This telecopied information is private and protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying or distribution, or the taking of any action based on the contents of this information, is strictly prohibited.

**Deloitte Touche
Tohmatsu
International**

FRANCE: ON OCTOBER 18, 1996 PHONE AND FAX NUMBER CHANGES

From October 18, 1996, all phone and FAX numbers within France will comprise 10 digits instead of 8. All numbers will be preceded by 0 and a regional 1 digit number.

For phone/FAX communications from outside France, with the exception of the Paris region, please dial a 9 digit number (skip the 0) after the country code (33). The changes to reach the DTT offices in France will be:

PARIS (Neuilly) office: NO CHANGE

BORDEAUX office: add 5 after country code → eg: + 33 5 57 81 21 80

LILLE and STRASBOURG offices: add 3 after country code → eg: + 33 3 20 51 15 62

LYON and MARSEILLE offices: add 4 after country code → eg: + 33 4 72 43 97 00

TOURS office: add 2 after country code → eg: + 33 2 47 60 39 10

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	
Project:	LB-PRP-Telecom
Rec'd:	5/12 Log No: 339
Assigned to:	J.S. B.W.
Copy to:	Division Chief Division Files
Action:	EMENA Files

In conclusion, I believe that the above planning should provide enough management time to supervise the project. More specifically, to answer one of your questions, I want to outline that Paul Choucraallah will be managing the Work Programmes Nos 1, 2 and 3 under the direct supervision of the Project Manager who would be spending most of his time in supervising the Work Programmes Nos 1, 2 and 3.

Best regards,



Bernard DUQUENNE

NB : I have a meeting today from 9.00 a.m to 11.00 a.m (Washington time), therefore, I shall be calling you about the contents of this fax after 11.00 a.m your time.

LB-In 3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: May 12, 1997 05:48pm
TO: MCI Services Telex/FAX/Cable/Courier (MCICTF@A=MCILAN@C=US@X400)
FROM: Blanche Williams, MN2PI (BLANCHE WILLIAMS)
EXT.: 36090

SUBJECT: LEBANON: ERRP SUPPLEMENTAL LOAN (LOAN NO. 3562-1 LE AMENDMENT) -
EXTENSION OF EFFECTIVENESS DEADLINE

:28640
OINFO

-SUBJECT : LEBANON: ERRP SUPPLEMENTAL LOAN (LOAN NO. 3562-1 LE
-AMENDMENT) - EXTENSION OF EFFECTIVENESS DEADLINE
-DRAFTED BY: MARIO ZELAYA:BW EXT: 30609
-CW & CC: LAMA ABU-ODEH, LEGMN
-AUTHORIZED BY: INDER SUD, DIRECTOR, MN2

923 23513 =
-H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL AFFAIRS
-MINISTRY OF FINANCE
-BEIRUT, LEBANON

923 42490 =
-MR. NABIL A. EL-JISR, PRESIDENT
-COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
-BEIRUT, LEBANON

BT
WASHINGTON, D.C. 12-May-1997

RE: LEBANON - ERRP SUPPLEMENTAL LOAN (LOAN 3562-1 LE AMENDMENT) -
EXTENSION OF EFFECTIVENESS DEADLINE

ADDRESSED TO H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL
AFFAIRS, MINISTRY OF FINANCE; COPIED TO MR. NABIL A. EL-JISR,
PRESIDENT, COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION (CDR), BEIRUT,
LEBANON

TODAY, AFTER CONSIDERATION OF REASONS FOR DELAY, THE INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT (BANK) HAS EXTENDED THE
PERIOD WITHIN WHICH THE AGREEMENT AMENDING THE LOAN AGREEMENT HAS TO
BECOME EFFECTIVE AND HAS ESTABLISHED MAY 30, 1997 AS A LATER DATE FOR
PURPOSES OF SECTION 12.04 OF THE GENERAL CONDITIONS. BANK SHOULD
RECEIVE THE FOLLOWING: (I) EVIDENCE THAT THE SUBSIDIARY LOAN
AGREEMENT HAS BEEN AMENDED PURSUANT TO SECTION 2.01 OF THE AMENDING
AGREEMENT; AND (II) THE LEGAL OPINION REQUIRED BY SECTION 12.02 OF
THE GENERAL CONDITIONS THAT THE AGREEMENT AMENDING THE LOAN AGREEMENT
HAS BEEN DULY RATIFIED BY, AND EXECUTED AND DELIVERED ON BEHALF OF,
AND IS LEGALLY BINDING UPON THE BORROWER IN ACCORDANCE WITH ITS
TERMS, THE AGREEMENT AMENDING THE CDR PROJECT HAS BEEN DULY

AUTHORIZED BY CDR AND IS LEGALLY BINDING UPON CDR IN ACCORDANCE WITH ITS TERMS AND THAT THE AMENDED SUBSIDIARY LOAN AGREEMENT HAS BEEN DULY AUTHORIZED BY THE BORROWER AND CDR AND IS LEGALLY BINDING UPON THE BORROWER AND CDR IN ACCORDANCE WITH ITS TERMS.

BEST REGARDS, INDER SUD, DIRECTOR, MN2, THE WORLD BANK.

CC: Lama Abu-Odeh	(LAMA ABU-ODEH)
CC: Hannah Koilpillai	(HANNAH KOILPILLAI)
CC: K.S. Venkatraman	(K.S. VENKATRAMAN)
CC: Laurens Hoppenbrouwer	(LAURENS HOPPENBROUWER)
CC: Alastair J. McKechnie	(ALASTAIR J. MCKECHNIE)
CC: Mario Antonio Zelaya	(MARIO ANTONIO ZELAYA)
CC: Lars Rasmusson	(LARS RASMUSSON)
CC: Marie Ange Le	(MARIE ANGE LE)
CC: Imelda Sevilla	(IMELDA SEVILLA)
CC: Blanche Williams	(BLANCHE WILLIAMS)
CC: ECA MNA ISC Files	(ECA MNA ISC FILES)

LB - Coastal Pollution & Water Supply Pr.

LB - 3562

LB - Awali Beirut Conveyor

LB - Water Supply Sector

(LARS RASMUSSEN)

(MARIE ANGE LE)

(Beirut Water Supply & Sanit.)

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: April 24, 1997 10:54pm

TO: Lars Rasmusson

FROM: Marie Ange Le, MN2PI

EXT.: 33064

SUBJECT: Mission to Lebanon - Statement of Objectives

Lars:

I note that your statement of objectives for the next mission to Lebanon is not copied to Mr. Zelaya (Task Manager for LEB-ERRP), Vicky, Blanche (ACC for Lebanon) and ECA/MENA Files.

It is important that the statement of objectives are recorded in our files.

Marie-Ange

CC: Blanche Williams
CC: Victoria F. Duncan
CC: Mario Antonio Zelaya
CC: ECA MNA ISC Files

(BLANCHE WILLIAMS)
(VICTORIA F. DUNCAN)
(MARIO ANTONIO ZELAYA)
(ECA MNA ISC FILES)

A L L - I N - 1 N O T E

DATE: 24-Apr-1997 04:35pm EDT

TO: Alastair J. McKechnie (ALASTAIR J. MCKECHNIE)
TO: Sarshar Khan (SARSHAR KHAN)

FROM: Lars Rasmusson, MN2PI (LARS RASMUSSON)

EXT.: 33065

SUBJECT: Mission to Lebanon: Statement of Objectives

I plan to visit Lebanon from May 20 to June 10, 1997, to cover:

- (a) a review (or project launch) of the Coastal Pollution Control and Water Supply Project (CPCWSP);
- (b) a mid-term review of the ERRP including ERRP Supplementary;
- (c) preparation of the proposed Awali-Beirut Water Conveyor Project (A-BWCP); and
- (d) initiation of a proposed Beirut Water Supply and Wastewater Project (BWSWP).

Regarding A-BWCP and BWSWP I will overlap with a mission by Jamal Saghir and for ERRP with a mission by Mario Zelaya. Jamal Saghir will also assist in the review of the CPCWSP particularly on the components on sector reforms. Etienne Linard, who will be in Lebanon during May 18 to 24, will assist, as time permits, on procurement matters for the CPCWSP.

Specific activities to be covered under the above projects are outlined below.

FOR CPCWSP I will review and follow-up on:

- arrangements made or to be made for continuation of ongoing contract for project management;
- progress made under the consultant contracts on detail engineering and oceanographic surveys;
- bidding documents for Nabatiye water supply and wastewater contract to ensure early bidding;
- arrangements made for appointment of consultants for construction supervision;
- progress made in land acquisition and resettlement;
- draft Request for Proposals (RfPs) for a Operation, Maintenance and Training Services (OMTS) contract and a short list of firms to be invited to submit proposals;
- TORs for supervision of the OMTS contract and a short list of firms to be invited to submit proposals;
- for sector reforms the establishment of a Steering Committee and Technical Secretariat with the appointment of an Institutional

Specialist;

- revised draft law on sector reforms; and
- progress made on identification of pre-treatment requirements for industrial effluents and on appointment of consultants for preparation of an environmental monitoring program.

FOR A-BWCP I will assist in:

- a review of the Gibb's study on water demand and supply and on water costs; and
- discussions with Montgomery Watson on progress made in the preparation of Request for Proposals for a BOT contract and of an environmental assessment.

FOR BSWP I will discuss:

- the request for PHRD funding of consultant services for project preparation;
- potential scope of project and scope of works to be covered under a consultant contract and preparation of relevant TORs; and
- project preparation plan for next steps to be taken.

For the mid-term review of the ERRP including ERRP Supplementary and for the preparation of the A-BWCP separate Statement of Objectives will be issued.

The mission outputs will be:

- a Memorandum of Understanding (MOU) for the CPCWSP; and
- contributions to MOUs to be prepared for the other projects.

On return of mission to headquarters a BTO report will be prepared and a Technical Note on the A-BWCP will be finalized.

CC: Jamal Saghir	(JAMAL SAGHIR)
CC: Adil Kanaan	(ADIL KANAAN)
CC: Laurens Hoppenbrouwer	(LAURENS HOPPENBROUWER)
CC: Tufan Kolan	(TUFAN KOLAN)
CC: ALEX MCPHAIL	(ALEX MCPHAIL @A1@WBHQB)
CC: Marie Ange Le	(MARIE ANGE LE)
CC: ABHA JOSHI-GHANI	(AJOSHIGHANI@WorldBank.org@INTER
CC: Josephine Masanque	(JOSEPHINE MASANQUE)
CC: ETIENNE LINARD	(ETIENNE LINARD @A1@WBHQB)

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: April 8, 1997 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil El-Jisr **FAX NO.:** 961-1 647-947
Title: President
Organization: Council for Development and Reconstruction (CDR)
City/Country: Beirut, Lebanon

FROM: Mario A. Zelaya **FAX NO.:** (202) 202-477-0348
Title: Task Manager Telephone: (202) 202-473-0609
Dept/Div: MN2PI Dept./Div. No.: 286-40
Room No.: H10-013

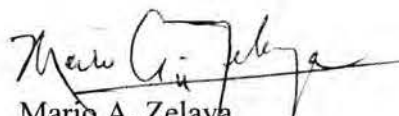
SUBJECT: Lebanon-ERRP Loan No. 3562 Annual Audit Report of the Special Account

MESSAGE:

Dear Mr. El-Jisr:

I acknowledge with thanks receipt of two copies of the audit report of the special account done by Deloitte & Touche for the period March 8, 1994 - December 31, 1995. The report complies with the loan agreement covenant clause 4.01 (b) (i) but it does not comply with clause 4.01 (b) (ii) which refers to the auditor's opinion on the Statement of Expenditures (SOEs). I will appreciate if you request the auditor's statement on SOEs which could be provided in a supplementary letter.

Sincerely yours,


Mario A. Zelaya
Task Manager

Private Sector Development and Infrastructure Division
Middle East Department
Middle East and North Africa Region

Transmission authorized by:

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

cc: Meesrs./Mesdames McKechnie, Masanque, Le, Dennis, Williams (MN2PI)
ECA/MENA and Division Files

MZelaya:mz/bw
m:\leb\5336\spn\auditing.soe

S-General Supplemental
LB-PA-5336

LB-3562

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: April 3, 1997 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil A. El-Jisr **FAX NO.:** 9-011-9611-647947
Title: President
Organization: Council for Development & Reconstruction
City/Country: Beirut, Lebanon

FROM: Mario A. Zelaya **FAX NO.:** (202) 477-0348 or 1691
Title: Senior Projects Officer **Telephone:** (202) 473-0609
Dept/Div: Private Sector Development & Infrastructure **Dept./Div. No.:** 286/40
Room No.: H10-013

SUBJECT: LEBANON: ERRP Supplemental Loan Effectiveness

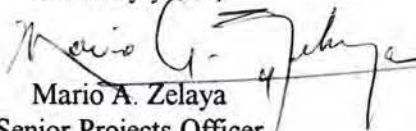
MESSAGE:

Dear Mr. El Jisr:

The current deadline for declaring the ERRP Supplemental Loan effective is May 12, 1997. Please advise status of Parliamentary approval.

With best regards.

Sincerely yours,



Mario A. Zelaya
Senior Projects Officer
Private Sector Development and Infrastructure
Middle East Department
Middle East and North Africa Region

Transmission authorized by: Mario A. Zelaya, Task Manager, MN2PI

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

cc: Messrs/Mesdames Koilpillai (LOAEL); Abu-Odeh (LEGMN); Hoppenbrouwer (MN2CO); Jme'an, Rasmusson, Le, Williams (MN2PI)

mzelaya/ml
m:\leb\5336\spn\040397fx.doc

M-Supplemental
LB-PA-5336

LB-3562

A L L - I N - 1 N O T E

DATE: 14-Feb-1997 02:04pm

TO: Lars Rasmusson (LARS RASMUSSON)

FROM: Gultekin Yuksel, EC4DR (GULTEKIN YUKSEL)

EXT.: 38078

SUBJECT: LB: ERRP (Ln.#3562)- Supply of Circuit Breakers and Disconnectors

Lars,

As per your request, I reviewed the draft contract sent to the Bank by CDR for the supply of circuit breakers and disconnectors needed for the rehabilitation of the Markabi Hydroelectric Power Plant. I have the following comments:

1. This is a relatively large contract containing equipment manufactured by a large number of firms. I do not know the nature of the agreement between the Bank and GOL regarding the procurement of supplies needed for emergency assistance, but I think single-sourcing in this case can be justified only if the original equipment were supplied by the same firm (AEG). You should ascertain that this is the case.
2. The contract is not clear about delivery terms (delivered at the power plant, but is it duty-paid or duty-unpaid?). However SCC Clause 11 (Prices) suggests that the contract prices contain customs and import duties. If the Bank is to finance this contract, these duties must be shown separately.
3. GCC Clause 26.1 (Termination for Insolvency) has the wrong text (Termination for Convenience). It should be replaced with the correct text appearing on page 49 of the Standard Bidding Documents for Procurement of Goods (January 1995).
4. I shall return your documents under separate cover.

Gultekin

CC: ETIENNE LINARD
CC: ECA MNA ISC Files

(ETIENNE LINARD @A1@WBHQB)
(ECA MNA ISC FILES)

LB-3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO :	Mr. Alastair McKechnie Chief MN2PI The World Bank	FROM :	COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION BEIRUT - LEBANON
FAX NO.:	(202) 477-0348	FAX NOS.:	(961-1) 86 44 94 (961-1) 64 79 47
SUBJECT:	Lebanon-ERRP(Loan No. 3562 LE)-Loan Agreement-Audit of the Special Account	REF. :	389/97/P.O.
DATE :	12/2/1997	NO. OF PAGES:	(1) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Ref. Article IV - Financial Covenants - Section 4.01(b) of the Loan Agreement dated 8/3/1993, we would like to inform you that we are sending you by express mail the audit of the special account related to the above referenced loan for the fiscal year 1995 as audited by Deloitte and Touche.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	_____
Project:	CD-ERRP
Rec'd:	2/12
Log No:	019 A
Assigned to:	ED, M2, R, SW
Copy to:	Division Chief Division Files EMENA Files
Action:	_____

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.:
(961-1) 643980 /1/2/3- BEIRUT-LEBANON

LB - In 3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

2-12-97

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

TO :	Mr. Alastair McKechnie Chief MN2PI The World Bank	FROM :	COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION BEIRUT - LEBANON
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Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

Pls Follow up

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	
Project:	LB-ERRP
Rec'd:	2/12/97
Assigned to:	ED, AGOR, SW
Log No:	019 A
Copy to:	Division Chief Division Files EMENA Files
Action:	

SJ

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NOs.:

(961-1) 643230 /1/2/3- BEIRUT-LEBANON

LB-1n3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

No. : 390/97/P.O.

Beirut, 12/2/1997

Mr. Alastair McKechnie
Chief
MN2PI
The World Bank

2.12-97

Room No.:H10-001
FAX No.: (202) 477-0348

SUBJECT:Lebanon-ERRP(Loan No. 3562 LE)- Loan Agreement- Audit of the
Special Account

Dear Mr. McKechnie,

Ref. Article IV - Financial Covenants - Section 4.01(b) of the Loan Agreement
dated 8/3/1993, please find enclosed the audit of the special account related to
the above referenced loan for the fiscal year 1995 as audited by Deloitte and
Touche.

We trust that the enclosed report meets with the requirements under the above
mentioned section of the Loan Agreement and would, thus, satisfy what has
been requested in your letter dated 24/9/96.

Sincerely Yours,

Nabil A. EL Jisr
President



Council for Development
and Reconstruction
NM

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	
Project:	LEB-ERRP
Rec'd:	218
Log No:	021A
Assigned to:	MZOR, GR, MLE
Copy to:	EDR, Division Chief, BU
	Division Files
	EMENA Files
Action:	



COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

STATEMENT OF SPECIAL ACCOUNT OF PROJECTS
FUNDED BY THE INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT -
LOAN # 3562 LE (ERRP)
AND AUDITOR'S REPORT
FOR THE PERIOD FROM MARCH 8, 1993
TO DECEMBER 31, 1995



COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

STATEMENT OF SPECIAL ACCOUNT OF PROJECTS
FUNDED BY THE INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT -
LOAN # 3562 LE (ERRP)
AND AUDITOR'S REPORT
FOR THE PERIOD FROM MARCH 8, 1993
TO DECEMBER 31, 1995

LB-3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: February 7, 1997 05:31pm

TO: MCI Services Telex/FAX/Cable/Courier (MCICTF@A=MCILAN@C=US@X400)

FROM: Blanche Williams, MN2PI (BLANCHE WILLIAMS)

EXT.: 36090

SUBJECT: LEBANON: ERRP SUPPLEMENTAL LOAN - EXTENSION OF EFFECTIVENESS
DEADLINE

:28640
OINFO

-SUBJECT : LEBANON: ERRP SUPPLEMENTAL LOAN (LOAN NO. 3562-1 LE -
-AMENDMENT) - EXTENSION OF EFFECTIVENESS DEADLINE
-DRAFTED BY: LARS RASMUSSEN:BW EXT: 33065
-CLEARED WITH AND CC: MS. ABU-ODEH, LEGMN
-AUTHORIZED BY: DEANE JORDAN

923 23513 =
-H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL AFFAIRS
-MINISTRY OF FINANCE
-BEIRUT, LEBANON

923 42490 =
-MR. NABIL A. EL-JISR, PRESIDENT
-COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
-BEIRUT, LEBANON

BT
WASHINGTON, D.C. 07-Feb-1997

RE: LEBANON - ERRP SUPPLEMENTAL LOAN - EXTENSION OF EFFECTIVENESS
DEADLINE

ADDRESSED TO H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL
AFFAIRS, MINISTRY OF FINANCE; COPIED TO MR. NABIL A. EL-JISR,
PRESIDENT, COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION, BEIRUT,
LEBANON

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REGARDS, DEANE JORDAN, ACTING DIVISION CHIEF, MN2PI, THE WORLD BANK.

CC: Lama Abu-Odeh	(LAMA ABU-ODEH)
CC: Alastair J. McKechnie (o/r)	(ALASTAIR J. MCKECHNIE)
CC: Deane Jordan	(DEANE JORDAN)
CC: Mario Antonio Zelaya	(MARIO ANTONIO ZELAYA)
CC: Lars Rasmusson	(LARS RASMUSSON)
CC: Marie Ange Le	(MARIE ANGE LE)
CC: ECA MNA ISC Files	(ECA MNA ISC FILES)

LB-3562

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: February 7, 1997 01:44pm

TO: Lama Abu-Odeh

(LAMA ABU-ODEH)

FROM: Blanche Williams, MN2PI

(BLANCHE WILLIAMS)

EXT.: 36090

SUBJECT: **LEBANON - ERRP SUPPLEMENTAL LOAN - EXTENSION OF EFFECTIVENESS
DEADLINE**

The attached is for your clearance please.

CC: Lars Rasmusson

(LARS RASMUSSON)

CC: ECA MNA ISC Files

(ECA MNA ISC FILES)

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE:

TO: MCI Services Telex/FAX/Cable/Courier (MCICTF@A=MCILAN@C=US@X400)

FROM: Blanche Williams, MN2PI (BLANCHE WILLIAMS)

EXT.: 36090

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DEADLINE**

:28640
OINFO

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-DRAFTED BY: LARS RASMUSSEN:BW EXT: 33065
-CLEARED WITH AND CC: MS. ABU-ODEH, LEGMN
-AUTHORIZED BY: DEANE JORDAN

923 23513 =
-H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL AFFAIRS
-MINISTRY OF FINANCE
-BEIRUT, LEBANON
923 42490 =
-MR. NABIL A. EL-JISR, PRESIDENT
-COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
-BEIRUT, LEBANON

BT
WASHINGTON, D.C. 07-Feb-1997

RE: LEBANON - ERRP SUPPLEMENTAL LOAN - EXTENSION OF EFFECTIVENESS
DEADLINE

ADDRESSED TO H.E. FUAD SINIORA, MINISTER OF STATE FOR FINANCIAL
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PRESIDENT, COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION, BEIRUT,
LEBANON

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AND IS LEGALLY BINDING UPON THE BORROWER IN ACCORDANCE WITH ITS
TERMS.

REGARDS, DEANE JORDAN, ACTING DIVISION CHIEF, MN2PI, THE WORLD BANK.

CC: Lama Abu-Odeh	(LAMA ABU-ODEH)
CC: Alastair J. McKechnie (o/r)	(ALASTAIR J. MCKECHNIE)
CC: Deane Jordan	(DEANE JORDAN)
CC: Mario Antonio Zelaya	(MARIO ANTONIO ZELAYA)
CC: Lars Rasmusson	(LARS RASMUSSON)
CC: Marie Ange Le	(MARIE ANGE LE)
CC: ECA MNA ISC Files	(ECA MNA ISC FILES)

LB In 3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

2-4-97

TO :	Mr. Alastair McKechnie Chief MN2PI The World Bank	FROM :	COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION BEIRUT - LEBANON
FAX NO.:	(202) 477-0348	FAX NOS.:	(961-1) 86 44 94 (961-1) 64 79 47
SUBJECT:	Lebanon-ERRP(Loan No. 3562-1 LE)- Supplemental Loan-Agreement Amending Loan Agreement- Establishing a New Date for Loan Effectiveness	REF.:	338/97/P.O.
DATE :	4/2/97	NO. OF PAGES:	(1) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Reference is made to Article XII-Section 12.04 of the General Conditions and Article II-Section 2.04 of the Agreement Amending the Loan Agreement dated 15/7/96, and your telex dated 12/11/96 in which you have established 10/2/97 as the date for declaring the above mentioned agreement effective.

Please be informed that the Loan Agreement has yet to be approved by the General Assembly of the Lebanese Parliament. However, an extraordinary parliamentary session has been opened recently and we are working on having the above mentioned loan approved during this session.

We would, thus, highly appreciate it if you would establish a later date for declaring this Agreement effective and look forward to hearing from you at your earliest convenience.

Thanking you in advance for your cooperation,

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

NM

MENA - CD2

Private Sector Development & Infrastructure

Ln/Credit No: _____

Project: LEB-ERRP

Rec'd: 5/16

Assigned to: MZOR, LR, BUT Log No. 319

Copy to: Division Chief
Division Files
EMENA Files

Action: _____

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.s:
(961-1) 643980 /1/2/3- BEIRUT-LEBANON

LB- 3562

A L L - I N - 1 N O T E

DATE: 29-Jan-1997 11:30am

TO: Randa El-Rashidi

(RANDA EL RASHIDI)

FROM: Marie Ange Le, MN2PI

(MARIE ANGE LE)

EXT.: 33064

SUBJECT: **RE: LEB: ERRP**

Randa:

Yes, a "No Objection" fax cleared with Mr. Demetriou was sent on January 23, 1997.

Marie-Ange

CC: Mario Antonio Zelaya
CC: VASILIOS DEMETRIOU
CC: Mira Hong
CC: ECA MNA ISC Files

(MARIO ANTONIO ZELAYA)
(VASILIOS DEMETRIOU @A1@WBHQB)
(MIRA HONG)
(ECA MNA ISC FILES)

LB-3562

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: January 24, 1997 **NO. OF PAGES:** 2 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil El-Jisr **FAX NO.:** 961 1 86 4494
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon

FROM: Lars Rasmusson **FAX NO.:** (202) 477-0348
Title: Consultant Telephone: (202) 473-3065
Dept/Div: Private Sector Development and Infrastructure Div Dept./Div. No.: 28640
Room No.: H10-125

UBJECT: Lebanon: ERRP (Loan No. 3562-LE) - Water and Wastewater Component - Metn and Barouk - Tender Documents

MESSAGE:

Dear Mr. El-Jisr,

1. Reference is made to your letter dated December 12, 1996, with enclosed Tender Documents for Contract No.1865 for Metn and Barouk E1 Water Supply and Metn and Chouf Wastewater. As a general comment the Bank's Standard Bidding Documents (SBD) for "Procurement of Works" (January 1995) should, where applicable, be used without change. Our specific comments on Instructions to Tenderers (IT) and Conditions of Particular Application (CPA) are shown in below paragraphs.

2. On Instructions to Tenderers (IT):

- a) para 1.2: It states that the successful tenderer will be expected to complete the contract within 24 months from the date of commencement of works. We want to draw to your attention that this is beyond the closing date, which is December 31, 1998, and that the Bank cannot at this stage approve any extension of the closing date;
- b) para 5.3 (f): This should correspond to about 4 months' cashflow, which would be in the order of US\$3.5 - 4.0 million. The stated figure US\$2.5 million would be on the low side;
- c) para 5.4: The 30 percent, regarding minimum criteria to be met, is proposed to be changed to 40 percent;

Transmission authorized by:

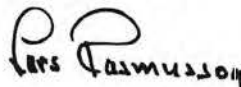
If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

- d) para 8.1: In line 1 “the tenderer is required” is proposed to be changed to “the tenderer is advised”;
 - e) para 14.3: The phrasing “with the exception of import duties and taxes on imported materials and on plant which is to be re-exported upon completion” is proposed to be reworded as follows: “ with the exception of import duties and taxes on plant, which is to be re-exported upon completion, and on imported materials”;
 - f) para 14.4: The Bank’s Procurement Guidelines state under para.2.24 “Price adjustment provisions are usually not necessary in simple contracts involving delivery of goods or completion of works within eighteen months, but shall be included in contracts which extend beyond eighteen months”. With reference to a) above, price adjustment provisions should be made with a price adjustment formula to be given;
 - g) para 16.2: In case of price adjustments this clause will not be needed;
 - h) para 25.2: The following corrections are proposed “”WITHDRAWAL” and “SUBSTITUTION” shall be opened and the name of the bidder shall be read out first”;
 - i) para 25.5: This is a new para to read “Bids not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances”;
 - j) paras 31.2 and 31.3: We propose the use of the exact wording of corresponding paras in the SBD;
 - k) paras 36.2 and 36.3: We propose the use of the exact wording of corresponding paras in the SBD;
 - l) the SBD para 38.1 on “Disputes Review Board” should be inserted; and
 - m) a separate para should be inserted on Fraud and Corruption as stated in the latest version of the Bank’s Procurement Guidelines (revised January and August 1996).
3. On Conditions of Particular Application (CPA):
- a) add from the SBD sub-clause 10.2, Validity of the Performance Security, and sub-clause 10.4, Cost of Performance Security;
 - b) replace sub-clause 21.2 with what is stated under sub-clause 21.2 and 21.2(c) in the SBD;

- c) the wording in the SBD for sub-clause 52.2 should be used;
 - d) add from the SBD a sub-clause 55.2 on Omissions of Quantities; and
 - e) sub-clause 78.1, Restrictions on Eligibility, is not acceptable, and should be replaced with sub-clause 76.1 in the SBD.
4. We propose that you proceed with tender invitation as early as possible at the same time as you submit the revised IT and CPA to the Bank for review.

Best Regards

Yours Sincerely,



Lars Rasmusson
Consultant

Private Sector Development and Infrastructure
Middle East Department
Middle East and North Africa Region

cleared with and cc: Messrs. Linard and Yuksel

cc: Mr./Mmes. Zelaya, Le, Williams o/r

LB-PE-5336

PROCUREMENT

m:\leb\5336\spn\leb-0113.fa1

FACSIMILE COVER SHEET AND MESSAGE

DATE: January 21, 1997 **NO. OF PAGES:** 2 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil El-Jisr **FAX NO.:** 961 1 86 4494
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon

FROM: Lars Rasmusson **FAX NO.:** (202) 477-0348
Title: Consultant Telephone: (202) 473-3065
Dept/Div: Private Sector Development and Infrastructure Div Dept./Div. No.: 28640
Room No.: H10-125

SUBJECT: **Lebanon: ERRP (Loan No. 3562-LE) - Water and Wastewater Component - Metn and Barouk - Tender Documents**

MESSAGE:

Dear Mr. El-Jisr,

1. Reference is made to your letter dated December 12, 1996, with enclosed Tender Documents for Contract No. 1865 for Metn and Barouk E1 Water Supply and Metn and Chouf Wastewater. As a general comment the Bank's Standard Bidding Documents (SBD) should, where applicable, be used without change. Our specific comments on Instructions to Tenderers (IT) and Conditions of Particular Application (CPA) are shown in below paragraphs.

2. On Instructions to Tenderers (IT):

- a) para 1.2: It states that the successful tenderer will be expected to complete the contract within 24 months from the date of commencement of works. We want to draw to your attention that this is beyond the closing date, which is December 31, 1998, and that the Bank cannot at this stage approve any extension of the closing date;
- b) para 5.3 (f): This should correspond to about 4 months' cashflow, which would be in the order of US\$3.5 - 4.0 million. The stated figure US\$2.5 million would be on the low side;
- c) para 5.4: The 30 percent, regarding minimum criteria to be met, is proposed to be changed to 40 percent;

Transmission authorized by:

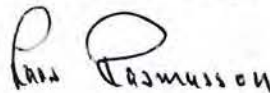
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- d) para 8.1: In line 1 “the tenderer is required” is proposed to be changed to “the tenderer is advised”;
 - e) para 14.3: The phrasing “with the exception of import duties and taxes on imported materials and on plant which is to be re-exported upon completion” is proposed to be reworded as follows: “ with the exception of import duties and taxes on plant, which is to be re-exported upon completion, and on imported materials”;
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 - h) para 25.2: The following corrections are proposed “”WITHDRAWAL” and “SUBSTITUTION” shall be opened and the name of the bidder shall be read out first”;
 - i) para 25.5: This is a new para to read “Bids not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances”;
 - j) paras 31.2 and 31.3: We propose the use of the exact wording of corresponding paras in the SBD;
 - k) paras 36.2 and 36.3: We propose the use of the exact wording of corresponding paras in the SBD;
 - l) the SBD para 38.1 on “Disputes Review Board” should be inserted; and
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- c) the wording in the SBD for sub-clause 52.2 should be used;
 - d) add from the SBD a sub-clause 55.2 on Omissions of Quantities; and
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4. We propose that you proceed with tender invitation as early as possible at the same time as you submit the revised IT and CPA to the Bank for review.

Best Regards

Yours Sincerely,



Lars Rasmusson
Consultant

Private Sector Development and Infrastructure
Middle East Department
Middle East and North Africa Region

cleared with and cc: Messrs. Linard and Yuksel

cc: Mr./Mmes. Zelaya, Le, Williams o/r

LB-PE-5336

PROCUREMENT

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WB MN2IN

(AUTO)

THE FOLLOWING FILE(S) ERASED

FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
020	MEMORY TX	PERSONAL CODE ****	90119611864494	03/03	OK

ERRORS

1) HANG UP OR LINE FAIL 2) BUSY 3) NO ANSWER 4) NO FACSIMILE CONNECTION

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE:	January 24, 1997	NO. OF PAGES: 2 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil El-Jisr Title: President Organization: Council for Development and Reconstruction City/Country: Beirut, Lebanon		FAX NO.: 961 1 86 4494
FROM:	Lars Rasmusson Title: Consultant Dept/Div: Private Sector Development and Infrastructure Div Room No.: H10-125		FAX NO.: (202) 477-0348 Telephone: (202) 473-3065 Dept./Div. No.: 28640
SUBJECT:	Lebanon: ERRP (Loan No. 3562-LE) - Water and Wastewater Component - Metn and Barouk - Tender Documents		

MESSAGE:

Dear Mr. El-Jisr,

LB - Ln 3562

01/22/97

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: January 22, 1997 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil A. El-Jisr **FAX NO.:** 9-011-9611-647947
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon

FROM: Alastair J. McKechnie **FAX NO.:** (202) 477-0348
Title: Division Chief Telephone: (202) 473-3047
Dept/Div: Private Sector Development & Infrastructure Dept./Div. No.: 28640
Room No.: H10-001

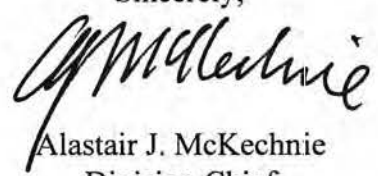
SUBJECT: LEBANON - ERRP (Loan No. 3562-LE) - Housing Grants Component

MESSAGE:

Mr. El-Jisr,

We acknowledge with thanks receipt of your fax dated January 15, 1997 reference 115/97/P.O. enclosing the Implementation Plan for the Housing Grants Component.

Sincerely,



Alastair J. McKechnie
Division Chief
Private Sector Development and Infrastructure Division
Middle East Department
Middle East and North Africa Region

Transmission authorized by: Alastair J. McKechnie, Division Chief, MN2PI

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

cc: Messrs./Mmes. Zelaya o/r, Le, Williams o/r (MN2PI);
Hoppenbrouwer (MN2CO)

LB-PE-5336

PROCUREMENT

m:\leb\5336\spn\hsegrant.pro

WB MNZIN

(AUTO)

THE FOLLOWING FILE(S) ERASED

FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
069	MEMORY TX	PERSONAL CODE ****	90119611647947	01/01	OK

ERRORS

1) HANG UP OR LINE FAIL 2) BUSY 3) NO ANSWER 4) NO FACSIMILE CONNECTION

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE:	January 22, 1997	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil A. El-Jisr	FAX NO.:	9-011-9611-647947
Title:	President		
Organization:	Council for Development and Reconstruction		
City/Country:	Beirut, Lebanon		
FROM:	Alastair J. McKechnie	FAX NO.:	(202) 477-0348
Title:	Division Chief	Telephone:	(202) 473-3047
Dept/Div:	Private Sector Development & Infrastructure	Dept/Div. No.:	28640
Room No.:	H10-001		
SUBJECT:	LEBANON - ERRP (Loan No. 3562-LE) - Housing Grants Component		

MESSAGE:

Mr. El-Jisr,

LB-3562

A L L - I N - 1 N O T E

DATE: 22-Jan-1997 11:31pm

TO: Mario Antonio Zelaya

(MARIO ANTONIO ZELAYA)

FROM: Randa El-Rashidi, MNSHD

(RANDA EL RASHIDI)

EXT.: 32274

SUBJECT: LEB: ERRP

Mario,

Was a response drafted to CDR re: fax dated 1/15/97 requesting the Bank's No Objection on the supervision of rehabilitation of VTE school for the Beirut zone, North, South and Beka zones?

I look forward to your response.

Thanks, Randa.

CC: VASILIOS DEMETRIOU
CC: Marie Ange Le
CC: Mira Hong
CC: ECA MNA ISC Files

(VASILIOS DEMETRIOU @A1@WBHQB)
(MARIE ANGE LE)
(MIRA HONG)
(ECA MNA ISC FILES)

LB-h 3562

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: January 17, 1997 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil El-Jisr **FAX NO.:** 961-1-647947
 Title: President
 Organization: Council for Development and Reconstruction (CDR)
 City/Country: Beirut, Lebanon

FROM: Alastair J. McKechnie **FAX NO.:** 202-477-0348
 Title: Division Chief Telephone: 202-473-3047
 Dept/Div: Private Sector Development and Infrastructure Dept./Div. No.: 286/40
 Room No.: H10-001

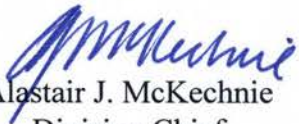
SUBJECT: Lebanon-ERRP (Ln No. 3562) Supply and Installation of PC's and Printers for Vocational and Technical Schools

MESSAGE:

Dear Mr. El -Jisr:

Reference is made to your fax 2366/96/P.O. dated 1/10/97 which we received on 1/17/97 regarding the contract for the supply and installation of PC's and printers for Vocational and Technical Schools. Based on the information provided, the Bank has "no objection" to ASTEC's proposal to modify the computers specifications which you already have approved.

Sincerely,


Alastair J. McKechnie
Division Chief

Private Sector Development and Infrastructure
Middle East Department
Middle East and North Africa Region

Transmission authorized by:

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

cc: Messrs./Mesdames Zelaya, Le, Williams (MN2PI); Demetriou, El Rashidi
(MNSHD); Koilpillai (LOAEL)

ECA/MENA and Division Files

MZelaya:mz/tmn

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LB-PE-5336

PROCUREMENT

WB MN2IN

(AUTO)

THE FOLLOWING FILE(S) ERASED

FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
005	MEMORY TX	PERSONAL CODE ****	90119611647947	01/01	OK

ERRORS

- 1) HANG UP OR LINE FAIL
- 2) BUSY
- 3) NO ANSWER
- 4) NO FACSIMILE CONNECTION

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Title:	President		
Organization:	Council for Development and Reconstruction (CDR)		
City/Country:	Beirut, Lebanon		
FROM:	Alastair J. McKechnie	FAX NO.:	202-477-0348
Title:	Division Chief	Telephone:	202-473-3047
Dept/Div:	Private Sector Development and Infrastructure	Dept./Div. No.:	286/40
Room No.:	H10-001		
SUBJECT:	Lebanon-ERRP (Ln No. 3562) Supply and Installation of PC's and Printers for Vocational and Technical Schools		

MESSAGE:

Dear Mr. El-Jisr:

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: January 15, 1997 **NO. OF PAGES:** 1 **MESSAGE NO.:**
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Title: President
Organization: Council for Development and Reconstruction (CDR)
City/Country: Beirut, Lebanon

FROM: Alastair J. McKechnie **FAX NO.:** (202) 202-477-0348
Title: Division Chief Telephone: (202) 202-473-3047
Dept/Div: Private Sector Development and Infrastructure Dept./Div. No.: 286/40
Room No.: H10-001

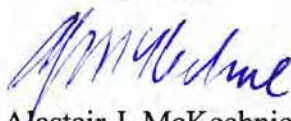
IBJECT: Lebanon-ERRP (Ln 3562-LE) Consultants Services for the Design of Software for the Central Administration of the Ministry of Vocational and Technical Education

MESSAGE:

Dear Mr. El-Jisr:

Reference is made to your facsimile Ref. 2374/96/P.O. of 2-10-96 on the subject matter. As indicated verbally by my staff, the Bank has "no objection" to changing the scope of the contract with Mr. Antoine Chelala to implement the five software programs on recently acquired PCs instead of the AS400 still not placed into service.

Sincerely,



Alastair J. McKechnie
Division Chief

Private Sector Development and Infrastructure
Middle East Department
Middle East and North Africa Region

Transmission authorized by:

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

cc: Messrs./Mesdames Zelaya, Le, Williams, North (MN2PI)

ECA /MENA and Division Files

MZelaya:mz/tmn

Handwritten signature or initials in black ink, appearing to be 'mt' with a flourish.

m:\leb\5336\spn\software.app

LB-PE-5336

PROCUREMENT

P.1
LB-Ln 3562

01/15/97

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO :	Mr. Alastair McKechnie Chief MN2PI The World Bank	FROM :	COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION BEIRUT - LEBANON
FAX NO.:	(202) 477-0348	FAX NOS.:	(961-1) 86 44 94 (961-1) 64 79 47
SUBJECT:	Lebanon-ERRP(Loan No. 3562 LE)-Housing Grants Component	REF.:	115/97/P.O.
DATE :	15/1/1997	NO. OF PAGES:	(2) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Reference is to our fax dated 12/9/96 enclosing the Implementation Plan for the Housing Grants Component. Please be informed that the verification referred to in the first paragraph of the plan and in our fax dated 14/6/96, has now been completed.

A summary of the original estimates, as per the plan, and the final estimates are provided in the attached.

As you may see, the total of eligible damages is now around \$ 15.6 million as compared to around \$ 12.9 million originally. Most of the increase relates to houses with damages of less than \$ 3,000, the total number of which has increased from 6,288 to 13,057 (92% of total eligible houses), with an average damage of houses in this category of \$ 379. The verification established that a large number of houses with very small damages were not captured in the original damage assessment.

We will use \$ 13,271,838 (85% of eligible damages) of the \$ 18.2 million allocated for housing grants in the amending agreements, and will, upon effectiveness of the ERRP supplement, make proposals on the reallocation of the balance of about \$ 4.9 million to other priority components of the NERP in sectors covered by the ERRP. In the meantime, we are proceeding to disburse the \$ 8 million allocated in the original ERRP.

Thanking you in advance for your cooperation,

Sincerely Yours,

Nabil A. El-Jisi
President

Council for Development
and Reconstruction

MENA - CD2
Private Sector Development & Infrastructure

Ln/Credit No: _____
Project: LEB-ERRP - Housing
Rec'd: 1116 Log No: 309
Assigned to: [Signature]

Copy to: Division Chief
Division Files
EMENA Files

Action: Ack'd receipt 1/22/97

*reference to budget with the banks.
Procurement*

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.:
(961-1) 643980 / 1/2/3 - BEIRUT-LEBANON

Attachment

Original Damage Assessment

Revised Damage Assessment

Total Estimated Cost of Damages (\$)
0-2,999
3,000-39,999
Total

Total Number of Damaged Houses	Total Cost of Damaged Houses (\$)
6,288	3,123,834
985	9,776,791
7,273	12,900,625

Total Number of Damaged Houses	Total Cost of Damaged Houses (\$)
13,057	4,952,419
1,118	10,661,508
14,175	15,613,927

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

LB-3562

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

TO :	Mr. Alastair McKechnie Chief MN2PI The World Bank	FROM :	COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION BEIRUT - LEBANON
FAX NO.:	(202) 477-0348	FAX NOS.:	(961-1) 86 44 94 (961-1) 64 79 47
SUBJECT:	Lebanon-ERRP(Loan No. 3562 LE)-Housing Grants Component	REF.:	115/97/P.O.
DATE :	15/1/1997	NO. OF PAGES:	(2) INCLUDING COVER SHEET

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Thanking you in advance for your cooperation,

Sincerely Yours,

Nabil A. El-Jisr
President

Council for Development
and Reconstruction

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	
Project:	LEB-ERRP-Housing
Rec'd:	116 Log No. 309
Assigned to:	M2, BUDGR
Copy to:	Division Chief Division Files EMENA Files
Action:	

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.:
(961-1) 643980 /1/23- BEIRUT-LEBANON

Attachment

Original Damage Assessment

Revised Damage Assessment

Total Estimated Cost of Damages (\$)
0-2,999
3,000-39,999
Total

Total Number of Damaged Houses	Total Cost of Damaged Houses (\$)
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7,273	12,900,625

Total Number of Damaged Houses	Total Cost of Damaged Houses (\$)
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1,118	10,661,508
14,175	15,613,927

THE WORLD BANK GROUP
Headquarters: Washington, D.C. 20433 U.S.A.
Tel. No. (202) 477-1234 • Fax (202) 477-6391 • Telex No. RCA 248423

FACSIMILE COVER SHEET AND MESSAGE

DATE: January 15, 1997 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Ms. Nada Mufarrij **FAX NO.:** 961-1-647947
Title: Programs Division
Organization: Council for Development and Reconstruction (CDR)
City/Country: Beirut, Lebanon

FROM: Mario A. Zelaya **FAX NO.:** 202-477-0348
Title: Task Manager
Telephone: (202) 473-0609
Dept/Div: Private Sector Development and Infrastructure Dept./Div. No.: 286/40
Room No.: H10-013

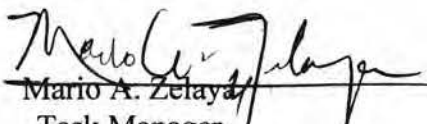
SUBJECT: **Lebanon-ERRP (Ln 3562-LE) ASTEC Contract on PCs**

MESSAGE:

Dear Ms. Mufarrij:

Please re-transmit the fax on the subject matter as I have not found it in our files.

Sincerely,


Mario A. Zelaya

Task Manager
Private Sector Development and Infrastructure
Middle East Department
Middle East and North Africa Region

Transmission authorized by:

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

cc: Mesdames Le, Williams, North (MN2PI)

ECA /MENA and Division Files

MZelaya:mz/tmn

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LB-PE-5336

PROCUREMENT

LB-In 3562

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FACSIMILE COVER SHEET AND MESSAGE

DATE: January 8, 1997 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil A. El-Jisr **FAX NO.:** (961-1) 64-79-47
Title: President
Organization: Council for Development & Reconstruction
City/Country: Beirut, Lebanon

FROM: Rama Skelton **FAX NO.:** (202) 477-1691
Title: Acting Division Chief Telephone: (202) 473-2610
Dept/Div: Private Sector Devt. & Infrastructure Division Dept./Div. No.: 286-40
Room No.: H10-111

SUBJECT: **LEBANON: ERRP (Loan No. 3562-LE) -Supply of Tools and Equipment for Vocational and Technical Schools**

MESSAGE:

Dear Mr. El Jisr:

Reference is made to your fax dated January 3, 1997 on the subject matter. The Bank has "no objection" to the proposed grouping of tools and equipment in ten packages according to specific trades in order to ensure compatibility of goods, and to requesting offers from ten suppliers instead of thee in the same trade. Please proceed with the bidding and provide the Bank with bid evaluation reports with recomendations for contract award.

Sincerely,

Rama Skelton
Acting Division Chief
Private Sector Development and Infrastructure Division
Middle East Department
Middle East and North Africa Region

Transmission authorized by: Rama Skelton, Acting Chief, MN2PI

If you experience any problem in receiving this transmission, inform the sender at the telephone or fax no. listed above.

cleared w. Mr. Yuksel (MN2DR)

cc: Messrs./Mmes. Zelaya, Le, Wheeler (MN2PI); Demetriou, El Rashidi (MNSHD)

MZelaya/tmn

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Procurement Document

LB-PA-5336

WB MNZIE

(AUTO)

THE FOLLOWING FILE(S) ERASED

FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
032	MEMORY TX		90119611647947	01/01	OK

ERRORS

1) HANG UP OR LINE FAIL 2) BUSY 3) NO ANSWER 4) NO FACSIMILE CONNECTION

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FACSIMILE COVER SHEET AND MESSAGE

DATE:	January 8, 1997	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil A. El-Jisr Title: President Organization: Council for Development & Reconstruction City/Country: Beirut, Lebanon		FAX NO.: (961-1) 64-79-47
FROM:	Rama Skelton Title: Acting Division Chief Dept/Div: Private Sector Devt. & Infrastructure Division Room No.: H10-111		FAX NO.: (202) 477-1691 Telephone: (202) 473-2610 Dept./Div. No.: 286-40
SUBJECT:	LEBANON: ERRP (Loan No. 3562-LE) -Supply of Tools and Equipment for Vocational and Technical Schools		

MESSAGE:

Dear Mr. El Jisr: