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Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336
Correspondence - Volume 17

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17

LEBANON - Emergency
Reconstruction & Rehabilitation
Project

3562

CLOSE-OUT SHEET

This File Covers The Period From NOVEMBER 9 To FEBRUARY 96
For Further Correspondence, See VOL 18

MENA

MENA - CD2 P.1

Private Sector Development & Infrastructure

Ln/Credit No.

Project: LEB-ERRP Suppl

Rec'd: Feb. 28 Log No. 124

Assigned to: LR, TC

Copy to: Division Chief
Division Files
EMENA Files

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

7/5 cc Mrs. Odeh (LEMMN) + file

2/28.

TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEETO : Mr. Alastair McKechnie
Chief
MN2PI
The World BankFROM : 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 Supplementary Loan

REF.: 394/96/P.O.

DATE: 28/2/1996

NO. OF PAGES: (2) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Reference is made to your fax dated 21/2/96, enclosing the Memorandum of the President (MOP) for the Supplementary Loan to ERRP, and to your fax dated 22/11/95, which encloses a new version of the Agreement amending Loan Agreement of same date.

Please take note of the following comments regarding the above mentioned MOP:

1-Section. 11-Implementation- maintains that contracts financed by the supplemental loan are scheduled for completion by early 1998 which would necessitate an extension of the closing date of ERRP to 30/6/1998. This is not supported by the Estimated Disbursement Schedule of Schedule B of the MOP which expects disbursement in the 1999 IBRD Fiscal Year to be around \$3 million. Therefore, we would appreciate it if you could set the closing date of ERRP to be 31/12/1998.

2-Please note that contrary to what para. (d) of Section 5-Implementation of the ERRP states, the rehabilitation in the Telecommunications Sector is not being financed and operated by private sector companies through BOT contracts. However, Private sector companies are financing and operating a mobile phone system through BOT contracts.

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NOs:
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COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

As regards the revised amortization schedule included in the new version of the Agreement amending Loan Agreement referred to above, Please be informed that we will have to go back to the Ministry of Finance, which is the representative of the Borrower, in order to get their reaction to the revision, especially as it would result in Lebanon forgoing a grace period of 4.5 years for the supplemental loan. It is worthwhile noting that HE The President of the Council of Ministers-Minister of Finance has already approved the previous version with two amortization schedule.

Sincerely Yours,

Nabil A. El Hser
President



Council for Development
and Reconstruction

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.:
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msnd

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FACSIMILE COVER SHEET AND MESSAGE

LB - 3562

LB - Coastal Pollution

DATE: February 29, 1996

NO. OF PAGES: 2
(including cover sheet)

MESSAGE NO.:

LB - Water Supply
Sector

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: Principal Municipal Engineer
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 - The Water Supply Sector - Proposed Mission

MESSAGE:

Dear Mr. El-Jisr,

I propose a mission to Lebanon from March 24 to April 4, 1996, to cover the following subject areas:

For the ERRP review of:

- the evaluation report, if not already done by headquarters, for the Baalbeck/Nabi Chit water supply and waste water contract;
- funding requirements under the Howard Humphrey consultancy contract.

For the Supplementary Loan review of:

- engineering design reports for the three sub-projects and implementation schedules;

For the Coastal Pollution Control and Water Supply Project review of:

- progress in the preparation of the additional project components - Nabatiye water supply and operational contracts;
- status on engineering design and the oceanographic surveys; and

Transmission authorized by: Lars Rasmusson

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

- up-dated cost estimates and implementation schedules.

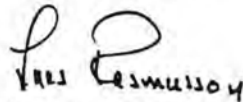
For Sector Reforms review of:

- status on the processing of the draft laws;
- financing arrangements for and processing of consultant services and technical assistance.

I will be arriving on Sunday, March 24, at 1515 with MEA flt.305 coming from Cairo and I would very much appreciate to be met at the airport. I will stay at hotel Summerland. Mr. Trib Narain will also participate in the mission.

I am looking forward to seeing you again.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lars Rasmusson', with a stylized initial 'L' and 'R'.

Lars Rasmusson
Principal Municipal Officer
Private Sector Development & Infrastructure Division
Middle East Department
Middle East & North Africa Region

cc: Mr. Shamsedin (EDS11).

cc: Messrs./Mmes. Hoppenbrouwer (MN2CO); Abu-Odeh (LEGMN); Graham
(MN2EG); McKechnie (o/r), Kolan, Narain, Le, Wells (MN2PI).

LRasmusson:ED
m:\leb-0228.fal

A-12 LB-PA-43297

A-13 LB-PA-5342

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

BEIRUT - LEBANON

LB - 3562

No. : 395/96/P.O.

Beirut, 28/2/1996

Mr. Alastair McKechnie
Chief
MN2PI
The World Bank

Room No.: H 10-001
Fax No.: (202) 477-0348

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project	LB-ERRP+SW/EMP
Rec'd	314
Log No.	125
Assigned to:	Division Chief
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	EMENA Files
Action.	

Rec'd by
fax
from D. Graham
13/3

Subject : Lebanon-ERRP and SW/EMP-Solid Waste Management Sector-
Memorandum of Understanding

Note: original now filed in MN2PI's
div. file.
OK 24/7

Dear Mr. McKechnie,

Please find attached a signed original copy of the Memorandum of Understanding related to the above mentioned sector, and which has been the result of the discussions of the World Bank mission that visited Lebanon between 1-11 February, 1996.

Sincerely Yours,

Mr. Nabil A. El Jist
President

Council for Development
and Reconstruction



SOLID WASTE MANAGEMENT SECTOR

MEMORANDUM OF UNDERSTANDING

1. INTRODUCTION

1.1 A World Bank Private Sector Development and Infrastructure sector mission composed of Messrs./Mmes. Douglas Graham, Mission Leader; Mario Zelaya, Senior Municipal Engineer; Elizabeth Monosowski, Environmental Specialist; Alan Rotman, Environmental Specialist; Kumar Ranganathan, Privatization Specialist; and Albert Peltekian, Municipal Engineer, Consultant; visited Lebanon between February 1 - 11, 1996 to review progress on the implementation of the Solid Waste Management (SWM) component of the Emergency Reconstruction and Rehabilitation Project (ERRP) and Solid Waste and Environmental Management Project (SWEMP). The mission had several meetings with Engr. Nabil A. El-Jisr, the President of the Council for Development and Reconstruction (CDR), Mr. Ibrahim Chamseddine, Vice-President of CDR, and their senior staff. It also met with H.E. Mr Hagop Demirdjian, Minister of Municipal and Rural Affairs (MMRA) and his advisers to discuss the institutional development of SWEMP.

1.2 Mr. Graham informed CDR that, in view of his transfer to the Bank's Resident Mission in Cairo, Mr. Mario Zelaya would take over Task Management responsibility for the Emergency Reconstruction and Rehabilitation Project, effective immediately. Similarly, Ms. Elizabeth Monosowski would become the Task Manager for the Solid Waste/Environmental Management Project, as of July 1, 1996.

1.3 This memorandum presents the findings of the mission and the understandings reached with the Lebanese authorities. The mission would like to express its appreciation to CDR for the courtesies extended to it.

2. EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

2.1 All major components of the SWM sector of ERRP have been completed. Construction of the sanitary landfill at Tripoli has been tendered and a contractor selected. **The mission reviewed the bid evaluation report and has no objection to the award of the contract to Khoury Contracting for the sum of US\$803,699.60.**

2.2 The mission was informed that some additional expenditures would have to be incurred to meet the cost of additional works for the Karantina compost plant. These include (i) additional fees for CREED, the consultants, of US\$155,454; (ii) repair of the chimney lining for OTV, the contractors, for US\$87,250; and (iii) the stand-by generator, for OTV also, for \$368,750. These amounts had already been reviewed and discussed by previous missions and the Bank has no objection to their disbursement from the ERRP. To this must be added about \$1.50 million for the implementation of the landfill in Tripoli (civil works and equipment). With the exception of the above expenditures, CDR

does not expect to make any major withdrawals from the loan for SWM. It was agreed that the undisbursed balance of the solid waste component will be transferred for utilization in the water and telecommunications sectors. Annex 2 shows the status of contracts awarded and amounts disbursed under the project, as well as the remaining works.

2.3 Rehabilitation of the Karantina compost plant has also been completed and adequate power supply has been connected. A stand-by generator has also been purchased and installed to maintain the furnace and other essential functions running in case of a power failure. The mission was informed that CDR had not been able to take over the compost plant because of periodic operational problems. On February 6, 1996, the whole mission accompanied Mr. Chamseddine and other CDR staff and consultants to the compost plant to obtain first-hand information on its operations. The plant was running satisfactorily, although the temperature in one of the incinerators had not attained the required temperature.

2.4 The mission believes that this is an old plant, built in accordance with obsolete technology, which had sustained considerable damage during the war. It has been rehabilitated to provide Greater Beirut with a temporary solution (4 - 5 years) for waste disposal. Considering the sunk cost in the original plant and the amount expended on its rehabilitation, it is considered good value for money. Minor problems will always be expected and can be taken care of through proper maintenance.

2.5 The mission was informed that Sukkar Engineering has misgivings about taking over the operation and maintenance of the compost plant until completion of the test runs. Furthermore, it seems to be reluctant to do any marketing of the compost until it takes over the plant. The mission was informed by CDR that the test runs are scheduled to be completed on February 16, 1996. It was agreed that, CDR would take all necessary measures to ensure the rapid handing over of the plant first to CDR and then to the contractor in charge of operation and maintenance.

2.6 The mission was disappointed to see that Sukkar Engineering is dumping refuse just outside the perimeter of the compost plant. The reason given was that the small collection trucks cannot climb to the top of the dump in Borj Hammoud. The mission believes that this practice should be stopped immediately and refuse should not be dumped at that location.

3. SOLID WASTE/ENVIRONMENTAL MANAGEMENT PROJECT

3.1 The Loan Agreement was signed on September 6, 1995 and has been submitted to Parliament for ratification. The Bank has extended the due date for effectiveness until May 2, 1996. The mission was informed that the relevant Parliamentary subcommittees had already cleared the loan and ratification would be completed before the new due date.

3.2 The mission was informed that the Government is carrying out a broad, country-wide study for SWM in order to arrive at the most suitable system for each region and to strike the optimum balance between private- and public-sector management of the waste. The Bank informed CDR that it had already sent them a paper prepared by Mr. Kumar Ranganathan on the Implementation of Private Sector Participation in Lebanon's Solid Waste Management Sector. Further, the mission informed CDR that the Bank is willing to extend any assistance that CDR may require on this subject.

3.3 CDR informed the mission that, as a first step, two of the regions selected by the Government for the service of a larger geographic area - Zahle and Baalbeck - are ready for implementation, using loan proceeds in the form envisaged at appraisal. The mission reviewed the bidding documents for these two regions but had major comments on them, some of which are summarized below:

- a. The Standard Bidding Documents (SBD) of the Bank have been greatly modified, which is not acceptable. Any modifications or changes should come in the form of additional clauses in the Special Conditions of Contract.
- b. The consultants have mixed sections of the SBD for the Procurement of Works with the SBD for the Procurement of Goods. These documents cannot be mixed.
- c. The bidding documents propose a "Two-Envelope" system, wherein bids are evaluated technically before reading out the prices. This is not acceptable to the Bank which requires that prices are opened and read at the bid opening session.
- d. The separation between the procurement of equipment and civil works, especially with respect to the landfill, is not clear. They cannot be included in one contract because of the different disbursement ratios in the loan agreement (100% for goods, 70% for works).

3.4 In a meeting with the consultants and CDR staff, the mission reviewed the above comments and passed them on to the consultants for rectification. It was also agreed to combine the equipment needed for Zahle with that of Baalbeck to attain economies of scale. Before they are launched for bidding, the revised documents should be re-submitted to the Bank for review and the issuance of a "No Objection".

3.5 The mission received a copy of the Terms of Reference and Request for Proposals for a feasibility study for a hospital waste incinerator, prepared by CDR staff. The mission had some minor comments which it passed to CDR for rectification. It was agreed that CDR would invite interested consulting firms to

submit for prequalification. A short list would then be formed, discussed with the Bank, and invited to submit proposals. The Bank would have no objection to financing the study either out of the ERRP or the SWEMP.

3.6 The mission was informed that CDR would not be able to carry out the feasibility studies for additional compost plants until the handing over of the Karantina compost plant to the contractor in charge of operation and the completion of the marketing study for compost. The mission recommends that CDR launches the marketing study for compost and finances it out of the METAP - PHRD grant (letter to Mr. Siniora dated November 3, 1995). It was agreed that CDR would request the Bank to extend the deadline for the effectiveness of the OECF Loan Agreement under Section 5.01(e) of the Loan Agreement and the Bank would agree to the extension.

3.7 The mission was informed that the regional environmental assessment for the coastal zone will be initiated in early March 1996. It was agreed that, as soon as possible, CDR would form the Steering Committee for the Coastal Zone Management Plan, and define their specific TORs.

3.8 The mission was informed that one of the options being considered by CDR for the construction of landfills involves the provision of the land by the bidders. The mission requested further clarifications on how CDR would ensure compliance with the EA requirements in the selection of sites prior to bid evaluation. It was agreed that CDR would require bidders to submit an environmental assessment report for the sites proposed by them for landfills with their bids. The EA would be reviewed prior to bid opening and evaluation; only those sites considered environmentally suitable would be considered in the bidding.

3.9 The mission met with Mr. Naji Hassan, Advisor to the Minister of Municipal and Rural Affairs and discussed the Technical Assistance component in the SWEMP with him. Mr. Hassan was informed that the Bank would like to receive the Ministry's ideas on the best method of utilizing the funds. Several alternatives were discussed: (i) individually recruit the three experts forming the Project Coordination Unit (PCU) immediately and request them to prepare a comprehensive plan for technical assistance; (ii) recruit a single municipal management expert and let him advise on the whole structure; or (iii) hire a consulting firm to act as an umbrella for the provision of all the experts. The mission also informed him that, if necessary, MMRA could find bridge financing pending the ratification of the loan agreement and then be reimbursed from the loan. Alternatively, the bridging finance could be provided from the SWM component of the ERRP. Mr. Hassan promised to discuss these matters with H.E. the Minister and convey his decision to the mission.

3.10 In a meeting with H.E. the Minister of Municipal and Rural Affairs, the mission discussed the needs and programs of MMRA in institutional development both at MMRA and the municipalities. It seems that the Ministry has already launched a comprehensive

information system which would facilitate the collection and dissemination of information. It was agreed that the Bank would send a letter to MMRA, within the next few days, explaining the procedures and alternatives available to MMRA for the utilization of the Technical Assistance component of SWEMP. Upon the request of the Minister, the mission left draft TORs (both hard copy and floppy disk) for the services in case it is decided to use a consulting firm as the vehicle for recruiting the required experts.

4. MANAGEMENT OF THE SECTOR

4.1 Since Mr. Mazen Suleiman took over the management of the sector at CDR, there has been a marked improvement in project management and coordination. The mission recommends that he and Mr. Alain Jullian of OGER International are given greater support from higher management, especially in matters related to the packaging and preparation of bidding documents.

4.2 In its meeting with the President of CDR, the mission was informed that, by decree of the Council of Ministers, responsibility for the SWM sector has been entrusted to MMRA. As such, the mission believes that involvement of the Sector Implementation Unit (SIU) for SWM, housed in the Ministry of Environment, with the sector, is no longer necessary. It was agreed that, the Bank CDR a letter to that effect and CDR would take the necessary action. It was further agreed that every effort would be made to appoint the Project Coordination Unit (PCU) at MMRA, as soon as possible, and entrust it with the duties previously assigned to the SIU.

5. Actions to be Taken

5.1 CDR and the mission agreed on the following actions, to be taken by the relevant dates:

- a. CDR will request the Bank to transfer the undisbursed balance of the SWM component of the ERRP to the water and telecommunications sectors by:
March 31, 1996.
- b. CDR would take over the Karantina compost plant and hand it over to the contractor in charge of operation and maintenance (Sukkar Engineering) by:
February 29, 1996.
- c. The revised bidding documents for the procurement of SWM facilities for Zahle and Baalbeck would be re-submitted to the Bank for review and the issuance of a "No Objection" by:
March 15, 1996.

- d. CDR would invite interested consulting firms to submit for prequalification for carrying out a feasibility study for a hospital waste incinerator by:
March 31, 1996.
- e. CDR would request the Bank to extend the deadline for the effectiveness of the OECF Loan Agreement under Section 5.01(e) of the Loan Agreement by:
February 29, 1996.
- f. The Bank would send a letter to CDR, requesting that the involvement of SIU-3 in Bank-financed solid waste management projects would be terminated by:
February 29, 1996.
- g. CDR and MMRA would start the process of recruiting experts for the PCU by:
March 1, 1996.

Engr. Nabil El-Jisr
President
Council for Development
and Reconstruction

February 8, 1996



for *Maurice C. J. J. J.*
Douglas I. Graham
Mission Leader
The World Bank

LIST OF PERSONS METCouncil for Development and Reconstruction

Mr. Nabil A. El-Jisr	President
Mr. Ibrahim Shamseddine	Vice-President
Mr. Mazen Suleiman	Project Manager
Ms. Nada Mufarrij	Programs Officer
Ms. Wafaa Sharafeddine	Project Manager

Ministry of Municipal and Rural Affairs

Mr. Hagop Demirjian	Minister
Mr. Naji Hassan	Adviser to the Minister
Mr. Elie Abou-Antoun	Adviser to the Minister

OGER International

Mr. Alain Jullian	Municipal Engineer
-------------------	--------------------

LIBANCONSULT

Mr. Antoine Meouchi	Chief Executive Officer
Mr. Naji Abou-Assali	Engineer

Sukkar Engineering

Mr. Mohammed Adada	General Manager
Mr. T. M. Jones	Consultant

FEBRUARY 9, 1968

NUMBER	DESCRIPTION	NAME OF CONTRACTOR	LOAN DISB. PERCENT	ORIGINAL	CONTRACT VARIATION	AMOUNT TOTAL	LOAN	FINANCING LOCAL	TOTAL	LOAN	ACTUAL DISBURSEMENTS LOCAL	TOTAL	LOAN	BALANCE TO BE DISBURSED LOCAL	TOTAL
AWARDED CONTRACTS															
1	COMPACTOR TRUCKS	Gallion/Abillama													
1.1	New Trucks		100	5,638,845			5,638,845	0	5,638,845	5,073,207	0	5,073,207	565,638	0	565,638
1.2	Rehabilitation of Old Trucks		100		46,847		46,847	0	46,847	46,847	0	46,847	0	0	0
						5,685,492	5,685,492	0	5,685,492	5,119,854	0	5,119,854	565,638	0	565,638
2	CONTAINERS	Bin Laden/Dallah/Mabani													
2.1	All Containers		100	910,671	0	910,671	910,671	0	910,671	812,313	0	812,313	98,358	0	98,358
3	QARANTINA COMPOST PLANT	OTV													
3.1	Electromechanical Works		80	3,431,678		3,431,678	2,745,341	686,335	3,431,678	2,410,481	204,874	2,615,355	334,660	481,461	816,321
3.1.1	Additions to E/M Works		80		604,427	604,427	483,542	120,885	604,427	483,542	120,885	604,427	0	0	0
3.2	Civil Works	OTV	80	524,017		524,017	409,214	114,803	524,017	203,966	82,349	286,335	205,228	32,454	237,682
3.2.1	Additions to Civil Works		80		259,272	259,272	155,563	103,709	259,272	155,563	0	155,563	0	103,709	103,709
3.3	Supervision	CREED	100	185,250	155,454	340,704	340,704	0	340,704	168,638	0	168,638	174,068	0	174,068
				4,140,943	1,019,153	5,160,096	4,134,364	1,025,732	5,160,096	3,420,207	408,109	3,828,317	714,156	617,624	1,331,780
4	AMROUSIYEH INCINERATOR	Sukkar Engineering													
4.1	Additional Equipment		80	207,000			180,000	47,000	207,000	140,385	15,588	155,973	19,615	31,412	51,027
4.2	Backyard Lays		80	20,000			12,000	8,000	20,000	7,422	4,948	12,370	4,578	3,052	7,630
4.3	Other Equipment		100		450,000		450,000	0	450,000	315,972	0	315,972	134,028	0	134,028
						677,000	622,000	55,000	677,000	463,779	20,536	484,315	158,221	34,464	192,685
5	ENGINEERING FOR LANDFILLS	CREED													
5.1	Design		100	526,000	0		526,000	0	526,000	167,109	0	167,109	358,891	0	358,891
5.2	Supervision		100	1,000,000	0		1,000,000	0	1,000,000	0	0	0	1,000,000	0	1,000,000
						1,526,000	1,526,000	0	1,526,000	167,109	0	167,109	1,358,891	0	1,358,891
6	O & M SERVICES														
6.1	Amrousieh Incinerator	Sukkar Engineering	88	1,350,000	1,350,000	2,700,000	2,327,514	372,486	2,700,000	2,327,514	533,981	2,861,495	0	0	0
6.2	Qarantina Compost Plant	Sukkar Engineering	40	1,307,578			523,030	784,546	1,307,578	0	0	0	523,030	784,546	1,307,578
6.3	Collection in Greater Beirut	Sukkar Engineering	74	3,597,282			2,647,150	950,132	3,597,282	2,647,150	0	2,647,150	2,647,150	0	0
6.4	Collection in Chouf	Terro Pour Commerce	46	690,000			313,950	376,050	690,000	289,907	0	289,907	24,043	376,050	400,093
				6,944,658	1,350,000	8,294,658	5,811,644	2,483,214	8,294,658	5,264,571	533,981	5,798,552	3,194,223	1,160,596	4,354,819
TOTAL COMMITTED				11,996,472	2,369,153	22,254,117	18,690,171	3,563,946	22,254,117	15,247,833	962,626	16,210,460	3,442,337	1,812,684	7,902,171
CONTRACTS TO BE AWARDED															
A	Tripoli Landfill	Khoury Engineering		1,500,000		1,500,000	1,300,000	200,000	1,500,000	0	0	0	1,300,000	200,000	1,500,000
B	Additions to Karantina	OTV		1,000,000		1,000,000	1,000,000	0	1,000,000	0	0	0	1,000,000	0	1,000,000
SUB-TOTAL				2,500,000	0	2,500,000	2,300,000	200,000	2,500,000	0	0	0	2,300,000	200,000	2,500,000
TOTAL				14,496,472	2,369,153	24,754,117	20,990,171	3,763,946	24,754,117	15,247,833	962,626	16,210,460	5,742,337	2,012,684	10,402,171
Uncommitted Balance							9,009,829								

LB-3562

2-22-96

MENA COUNTRY DEPARTMENT II

ROUTING OF NON-APPRAISAL REPORTS

Country: LEBANON	L/C Number: Loan 3562-LE and Loan 3899-LE	Project Name: Emergency Recovery and Rehabilitation Project and Solid Waste/Environmental Management Project	
Type of Report: SUPERVISION Mission/Back-to-Office Report			
	STATE WHICH PARTS OF REPORT EACH ADDRESSEE SHOULD FOCUS ON		CLEARANCE REQUIRED BY CLOSE OF BUSINESS ON:
	FOR INFORMATION	FOR DISCUSSION/ACTION	
Mr. I. Sud, MN2DR	X		
Mr. Brizzi/ Mr. Venkatraman, MN2DR	X		
Mr. A. Kanaan, MN2CO	X		
Mr. Darghouth, MN2NE	X		
Mr. Wackman, EMTIE	X		
COMMENTS BY ORIGINATING CHIEF: A. Emergency Recovery & Rehabilitation Project (ERRP). The mission was satisfied with progress on the implementation of the ERRP. However, the project will not be completed on time and an extension of one year to the closing date of the loan will be necessary. The remaining components under the Solid Waste Management (SWM) sector will be financed under the SWEMP and about US\$9.0 million in unutilized loan proceeds will be transferred from SWM to the water and telecommunications sectors to cover expected shortfalls. B. Solid Waste/Environmental Management Project (SWEMP). Ratification of the loan agreement for the SWEMP by Parliament will be finalized soon. A contract has been awarded for the environmental study covering the coastal zone. Bidding documents for comprehensive SWM systems in Zahle and Baalbeck were reviewed and commented upon by the mission; revised documents will be submitted to the Bank for clearance. The Ministry of Municipal and Rural Affairs is very keen on the technical assistance component. It has started the process of recruiting experts for the required services.			
FOR SUPERVISION REPORTS ONLY: Date of Next Mission: 07/96 (Ln. 3562) Project Rating: S/S 05/96 (Ln. 3899)			
FROM (SIGNATURE OF DIVISION CHIEF): Alastair J. McKechnie, Division Chief, MN2PI 			DATE: February 29, 1996

OFFICE MEMORANDUM

DATE: February 22, 1996

TO: Mr. Alastair J. McKechnie, Division Chief, MN2PI

FROM: Douglas I. Graham (MN2EG); Mario Zelaya (MN2PI); Elizabeth Monosowski (MN2NE); Kumar Ranganathan (CFSPS), Allan Rotman (EMTEN); and Albert Peltekian (Consultant)

EXTENSION: 30609

SUBJECT: LEBANON: Supervision Mission/Back-to-Office Report
Emergency Recovery and Rehabilitation Project (ERRP) - (Ln. 3562-LE)
Solid Waste/Environmental Management Project (SWEMP) - (Ln. 3899-LE)

1. In accordance with the Statement of Mission Objectives dated January 30, 1996, we visited Lebanon during the period of February 1 - 11, 1996 to supervise the above-mentioned projects.
2. Attached, please find the following:
 - Attachment I-A : Form 590 for the ERRP
 - Attachment I-B : Form 590 for the SWEMP
 - Attachment II-A : Memorandum of Understanding for the solid waste management sector of both the ERRP and the SWEMP
 - Attachment II-B : Memorandum of Understanding for the other sectors of ERRP (except solid waste)
 - Attachment III : Letter to Mr. El-Jisr confirming mission agreements.
 - Attachment III-A : Letter dated February 13, 1996 addressed to Mr. El-Jisr, with revised TORs for the compost marketing study, faxed from Cairo
 - Attachment III-B : Letter dated February 13, 1996 addressed to Mr. Demirdjian, Minister of Municipal and Rural Affairs, faxed from Cairo
3. Upon the request of the Minister of Municipal and Rural Affairs (MMRA), the mission drafted a complete Request for Proposals (RFP) for the provision of technical assistance to MMRA. A copy of the document is being sent to Files; additional copies on diskette are available with Mr. Douglas Graham, in Cairo, and with Ms. Le at Headquarters.

Distribution:

Form 590 only

Mmes./Messrs.:

Pellegrini (TWUDR); Steer (ENVDR); Aguirre-Sacasa (OEDDR); Brizzi (Acting SOA), Bouhabib, Fernandez-Palacios, van Eeghen, Linard (MNAVP); Sud, Tyler, Yuksel, (MN2DR); Sood (EMTDR); Howlett (CFS); Kanaan (MN2CO); Darghouth (MN2NE); Abu-Odeh (LEGMN); Miller (LOAEL)

Full Report

Mmes./Messrs.

Brizzi/Venkatraman (MN2DR); Hoppenbrouwer, Roy (MN2CO); McKechnie, Skelton, Le (MN2PI); Graham (MN2EG); Zelaya (MN2PI); Monosowski (MN2NE); K. Ranganathan (CFSPS); Joshi-Ghani (CFSPF); Rotman (EMTEN); Peltekian (CON)

ECA/MENA Files, Division Blackbook, Chron

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Files: LE-PA 5336 and 3899
N.Supervision/BTOR

Form 590 Page 1 of 2

THE WORLD BANK
IBRD and IDA - Implementation Summary

Run Time: 03/01/96 at 09.11.34

Detailed instructions on completion of
This Form are in Annex D of OD13.05.This Summary is () the initial summary
(X) part of a mission report
() an update

Regional Office: MNA Regional Resident Of	Project Name: EMERGENCY RECOVERY	Loan/Credit Numbers: L35620	L/C Amt (\$XX.XM/SDR) Original:175.0 Revised:	Type of Lending Instrument: ERL
Country Code: LB Product Line: PA	Country : LEBANON Borrower: GOVERNMENT	Board Date: 03/04/93	Signing Date: 03/08/93	Effective Date: 09/17/93
Managing Dept/Div Name: PRIVATE SECTOR DEV & INFRASTRCTR	Dept/Div Code: MN2PI	Task Manager: Zelaya	Mission End Date: 02/11/96 Next Mission (mo/yr):07/96	Last 590: 09/25/95 This 590: 02/29/96
Mid-Term Review? N	Date:	Project Restructured? N	Approval Date:	
Program Objective Category(POC): EN - Environ				
SECTION 1:Summary of Project Development Objectives:				
Assist the Government, within the framework of the National Emergency Reconstruction Program (NERP) to: (i) implement a program to rehabilitate, repair and reconstruct damaged physical and social infrastructure facilities and housing; and (ii) strengthen the Government's institutional capabilities in implementing the NERP.				
SECTION 2:Summary of Project Components:				
1. Water & wastewater: eqpt, material & civil works to protect water sources & rehabilitate water/wastewater systems; 2. Power: eqpt, material & civil works to rehabilitate distribution facilities; 3. Solid Waste: eqpt, material & civil works to replace collection eqpt, create/operate disposal sites; 4. Education: (a) eqpt, material & civil works to rehabilitate schools; (b) consultants services to develop curricula; (c) consultant services to strengthen the institutional capabilities of the Min. of Techn. Ed. & Voc. Training; 5. Housing: sub-loans for construction/reconstruction; 6. Institutional Strengthening: consultant services for the Min. of Post & Telecommunication, Hydraulic & Electric Resources, Environment, Finance, and for CDR.				
SECTION 3: Project Data and Performance Ratings:				
Basic Data	Closing Date	Project Cost	Disbursement	(mo/yr) 01/96
Original (from SAR/PR):	12/31/1996	(\$XX.XM) \$223.9	Original SAR/PR Forecast:	(\$XX.XM) (% of L/C) \$156.7 89.5%
As Formally Revised:			Formally Revised Forecast:	
Expected-Last Form 590:	12/31/1997	\$223.9	Actual Disbursement:	\$101.9 58.2%
Expected-This Form 590:	12/31/1997	\$223.9	Disb. Forecast for CFY:	\$38.2 21.9%
Number of formal closing date extensions:	0		Actual for CFY:	\$20.2 11.5%
Date of last closing date extension (mo/yr):				
Project Age: 3.0 years or	61.9% of elapsed time between Board approval and Expected-This Form-590 closing date.			
Reporting: End of period covered by last project progress report (mo/yr):	01/95			
Indices	This Form 590	Last Form 590	Audits and Accounts	Number
Closing Delay	26.2%	26.2%	Overdue Fin. Stmtns/Project Accounts:	0
Cost Overrun	.0%	.0%	Overdue SOE Audits:	0
Disbursement Lag	35.0%	40.0%	Overdue Special Account Audits:	0
			Qualified and Unsatisfactory Audits:	0
Mandatory Ratings	This Form 590	Last Form 590	Other Ratings	This Form 590 Last Form 590
Summary Ratings:			Procurement Progress	2 1
Project Development Objectives	S	HS	Training Progress	2 1
Implementation Progress	S	HS	Technical Asst. Progress	1 1
Compliance Ratings:			Studies Progress	1 1
Compliance With Legal Covenants	1	1	Environmental Aspects	1 1
Project Management Performance	1	1	Financial Performance	1 1
Availability Of Funds	1	1		
SECTION 4: Supervision Management:				
Names Of Mission Members	Member Specialization	Participated In The Previous Mission (Yes/No)	Time Spent On Supervision	(mo/yr) 02/96
DOUGLAS I. GRAHAM	SR. FINANCIAL ANALYST	Y	S/W Up To Current FY :	113.4
MARIO A. ZELAYA	SR. PROJECTS OFFICER	N	S/W Planned During Current FY:	20.0
ALBERT PELTEKIAN	CONSULTANT	Y	S/W Actual During Current FY -	
			Total :	10.9
			In Field :	5.0

Form 590 Page 2 of 2

THE WORLD BANK
IBRD and IDA - Implementation Summary

Run Time: 03/01/96 at 09.11.34

Detailed instructions on completion of
This Form are in Annex D of OD13.05.This Summary is ☐ the initial summary
☒ part of a mission report
☐ an update

Project ID: 5336 | Country Code: LB | Product Line: PA | Form 590 date: 02/29/96 |

Explain the various factors on which the above Project Development Objectives rating is based:

Project Development objective rating (S) is based on progress towards sector restructuring in the water supply, waste water, telecoms, power and solid-waste management sectors, where restructuring studies have been completed or are under way and Government appears willing to implement the recommendations. This goes far beyond the expectations of the emergency project. In addition, about \$155m have been committed in signed contracts, of which the Bank will disburse \$122m (disbursements amount to US\$101.9m as of January 31, 1996). Implementation is proceeding well in most sectors, but there are some exceptions. US\$25 million of housing sector funds have been reallocated to the power sector. Further US\$15 million have been committed to rehabilitation of the power distribution system; a power distribution switching system remains to be procured. It is proposed to reallocate some US\$9 million of solid waste sector funds to the water supply and telecommunication sectors. The project will need at least one year's extension.

SECTION 5: ACTIONS PREVIOUSLY AGREED OR RECOMMENDED (SECTION 8 OF LAST FORM 590)

- (a) (i) Borrower and Bank will prepare the Annual Project Review during the next mission (November 1995).

SECTION 6: ACTIONS TAKEN BY (a) BORROWER AND (b) BANK SINCE PREVIOUS FORM 590

- (a) (i) proposals for reallocation of funds prepared;
- (ii) bids have been launched for Water Supply Rehabilitation in the Bekaa Valley (US\$30 million) for funding under the project and further rehabilitation projects are being prepared for the water supply sector; and
- (iii) bids for Tripoli landfill and equipment have been evaluated.
- (b) Bank has issued "No Objection" to the above in the field.

SECTION 7: SUMMARY OF CURRENT PROJECT STATUS AND MAJOR PROBLEMS:

- (i) Implementation is proceeding satisfactorily in most sectors except that solid waste disposal sites are to be funded under the recently approved Solid Waste Project and the unused funds reallocated to the water supply and telecoms sectors where they are urgently needed;
- (ii) Sector restructuring studies have been completed for water supply, telecoms, solid waste and power sectors; and
- (iii) A supplemental loan of US\$35 million has been requested by the Government, and is being processed by the Bank for the water supply sector in the Bekaa Valley and Mount Lebanon.

SECTION 8: SUMMARY OF AGREEMENTS WITH BORROWER, AND FURTHER ACTIONS RECOMMENDED TO BE TAKEN BY (a) BORROWER AND (b) BANK:

- (a) (i) Borrower will present Water Supply Sector Restructuring Law to Parliament during this session (i.e., before June 30, 1996);
- (ii) Borrower will present formal request to Bank for reallocation of funds; and
- (iii) Borrower to formally request a one-year extension to the Loan.
- (b) Bank to approve the reallocation of funds and a one-year extension to the Loan upon receipt of Borrower's request.

NAME OF PREPARING OFFICER

REVIEWED BY (DIVISIONAL MANAGER)

REVIEWED BY (DIR./RVP)

M. Zelaya

Alistair J. McKechnie

Run Time: 03/01/96 at 09.11.58

MNA Regional Resident Office(s)
MNA: Country Department II
MN2PI - PRIVATE SECTOR DEV & INFRASTRCTR
LEBANON
PFPMR4 - Disbursement Information
(U.S. \$ MILLIONS)
(LOA Data as of 1/31/96 - MIS Data as of 03/01/96)

Project: LB-PA-5336 - EMERGENCY RECOVERY
Approved Amount: 175.00

Cancellations:

Effective Date: 09/17/93
.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				30.00	
Dec, 1993	21.87			40.00	21.87
Mar, 1994				50.00	21.87
Jun, 1994	23.94			70.00	23.94
1995					
Sep, 1994	41.18			90.00	41.18
Dec, 1994	48.81			110.00	48.81
Mar, 1995	71.88			120.00	71.88
Jun, 1995	81.76			135.00	81.76
1996					
Sep, 1995	89.45			145.00	89.45
Dec, 1995	98.96			155.00	98.96
Mar, 1996	101.92			160.00	108.96
Jun, 1996				165.00	120.00
1997					
Sep, 1996				170.00	130.00
Dec, 1996				175.00	140.00
Mar, 1997					150.00
Jun, 1997					160.00
1998					
Sep, 1997					165.00
Dec, 1997					170.00
Mar, 1998					175.00

MNA Regional Resident Office(s)
MNA: Country Department II
MN2PI - PRIVATE SECTOR DEV & INFRASTRUCTURE
PFLCR1 - Latest Status of Covenant Compliance
OD 13.05 - ANNEX D5
FORM 590 DATE: 02/20/96

Project ID: LB-PA-5336 - EMERGENCY RECOVERY

Agreement	Loan/ Credit Number	Text Reference	Covenant Class(es)	Status	Original Fulfill Date	Revised Fulfill Date	Description of Covenant	Comments
LOAN	L35620	LOAN 1: 4.01	1	NYD	06/30/94		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.	Not yet due.
		LOAN 2: 4.02	3	C	12/31/93		Make budgetary allocations to fund recurrent cost for Parts A (Water/Wastewater), Part B (Power), Part C (Solid Waste) and Part D (Education).	Complied with.
		LOAN 3: 4.03	11,10	NYD	12/31/93		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.	Not yet due.
		LOAN 4: 4.04	5	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.	Complied with.
		LOAN 5: 4.05	2	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.	Complied with.
PROJ	L35620	PROJ 1: 4.01	1	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.	Complied with.
		PROJ 2: 4.01	1	C	06/30/94		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.	Complied with.

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

PFLCR1 - Latest Status of Covenant Compliance
OD 13.05 - ANNEX D5

Full Text of General Covenant Classification

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

Form 590 Page 1 of 2

THE WORLD BANK
IBRD and IDA - Implementation SummaryDetailed instructions on completion of
This Form are in Annex D of OD13.05.This Summary is () the initial summary
(X) part of a mission report
() an update

Regional Office: MNA Regional Resident Of	Project Name: SOLID WASTE/ENVIRONM	Loan/Credit Numbers: L38990	L/C Amt (\$XX.XM/SDR) Original: 55.0	Type of Lending Instrument: SIL	
Country Code: LB	Country: LEBANON	Board Date: 06/06/95	Signing Date: 09/06/95	Effective Date: 05/02/96	
Product Line: PA	Borrower: GOVT.				
Managing Dept/Div Name: PRIVATE SECTOR DEV & INFRASTRCTR	Dept/Div Code: MN2PI	Task Manager: Graham	Mission End Date: 02/11/96	Last 590: 09/21/95	
			Next Mission (mo/yr): 05/96	This 590: 02/29/96	
Mid-Term Review? N	Date:	Project Restructured? N	Approval Date:		
Program Objective Category (POC): EN - Environ					
SECTION 1: Summary of Project Development Objectives:					
The project would assist the Government in completing the rehabilitation of the country's municipal solid waste collection and disposal systems as envisaged under the NERP and introduce a separate system for hospital waste. It would create instruments for the more orderly planning and development of the Lebanese coastal zone. It would provide technical assistance to the Ministry of Municipal and Rural Affairs (MMRA).					
SECTION 2: Summary of Project Components:					
The provision of: (i) refuse collection facilities - containers and compactor trucks; (ii) waste disposal facilities - sanitary landfills and compost plants; (iii) separate collection and disposal of hospital waste; and (iv) technical assistance and the preparation of a coastal zone management plan.					
SECTION 3: Project Data and Performance Ratings:					
Basic Data	Closing Date	Project Cost (\$XX.XM)	Disbursement (\$XX.XM)	(mo/yr) 01/96	(% of L/C)
Original (from SAR/PR):	12/31/2001	\$135.0	Original SAR/PR Forecast:	\$1.3	2.4%
As Formally Revised:			Formally Revised Forecast:		
Expected-Last Form 590:	12/31/2001	\$135.0	Actual Disbursement:		
Expected-This Form 590:	12/31/2001	\$135.0	Disb. Forecast for CFY:	\$1.2	2.2%
Number of formal closing date extensions:	0		Actual for CFY:		
Date of last closing date extension (mo/yr):					
Project Age: .7 years or 11.2% of elapsed time between Board approval and Expected-This Form-590 closing date.					
Reporting: End of period covered by last project progress report (mo/yr):					
Indices	This Form 590	Last Form 590	Audits and Accounts	Number	
Closing Delay	.0%	.0%	Overdue Fin. Stmtns/Project Accounts:	0	
Cost Overrun	.0%	.0%	Overdue SOE Audits:	0	
Disbursement Lag	100.0%	.0%	Overdue Special Account Audits:	0	
			Qualified and Unsatisfactory Audits:	0	
Mandatory Ratings	This Form 590	Last Form 590	Other Ratings	This Form 590	Last Form 590
Summary Ratings:			Procurement Progress	1	1
Project Development Objectives	S	S	Training Progress	1	1
Implementation Progress	S	S	Technical Asst. Progress	1	1
Other Ratings:			Studies Progress	1	1
Compliance With Legal Covenants	1	1	Environmental Aspects	1	1
Project Management Performance	1	1	Financial Performance	1	1
Availability Of Funds	1	1			
SECTION 4: Supervision Management:					
Names Of Mission Members	Member Specialization	Participated In The Previous Mission (Yes/No)	Time Spent On Supervision (mo/yr) 02/96		
DOUGLAS I. GRAHAM	SR. FINANCIAL ANALYST	Y	S/W Up To Current FY : 1.9		
ELIZABETH MONOSOWSKI	ENVIRONMENTALIST	N	S/W Planned During Current FY: 25.0		
ALLAN ROTMAN	ENVIRONMENTALIST	Y	S/W Actual During Current FY -		
ALBERT PELTEKIAN	CONSULTANT	Y	Total : 7.2		
KUMAR RANGANATHAN	PRIV. SPECIALIST	N	In Field : 1.1		

Form 590 Page 2 of 2

THE WORLD BANK
IBRD and IDA - Implementation Summary

Run Time: 03/01/96 at 09.11.34

Detailed instructions on completion of
This Form are in Annex D of OD13.05.This Summary is ☐ the initial summary
☒ part of a mission report
☐ an update

Project ID: 5345 | Country Code: LB | Product Line: PA | Form 590 date: 02/29/96 |

Explain the various factors on which the above Project Development Objectives rating is based:

The project was approved by the Board on June 6, 1995. The ratification process is proceeding in the Lebanese Parliament. CDR is already proceeding with the implementation of some project components.

SECTION 5: ACTIONS PREVIOUSLY AGREED OR RECOMMENDED (SECTION 8 OF LAST FORM 590)

- (a) (i) sign Loan Agreement (signed on September 6, 1995);
- (ii) initiate studies for compost marketing and hospital incinerator;
- (iii) finalize bidding documents for disposal sites;
- (iv) appoint consultants to prepare request for proposals for management of collection and disposal systems; and
- (v) issue bidding documents for compactor trucks.
- (b) (i) Sign Loan Agreement (signed on September 6, 1995).

SECTION 6: ACTIONS TAKEN BY (a) BORROWER AND (b) BANK SINCE PREVIOUS FORM 590

- (a) (i) The loan agreement has been signed (September 6, 1995);
- (ii) the study for the hospital waste incinerator is being processed; revised TORs have been prepared for the compost marketing study;
- (iii) a contract has been awarded for the Tripoli landfill; bidding documents for Zahle and Baalbeck are being modified after review by the Bank;
- (iv) consultants have been appointed to prepare management contracts for the rest of the country; and
- (v) bidding documents for compactor trucks for Zahle and Baalbeck are being modified to satisfy Bank Guidelines.
- (b) (i) Bank has signed the loan agreement.

SECTION 7: SUMMARY OF CURRENT PROJECT STATUS AND MAJOR PROBLEMS:

- (i) Government is reviewing the implementation plan to maximize private sector involvement through management contracts. A proposal by the Bank to assist in preparing requests for proposals for private contractors to bid for build and operate contracts was rejected. Consultants (Liban Consult) are preparing revised proposals for larger disposal sites and transfer stations.
- (ii) Japanese Cofinancing of compost plants and hospital incinerator is not yet secured and is subject to studies.
- (iii) A consulting firm has been selected for the Coastal Zone Environmental Assessment.
- (iv) TORs have been prepared for the recruitment of the Project Coordination Unit.

SECTION 8: SUMMARY OF AGREEMENTS WITH BORROWER, AND FURTHER ACTIONS RECOMMENDED TO BE TAKEN BY (a) BORROWER AND (b) BANK:

- (a) (i) ratify the loan agreement;
- (ii) start the studies for hospital waste incinerator and initiate the one for compost marketing;
- (iii) submit bidding documents for disposal sites in Zahle and Baalbeck for review;
- (iv) start process of appointing consultants for TA to MMRA; and
- (v) request the Bank to extend the deadline for approval of loan from OECF.
- (b) (i) declare effectiveness of the loan upon ratification by Parliament; and
- (ii) extend deadline for approval of OECF loan.

NAME OF PREPARING OFFICER

D. Graham

REVIEWED BY (DIVISIONAL MANAGER)

Alastair J. McKechnie

REVIEWED BY (DIR./RVP)

Run Time: 03/01/96 at 09.11.58

MNA Regional Resident Office(s)
MNA: Country Department II
MN2PI - PRIVATE SECTOR DEV & INFRASTRCTR
LEBANON
PFFMR4 - Disbursement Information
(U.S. \$ MILLIONS)
(LOA Data as of 1/31/96 - MIS Data as of 03/01/96)

Project: LB-PA-5345 - SOLID WASTE/ENVIRONM
Approved Amount: 55.00

Cancellations: .00

Effective Date: 05/02/96

Fiscal Year	Actual Amt. Cumulative	Profile Amt. Cumulative	Formally Revised Amt. Cumulative	Original Amt. Cumulative	Revised Amt. Cumulative
1995					
Mar, 1995					
Jun, 1995					
1996					
Sep, 1995					
Dec, 1995				1.00	
Mar, 1996				1.80	
Jun, 1996				2.60	1.20
1997					
Sep, 1996				3.70	2.30
Dec, 1996				4.80	3.40
Mar, 1997				7.00	5.60
Jun, 1997				9.20	7.80
1998					
Sep, 1997				12.80	11.40
Dec, 1997				16.40	15.00
Mar, 1998				20.60	19.20
Jun, 1998				24.80	23.40
1999					
Sep, 1998				29.00	27.60
Dec, 1998				33.20	31.80
Mar, 1999				35.70	34.30
Jun, 1999				38.20	36.80
2000					
Sep, 1999				41.20	39.80
Dec, 1999				44.20	42.80
Mar, 2000				46.70	45.30
Jun, 2000				49.20	47.80
2001					
Sep, 2000				50.40	49.60
Dec, 2000				51.60	50.80
Mar, 2001				52.50	52.00
Jun, 2001				53.40	53.00
2002					
Sep, 2001				54.20	54.00
Dec, 2001				55.00	55.00

MNA Regional Resident Office(s)
MNA: Country Department II
MNZPI - PRIVATE SECTOR DEV & INFRASTRUCTURE
PFLCR1 - Latest Status of Covenant Compliance
OD 13.05 - ANNEX D5
FORM 590 DATE: 02/20/96

Project ID: LB-PA-5345 - SOLID WASTE/ENVIRONMENT

Agreement	Loan/ Credit Number	Text Reference	Covenant Class(es)	Status	Original Fulfill Date	Revised Fulfill Date	Description of Covenant	Comments
LOAN		LOAN 1: 4.01(a) (ii)	1	NYD			Borrower to: (a) maintain records (contracts, orders, invoices, bills, receipts and other documents) until at least one year after the Bank has received the audit report for the FY in which the last withdrawal from the Loan Account was made.	Not yet due.
		LOAN 2: 4.01 (b) (i) & (ii)	1	NYD			Borrower to have records and accounts (including Special Account) audited each FY and to furnish the audit report to the Bank, but not later than 9 months after the end of each FY.	Not yet due.
		LOAN 3: 4.01	2	NYD			Borrower to ensure that each Participating Municipality, not later than one year after the date upon which the Municipality shall have commenced provision of solid waste and disposal services, establish a cost recovery system and collect charges.	Not yet due.
PROJ.		PROJ 1: 4.01	1	NYD			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 9 months after the end of each FY.	Not yet due.

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

PFLCR1 - Latest Status of Covenant Compliance
OD 13.05 - ANNEX D5

Full Text of General Covenant Classification

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
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION (CDR)
EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT (ERRP)
WORLD BANK MISSION OF FEBRUARY 1996
MEMORANDUM OF UNDERSTANDINGS (MOU)

INTRODUCTION

This Memorandum of Understandings (MOU) summarizes the findings, recommendations and agreements of a World Bank Mission (The Mission) which visited Lebanon from February 3-11, 1996 to supervise the Emergency Reconstruction and Rehabilitation Project (ERRP). The Mission consisted of: Messrs. Douglas Graham (Mission Leader), Mario A. Zelaya (Senior Operations Officer), Alan Rotman (Environmental Specialist), Kumar Ranganathan (Private Sector Specialist), Albert Peltekian (Municipal Engineering Consultant) and Mesdames. Elizabeth Monosowski (Environmental Specialist) and Randa El Rashidi (Education Specialist) who were also part of other Bank missions visiting Lebanon. Mr. Graham introduced Mr. Zelaya as the new task manager for the ERRP starting during this mission, and informed CDR that as of July 1, 1996 Ms. Monosowski will take over the task management of the Solid Waste and Environmental Management Project (SWEMP).

The Mission met with Messrs. Nabil El-Jisr, President of CDR, and Ibrahim Chamseddine, Vice-President of CDR, and senior staff at CDR; and H.E. Dr. Abdel Rahim Mourad, Minister of Technical and Vocational Education (MOTVE) and His staff.

The Mission wishes to thank and express its appreciation to the President, Vice-President and staff of CDR for the hospitality and support given during the mission stay in Lebanon. The Mission also wishes to point out that all its agreements are subject to Bank management's confirmation upon the Mission's return to headquarters. A summary of the Mission's agreements is given below:

A-POWER SECTOR

The Mission would like to congratulate the Government and, particularly, the Minister of Hydraulics and Electrical Resources and Electricite du Liban (EdL) on the provision of 24 hour supply to consumers. The Bank funded rehabilitation in Greater Beirut is continuing satisfactorily and the Bank funded sector re-structuring study has made sufficient progress to enable the appraisal of the proposed power transmission project; Government now needs to utilize the remaining ERRP funds for the sector by calling for LIS (Limited International Shopping) bids for the power distribution control and switching system. Before asking for bids, CDR should obtain the Bank's "No Objection" to the bidding documents, as the sums involved (US\$10 million) are large for this type of bidding.

B-WATER SUPPLY AND SANITATION

The first year program is about 90% complete although

disbursements lag behind. The uncommitted funds will be used for the remaining works (in Nabi Chit and Baalbek) which now are under procurement. The bids are due on February 12, 1996, and contract award should follow immediately thereafter. CDR brought to the attention of the mission that additional time beyond December 1996, when the closing date of the loan will expire, will be needed to complete these works. The Mission indicated to CDR that it should request an extension to the closing date before June 1996 once the actual time needed is known.

C-EDUCATION

The Mission discussed the following proposals from MOTVE which CDR will review prior to submitting it to the Bank for its consideration:

(i) Re-allocate Funds to:

1. Consultants to Design New Schools	US\$2,385,000
2. Rehabilitation Works	2,000,000
3. Curricula Development	1,500,000
4. Training	1,500,000
5. Technical Support Unit (TSU)	84,000
TOTAL	7,469,000

(ii) Hire Consultants to Design New Schools:

MOTVE, to expedite the remaining work, proposed to hire up to sixteen small consulting firms, following direct contracting methods, to prepare design and tender documents for sixteen new schools.

(iii) Extend Existing Rehabilitation Contracts:

MOTVE, in order to expedite the remaining rehabilitation work, and since existing rehabilitation contracts are based on bid unit prices with provision for cost escalation, would like to extend those contracts which have been completed on a timely and satisfactory manner.

(iv) Hire Consultants for Curricula Development:

The Ministry and CDR will follow Bank guidelines for which at least four qualified firms from four different eligible Bank member countries (including Lebanese firms) should be invited. This process should be started immediately.

The MOTVE agreed to provide the Mission by February 14, 1996 (to Ms. El Rashidi) Terms-of-Reference for the TSU and a Plan of Actions with dates for implementation of the pending works under the Emergency Education Component.

D-SOLID WASTES

A comprehensive supervision of the solid wastes component under the ERRP and SWEMP projects was carried out and details are given in the attached MOU.



Mario A. Zelaya, MN2PI
ERRP Task Manager
10 February 1996

MZelaya:mz
a:\feb96mis.mou

SOLID WASTE MANAGEMENT SECTOR**MEMORANDUM OF UNDERSTANDING****1. INTRODUCTION**

1.1 A World Bank Private Sector Development and Infrastructure sector mission composed of Messrs./Mmes. Douglas Graham, Mission Leader; Mario Zelaya, Senior Municipal Engineer; Elizabeth Monosowski, Environmental Specialist; Alan Rotman, Environmental Specialist; Kumar Ranganathan, Privatization Specialist; and Albert Peltekian, Municipal Engineer, Consultant; visited Lebanon between February 1 - 11, 1996 to review progress on the implementation of the Solid Waste Management (SWM) component of the Emergency Reconstruction and Rehabilitation Project (ERRP) and Solid Waste and Environmental Management Project (SWEMP). The mission had several meetings with Engr. Nabil A. El-Jisr, the President of the Council for Development and Reconstruction (CDR), Mr. Ibrahim Chamseddine, Vice-President of CDR, and their senior staff. It also met with H.E. Mr Hagop Demirdjian, Minister of Municipal and Rural Affairs (MMRA) and his advisers to discuss the institutional development of SWEMP.

1.2 Mr. Graham informed CDR that, in view of his transfer to the Bank's Resident Mission in Cairo, Mr. Mario Zelaya would take over Task Management responsibility for the Emergency Reconstruction and Rehabilitation Project, effective immediately. Similarly, Ms. Elizabeth Monosowski would become the Task Manager for the Solid Waste/Environmental Management Project, as of July 1, 1996.

1.3 This memorandum presents the findings of the mission and the understandings reached with the Lebanese authorities. The mission would like to express its appreciation to CDR for the courtesies extended to it.

2. EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT

2.1 All major components of the SWM sector of ERRP have been completed. Construction of the sanitary landfill at Tripoli has been tendered and a contractor selected. The mission reviewed the bid evaluation report and has no objection to the award of the contract to Khoury Contracting for the sum of US\$803,699.60.

2.2 The mission was informed that some additional expenditures would have to be incurred to meet the cost of additional works for the Karantina compost plant. These include (i) additional fees for CREED, the consultants, of US\$155,454; (ii) repair of the chimney lining for OTV, the contractors, for US\$87,250; and (iii) the stand-by generator, for OTV also, for \$368,750. These amounts had already been reviewed and discussed by previous missions and the Bank has no objection to their disbursement from the ERRP. To this must be added about \$1.50 million for the implementation of the landfill in Tripoli (civil works and equipment). With the exception of the above expenditures, CDR

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does not expect to make any major withdrawals from the loan for SWM. It was agreed that the undisbursed balance of the solid waste component will be transferred for utilization in the water and telecommunications sectors. Annex 2 shows the status of contracts awarded and amounts disbursed under the project, as well as the remaining works.

2.3 Rehabilitation of the Karantina compost plant has also been completed and adequate power supply has been connected. A stand-by generator has also been purchased and installed to maintain the furnace and other essential functions running in case of a power failure. The mission was informed that CDR had not been able to take over the compost plant because of periodic operational problems. On February 6, 1996, the whole mission accompanied Mr. Chamseddine and other CDR staff and consultants to the compost plant to obtain first-hand information on its operations. The plant was running satisfactorily, although the temperature in one of the incinerators had not attained the required temperature.

2.4 The mission believes that this is an old plant, built in accordance with obsolete technology, which had sustained considerable damage during the war. It has been rehabilitated to provide Greater Beirut with a temporary solution (4 - 5 years) for waste disposal. Considering the sunk cost in the original plant and the amount expended on its rehabilitation, it is considered good value for money. Minor problems will always be expected and can be taken care of through proper maintenance.

2.5 The mission was informed that Sukkar Engineering has misgivings about taking over the operation and maintenance of the compost plant until completion of the test runs. Furthermore, it seems to be reluctant to do any marketing of the compost until it takes over the plant. The mission was informed by CDR that the test runs are scheduled to be completed on February 16, 1996. It was agreed that, CDR would take all necessary measures to ensure the rapid handing over of the plant first to CDR and then to the contractor in charge of operation and maintenance.

2.6 The mission was disappointed to see that Sukkar Engineering is dumping refuse just outside the perimeter of the compost plant. The reason given was that the small collection trucks cannot climb to the top of the dump in Borj Hammoud. The mission believes that this practice should be stopped immediately and refuse should not be dumped at that location.

3. SOLID WASTE/ENVIRONMENTAL MANAGEMENT PROJECT

3.1 The Loan Agreement was signed on September 6, 1995 and has been submitted to Parliament for ratification. The Bank has extended the due date for effectiveness until May 2, 1996. The mission was informed that the relevant Parliamentary subcommittees had already cleared the loan and ratification would be completed before the new due date.

3.2 The mission was informed that the Government is carrying out a broad, country-wide study for SWM in order to arrive at the most suitable system for each region and to strike the optimum balance between private- and public-sector management of the waste. The Bank informed CDR that it had already sent them a paper prepared by Mr. Kumar Ranganathan on the Implementation of Private Sector Participation in Lebanon's Solid Waste Management Sector. Further, the mission informed CDR that the Bank is willing to extend any assistance that CDR may require on this subject.

3.3 CDR informed the mission that, as a first step, two of the regions selected by the Government for the service of a larger geographic area - Zahle and Baalbeck - are ready for implementation, using loan proceeds in the form envisaged at appraisal. The mission reviewed the bidding documents for these two regions but had major comments on them, some of which are summarized below:

- a. The Standard Bidding Documents (SBD) of the Bank have been greatly modified, which is not acceptable. Any modifications or changes should come in the form of additional clauses in the Special Conditions of Contract.
- b. The consultants have mixed sections of the SBD for the Procurement of Works with the SBD for the Procurement of Goods. These documents cannot be mixed.
- c. The bidding documents propose a "Two-Envelope" system, wherein bids are evaluated technically before reading out the prices. This is not acceptable to the Bank which requires that prices are opened and read at the bid opening session.
- d. The separation between the procurement of equipment and civil works, especially with respect to the landfill, is not clear. They cannot be included in one contract because of the different disbursement ratios in the loan agreement (100% for goods, 70% for works).

3.4 In a meeting with the consultants and CDR staff, the mission reviewed the above comments and passed them on to the consultants for rectification. It was also agreed to combine the equipment needed for Zahle with that of Baalbeck to attain economies of scale. Before they are launched for bidding, the revised documents should be re-submitted to the Bank for review and the issuance of a "No Objection".

3.5 The mission received a copy of the Terms of Reference and Request for Proposals for a feasibility study for a hospital waste incinerator, prepared by CDR staff. The mission had some minor comments which it passed to CDR for rectification. It was agreed that CDR would invite interested consulting firms to

submit for prequalification. A short list would then be formed, discussed with the Bank, and invited to submit proposals. The Bank would have no objection to financing the study either out of the ERRP or the SWEMP.

3.6 The mission was informed that CDR would not be able to carry out the feasibility studies for additional compost plants until the handing over of the Karantina compost plant to the contractor in charge of operation and the completion of the marketing study for compost. The mission recommends that CDR launches the marketing study for compost and finances it out of the METAP - PHRD grant (letter to Mr. Siniora dated November 3, 1995). It was agreed that CDR would request the Bank to extend the deadline for the effectiveness of the OECF Loan Agreement under Section 5.01(e) of the Loan Agreement and the Bank would agree to the extension.

3.7 The mission was informed that the regional environmental assessment for the coastal zone will be initiated in early March 1996. It was agreed that, as soon as possible, CDR would form the Steering Committee for the Coastal Zone Management Plan, and define their specific TORs.

3.8 The mission was informed that one of the options being considered by CDR for the construction of landfills involves the provision of the land by the bidders. The mission requested further clarifications on how CDR would ensure compliance with the EA requirements in the selection of sites prior to bid evaluation. It was agreed that CDR would require bidders to submit an environmental assessment report for the sites proposed by them for landfills with their bids. The EA would be reviewed prior to bid opening and evaluation; only those sites considered environmentally suitable would be considered in the bidding.

3.9 The mission met with Mr. Najj Hassan, Advisor to the Minister of Municipal and Rural Affairs and discussed the Technical Assistance component in the SWEMP with him. Mr. Hassan was informed that the Bank would like to receive the Ministry's ideas on the best method of utilizing the funds. Several alternatives were discussed: (i) individually recruit the three experts forming the Project Coordination Unit (PCU) immediately and request them to prepare a comprehensive plan for technical assistance; (ii) recruit a single municipal management expert and let him advise on the whole structure; or (iii) hire a consulting firm to act as an umbrella for the provision of all the experts. The mission also informed him that, if necessary, MMRA could find bridge financing pending the ratification of the loan agreement and then be reimbursed from the loan. Alternatively, the bridging finance could be provided from the SWM component of the ERRP. Mr. Hassan promised to discuss these matters with H.E. the Minister and convey his decision to the mission.

3.10 In a meeting with H.E. the Minister of Municipal and Rural Affairs, the mission discussed the needs and programs of MMRA in institutional development both at MMRA and the municipalities. It seems that the Ministry has already launched a comprehensive

information system which would facilitate the collection and dissemination of information. It was agreed that the Bank would send a letter to MMRA, within the next few days, explaining the procedures and alternatives available to MMRA for the utilisation of the Technical Assistance component of SWEMP. Upon the request of the Minister, the mission left draft TORs (both hard copy and floppy disk) for the services in case it is decided to use a consulting firm as the vehicle for recruiting the required experts.

4. MANAGEMENT OF THE SECTOR

4.1 Since Mr. Mazen Suleiman took over the management of the sector at CDR, there has been a marked improvement in project management and coordination. The mission recommends that he and Mr. Alain Jullian of OGER International are given greater support from higher management, especially in matters related to the packaging and preparation of bidding documents.

4.2 In its meeting with the President of CDR, the mission was informed that, by decree of the Council of Ministers, responsibility for the SWM sector has been entrusted to MMRA. As such, the mission believes that involvement of the Sector Implementation Unit (SIU) for SWM, housed in the Ministry of Environment, with the sector, is no longer necessary. It was agreed that, the Bank CDR a letter to that effect and CDR would take the necessary action. It was further agreed that every effort would be made to appoint the Project Coordination Unit (PCU) at MMRA, as soon as possible, and entrust it with the duties previously assigned to the SIU.

5. Actions to be Taken

5.1 CDR and the mission agreed on the following actions, to be taken by the relevant dates:

- a. CDR will request the Bank to transfer the undisbursed balance of the SWM component of the ERRP to the water and telecommunications sectors by:
March 31, 1996.
- b. CDR would take over the Karantina compost plant and hand it over to the contractor in charge of operation and maintenance (Sukkar Engineering) by:
February 29, 1996.
- c. The revised bidding documents for the procurement of SWM facilities for Zahle and Baalbeck would be re-submitted to the Bank for review and the issuance of a "No Objection" by:
March 15, 1996.

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- d. CDR would invite interested consulting firms to submit for prequalification for carrying out a feasibility study for a hospital waste incinerator by:
March 31, 1996.
- e. CDR would request the Bank to extend the deadline for the effectiveness of the OECF Loan Agreement under Section 5.01(e) of the Loan Agreement by:
February 29, 1996.
- f. The Bank would send a letter to CDR, requesting that the involvement of SIU-3 in Bank-financed solid waste management projects would be terminated by:
February 29, 1996.
- g. CDR and MMRA would start the process of recruiting experts for the PCU by:
March 1, 1996.

Engr. Nabil El-Jisr
President
Council for Development
and Reconstruction

for *Maurice A. J. J. J.*
Douglas I. Graham
Mission Leader
The World Bank

February 8, 1996



ANNEX 1LIST OF PERSONS METCouncil for Development and Reconstruction

Mr. Nabil A. El-Jisr
Mr. Ibrahim Shamseddine
Mr. Mazen Suleiman
Ms. Nada Mufarrij
Ms. Wafaa Sharafeddine

President
Vice-President
Project Manager
Programs Officer
Project Manager

Ministry of Municipal and Rural Affairs

Mr. Hagop Demirjian
Mr. Najj Hassan
Mr. Elie Abou-Antoun

Minister
Adviser to the Minister
Adviser to the Minister

OGER International

Mr. Alain Jullian

Municipal Engineer

LIBANCONSULT

Mr. Antoine Meouchi
Mr. Najj Abou-Assali

Chief Executive Officer
Engineer

Sukkar Engineering

Mr. Mohammed Adada
Mr. T. M. Jones

General Manager
Consultant

ANNEX 2

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
SOLID WASTE MANAGEMENT COMPONENTDISBURSEMENTS FROM THE WORLD BANK LOAN
USDOLLARS

FEBRUARY 9, 1996

NUMBER	DESCRIPTION	NAME OF CONTRACTOR	LOAN DISB. PERCENT	ORIGINAL	CONTRACT AMOUNT		FINANCING		ACTUAL DISBURSEMENTS		BALANCE TO BE DISBURSED		
					VARIATION	TOTAL	LOAN	LOCAL	TOTAL	LOAN	LOCAL	TOTAL	
AWARDED CONTRACTS													
1	COMPACTOR TRUCKS	Gallion/Mallama											
1.1	New Trucks			8,638,845	68,847	8,707,692	5,073,207	0	5,073,207	0	5,073,207	0	586,838
1.2	Refurbishment of Old Trucks			48,847		48,847	48,847	0	48,847	0	48,847	0	0
2	CONTAINERS	Ben Laden/Dalbah/Mahard				5,085,482	5,110,854	0	5,110,854	0	5,110,854	0	565,838
2.1	All Containers			810,871	0	810,871	812,513	0	812,513	0	812,513	0	94,358
3	QUANTINA COMPOST PLANT	QTV				3,431,878	2,418,481	204,874	2,813,555	204,874	2,813,555	334,860	814,321
3.1	Electromechanical Works			604,427		604,427	483,543	120,885	604,427	120,885	604,427	0	0
3.1.1	Additions to E/M Works			604,427		604,427	483,543	120,885	604,427	120,885	604,427	0	0
3.2	Civil Works			238,272		238,272	158,560	0	158,560	0	158,560	0	237,882
3.2.1	Additions to Civil Works			238,272		238,272	158,560	0	158,560	0	158,560	0	103,709
3.3	Supervision			165,250	155,454	320,704	165,836	0	165,836	0	165,836	174,068	174,068
4	ANALYSIS/INCINERATOR	Sulham Engineering				5,160,888	3,428,207	603,108	3,838,317	603,108	3,838,317	714,158	1,331,780
4.1	Additional Equipment			207,000		207,000	148,585	58,415	165,973	58,415	165,973	31,412	51,027
4.2	Backyard Leases			20,000		20,000	7,422	4,578	12,370	4,578	12,370	0	7,830
4.3	Other Equipment			450,000		450,000	313,072	0	313,072	0	313,072	134,008	134,008
5	ENGINEERING FOR LANDFILLS	CREED				877,000	485,778	20,556	464,315	20,556	464,315	158,221	192,885
5.1	Design			678,000	0	678,000	167,109	0	167,109	0	167,109	358,461	358,461
5.2	Buyout			1,000,000	0	1,000,000	0	0	0	0	0	1,000,000	1,000,000
6	O & M SERVICES	Sulham Engineering				1,528,000	1,071,160	0	1,071,160	0	1,071,160	1,568,891	1,530,891
6.1	Annualized Incinerator			1,350,000	1,350,000	2,700,000	2,327,514	533,981	2,861,495	533,981	2,861,495	0	0
6.2	Quantina Compost Plant			1,207,578		1,207,578	0	0	0	0	0	823,030	1,207,578
6.3	Collection in Greater Beirut			3,597,282		3,597,282	2,947,150	0	2,947,150	0	2,947,150	2,817,150	0
6.4	Collection in Choueir			669,000		669,000	288,807	0	288,807	0	288,807	24,943	400,083
TOTAL COMMITTED													
				8,944,858	1,350,000	10,294,858	5,284,371	633,981	5,798,552	3,194,273	1,160,508	4,354,810	
				11,989,472	2,388,153	14,377,625	15,247,833	867,838	16,215,671	3,442,337	1,812,854	7,902,171	
CONTRACTS TO BE AWARDED													
A	Tractor Leasing	Khouri Engineering				1,500,000	0	0	0	0	0	1,500,000	1,500,000
B	Additions to Quantina	QTV				1,000,000	0	0	0	0	0	1,000,000	1,000,000
				0	0	2,500,000	0	0	0	0	0	2,500,000	2,500,000
SUB-TOTAL				0	0	2,500,000	0	0	0	0	0	2,500,000	2,500,000
TOTAL													
				14,484,472	2,388,153	16,872,625	15,247,833	867,838	18,215,671	3,442,337	2,872,854	10,402,171	
Uncommitted Balance													
						8,208,029						8,208,029	

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, N.W.
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Cable Address: INTBAFRAD
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February 16, 1996

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

Re: LEBANON - Infrastructure Mission to Lebanon

Dear Mr. El-Jisr:

I would like to refer to the recent mission to Lebanon, comprising Mmes./Messrs. Graham, Zelaya, Monosowski, Ranganathan, Rotman and Peltekian. The findings of the mission and the agreements reached with CDR were recorded in two Memoranda of Understanding (MOUs), one for the solid waste management sector and the other for the remaining sectors of the ERRP. I would like to thank you and your staff for the hospitality and courtesies extended to the mission and to confirm the agreements reached with CDR.

In a letter dated February 13, 1996, faxed to you from Cairo, Mr. Graham confirmed the findings and agreements of the mission. However, I would like to take this opportunity to highlight a few of the points raised during the mission, which are essential for the timely implementation of the projects.

I understand that ratification of the Solid Waste/Environmental Management Project (SWEMP) is in its last stages in the Lebanese Parliament. I understand, also, that the Ministry of Municipal and Rural Affairs is very keen to start on the implementation of its institutional development program. I, therefore, urge you to follow up the process in Parliament very closely so that the loan can be declared effective and you are able to start disbursing as soon as possible.

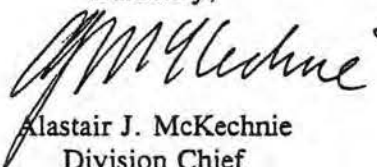
In his above-mentioned letter, Mr. Graham attached a modified version of the Terms of Reference for the study on the marketing of compost in Lebanon. As you know, the completion of the feasibility study for a medical waste incinerator and the marketing study for compost are prerequisites for the consideration of a loan from the Japanese OECF. Furthermore, effectiveness of the OECF loan by March 31, 1996 is a prerequisite for the effectiveness of the Bank loan. Before we are able to consider postponement of the stipulation under para. 5.01(e) of the Loan Agreement, we would like to receive assurances that you are proceeding with the two studies. Please let us know if you need any clarification on this point.

We understand that you intend to use loan proceeds for the procurement of comprehensive Solid Waste Management (SWM) systems for Zahle and Baalbeck. Bidding documents were reviewed by the mission in the field and found not to be in compliance with the Bank's Procurement Guidelines. Please note that compliance with the Guidelines is mandatory even for National Competitive Bidding (NCB) procedures. Therefore, upon revision of these bidding documents, they should again be submitted to CDR for review, then sent to the Bank for the issuance of a "No Objection".

For the rest of the Country, the mission was informed that it is your intention to invite national bids from the private sector for complete SWM systems. As these contracts can be quite complicated and require special know-how, we will be glad to assist you in reviewing the bidding documents when they are ready, and advising you. Please let us know if you need our assistance.

I am pleased to note the keen interest of Mr. Demirdjian, Minister of Municipal and Rural Affairs (MMRA), in the technical assistance component of the SWEMP. Upon his request, the mission prepared draft Terms of Reference (TORs) for the invitation of consulting firms that could provide technical assistance services to MMRA, including the recruitment of the Project Coordination Unit. I would suggest that you proceed with the recruitment of the experts, especially the PCU, as soon as possible. As mentioned in Mr. Graham's above-referred letter, and pending ratification of the SWEMP by Parliament, the Bank has no objection to the utilization of some of the funds remaining under the solid waste component of the ERRP for bridge financing.

Sincerely,



Alastair J. McKechnie
Division Chief

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

Mr. NaBil A. El-Jisr

- 3 -

cc: Messrs./Mmes. Darghouth, Monosowski (MN2NE); Graham (MN2EG); Rotman (EMTEN); Ranganathan (CFSPS); Zelaya, Le (MN2PI).

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N-12 LB-PA-5336

The World Bank Resident Mission in Egypt
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
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February 13, 1996

H.E. Engr. Nabil A. El-Jisr
President
Council for Development and Reconstruction
Beirut, Lebanon

Dear Mr. El-Jisr,

Infrastructure Mission to Lebanon

I would like to thank you and your colleagues for your help and cooperation during our recent mission to Lebanon. The findings of the mission and the understandings reached with you were recorded in a Memorandum of Understanding (MOU), which was discussed with Mr. Ibrahim Chamseddine on February 10, 1996. The modifications suggested by Mr. Chamseddine were later incorporated in the MOU and a revised version was delivered to CDR on Monday, February 12, 1996 by Ms. Randa El-Rashidi of the Bank. I trust that you will find the MOU to your satisfaction and that you will sign it and return a signed copy to Mr. McKechnie at the Bank in Washington at your earliest convenience. It would be appreciated if you could send a copy of the MOU to H.E. Mr. Hagop Demirdjian, Minister of Municipal and Rural Affairs, as certain parts of it are related to his Ministry.

One matter that was not finalized during the mission was the need to carry out a marketing study for compost in Lebanon. We understand your preference to postpone the study until the commencement of full production in the Karantina compost plant. However, as the completion of the study is a prerequisite for processing the loan from the Japanese OECF, we strongly recommend that you proceed with the study as soon as you can. In anticipation of an affirmative decision, we are enclosing a modified version of the Terms of Reference for the study, incorporating the agreements reached with CDR during Mr. Rotman's visit to Lebanon.

During our meeting with you on February 6, 1996, you informed us that the Council of Ministers has taken a decision to entrust responsibility for solid waste management in Lebanon to the Ministry of Municipal and Rural Affairs (MMRA). It was also agreed with CDR that there would be no more major withdrawals from the solid waste component of the Emergency Reconstruction and Rehabilitation Project (ERRP) except for the landfill at Tripoli. In the circumstances, we believe that the services of the SIU for solid waste, housed at the Ministry of Environment, are no longer needed for Bank financed solid waste management components, since the new Solid Waste/Environmental Management Project (SWEMP) will be managed by MMRA through a Project Coordination Unit (PCU). We suggest that, as soon as possible, you instruct SIU-3 to terminate its involvement in World Bank financed solid waste management projects.

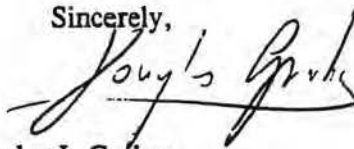
- 2 -

Before leaving Beirut, the mission prepared draft Terms of Reference (TORs) for the invitation of consulting firms that could provide technical assistance services to MMRA, including the recruitment of the PCU. I would recommend that you call a meeting with Mr. Demirdjian and his advisers, with CDR, to finalize the TORs and send us a short list of the firms that you consider capable of carrying out the assignment, so that the PCU can become operational as soon as the SWEMP begins implementation.

Please let me know if we can be of further assistance to you.

With best regards

Sincerely,



Douglas I. Graham
Senior Operations Officer
The World Bank

cc: H.E. Mr. Hagop Demirdjian
Minister of Municipal and Rural Affairs

cc: Messrs./Mmes. Sud, Brizzi (MN2DR); Kanaan, Hoppenbrouwer (MN2CO); McKechnie, Zelaya, Le, Chuppe (MN2PI); Darghouth, Monosowski (MN2NE); Rotman (EMTEN); Ranganathan (CFSPS), Peltekian (Consultant).

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LEBANON:

Business and Marketing Plans for Compost and Recycled Materials

TERMS OF REFERENCE

(8 February 1996)

1.0 BACKGROUND

1.1 Compost produced from municipal solid waste was originally produced in Lebanon in the early 1970s and early 1980s at the Karantina compost plant in Beirut, which was then closed during the periods of civil unrest. The quality of compost produced at the time was poor as it contained considerable amounts of metals and glass, and this compost had a very poor reputation among farmers in Lebanon.

1.2 Currently this composting plant at Karantina is ready to start full scale production for a design capacity of 500 tons/day. Although the plant layout and its technology were conceived in the early 1970s, a full rehabilitation and improvement program has been put in place. Initial production testing at the plant is producing good quality compost, and providing a stream of segregated materials. Furthermore the United Nations Food and Agriculture Organization (FAO) is sponsoring a compost testing program carried out by Institute de Recherche Agronomique Libanais (IRAL), and initial sampling has begun at Karantina.

1.3 Additional processing plants for municipal waste are planned for the production of compost in Lebanon. At least one is planned for the Bekka Valley, most likely at Zachle with a capacity of 200 tons/day. Two additional plants are planned, with one in the southern coastal area, most likely in the Saida area, with a capacity of 200 tons/day, and another in the Beirut or northern coastal area, with a capacity of 200-250 tons/day.

1.4 An existing compost market study for the Tripoli area reveals a strong need for compost in the agricultural soils of the area, and a recent study on environmental priorities prepared for the Ministry of Environment (sponsored by METAP) shows a potential of 4.2 million tons per year for agricultural use and 100-200 million tons per year for forestry use. The arable soils in Lebanon, estimated at 200,000 hectares under production, have low organic matter contents in the range of 0.5 to 1.5%, considerably below the desirable levels of 2-2.5%.

1.5 Markets already exist in Lebanon for the use of recycled metals, plastics, cardboard and paper. Still there is little documentation on the extent and future development of industries using these recycled materials.

2.0 OBJECTIVES

2.1 The main objectives of the proposed study are to: (i) identify the uses for various types of compost and other recycled materials as produced from municipal wastes; (ii) identify the major geographic market areas in Lebanon and any countries internationally; (iii) describe standards and proposed regulations for compost production in Lebanon, and for recyclable materials; (iv) develop a quality assurance and monitoring program for plants producing compost from municipal waste; (v) carry out economic analysis for production of compost from municipal waste; (vi) review design concepts for the production of compost from municipal waste; (vii) develop recommendations for policy and institutional arrangements, including possible cross-subsidies; (viii) develop short and long term strategies for the marketing of compost, and development of industries using recycled materials.

3.0 SCOPE

3.1 The study will proceed in two phases, in which Phase I will consist of identifying the markets for compost and recycled materials produced at the Karantina compost plant and strategies for immediate market penetration. Phase II will consist of preparation of a longer term marketing plan for additional compost produced at the other new composting facilities.

3.2 Phase I: Short Term Marketing Analysis for Beirut Area

- review all physical and chemical data available describing compost produced at the Karantina compost plant and carry out additional laboratory analyses as necessary;
- identify using interviews and questionnaires several immediate potential users of compost in the Beirut area, in other areas in Lebanon and internationally including vegetable and flower farmers, commercial landscaping for parks, residential developments and tree planting, and various types of agricultural uses;
- carry out interviews and literature review on all factual and perceived public health risks of using compost produced from municipal solid waste for agricultural and other uses;
- using existing data supplemented by additional soil samples, calculate compost application rates and frequencies;
- establish overall quantities of compost that can be used in the immediate future in the Beirut area, and other areas with immediate demands for compost;
- recommend a short-term pragmatic action plan to allow the introduction of compost produced at Karantina to strategic users and geographic regions in Lebanon;
- review the operations by the Contractor and the quality control program carried out by FAO at the Karantina compost plant, and make recommendations for modifications to enhance marketing of compost;
- carry out an economic analysis for marketing of compost to establish pricing levels for the sale of compost, and recommend additional investments to assist compost marketing such as additional pre-sorting facilities, policy options, technical assistance programs and new institutional arrangements;
- collect and complete existing data on industries using recycled materials as based on lists available from the Ministry of Industries;
- carry out a general overview through interviews and observations of the scavenging of recycled materials from containers, transfer points and landfills with estimates of the numbers of people involved, types and volumes of materials scavenged, and income levels for scavengers in the Beirut area;
- evaluate general price levels for each recycled material, total quantities, future market trends as to future demand, price and quality of materials, creation of new industries, etc. in the Beirut area;
- recommend improvements to enhance the markets for recycled materials, with emphasis on the Beirut area;
- recommend guidelines for immediate enforcement by government agencies on safety measures, public health procedures and environmental quality standards for the production and use of compost and recycled materials;

3.3 Phase II: Mid and Long Term Markets for Lebanon

- identify using interviews and questionnaires additional longer term potential users of compost in other areas in Lebanon including vegetable and flower farmers, commercial landscaping for parks, residential developments and tree planting, and various types of agricultural uses;
- using existing data supplemented by additional soil samples in an expanded geographic area, identify any differences in the compost application rates and frequencies calculated in Phase I;
- establish overall quantities of compost that can be used in other areas of Lebanon;

- recommend a longer term marketing plan including agricultural rural extension and public awareness programs to expand the use of compost so as to market additional volumes of compost that will be produced by new compost plants;
- make recommendations for sorting at household level and at transfer stations, types of sorting equipment, new sources of organic wastes and other means to improve compost production;
- carry out an economic analysis for marketing of compost to establish pricing levels for the sale of compost, for additional investments to assist compost marketing, for policy making and for institutional arrangements;
- collect and complete existing data on industries using recycled materials outside of the Beirut area;
- carry out a general overview through interviews and observations of the scavenging of recycled materials from containers, transfer points and landfills with estimates of the numbers of people involved, types and volumes of materials scavenged, and income levels for scavengers outside of the Beirut area;
- evaluate general price levels for each recycled material, total quantities, future market trends as to future demand, price and quality of materials, creation of new industries, etc. outside of the Beirut area;
- prepare a strategy and action plan to develop small and medium scale industries that can or will use recycled materials, outside of the Beirut area;
- recommend regulations for adoption by government agencies on safety measures, public health procedures and environmental quality standards for the production and use of compost and recycled materials;
- recommend institutional and regulatory arrangements to enhance the use of recycled materials, and reduce general volumes of solid waste.

4. STUDY AND SUPERVISION TIME SCHEDULE

4.1. The work of the Consultant would be supervised by the Council for Redevelopment and Reconstruction (CDR), who will coordinate with all other ministries, agencies and international financial institutions.

4.2. The Consultant shall begin work no later than 15 days after the date of effectiveness of the contract. It is anticipated that the Consultant would complete the work for Phase I within 3.5 months, while Phase II should be completed within the next 5 months, for an overall duration of less than 9 months. The Consultant should propose a clear schedule with critical milestones, and make all possible efforts to meet or complete the work in a shorter duration than the proposed time schedule.

5. REPORTS

5.1 **Progress Reports:** Progress reports should be submitted every 30 days following contract signature. The progress report should present a very brief overview of progress in completing the task dates, difficulties in achieving the work as described in the contract, proposed alternate means to achieve the project objectives, status of budget and major scheduled milestones, any proposed modifications to the contract mandate. It is anticipated that progress reports would be 2-5 pages in length.

5.2 **Phase I - Interim Report:** The Phase I Interim Report shall be submitted to CDR within 100 days of the starting date for Phase I of the study. The Phase I Interim Report will provide complete details of all work performed, analyses made and justification of options and recommendations proposed. The Phase I Interim Report should be prepared in English in 10 copies. CDR will have 20 days to review and comment on the Phase I Report, so that the orientation of the remainder of the study is well understood by the Consultant.

5.3 Phase II - Draft Final Report: The Phase II Draft Final Report shall be submitted to CDR within 200 days of the starting date for the study. The Phase II Draft Final Report will provide complete details of all work performed for both Phases I and II, including results of surveys, analyses made and justification of options and recommendations proposed. This report will build upon the Phase I Interim Report. The Phase II Final Report should have an Executive Summary prepared in English and a Main Report prepared in English in 10 copies. The working papers and annexes can be prepared in French, as well as all other related material. CDR will have a 30 day period to review and comment on the Phase II Draft Final Report.

5.4 Final Report: The Final Report shall be submitted to CDR within 20 days following the close of the review and comment period. The Final Report will incorporate all comments received from CDR, including issues raised and discussed at review meetings. The Final Report will have an Executive Summary and a Main Report, and each should be submitted in 30 copies to CDR who will assure an adequate distribution to all interested parties. In addition, a master copy of each suitable for reproduction purposes should be provided to CDR to meet any future needs for reprinting.

6. STAFFING REQUIREMENTS

6.1 It is anticipated that the Consultant would establish a strong, focussed team of specialists that contains a clearly indicated mix of Lebanese and foreign specialist inputs. The Consultant should create a project team that has technical competence in scientific, environmental and engineering fields as well as competence in the private sector participation fields with skills in marketing, agriculture, institutional strengthening and regulatory fields. The team is expected to provide pragmatic and insightful planning to justify the chosen recommendations for marketing compost in Lebanon.

6.2 The Consultant shall propose and justify the range of disciplines to be included in the project team. It is expected that the proposed project team will contain several of, but not necessarily be confined to, the following specialists:

Technical Specialists:

- compost production specialist
- environmental planning specialist
- waste management specialist
- agricultural crop specialist
- soil scientist

Private Sector\ Institutional Specialists:

- market research specialist
- packaging and transportation specialist
- private sector participation specialist
- environmental regulatory and institutional specialist
- supervision and quality assurance\control specialist

6.3 The Consultant shall name individuals to participate in specified roles within the project team and provide full curricula vitae (in accordance with the Suggested Format shown in the attachment) and any other information considered relevant by the consultant. The Consultant shall name the project leader and key team members, and provide an assurance that all members of the proposed team will be made available as specified in the proposal, if the Consultant is named.

6.4 The selection of the Consultant would be based on the evaluation of their technical proposals which should include the resumes of all key team members.

7 RESPONSIBILITIES OF THE CLIENT

- 7.1 The Client shall assist the Consultant in the following matters:
- (a) obtaining visas for the expatriate staff of the Consultants, and their families to visit Lebanon;
 - (b) obtaining the necessary work permits; and
 - (c) assuring free access to all existing landfills and waste disposal facilities;
- 7.2 The CDR shall appoint, as required, a senior staff member representing the Client to assist the Consultant in his relations with the local authorities.

8. TIME SCHEDULE

8.1 The following is a tentative time schedule for the consultant services. The Consultants may propose their own time schedule, if they do not agree with the proposal. It should be noted that the project is of top priority and every effort must be made to respect the periods shown.

- | | |
|---|--------------------------------|
| - Submission of proposals | March 15, 1996 |
| - Negotiation of contract | April 15, 1996 |
| - Signature of contract | May 15, 1996 |
| - Commencement of work | June 1, 1996
(called Day 1) |
| - Submission of Phase I Interim Report | Day 100 |
| - Comments by CDR | Day 120 |
| - Submission of Phase II Draft Final Report | Day 200 |
| - Comments by CDR | Day 230 |
| - Final Report | Day 250 |

9. BUDGET AND REMUNERATION OF THE CONSULTANTS

9.1 The proposed budget for the activity is \$US 175,000.00 and the Consultant should clearly show the anticipated allocation of funds for all team members, including a distinction between international and resident Lebanese specialists, and the amounts budgeted for travel, international and local travel, communication expenses and other out-of-pocket items

9.2 For the performance of the duties enumerated under the Terms of Reference, the Consultants will be paid a lump sum fee.

9.3 The lump sum fee shall be paid in the following manner:

- 15% of the said fee as an advance payment against the submission of a bank guarantee for the amount to be deducted in equal sums from the next two payments.

- 25% of the said fee upon completion of Phase I and submission of the Interim Report.
- 35% of the said fee upon completion of Phase II and submission of the Draft Final Report
- 25% of the said fee upon completion of the Final Report.

10. PROPOSAL EVALUATION

10.1 A two-stage procedure will be adopted in evaluating the proposals, with the technical evaluation being completed prior to the opening and comparison of financial proposals. Technical proposals will be evaluated using the following criteria.

- i) the firm's general experience in the field of the assignment (30 points);
- ii) the adequacy of the proposed work plan and approach in responding to the terms of reference (TOR) (40 points); and
- iii) the qualifications and competence of the personnel proposed for the assignment (30 points).

Curricula vitae of senior personnel in each discipline should be included with the proposal in the format of the sample c.v. These personnel will be rated generally in accordance with:

- i) their general qualifications (30 points);
- ii) adequacy for the assignment (50 points); and,
- iii) their language capabilities and experience in the Middle East Region (20 points). (Experience in Lebanon would be particularly advantageous.)

10.2 Price will be taken into account in the following manner. Proposals will be ranked technically and marked on a scale of 1-100. The price envelopes of the highest ranking proposal and all other responsive proposals within 10 percentage points of the highest will be opened. Technical proposals will receive a weighing of 80 percent while prices will receive a weighing of 20 percent. The resultant highest evaluated bidder will be called for negotiations. For comparison of bid prices, all consultants are required to submit their prices in U.S. Dollars.

10.3 Please note that CDR is not bound to select any of the firms submitting proposals. Further, as quality is the principal selection criterion, CDR does not bind itself in any way to select the firm offering the lowest price.

10.4 While it is estimated that \$US 175,000.00 will be required for the whole study, and that generally you should base your financial proposal on this figure, the Consultant should feel free to submit an alternative proposal on the basis of the man-months which considered necessary to undertake the assignment.

ATTACHMENT

SUGGESTED FORMAT OF CURRICULUM VITAE

FOR MEMBERS OF CONSULTANTS' TEAM

Name _____ Profession _____ Age _____ Years with Firm _____
Nationality _____ Proposed Position on Team _____

Key Qualifications:

(Under this heading, give outline of staff member's experience and training most pertinent to assigned work on proposed team. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use up to half a page).

Education:

(Under this heading, summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degrees obtained. Use up to quarter page).

Experience Record:

(Under this heading, list all positions held by staff member since graduation, giving dates, names of employing organization, title of positions held and location of assignments. For experience in last ten years, also give types of activities performed and client references where appropriate. Use up to 2 pages).

Languages:

(Indicate proficiency in speaking, reading and writing of each language by "excellent," "good," "fair," or "poor").

Date _____

Signature of Staff Member

The World Bank Resident Mission in Egypt
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1191 Corniche El Nil St.,
Floor 15, Boulak,
Cairo, Egypt

Tel: (202) 574-1670/71
Fax: (202) 574-1676
Telex: 20548 IBRD UN

February 13, 1996

Fax No. 961-1-285-656

H.E. Mr. Hagop Demirdjian
Minister of Municipal and Rural Affairs
Beirut, Lebanon

Your Excellency,

Technical Assistance to the Ministry

During our meeting of February 8, 1996, you asked us to send you a letter, explaining the alternatives that you may wish to choose from for the recruitment of advisers and experts to assist your Ministry in its institutional development efforts. The following are some suggestions that you may wish to consider.

Recruitment of Experts

There are three formulae to choose from:

- i. The first formula is to invite a short list of specialized consulting firms to submit proposals for the assignment. The successful consulting firm would then provide you with the required specialists, as and when needed. The advantages of this formula are that responsibility for performance and provision of logistical support is assumed by the firm; so is the responsibility of replacing incompetent or incapable staff. The disadvantage is that it could take longer to get the experts; it may cost more; and it requires a pretty good definition of the tasks required.
- ii. The second formula is to recruit individual experts directly by the Ministry. The advantages of this approach lie in the possibility of faster recruitment and lower cost. The disadvantages are that your Ministry will have to carry responsibility for the non-performance of experts, as well as their replacement, if necessary.
- iii. The third formula is to recruit a single expert in institutional development who would spend some time with the Ministry and selected municipalities. He would then draw up a more precise definition of the assignment, as well as the type and duration of employment of each expert. The disadvantage of this approach is that the Ministry will not be able to launch its programs until completion and acceptance of his recommendations.

- 2 -

Funding

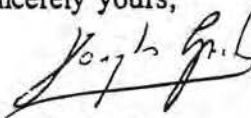
The Solid Waste/Environmental Management Project includes US\$2.0 million for technical assistance to the Ministry. This amount could be increased if the Government does not utilize all the remaining proceeds of the loan for the physical implementation of solid waste management projects. However, funds from the loan will not be available until the loan agreement is ratified by the Lebanese Parliament. Pending ratification, it is possible (i) either for your Ministry to provide bridge financing, which would be reimbursed from the loan once it becomes effective; or (ii) with the approval of CDR, use some of the unutilized funds under the solid waste component of the Emergency Reconstruction and Rehabilitation Program.

In response to your request, the mission prepared a document which would enable you to invite proposals from consulting firms in accordance with the first formula above, which is the one we recommend. The document comprises detailed terms of reference and job descriptions of the three experts needed for the Project Coordination Unit (PCU). It was left with CDR for transmittal to you. It should be reviewed by CDR and your Ministry, modified where necessary, and issued to a short list of consulting firms if this should be the alternative you choose.

CDR will be sending you a copy of the agreed Memorandum of Understanding. The last point relates to the recruitment of consultants for the PCU.

It was a pleasure meeting your Excellency again. We trust that we can be of further service to you.

Sincerely yours,



Douglas I. Graham

cc: Council for Development and Reconstruction
(by fax No. 961-1-864-494)

cc: Messrs./Mmes. Sud, Brizzi (MN2DR); Kanaan, Hoppenbrubwer (MN2CO);
McKechnie, Zelaya, Le, Chuppe (MN2PI); Darghouth, Monosowski
(MN2NE); Rotman (EMTEN); Ranganathan (CFSPS), Peltekian
(Consultant).

FACSIMILE COVER SHEET AND MESSAGE

LB - 3562

DATE: February 21, 1996 **NO. OF PAGES:** 14 **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

COPIED: Mr. Douglas I. Graham **FAX NO.:** 9-202-574-1676
Title: Senior Financial Analyst
Organization: Egypt Resident Mission
City/Country: Cairo, Egypt

FROM: Alastair J. McKechnie **FAX NO.:** (202) 477-0348 or 1691
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 - Supplementary Loan to ERRP

MESSAGE:

Dear Mr. El-Jisr,

Based on information received from your office we have revised the Memorandum of the President (MOP) for the Supplementary Loan for the water supply and waste water component of the Emergency Reconstruction and Rehabilitation Project (ERRP) with a copy enclosed for your review.

The revisions made particularly refer the increased contribution by the Government, which is estimated to US\$23 million, and the proposed inclusion under the loan of the costs for construction supervision.

We are presently planning to submit the loan to the Board for approval on March 26, 1996, and for that to be possible we will need your comments by no later than February 26.

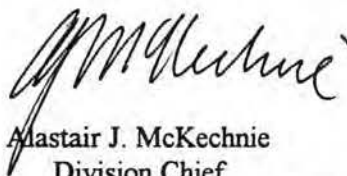
It might be possible to reduce the Government's contribution through co-financing under an Italian protocol, and I propose this matter to be discussed during Mr. Rasmusson's upcoming mission to Lebanon scheduled from March 24 to April 4, 1996. We have been contacted by the Italian Government, and they also propose to have a representative joining the mission. If you wish, we can follow-up on this matter.

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.

We are looking forward to hearing from you.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Alastair J. McKechnie', written in a cursive style.

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

Attachment

cc: Messrs./Mmes. Hoppenbrouwer (MN2CO), Abu-Odeh (LEGMN) - with attachment; Le,
Wells (MN2PI).


LRasmusson:tc

m:\leb-supl.fal

E-Supplemental Docs. LB-PA-43297

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Report No: P-6711 LE

**MEMORANDUM AND RECOMMENDATION
OF THE
PRESIDENT OF THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
TO THE
EXECUTIVE DIRECTORS
ON A
PROPOSED SUPPLEMENTARY LOAN
IN AN AMOUNT EQUIVALENT TO US\$35 MILLION
TO THE LEBANESE REPUBLIC
FOR THE WATER SUPPLY AND WASTEWATER COMPONENT
OF THE
EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
LOAN 3562-LE**

February 26, 1996

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

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CURRENCY EQUIVALENTS

(As of October, 1995)

Currency Unit = Lebanese Pound

US\$1.0 = LL 1,580

WEIGHTS AND MEASURES

1 meter(m)	=	3.281 feet (ft)
1 kilometer (km)	=	0.621 miles (mi)
1 metric ton (mt)	=	2204 lbs.
1 hectare (ha)	=	10,000 m ²
	=	2.47 acres

ABBREVIATIONS

BOT	=	Build, Operate and Transfer
CAS	=	Country Assistance Strategy
CDR	=	Council for Development and Reconstruction
EA	=	Environmental Assessment
EIB	=	European Investment Bank
EU	=	European Union
ERRP	=	Emergency Reconstruction and Rehabilitation Project
GDP	=	Gross Domestic Product
IBRD	=	International Bank for Reconstruction and Development
LL	=	Lebanese Pound
METAP	=	Mediterranean Environmental Technical Assistance Program
MHER	=	Ministry of Hydraulics and Electrical Resources
NERP	=	National Emergency Reconstruction Program
PMU	=	Program Management Unit
SIU	=	Sectoral Implementation Unit
TOR	=	Terms of Reference

FISCAL YEAR

(January 1 to December 31)

LEBANESE REPUBLIC

**EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
LOAN 3562-LE**

SUPPLEMENTARY LOAN FOR THE WATER SUPPLY AND WASTEWATER COMPONENT

Loan and Project Summary

Borrower: Lebanese Republic

Implementing Agencies: Council for Development and Reconstruction (CDR)

Beneficiaries: Cazas and Municipalities in Bekaa Valley and Mount Lebanon

Loan Amount: US\$35 million equivalent

Terms: Standard variable interest rate for currency pool loans, with 17 years maturity, including 4 years of grace (annuity).

Commitment Fee: 0.75 percent on undisbursed loan balances, beginning 60 days after signing, less any waiver.

Financing Plan:

Funding Agency	Local	Foreign	Total	Percentage of Financing Plan
	(US\$ Million)			
IBRD Loan	-	35.0	35.0	60
Government	11.6	11.4	23.0	40
TOTAL	11.6	46.4	58.0	100

Economic Rate of Return: 18 percent (water supply components)

Staff Appraisal Report: NA (Report No. 13860-LE for the original Emergency Reconstruction and Rehabilitation Project (ERRP), Loan 3562-LE).

Environmental Rating: B

Poverty Category: NA

Map: IBRD 24330

Project Identification No.: 43297

**MEMORANDUM AND RECOMMENDATION OF THE PRESIDENT OF THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
TO THE EXECUTIVE DIRECTORS
ON A PROPOSED SUPPLEMENTARY LOAN
IN AN AMOUNT EQUIVALENT TO US\$35 MILLION
TO THE LEBANESE REPUBLIC FOR
THE WATER SUPPLY AND WASTEWATER COMPONENT
OF THE EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
LOAN 3562-LE**

1. I submit for your approval the following memorandum and recommendation on a proposed supplementary loan of US\$35 million to the Lebanese Republic. The proposed loan would be on standard IBRD terms of variable interest rate with 17 years' maturity, including a grace period of 4 years, for supplemental financing for the water supply and wastewater component of the Emergency Reconstruction and Rehabilitation Project (ERRP), Loan 3562-LE. Government would finance the remaining supplementary costs of US\$23.0 million.
2. **Background.** Lebanon, in the early 1970s a middle-income country with a vibrant private sector-led economy, was devastated by 15 years of war and military occupation. The war left the economy in ruins, with real per capita income reduced by nearly two-thirds due largely to the widespread destruction of infrastructure and productive assets, estimated by the United Nations at approximately US\$25 billion. All sectors of the economy were affected by the war, both directly and from the near total disruption in capital investment and maintenance. The impact on human resources and the public administration had been equally large. Apart from the tragic loss of life and the disabling of hundreds of thousands of people, about 200,000 professional and skilled workers are estimated to have emigrated, resulting in severe skill shortages throughout the economy.
3. The 1989 Ta'if Accord for National Reconciliation, under the aegis of the Arab League, was a first step toward bringing an end to the violence in late 1990. A national unity government re-established its authority over the Greater Beirut area and most of the national territory. The process of political normalization culminated in parliamentary elections in September 1992 and the formation of a new government in October 1992. While the power sharing arrangements between denominational groups are still evolving, the Prime Minister has assembled a strong economic team, many of whom bring a private sector background to the task of rehabilitating the war-damaged economy while maintaining economic and political stability.
4. **The National Emergency Reconstruction Program (NERP).** The most urgent, major task facing the Government since it took over has been the massive reconstruction effort to rebuild the war-ravaged economy. The NERP was originally envisaged as a three year multi-sectoral program amounting to US\$2.25 billion, spanning the years 1993-96. Since its inception two years ago the program, which was based on Damage Assessment Reports carried out in 1992, has merged into the larger "Horizon 2000" program which carries on into the next century. But the main thrust remains unchanged - that is the reconstruction of the country's infrastructure to assist the resumption of economic activity.

5. **Implementation of the ERRP.** The Bank's response to the Government's objectives was a US\$175 million loan for the ERRP, which funds components of the NERP and which was approved in March 1993. Implementation of the ERRP is satisfactory, with US\$155 million committed and over half the Bank funds (US\$101.9 million) disbursed in five main sectors: water and wastewater, power, solid waste, telecommunications, and education. Government is in compliance with the Loan covenants and has shown a strong commitment to the project. In addition, significant progress is being made, with the help of project financed technical assistance consultancies, in institutional strengthening in the telecommunications, water supply, power and solid waste sectors. However, as the rehabilitation/extension works have progressed the magnitude of the task has become more evident, the shortcomings of the Damage Assessment Reports have become apparent and cost overruns have occurred in most sectors, particularly in the water supply and wastewater sector, and the need for immediate improvements of water supply and waste water services have become paramount. The total cost of the ERRP has increased from the original amount of US\$223.9 million (Bank financing US\$175 million) to about US\$282 million (Bank financing US\$210 million) (Schedule A). Progress in each of the sectors supported by the ERRP is described below:

- (a) **Water Supply and Wastewater:** The first year's rehabilitation work, covering the whole of Lebanon with cofinancing from EIB, has been satisfactorily completed. Bank financed consultants are finalizing the feasibility studies, detailed engineering and tender documents for the remaining portion of the NERP rehabilitation program. About US\$23 million has been dispersed for civil works for the first year's rehabilitation works and US\$10 million has been committed for consultant services. This leaves about US\$27 million of Bank funds under the ERRP, which will be used for rehabilitation and extension of water supply and waste water facilities in the Bekaa Valley. However, this is insufficient to complete the sub-components originally envisaged in the Bekaa Valley and Mount Lebanon areas. Proposals for sector restructuring have been developed by Government, with the assistance of UNDP and Bank-financed studies, and the draft restructuring laws are expected to be presented to Parliament during 1996. In the meantime, Government intends to award service contracts to private sector operators to ensure effective operation and maintenance of rehabilitated and extended facilities. A Coastal Pollution Control and Water Supply Project covering Kesrouan, Saida and Sour is being prepared for possible Bank, EIB, EU, Arab Fund and Japanese financing.
- (b) **Power:** The rehabilitation of the Beirut distribution network is underway and the contract has been enlarged to complete the work with the help of funds transferred from the housing component. A sector restructuring consultancy has started and a power transmission project is being prepared for possible future Bank assistance.
- (c) **Solid Waste:** The supply of garbage collection trucks and containers is complete, as is the rehabilitation of a compost plant and incinerator in Beirut. Bids for collection and disposal facilities for Tripoli have been launched, while studies for sanitary landfill sites in the rest of the country are underway. A successful Bank-

funded private sector management contract for collection and disposal services in Beirut has paved the way for greater private sector participation in the second project in the sector, which was approved by the Board on June 6, 1995 (Solid Waste/Environmental Management Project, Loan 3899-LE).

- (d) **Telecommunications:** The Bank-funded management contract and sector restructuring study are being successfully implemented and will be completed by the end of 1995. Private sector companies are financing and operating the sector rehabilitation through BOT contracts.
- (e) **Housing:** Additional sources of low-cost cofinancing for this component, coupled with changes in its implementation structure, led Government to request the reallocation of US\$25 million of Bank funds to the power component, where they have been immediately committed. A housing sector study has recently been completed, and it is expected that this will be followed by a Bank project.
- (f) **Education:** The rehabilitation of vocational training schools is nearing completion and components for developing the training curriculum have started.

6. **Need for Supplemental Financing.** Estimates of costs for water and wastewater rehabilitation under the NERP have risen from US\$298 million to US\$675 million as the Damage Assessment Reports have been revised and replaced with more reliable estimates based on detailed engineering and as urgent extension works have been identified. As rehabilitation of the sector is of highest priority to Government to provide an acceptable standard of water supply and wastewater services for health and environmental reasons and also to encourage the resettlement of displaced persons back to their towns and villages where facilities have been damaged by war, special efforts have been made to secure additional financing, with some success. In addition to US\$60 million under the ERRP, US\$20 million has been provided by the Saudi Fund, US\$19 million equivalent under French Protocol, about US\$78 million by EIB for projects in North Lebanon, and about US\$35 million by the Arab Fund for projects in South Lebanon. However, there is still a large financing gap, particularly for the Bekaa Valley and Mount Lebanon components in which the Bank is already involved under the ERRP. Since Government attaches particular importance to these components, which maintain a geographical balance, Bank assistance for supplemental financing has been requested in these areas.

7. **Rationale for Bank Involvement.** The Government envisages a phased strategy for rebuilding Lebanon's ravaged economy and addressing social problems. This strategy consists of a short-term emergency reconstruction phase followed by a medium-term recovery phase. The NERP provides for initial urgent investments, which are being made concurrently with the identification and implementation of longer-term development strategies in the various sectors. The proposed supplemental financing would support the emergency water supply sub-sector component of the NERP. The supplementary loan is in conformity with the Bank's Country Assistance Strategy (CAS) which was discussed by the Board on June 30, 1994 and which, inter alia, supports rehabilitation of infrastructure, addressing environmental concerns, increasing the role of the private sector in the provision of public services and strengthening the core functions of public administration. No involuntary resettlement of local population is involved.

8. **Objectives.** The objectives of the supplementary loan would be to assist in the rehabilitation and immediately required extension of essential water supply and wastewater facilities in areas where the Bank is already involved but financing gaps have arisen due to cost overruns - namely parts of the Bekaa Valley and Mount Lebanon. The supplementary loan will be in addition to cofinancing from other donors and would assist in extending environmental and health benefits in the project areas.

9. **Description.** The supplemental financing will assist in the following rehabilitation and extension of water supply and wastewater facilities in the Bekaa Valley and Mount Lebanon areas:

- (a) Barouk (Iqlim Al Kharoub) Water Supply System;
- (b) Metn (Jiita) Water Supply System; and
- (c) Baalbeck Wastewater Treatment Works (including trunk mains).

10. ERRP costs for water supply and wastewater components are estimated to have increased from US\$70.5 million to US\$128.5 million and the supplementary financing need, including contingencies, is estimated at US\$58.0 million. The supplementary loan of US\$35 million would finance 60 percent of the additional costs, increasing Bank financing of the sector under the ERRP from US\$60 million to US\$95 million. The breakdown of costs and the financing plan are shown in Schedule A. Procurement methods, with amounts, and disbursements are shown in Schedule B (the Bank's Procurement Guidelines dated January 1995 will apply to all future procurement). The minimum size for withdrawal applications would be US\$1,000,000. A timetable of key project processing events is given in Schedule C. A map (IBRD 24330) is also attached.

11. **Implementation.** The supplemental financing will be managed under the same arrangements which are working effectively for the on-going, IBRD-financed ERRP. CDR, assisted by its Program Management Unit (PMU), will handle monitoring and coordination together with procurement, disbursement and accounting, while MHER's Sector Implementation Unit (SIU) will be responsible for the execution of the project. Consultants managed by the SIU have submitted feasibility reports and are in the process of preparing engineering design and bidding documents for the procurement of works, and will undertake the supervision of the contracts during an estimated eighteen months' implementation period. Contracts are scheduled to be awarded by mid-1996 for completion by early 1998, which would necessitate an extension of the closing date for the ERRP from December 31, 1996 to June 30, 1998.

12. **Environmental Aspects.** One of the main environmental hazards resulting from the war is the pollution of water supply systems, which presents a major threat to public health as well as limiting the exploitation of one of the country's few natural resources. The ERRP is already addressing this issue in parts of the country and complementary benefits will be achieved through the proposed supplemental financing. A national Environment Plan is being developed with Bank assistance funded by the Mediterranean Environmental Technical Assistance Program (METAP).

13. **Benefits.** The proposed supplemental loan would have economic, and social benefits. Economic benefits would include the restoration of infrastructure services that are essential to the resumption of production. Social benefits would include improvements in public health, through reduction in domestic water contamination and removal of waste water from the streets. The rehabilitation of infrastructure in the project areas would encourage displaced persons to return to their towns and villages. As might be expected in system rehabilitation works, the economic benefits and rates of return are relatively high. The rehabilitation of the Metn Jiita System, which serves an estimated 162,000 persons, has an estimated economic rate of return of 17 percent and the long run marginal cost of water supplied is estimated at 74 cents per m³. The rehabilitation of the Barouk (Iqlim Al Kharoub) Water Supply System, which serves a population of 67,000, is estimated to have a rate of return of 18 percent and a long-run marginal cost of water supplied of 70 cents per m³. The Baalbeck wastewater treatment plant, which will serve the city of Baalbeck, population 100,000, will significantly relieve contamination from waste water in the city and surrounding areas, thus lowering the incidence of disease.

14. **Sustainability.** The sustainability of these and other schemes will be achieved through Government's intention to restructure the sector with the establishment of regional water supply and sanitation companies and, in the immediate future, to contract operation and maintenance to private sector operators.

15. **Risks.** There are few risks to the supplementary loan - it follows the precedents set by similar projects which have been successfully implemented by CDR and is located in areas where there are no security constraints. The main risk is the continued maintenance by Government of a viable macroeconomic framework and political stability.

16. **Agreed Actions.** The following assurances have been obtained from Government:

- (i) the Government of Lebanon would finance US\$23.0 million of local and foreign currency costs; and
- (ii) all conditions pertaining to the ERRP would apply to the Supplementary Loan.

17. **Recommendation.** I am satisfied that the proposed supplementary loan would comply with the Articles of Agreement of the Bank and recommend that the Executive Directors approve the proposed loan.

James D. Wolfensohn
President

Attachments

Washington, D.C.
February 26, 1996

SCHEDULE A

LEBANESE REPUBLIC

**EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
LOAN 3562-LE**

**SUPPLEMENTARY LOAN FOR THE WATER SUPPLY AND WASTEWATER COMPONENT
ESTIMATED COST AND FINANCING PLAN**

**Cost Summary
(US\$ Million)**

Sectors	Original ERRP		Revised ERRP		Additional Cost	
	Total Cost	Bank Financing	Total Cost	Bank Financing	Total Cost	Bank Financing
Electricity	41.2	35.0	79.7	60.0	38.5	25.0
Water Supply/Wastewater	70.5	60.0	128.5	95.0	58.0	35.0
Solid Waste	45.0	30.0	45.0	30.0	-	-
Education	18.7	15.0	18.7	15.0	-	-
Housing	38.5	25.0	-	-	(38.5)	(25.0)
Technical Assistance	10.0	10.0	10.0	10.0	-	-
TOTAL	223.9	175.0	281.9	210.0	58.0	35.0

Additional Cost Financing Plan

Funding Agency	Local	Foreign	Total	Percentage of Financing Plan
	(US\$ Million)			
IBRD Loan	-	35.0	35.0	60
Government	11.6	11.4	23.0	40
TOTAL	11.6	46.4	58.0	100

SCHEDULE B

LEBANESE REPUBLIC

**EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
LOAN 3562-LE**

SUPPLEMENTARY LOAN FOR THE WATER SUPPLY AND WASTEWATER COMPONENT

**Procurement Arrangements
(US\$ Million)^{1/}**

	No. of Contract	IBRD Procurement Methods			N.B.F.	Total Cost
		ICB	LCB	Other		
1. Civil Works	3	55.6 (32.6)	-	-	-	55.6 (32.6)
2. Consultant Services	ongoing	-	-	2.4 (2.4)	-	2.4 (2.4)
TOTAL	3	55.6 (32.6)	-	2.4 (2.4)	-	58.0 (35.0)

^{1/} Numbers in parentheses indicate Bank-financed portion.

**Disbursements Plan
(US\$ Million)**

Category	Description	Amount	Percentage of Expenditures to be Financed
1	Civil Works	29.3	60
2	Consultant Services	2.4	100
3	Unallocated	3.3	-
	TOTAL	35.0	-

**Estimated Disbursement Schedule
(US\$ Million)**

IBRD Fiscal Year	1996	1997	1998	1999
Annual	-	15.0	17.0	3.0
Cumulative	-	15.0	32.0	35.0

SCHEDULE C

LEBANESE REPUBLIC

**EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT
LOAN 3562-LE**

SUPPLEMENTARY LOAN FOR THE WATER SUPPLY AND WASTEWATER COMPONENT

Timetable of Key Project Processing Events

(a)	Time Taken to Prepare	:	Nine months
(b)	Prepared By	:	Council for Development and Reconstruction
(c)	Appraisal Mission Departure	:	July 1, 1995
(d)	Board Presentation	:	March 26, 1996
(e)	Planned Date of Effectiveness	:	July 26, 1996
(f)	List of relevant PCRs and PPARs	:	Not applicable

Responsibility for Preparation

Task Manager	:	Douglas I. Graham, MN2PI
Division Chief	:	Alastair J. McKechnie, MN2PI
Department Director	:	Inder K. Sud, MN2DR
Regional Vice President	:	Caio Koch-Weser, MNAV
Peer Reviewer	:	Hans-Roland Lindgren, EMTEN

This report is based on the findings of an appraisal mission, which visited Lebanon in July, 1995. The mission comprised Messrs. Douglas Graham, Senior Financial Analyst/Mission Leader (MN2PI); Lars Rasmusson, Principal Municipal Engineer (MN2PI); Vincent Gouarne, Principal Urban Finance Specialist (EMTIE); Jamal Saghir, Senior Private Sector Specialist (MN2PI); Allan Rotman, Environmental Specialist (EMTEN). Mrs. Tuyet Chuppe, Senior Staff Assistant (MN2PI) was responsible for coordinating report production. Messrs. Alastair J. McKechnie and Inder K. Sud are the Division Chief and Director, respectively, for the operation.

SCHEDULE D

LEBANESE REPUBLIC
EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT, LOAN 3562-LE
SUPPLEMENTARY LOAN FOR THE WATER SUPPLY AND WASTEWATER COMPONENT
THE STATUS OF BANK GROUP OPERATIONS IN LEBANON

A. Statement of Bank Loans and IDA Credits
(As of September 30, 1995)

Loan No.	Fiscal Year	Borrower	Purpose	Bank	IDA (US\$ Million)	Undisbursed
4 Loans (Closed)				93.66		
Loan 3562-LE	93	Lebanon	Emergency Recovery	175.00		85.55
Loan 3769-LE	94	Lebanon	Irrigation Rehab. Modernization	57.23		56.93
Loan 3770-LE	94	Lebanon	TA for Revenue Enhancement	19.94		19.10
Loan 3829-LE	95	Lebanon	Health	35.70		35.70
Loan 3899-LE	95	Lebanon	Solid Waste/Env. Mgt.	55.00		55.00
Loan 3930-LE	96	Lebanon	Administration Rehab.	20.00		20.00
Total				456.53		272.27
of which has been repaid				85.43		0.00
Total now held by Bank and IDA				371.11		272.27

B. Statements of IFC Investments
(As of September 30, 1995)

----- Original Gross Commitments -----						
FY Com- mitted	Obligor	Type of Business	IFC Loan	IFC Equity	Participant	Total
(US\$ Million)						
1971	Filitex, S.A.L. 1/	Textiles	0.43	-	.50	0.93
1971	Lebanese Ceramic Ind. 1/	Cement & Const. Manufacturing	.70	-	.50	1.20
1974/78	Lebanon Textile (Libtex) 1/	Textiles	4.13	-	1.60	5.73
1975	Bank of the Near E., S. 1/	Financial Services	-	1.25	-	1.25
1993	Bank of Beirut and the Arab	Financial Services	6.00	-	3.00	9.00
1993	Banque Audi, S.A.L.	Financial Services	6.00	-	3.00	9.00
1993	Banque du Liban et d'Outre	Financial Services	6.00	-	3.00	9.00
1993	Byblos Bank, S.A.L.	Financial Services	6.00	-	3.00	9.00
1993	Uniceramic S.A.L.	Cement & Const. Manufacturing	4.00	-	2.00	6.00
1993/94	Fransabank, S.A.L.	Financial Services	12.00	-	9.00	21.00
1994	Banque Libanaise	Financial Services	6.00	-	3.00	9.00
1994	Banque Libano-Francaise	Financial Services	6.00	-	6.00	12.00
1994	Societe Generale Libano	Financial Services	6.00	-	6.00	12.00
1995	Cimenterie Nationale	Cement & Const. Manufacturing	20.00	-	30.00	50.00
1995	Lebanese Leasing Company	Financial Services	7.50	1.25	7.50	15.00
Total gross commitments 2/			90.76	1.25	78.10	170.11
Less cancellations, terminations, repayment & sales			8.50	1.25	11.72	21.47
Total commitments now held 3/			82.26	-	66.38	148.64
Total undisbursed commitments			21.97	-	15.77	37.74

1/ Investments which have been fully cancelled, terminated, written-off, sold, redeemed, or repaid.

2/ Gross commitments consist of approved and signed projects.

3/ Held commitments consist of disbursed and undisbursed investments.

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT - LEBANON

No. : 320/96/P.O.

Mr. Alastair McKechnie
Chief
MN2PI
The World Bank

Room No.: H 10-001
Fax No.: (202) 477-0348

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project:	LB-ERRP+ERRPS
Rec'd:	FD 24 Log No. 128
Assigned to:	LR, MZ/R
Copy to	Division Chief Division Files EMENA Files
Action:	

Beirut, 17/2/1996

Subject : Lebanon-ERRP(Loan No. 3562 LE)- ERRP Supplementary Loan-
Detailed Design Reports for Barouk (E1) and Metn (E1) Water
Systems

Dear Mr. McKechnie,

Ref. your fax dated 1/2/96, please find attached the design reports of the Metn (E1) and Barouk (E1) Water Systems, including the maps. We have already sent you the summary design reports of the above mentioned systems by fax.

Sincerely Yours,

Mr. Nabil A. El Jai
President



Council for Development
and Reconstruction

NM

REPUBLIC OF LEBANON

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

SIU-1 Water & Wastewater		
ID/1368	Action: FW	
Date	02 FEB 1996	Copy:
rec'd	Action by:	Action done:
File:		Link doc's:



PROJECT No 1021- - NERP YEARS 2 & 3 WATER SUPPLY AND WASTEWATER PROJECT

Region 2
Central

CONTRACT N° 1865
Metn & Barouk

WATER SUPPLY AND WASTEWATER SYSTEMS

11 E01 & 12 E01

DESIGN REPORT

Cost Estimates

Consulting Engineers
Howard Humphreys & Partners
P.O. Box 70431
Antelias
LEBANON
Tel/Fax : 01-407 255 01-407 259

G211DR01.WB2

In association with:

B.T.D : Bureau Technique pour
le Développement
E.N.B : Exarchou & Nikolopoulos
Consulting Engineers

January, 1996

REPUBLIC OF LEBANON

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

SIU-1 Water & Wastewater		
ID/	961 368	Action:
Date	02 FEB 1996	Copy:
rec'd		
Action by:	Item done:	Link doc's:
File:		



PROJECT No 1021 - NERP YEARS 2 & 3
WATER SUPPLY AND WASTEWATER PROJECT

Region 2
Central

CONTRACT N° 1865
Metn & Barouk

WATER SUPPLY AND WASTEWATER SYSTEMS

11 E01 & 12 E01

DESIGN REPORT

Consulting Engineers
Howard Humphreys & Partners
P.O. Box 70431
Antelias
LEBANON
Tel/Fax : 01-407 255 01-407 259

G211DR01.WB2

In association with:

B.T.D : Bureau Technique pour
le Développement
E.N.B : Exarchou & Nikolopoulos
Consulting Engineers

January, 1996

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

LB - 3562

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

TO : Mr. Alastair McKechnie
Chief
MN2PI
The World Bank
FAX NO.: (202) 477-0348

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

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

SUBJECT: Lebanon-ERRP Supplementary Loan-Design
Reports for Barouk (E1) and Metn (E1) Water
Systems

REF. : 312/96/P.O.

DATE : 17/2/1996

NO. OF PAGES: (29) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Ref. your fax dated 1/2/96, please find attached the summary design reports of the Metn (E1) and Barouk (E1) Water Systems. The detailed design reports, including the maps, are being sent to you by express mail.

Sincerely Yours,

Nabil A. El Jisr
PresidentCouncil for Development
and Reconstruction

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project	ERRP-Supplemental
Rec'd: Feb. 20	Log No. 117
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Action.	

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

FXERSLDR.DOC

Water and Wastewater SIU
 Ministry of Hydraulic and Electrical Resources
 Taiyar Building, Chiyah, Beirut
 Telephone: 456387 Cellular: 03-251224 (temporary)
 Facsimile: 456387

Our reference: 1021/6181/3 - 162

Your reference:

Date: 24 January 1996

Mr Nabil El-Jisr
 The President
 Council for Development & Reconstruction
 Beirut

Dear Mr El-Jisr,

Project Number 1021 - 2nd & 3rd Year, Outside Beirut works
 WP 7: Central: Contract 1865: Metn E1, Barouk E1 - Design Report

We enclose a copy of a summary design report for the above contract package. We will hand a separate copy direct to Dr Wafaa Charafeddine. This report has been prepared in advance of the full design report, to give brief details and estimates of all the works currently proposed under this package; it is suitable for use for advice to the World Bank in advance of the forthcoming mission. The full design report is expected by the end of January.

Please note the following:

1 Estimates: the estimates presented here are base estimates, made before the designs have been completed. The totals are as follows:

	<u>\$million</u>
- Metn water system E1:	24.5
- Metn Caza wastewater:	0.4
- Barouk water system E1:	13.4
- Chouf caza wastewater:	1.9
TOTAL FOR PACKAGE (base estimate)	40.2

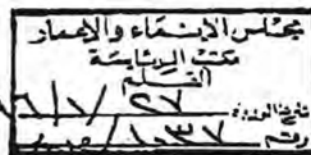
2 At this stage, we advise that contingencies should be added as follows:

	<u>\$million</u>
- present estimate:	40.2
- design contingencies: 10%	4.0
- estimated contract price:	44.2
- construction contingencies: 10%	4.4
- estimated outturn price:	48.6

3 The works included generally follow the scope for water supply as agreed during the World Bank mission in November 1995. They have not been further trimmed specifically to meet any budget limitation.

4 The works also include wastewater work originally envisaged in these packages. These wastewater works are not specifically source protection work, and are not linked to the water supply work.

ah:wp51/fax(24 January 1996)



© يصال الى ادارة المتابعة
 مع المرفق للخطوة والافادة

احسان شاتولا

27/1/96

نمبر 1021

الى ابراهيم عجمي الدين

د. وفاء خرفه الدين

المهندس فادي بعلب

0.5

1.1

Water and Wastewater SIU

(page 2)-

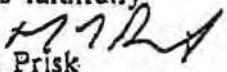
5 Metn water resources: the works include direct development of the Fouar Antelias source (capture, treatment works, pumping stations, delivery mains to new reservoirs in the system). They do not include any new boreholes. They do not include the development of the Jouaizat source and connecting pipeline, apart from some reinforcement of the existing system.

6 There are still some issues to sort out on the Fouar Antelias source. These include

- pollution of the source: a water treatment plant is proposed, but source protection works by sewerage of the main urban areas in the catchment are also desirable. This work is not included in the present package.
- water rights: there are understood to be some irrigation rights in existence. The area is now mostly urbanized and these rights are not expected to affect the water availability significantly.

7 Fouar Antelias water treatment: more water quality data is needed before the treatment requirements can be finalized. The present proposal represents the likely upper limit of the treatment requirements, and is understood to include chemical coagulation, clarification, and filtration. The estimate for this is included here (base cost \$4million), but it may be more appropriate to construct the works under a separate contract package from the rest of the works.

Yours faithfully


Mike Prisk

Manager SIU1

encl

cc Dr Wafaa Charafeddine(w/encl)

file 1021/1865/3. (w/o encl)


Dr George Abou Zeid

Director General, MHER

REPUBLIC OF LEBANON
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION



PROJECT No 1021 - NERP YEARS 2 & 3
WATER SUPPLY AND WASTEWATER PROJECT

Region 2
(CENTRAL)

CONTRACT N° 1865

Metn & Barouk

WATER SUPPLY AND WASTEWATER SYSTEMS

11 E01 & 12 E01

SUMMARY DESIGN REPORT

Summary List of Works and Cost Estimate

Locations Plans

Elevation Schematics

Consulting Engineers
Howard Humphreys & Partners
P.O. Box 70431
Antelias
LEBANON
Tel/Fax : 01-407 255 01-407 259

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le Développement
E.N.B : Exarchou & Nikolopoulos
Consulting Engineers

January, 1996

NERP 2nd & 3rd YEARS OUTSIDE BEIRUT
CENTRAL REGION-CONTRACT 1865 : SYSTEM 11 E01 & 12 E01, METN AND BAROUK AREAS
DESIGN REPORT

TABLE OF CONTENTS

Metn System E01

- Summary Lists of Works and Cost Estimates
- Location Plan - Works on Transmission Networks
- Location Plan - Works on Water Supply Distribution and Wastewater Networks
- Elevation Schematic - Winter Configuration
- Elevation Schematic - Summer Configuration.

Barouk System E01

- Summary Lists of Works and Cost Estimates
- Location Plan - Works on Transmission Networks
- Location Plan - Works on Water Supply Distribution and Wastewater Networks
- Elevation Schematic

NERP 2nd & 3rd YEARS OUTSIDE BEIRUT
CENTRAL REGION-CONTRACT 1865 : SYSTEM 11 E01 & 12 E01, METN AND BAROUK AREAS
DESIGN REPORT

METN SYSTEM E01

**Contract 1865 - Water Supply
Summary Design Report
Summary List & Cost Estimate
Metn - System E1**

Description	Quantity	Unit	Cost
A FOUR ANTILLAS New Supply			
A.1 Four Antillas Catchment			
A.1.1 Catchment	1	No.	\$500,000
Sub-total			\$500,000
A.2 Four Antillas			
A.2.1 Treatment plant	1	No.	\$4,000,000
A.2.2 Fences	400	m	\$6,000
A.2.3 Gates	1	No.	\$2,500
Sub-total			\$4,008,500
A.3 Chlorination			
A.3.1 Chlorination equipment	1	No.	\$28,000
Sub-total			\$28,000
A.4 Four Antillas Pumping Station			
A.4.1 Surge tank + compressors	1	No.	\$70,000
A.4.2 Pumping station new Building	1	No.	\$400,000
A.4.3 Surface pump, QH = 81000 (m3/h).m	2	No.	\$1,304,100
A.4.4 Special fittings		sum	\$80,000
Sub-total			\$1,854,100
A.5 Baslim Pumping Station			
A.5.1 Surge tank + compressors	1	No.	\$70,000
A.5.2 Pumping station new Building	1	No.	\$400,000
A.5.3 Surface pump, QH = 81000 (m3/h).m	2	No.	\$1,304,100
A.5.4 Special fittings		sum	\$80,000
Sub-total			\$1,854,100
A.6 Four Antillas / Baslim Transmission Line			
A.6.1 New pipeline Normal access, 500 diam	1600	m	\$603,200
A.6.2 New pipeline Difficult access, 500 diam	2000	m	\$868,000
A.6.3 Excavation in hard rock	1500	cu.m	\$60,000
A.6.4 Road reinstatement	650	sq.m	\$16,250
Sub-total			\$1,547,450
A.7 Baslim / Broummana Transmission Line			
A.7.1 New pipeline Normal access, 500 diam	2000	m	\$754,000
A.7.2 New pipeline Difficult access, 500 diam	2000	m	\$868,000
A.7.3 Excavation in hard rock	900	cu.m	\$36,000
A.7.4 Road reinstatement	500	sq.m	\$12,500
Sub-total			\$1,670,500
A.8 Baslim / Nabay Transmission Line			
A.8.1 New pipeline Normal access, 150 diam	1000	m	\$117,000
A.8.2 Excavation in hard rock	100	cu.m	\$4,000
A.8.3 Road reinstatement	50	sq.m	\$1,250
Sub-total			\$122,250
A.9 Baslim Reservoir			
A.9.1 New reservoir Normal access, 1500 m3 capacity	1	m	\$190,000
A.9.2 Excavation in hard rock	400	cu.m	\$16,000
A.9.3 Fences	150	m	\$2,550
A.9.4 Gates	1	No.	\$2,500
Sub-total			\$211,050
A.10 Broummana Reservoir			
A.10.1 New reservoir Normal access, 4000 m3 capacity	1	No.	\$350,000
A.10.2 Fences	215	m	\$3,225
A.10.3 Gates	1	No.	\$2,500
Sub-total			\$355,725

A.11 Nabay Reservoir			
A.11.1 New reservoir Normal access, 500 m3 capacity	1	No.	\$115,000
A.11.2 Excavation in hard rock	1000	cu.m	\$40,000
A.11.3 Fences	130	m	\$1,800
A.11.4 Gates	1	No.	\$2,500
Sub-total			\$159,300

TOTAL Four Antilles New Supply

\$12,311,275

B. Broummana / Roumie / Ain Saade New Transmission System

B.1 Broummana reservoir / Roumie connection Transmission line			
B.1.1 New pipeline Normal access, 300 diam	3500	m	\$742,000
B.1.2 Excavation in hard rock	200	cu.m	\$8,000
B.1.3 Road reinstatement	2800	sq.m	\$70,000
Sub-total			\$820,000

B.2 Roumie connection / Ain Saade Res Transmission line			
B.2.1 New pipeline Normal access, 250 diam	2200	m	\$352,800
B.2.2 Road reinstatement	1750	sq.m	\$44,000
Sub-total			\$426,800

B.3 Roumie connection Transmission line			
B.3.1 New pipeline Normal access, 100 diam	1000	m	\$88,000
B.3.2 Road reinstatement	700	sq.m	\$17,500
Sub-total			\$105,500

B.4 Ain Saade Reservoir			
B.4.1 New reservoir Normal access, 1000 m3 capacity	1	No.	\$160,000
B.4.2 Excavation in hard rock	80	cu.m	\$3,200
B.4.3 Fences	135	m	\$2,025
B.4.4 Gates	1	No.	\$2,500
Sub-total			\$167,725

B.5 Roumie Reservoir			
B.5.1 New reservoir Normal access, 500 m3 capacity	1	No.	\$115,000
B.5.2 Fences	115	m	\$1,725
B.5.3 Gates	1	No.	\$2,500
Sub-total			\$119,225

TOTAL Broummana / Roumie / Ain Saade New Transmission System

\$1,639,250

C. Mtaieb / Dik El Mehdi New Transmission System

C.1 Mtaieb connection			
C.1.1 New pipeline Normal access, 150 diam	600	m	\$70,200
C.1.2 Excavation in hard rock	100	cu.m	\$4,000
C.1.3 Road reinstatement	480	sq.m	\$12,000
Sub-total			\$86,200

C.2 Dik El Mehdi / Beit Ech Chaar connection			
C.2.1 New pipeline Normal access, 150 diam	1400	m	\$163,800
C.2.2 Excavation in hard rock	200	cu.m	\$8,000
C.2.3 Road reinstatement	1120	sq.m	\$28,000
Sub-total			\$199,800

C.3 Dik El Mehdi Reservoir			
C.3.1 New reservoir Normal access, 1000 m3 capacity	1	No.	\$160,000
C.3.2 Excavation in hard rock	200	cu.m	\$8,000
C.3.3 Fences	115	m	\$1,725
C.3.4 Gates	1	No.	\$2,500
Sub-total			\$172,225

C.4 Mtaieb Reservoir			
C.4.1 New reservoir Normal access, 500 m3 capacity	1	No.	\$115,000
C.4.2 Excavation in hard rock	80	cu.m	\$3,200
C.4.3 Fences	100	m	\$1,500
C.4.4 Gates	1	No.	\$2,500
Sub-total			\$122,200

TOTAL Mtaieb / Dik El Mehdi New Transmission System

\$560,425

D Qornet El Hamra / Belt Chebab New Transmission System

D.1 Qornet El Hamra / Qornet Chahouane Road			
D.1.1 New pipeline Normal access, 300 diam Transmission line	1000	m	\$244,000
Sub-total			\$244,000
D.2 Qornet Chahouane Connection			
D.2.1 New pipeline Normal access, 250 diam	300	m	\$52,200
D.2.2 Excavation in hard rock	30	cu.m	\$1,200
D.2.3 Road reinstatement	30	sq.m	\$750
Sub-total			\$54,150
D.3 Qornet Chahouane Road / Ain Aslaq Connection			
D.3.1 New pipeline Normal access, 200 diam	800	m	\$117,600
D.3.2 Excavation in hard rock	300	cu.m	\$12,000
D.3.3 Road reinstatement	640	sq.m	\$18,000
Sub-total			\$145,600
D.4 Ain Aslaq Connection / Belt Chebab reservoir			
D.4.1 New pipeline Normal access, 200 diam	3000	m	\$441,000
D.4.2 Excavation in hard rock	270	cu.m	\$10,800
D.4.3 Road reinstatement	2400	sq.m	\$80,000
Sub-total			\$531,800
D.5 Ain Aslaq Connection			
D.5.1 New pipeline Normal access, 150 diam	800	m	\$83,600
D.5.2 Road reinstatement	400	sq.m	\$10,000
Sub-total			\$103,600
D.6 Qornet Chahouane Reservoir			
D.6.1 New reservoir Normal access, 2000 m3 capacity	1	No.	\$220,000
D.6.2 Fences	135	m	\$2,025
D.6.3 Gates	1	No.	\$2,500
Sub-total			\$224,525

TOTAL Qornet El Hamra / Belt Chebab New Transmission System **\$1,283,675**

E Rehabilitation / Improvement of Jelta / Bhanneq Supply System

E.1 Grit remover			
E.1.1 Grit remover, new	1	No.	\$169,000
Sub-total			\$169,000
E.2 Jelta - Qornet El Hamra - Bhanneq Transmission Lines			
E.2.1 Rehabilitation pipeline Difficult access, 300 diam		sum	\$180,000
E.2.2 Rehabilitation pipeline Difficult access, 250 diam		sum	\$120,000
Sub-total			\$300,000

TOTAL Rehabilitation / Improvement of Jelta / Bhanneq Supply System **\$469,000**

F Jouizat New Supply System

F.1 Bhanneq reservoir / Broummara reservoir Transmission line			
F.1.1 New pipeline Difficult access, 450 diam	2500	m	\$1,050,000
F.1.2 New pipeline Normal access, 450 diam	500	m	\$168,000
F.1.3 Excavation in hard rock	1500	cu.m	\$60,000
F.1.4 Road reinstatement	500	sq.m	\$12,500
Sub-total			\$1,288,500

F.2 Jouizat Spring - Bhanneq reservoir Transmission line
Not included in the project

TOTAL Jouizat New Supply System **\$1,288,500**

G. General Supply System Works

G.1 Dhour Baabdat connection			
G.1.1 New pipeline Normal access, 80 diam	300	m	\$23,400
Sub-total			\$23,400
G.2 Dhour Baabdat Reservoir			
G.2.1 Rehab reservoir, Minor, Normal access, 100 m3 capacity	1	No.	\$8,000
G.2.2 Fences	50	m	\$750
G.2.3 Gates	1	No.	\$2,500
Sub-total			\$11,250
G.3 Baabdat connection			
G.3.1 New pipeline Normal access, 200 diam	25	m	\$3,875
G.3.2 Excavation in hard rock	20	cu.m	\$800
G.3.3 Road reinstatement	10	sq.m	\$250
Sub-total			\$4,725
G.4 Baabdat Reservoir			
G.4.1 New reservoir Normal access, 1000 m3 capacity	1	No.	\$160,000
G.4.2 Fences	125	m	\$1,875
G.4.3 Gates	1	No.	\$2,500
Sub-total			\$164,375
G.5 Dhour Ech Cheueir Reservoirs			
G.5.1 Rehab reservoir, normal access, 500 m3 capacity	1	No.	\$23,000
G.5.2 New reservoir Normal access, 1000 m3 capacity	1	No.	\$160,000
G.5.3 Fences	125	m	\$1,875
G.5.4 Gates	1	No.	\$2,500
Sub-total			\$187,375
G.6 Qannabci Baabdat Reservoirs			
G.6.1 Rehab reservoir, Major, Normal access, 25 m3 capacity	1	No.	\$13,950
G.6.2 Fences	50	m	\$750
G.6.3 Gates	1	No.	\$2,500
Sub-total			\$17,200

TOTAL General Supply System Works

\$408,325

H. Distribution System

H.1 Dick El Mehdi			
H.1.1 New pipeline, Normal Access, 150 diam	150	m	\$17,550
H.1.2 Road reinstatement	75	sq.m	\$1,875
Sub-total			\$19,425
H.2 Mazraat Yachouas			
H.2.1 New pipeline, Normal Access, 200 diam	750	m	\$110,250
H.2.2 New pipeline, Normal Access, 150 diam	400	m	\$48,800
H.2.3 New pipeline, Normal Access, 100 diam	950	m	\$83,600
H.2.4 New pipeline, difficult Access, 80 diam	600	m	\$54,000
H.2.5 New pipeline, normal Access, 80 diam	1200	m	\$93,600
H.2.6 New pipeline, difficult Access, 50 diam	200	m	\$10,400
H.2.7 Road reinstatement	1550	sq.m	\$38,750
Sub-total			\$437,400
H.3 Zakrit			
H.3.1 New pipeline, Normal Access, 50 diam	600	m	\$27,000
H.3.2 Road reinstatement	240	sq.m	\$6,000
Sub-total			\$33,000
H.4 Mtalleb			
H.4.1 New pipeline, Difficult Access, 150 diam	200	m	\$27,000
H.4.2 New pipeline, Normal Access, 150 diam	450	m	\$52,650
H.4.3 New pipeline, Normal Access, 100 diam	2150	m	\$189,200
H.4.4 New pipeline, Normal Access, 80 diam	1000	m	\$78,000
H.4.5 Excavation in hard rock	50	cu.m	\$2,000
H.4.6 Road reinstatement	1700	sq.m	\$42,500
Sub-total			\$391,350

Contract 1685 - Design Report - Cost Estimate

Main - System E1

H.5 Cornet El Hamra			
H.5.1 New pipeline, Difficult Access, 150 diam	150	m	\$20,250
H.5.2 New pipeline, Difficult Access, 100 diam	350	m	\$35,350
H.5.3 New pipeline, Normal Access, 100 diam	1150	m	\$101,200
H.5.4 New pipeline, Normal Access, 80 diam	200	m	\$15,600
H.5.5 Excavation in hard rock	175	cu.m	\$7,000
H.5.6 Road reinstatement	650	sq.m	\$16,250
Sub-total			\$195,650
H.6 Ech Chaoula			
H.6.1 New pipeline, Normal Access, 80 diam	1050	m	\$81,900
H.6.2 New pipeline, Normal Access, 50 diam	500	m	\$22,500
H.6.3 Road reinstatement	620	sq.m	\$15,500
Sub-total			\$119,900
H.7 El Qnaira			
H.7.1 New pipeline, Difficult Access, 80 diam	850	m	\$76,500
H.7.2 New pipeline, Normal Access, 80 diam	900	m	\$82,400
H.7.3 New pipeline, Normal Access, 50 diam	1000	m	\$45,000
H.7.4 Excavation in hard rock	400	cu.m	\$16,000
H.7.5 Road reinstatement	725	sq.m	\$18,125
Sub-total			\$218,025
H.8 Ain Aar			
H.8.1 New pipeline, Normal Access, 80 diam	1650	m	\$128,700
H.8.2 New pipeline, Difficult Access, 50 diam	350	m	\$18,200
H.8.3 New pipeline, Normal Access, 50 diam	450	m	\$20,250
H.8.4 Excavation in hard rock	100	cu.m	\$4,000
H.8.5 Road reinstatement	840	sq.m	\$21,000
Sub-total			\$192,150
H.9 Beit El Keko			
H.9.1 New pipeline, Normal Access, 80 diam	750	m	\$58,500
H.9.2 New pipeline, Normal Access, 50 diam	500	m	\$22,500
H.9.3 New pipeline, Difficult Access, 60 diam	200	m	\$10,400
H.9.4 Road reinstatement	500	sq.m	\$12,500
Sub-total			\$103,900
H.10 Cornet Chahouane			
H.10.1 New pipeline, Normal Access, 250 diam	20	m	\$0,480
H.10.2 New pipeline, Normal Access, 150 diam	1950	m	\$228,150
H.10.3 New pipeline, Normal Access, 150 diam	1100	m	\$128,700
H.10.4 Road reinstatement	1525	sq.m	\$38,125
Sub-total			\$395,455
H.11 Bikfaya			
H.11.1 New pipeline, Normal Access, 200 diam	1600	m	\$235,200
H.11.2 New pipeline, Normal Access, 150 diam	700	m	\$81,900
H.11.3 New pipeline, Difficult Access, 80 diam	700	m	\$63,000
H.11.4 New pipeline, Normal Access, 80 diam	2550	m	\$189,900
H.11.5 Excavation in hard rock	300	cu.m	\$12,000
H.11.6 Road reinstatement	2170	sq.m	\$54,250
Sub-total			\$645,250
H.12 Ed Deuar			
H.12.1 New pipeline, Difficult Access, 150 diam	500	m	\$67,500
H.12.2 New pipeline, Normal Access, 100 diam	350	m	\$30,800
H.12.3 New pipeline, Normal Access, 80 diam	300	m	\$23,400
H.12.4 New pipeline, Normal Access, 50 diam	250	m	\$11,250
H.12.5 New pipeline, Difficult Access, 50 diam	1000	m	\$82,000
H.12.6 Road reinstatement	400	sq.m	\$10,000
Sub-total			\$194,950
H.13 Mar Moussa			
H.13.1 New pipeline, Normal Access, 50 diam	2000	m	\$90,000
H.13.2 New pipeline, Difficult Access, 50 diam	800	m	\$31,200
H.13.3 Road reinstatement	800	sq.m	\$20,000
Sub-total			\$141,200
H.14 El Aytoun			
H.14.1 New pipeline, Normal Access, 80 diam	700	m	\$54,600
H.14.2 Road reinstatement	275	sq.m	\$6,875
Sub-total			\$61,475

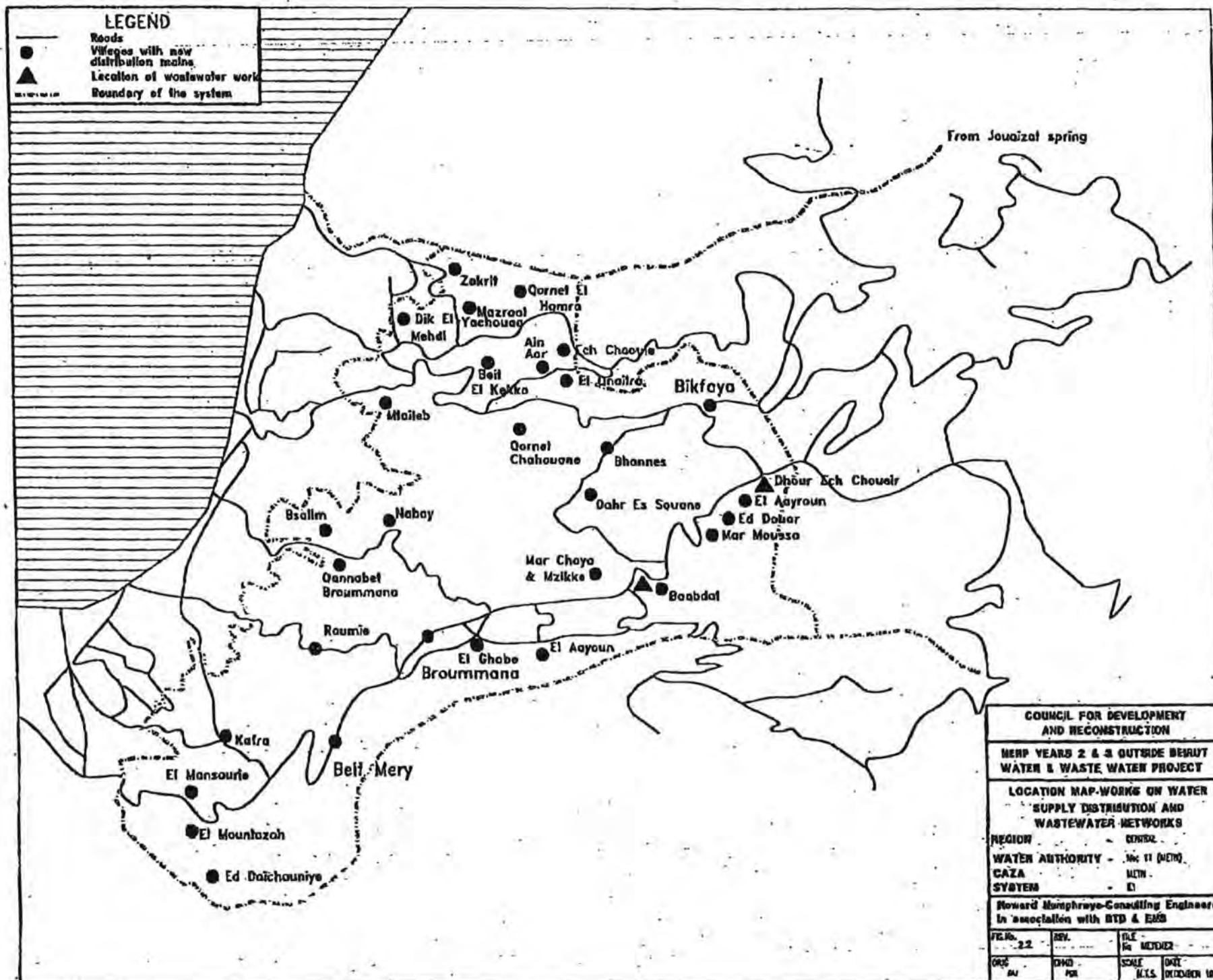
H.15 Biktaya (En Naas)			
H.15.1 Rehab pipeline, Difficult Access, 200 diam	4900	m	\$81,600
Sub-total			\$81,600
H.16 Saabdat			
H.16.1 New pipeline, Normal Access, 100 diam	2100	m	\$184,800
H.16.2 Road reinstatement	1050	sq.m	\$26,250
Sub-total			\$211,050
H.17 Dahr Es Souane and Bhannea			
H.17.1 New pipeline, Normal Access, 200 diam	650	m	\$95,550
H.17.2 New pipeline, Normal Access, 100 diam	1500	m	\$132,000
H.17.3 Road reinstatement	2076	sq.m	\$51,875
Sub-total			\$279,425
H.18 Mar Chaya, Mzikke and Wadi El Aarich			
H.18.1 New pipeline, Normal Access, 250 diam	350	m	\$80,900
H.18.2 New pipeline, Normal Access, 100 diam	1300	m	\$114,400
H.18.3 Road reinstatement	825	sq.m	\$20,525
Sub-total			\$195,925
H.19 El Aayoun			
H.19.1 New pipeline, Difficult Access, 50 diam	850	m	\$33,800
H.19.2 New pipeline, Normal Access, 50 diam	1200	m	\$54,000
H.19.3 Road reinstatement	500	sq.m	\$12,500
Sub-total			\$100,300
H.20 El Ghabe			
H.20.1 New pipeline, Normal Access, 80 diam	1150	m	\$89,700
H.20.2 Road reinstatement	450	sq.m	\$11,250
Sub-total			\$100,950
H.21 Nabey			
H.21.1 New pipeline, Normal Access, 100 diam	500	m	\$44,000
H.21.2 New pipeline, Normal Access, 50 diam	300	m	\$13,500
H.21.3 Road reinstatement	300	sq.m	\$7,500
Sub-total			\$65,000
H.22 Qannabet Broummana			
H.22.1 New pipeline, Difficult Access, 80 diam	200	m	\$18,000
H.22.2 New pipeline, Normal Access, 80 diam	200	m	\$13,600
H.22.3 Road reinstatement	75	sq.m	\$1,875
Sub-total			\$33,475
H.23 Esalim			
H.23.1 New pipeline, Difficult Access, 100 diam	450	m	\$45,450
H.23.2 New pipeline, Normal Access, 80 diam	700	m	\$54,600
H.23.3 New pipeline, Normal Access, 50 diam	1600	m	\$72,000
H.23.4 Road reinstatement	1050	sq.m	\$26,250
Sub-total			\$198,300
H.24 Broummana			
H.24.1 New pipeline, Difficult Access, 300 diam	50	m	\$12,200
H.24.2 New pipeline, Normal Access, 100 diam	1850	m	\$148,200
H.24.3 New pipeline, Normal Access, 80 diam	1300	m	\$101,400
H.24.4 New pipeline, Normal Access, 50 diam	700	m	\$31,500
H.24.5 Road reinstatement	1625	sq.m	\$40,625
Sub-total			\$330,925
H.25 Roumie			
H.25.1 New pipeline, Difficult Access, 150 diam	200	m	\$27,000
H.25.2 New pipeline, Normal Access, 150 diam	1300	m	\$152,100
H.25.3 New pipeline, Normal Access, 80 diam	800	m	\$48,800
H.25.4 New pipeline, Difficult Access, 50 diam	150	m	\$7,800
H.25.5 New pipeline, Normal Access, 50 diam	750	m	\$33,750
H.25.6 Road reinstatement	1200	sq.m	\$30,000
Sub-total			\$297,450
H.26 Beit Mery			
H.26.1 New pipeline, Normal Access, 250 diam	500	m	\$87,000
H.26.2 New pipeline, Normal Access, 150 diam	2000	m	\$234,000
H.26.3 New pipeline, Normal Access, 100 diam	700	m	\$61,800
H.26.4 New pipeline, Normal Access, 80 diam	1900	m	\$148,200
H.26.5 Road reinstatement	2350	sq.m	\$58,750
Sub-total			\$589,550

H.27 Kafra			
H.27.1 New pipeline, Normal Access, 80 diam	2000	m	\$158,000
H.27.2 New pipeline, Difficult Access, 80 diam	100	m	\$9,000
H.27.3 Road reinstatement	800	sq.m	\$20,000
Sub-total			\$185,000
H.28 Mansouriya			
H.28.1 New pipeline, Normal Access, 150 diam	400	m	\$48,800
H.28.2 New pipeline, Normal Access, 100 diam	500	m	\$44,000
H.28.3 New pipeline, Normal Access, 80 diam	800	m	\$39,000
H.28.4 Road reinstatement	850	sq.m	\$18,250
Sub-total			\$148,050
H.29 Mountazah			
H.29.1 New pipeline, Normal Access, 100 diam	1350	m	\$118,800
H.29.2 Road reinstatement	550	sq.m	\$13,750
Sub-total			\$132,550
H.30 Dalcheumieh			
H.30.1 New pipeline, Normal Access, 80 diam	400	m	\$31,200
H.30.2 New pipeline, Normal Access, 50 diam	1100	m	\$48,500
H.30.3 Road reinstatement	800	sq.m	\$15,000
Sub-total			\$99,700
TOTAL Distribution System Works			\$6,197,380
I. Leakage detection			
I.1 Labour	90	days	\$117,000
I.2 Material (included under item J.2)			
Sub-total			\$117,000
J. Vehicles and Material			
J.1 Vehicles	2	No.	\$60,000
J.2 Material		sum	\$100,000
Sub-total			\$160,000
GRAND TOTAL			\$24,454,830

Contract 1865 - Wastewater
Design Report
Summary List & Cost Estimate

Caza : Metn

Site	Qty	Unit	Cost (in \$1,000)
Baabdat			
New & Rehab. sewers, 150-300mm diam	1,143	m	228
Dhour Ech Choueir			
New & Rehab. sewers, 150-200mm diam.	800	m	138
Dhour Ech Choueir Pumping Station	1	No.	41
Sub-Total			179
Total			407



COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION			
HEMP YEARS 2 & 3 OUTSIDE BEIRUT WATER & WASTE WATER PROJECT			
LOCATION MAP-WORKS ON WATER SUPPLY DISTRIBUTION AND WASTEWATER NETWORKS			
REGION	CENTRAL		
WATER AUTHORITY	M.C. 11 (METN)		
CAZA	METN		
SYSTEM	EI		
Howard Humphreys-Consulting Engineers in association with BTD & EMB			
FILE NO.	REV.	FILE	NO. MODIFIED
22			
DATE	DATE	SCALE	DATE
DA	POI	N.T.S.	DECEMBER

Figure 2.3 - Metn E1 Hydraulic System Winter Configuration

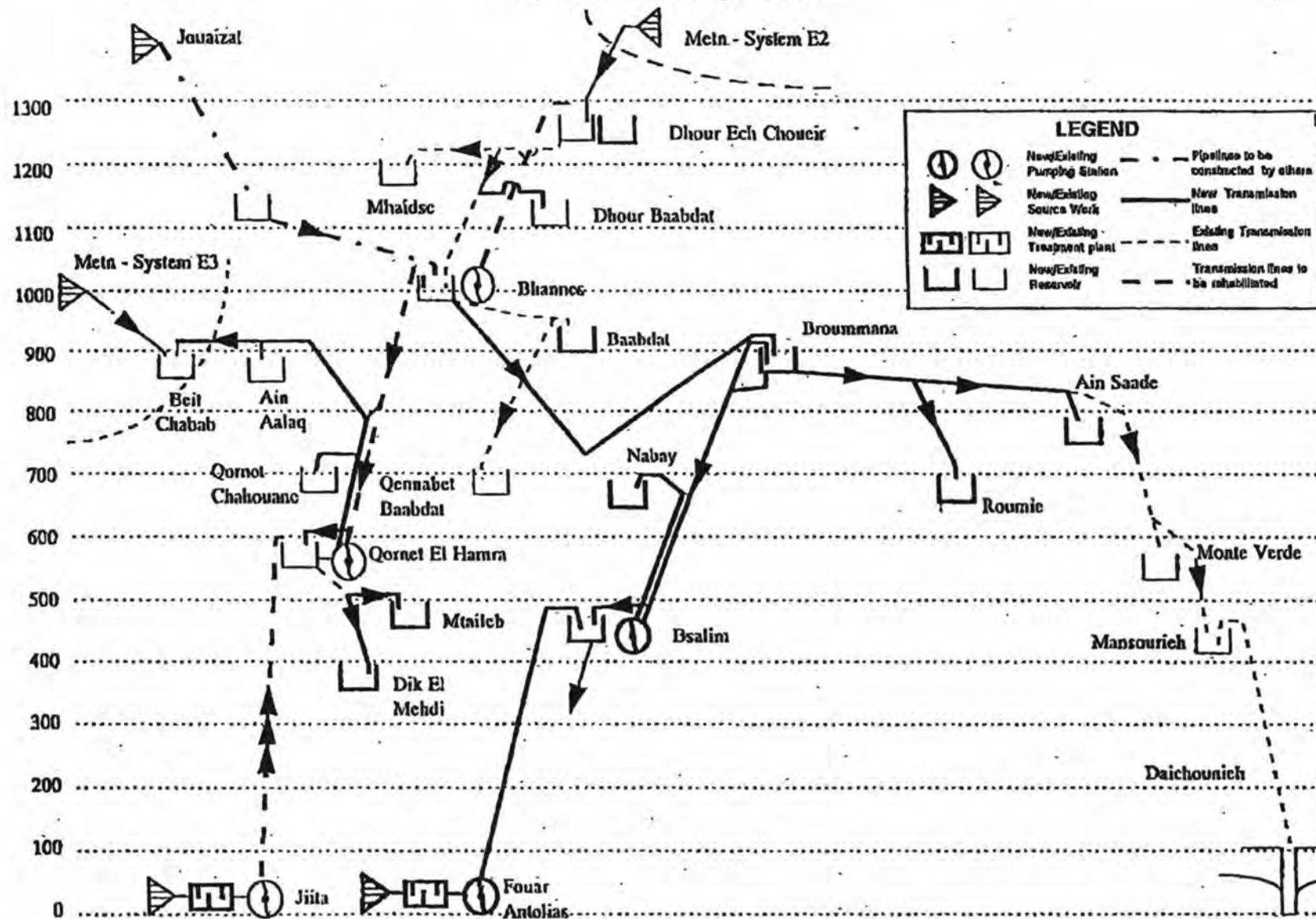
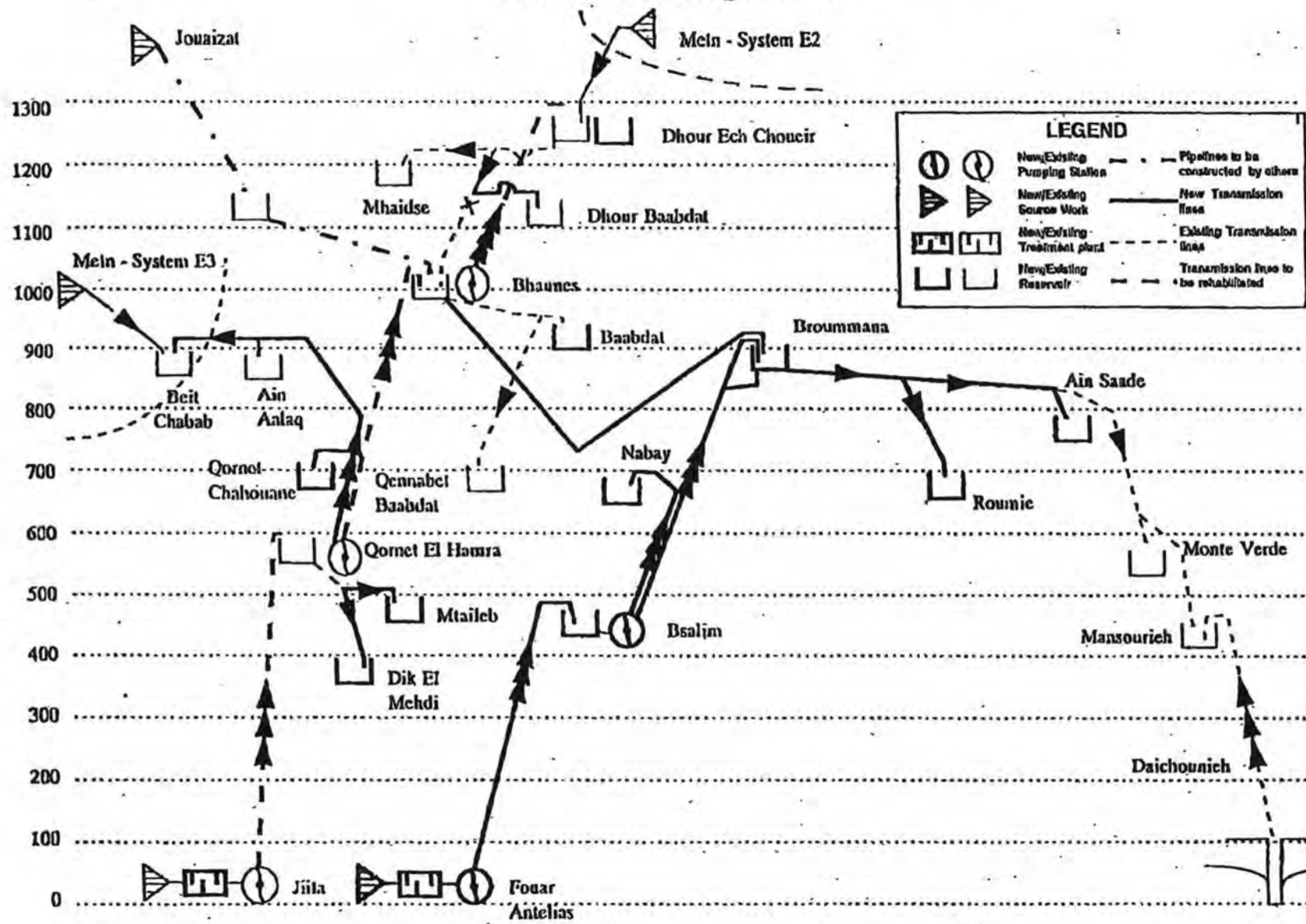


Figure 2.4 - Metn E1 Hydraulic System
Summer Configuration



NERP 2nd & 3rd YEARS OUTSIDE BEIRUT
CENTRAL REGION-CONTRACT 1865: SYSTEM 11 E01 & 12 E01, METN AND BAROUK AREAS
DESIGN REPORT

BAROUK SYSTEM E01

**Contract 1865 - Water Supply
Summary Design Report
Summary List & Cost Estimate
Barouk - System E1**

Description	Quantity	Unit	Cost
A. Chlorinators			
A.1 Ain El Haour			
A.1.1 Chlorination equipment	1	No.	\$16,100
Sub-total			\$16,100
A.2 Ed Dibbiye			
A.2.1 Chlorination equipment	1	No.	\$16,100
A.2.2 Chlorination Building	1	No.	\$8,000
Sub-total			\$24,100
A.3 El Ourdaniye			
A.3.1 Chlorination equipment	1	No.	\$16,100
A.3.2 Chlorination Building	1	No.	\$8,000
Sub-total			\$24,100
A.4 Jadra			
A.4.1 Chlorination equipment	1	No.	\$16,100
Sub-total			\$16,100
A.5 Es Saadiyat			
A.5.1 Chlorination equipment	1	No.	\$16,100
A.5.2 Chlorination Building	1	No.	\$8,000
Sub-total			\$24,100
A.6 Jiyeh			
A.6.1 Chlorination equipment	1	No.	\$16,100
A.6.2 Chlorination Building	1	No.	\$8,000
Sub-total			\$24,100
SUB-TOTAL Chlorinators			\$128,500
B. Surface Pump Stations			
B.1 Aalima			
B.1.1 Surface pump, QH = 2106 (m ³ /h).m	2	No.	\$46,000
Sub-total			\$46,000
B.2 Aanbal			
B.2.1 Pumping station new Building	1	No.	\$12,000
B.2.2 Surface pump, QH = 460 (m ³ /h).m	2	No.	\$28,000
Sub-total			\$40,000
B.3 Haaret			
B.3.1 Surface pump, QH = 1980 (m ³ /h).m	2	No.	\$40,000
Sub-total			\$40,000
B.4 Aanout			
B.4.1 Pumping station new Building	1	No.	\$12,000
B.4.2 Surface pump, QH = 130 (m ³ /h).m	2	No.	\$14,000
Sub-total			\$26,000
SUB-TOTAL Surface pump stations			\$152,000
C. Transmission System			
C.1 El Jere connection			
C.1.1 New pipeline Normal access, 80 diam	150	m	\$11,700
C.1.2 New pipeline Difficult access, 80 diam	200	m	\$18,000
C.1.3 Excavation in hard rock	10	cu.m	\$400
C.1.4 Road reinstatement	63	sq.m	\$1,575
Sub-total			\$31,675
C.2 New main Belt Ed Dina - Maaboud / New main Dararya - Debbiye			
C.2.1 New pipeline Normal access, 250 diam	700	m	\$121,800
C.2.2 Excavation in hard rock	8	cu.m	\$320
C.2.3 Road reinstatement	430	sq.m	\$12,250
Sub-total			\$134,370
C.3 Barja / Baassir			
C.3.1 New pipeline Normal access, 150 diam	3100	m	\$382,700
C.3.2 Excavation in hard rock	45	cu.m	\$1,800
C.3.3 Road reinstatement	1680	sq.m	\$42,000
Sub-total			\$426,500
C.4 Aatine connection			
C.4.1 New pipeline Normal access, 80 diam	850	m	\$66,300
C.4.2 New pipeline Difficult access, 80 diam	150	m	\$13,500
C.4.3 Excavation in hard rock	175	cu.m	\$7,000
C.4.4 Road reinstatement	550	sq.m	\$14,000
Sub-total			\$100,800

C.5 Aanbal connection			
C.5.1 New pipeline Normal access, 80 diam	850	m	\$46,200
C.5.2 New pipeline Difficult access, 80 diam	150	m	\$13,500
C.5.3 Excavation in hard rock	75	cu.m	\$3,000
C.5.4 Road reinstatement	700	sq.m	\$17,500
Sub-total			\$100,200
C.6 El Marj connection			
C.6.1 New pipeline Difficult access, 50 diam	250	m	\$13,000
C.6.2 Excavation in hard rock	40	cu.m	\$1,600
Sub-total			\$14,600
C.7 Jabal Es Soueid connection			
C.7.1 New pipeline Normal access, 150 diam	1200	m	\$140,400
C.7.2 New pipeline Difficult access, 150 diam	1500	m	\$202,500
C.7.3 Excavation in hard rock	110	cu.m	\$4,400
C.7.4 Road reinstatement	672	sq.m	\$16,800
Sub-total			\$364,100
C.8 Aaqiln / Es Siyar			
C.8.1 New pipeline Normal access, 150 diam	3000	m	\$351,000
C.8.2 Excavation in hard rock	50	cu.m	\$2,000
C.8.3 Road reinstatement	1680	sq.m	\$42,000
Sub-total			\$395,000
C.9 El Rizeziye connection			
C.9.1 New pipeline Normal access, 80 diam	150	m	\$11,700
C.9.2 Excavation in hard rock	25	cu.m	\$1,000
Sub-total			\$12,700
C.10 Es Siyar connection			
C.10.1 New pipeline Normal access, 80 diam	100	m	\$7,800
C.10.2 Excavation in hard rock	10	cu.m	\$400
C.10.3 Road reinstatement	42	sq.m	\$1,050
Sub-total			\$9,250
C.11 Beit Ed Dine / Aanout / Chhim / Mazboud			
C.11.1 New pipeline Normal access, 400 diam Beit Ed Dine to Marj Baqline	2000	m	\$576,000
C.11.2 New pipeline Normal access, 300 diam Marj Baqline to Aanbal	2000	m	\$424,000
C.11.3 New pipeline Normal access, 300 diam Aanbal to Gharife	4600	m	\$976,200
C.11.4 New pipeline Normal access, 400 diam Gharife to Hasrouit	4600	m	\$1,324,800
C.11.5 New pipeline Normal access, 400 diam Hasrouit to turn of Zaarouriyeh	3400	m	\$979,200
C.11.6 New pipeline Normal access, 250 diam turn of Zaarouriyeh to Aanout	200	m	\$50,000
C.11.7 New pipeline Normal access, 350 diam Aanout to turn of Marj Ali	1700	m	\$425,000
C.11.8 New pipeline Normal access, 300 diam turn of Marj Ali to Chhim reservoir	1400	m	\$296,800
C.11.9 New pipeline Normal access, 200 diam Chhim reservoir to El Qalaa (Chhim)	900	m	\$132,300
C.11.10 New pipeline Difficult access, 200 diam El Qalaa (Chhim) to Ain El Kherbe (Chhim)	500	m	\$84,500
C.11.11 New pipeline Normal access, 200 diam Ain El Kherbe (Chhim) to Mazboud	800	m	\$117,600
C.11.12 New pipeline Normal access, 250 diam section between Aanbal and Gharife	1200	m	\$208,800
C.11.13 Excavation in hard rock	1200	cu.m	\$48,000
C.11.14 Road reinstatement	16100	sq.m	\$402,600
Sub-total			\$6,044,700
C.12 Ech Chammie connection			
C.12.1 New pipeline Normal access, 38 diam	300	m	\$12,900
C.12.2 New pipeline Difficult access, 38 diam	700	m	\$34,300
C.12.3 Excavation in hard rock	55	cu.m	\$2,200
C.12.4 Road reinstatement	210	sq.m	\$5,250
Sub-total			\$54,650
C.13 Dahr El Qadi connection			
C.13.1 New pipeline Difficult access, 80 diam	300	m	\$27,000
C.13.2 Excavation in hard rock	15	cu.m	\$600
Sub-total			\$27,600
C.14 Hasrouit connection			
C.14.1 New pipeline Normal access, 80 diam	800	m	\$62,400
C.14.2 Excavation in hard rock	75	cu.m	\$3,000
C.14.3 Road reinstatement	364	sq.m	\$9,100
Sub-total			\$74,500
C.15 Marj Ali connection			
C.15.1 New pipeline Normal access, 100 diam	600	m	\$52,800
C.15.2 New pipeline Difficult access, 100 diam	200	m	\$20,200
C.15.3 Excavation in hard rock	35	cu.m	\$1,400
C.15.4 Road reinstatement	175	sq.m	\$4,375
Sub-total			\$78,775
C.16 Ain El Assad connection			
C.16.1 New pipeline Normal access, 25 diam	860	m	\$33,150
C.16.2 New pipeline Difficult access, 25 diam	50	m	\$2,250
C.16.3 Excavation in hard rock	20	cu.m	\$800
C.16.4 Road reinstatement	490	sq.m	\$12,250
Sub-total			\$48,450
C.17 Chhim connection			
C.17.1 New pipeline Normal access, 100 diam	100	m	\$8,800
C.17.2 New pipeline Difficult access, 100 diam	100	m	\$10,100
C.17.3 Excavation in hard rock	20	cu.m	\$800
Sub-total			\$19,700

C.18 Aarout connection			
C.18.1 New pipeline Normal access, 100 diam	400	m	\$35,200
C.18.2 Excavation in hard rock	25	cu.m	\$1,000
C.18.3 Road reinstatement	175	sq.m	\$4,375
Sub-total			\$40,575

SUB-TOTAL Transmission lines

\$7,858,245

D. Reservoirs

D.1 Aarout			
D.1.1 New reservoir Normal access, 50 m3 capacity	1	No.	\$35,000
D.1.2 Rehab reservoir Normal access, 75 m3 capacity	1	No.	\$8,000
D.1.3 Excavation in hard rock	8	cu.m	\$333
D.1.4 Fences	60	m	\$900
D.1.5 Gates	1	No.	\$2,500
Sub-total			\$48,733

D.2 Aanbel			
D.2.1 New reservoir Difficult access, 100 m3 capacity	1	No.	\$48,000
D.2.2 Rehab reservoir Normal access, 75 m3 capacity	1	No.	\$8,000
D.2.3 Excavation in hard rock	10	cu.m	\$400
D.2.4 Fences	70	m	\$1,050
D.2.5 Gates	1	No.	\$2,500
D.2.6 Access road	280	sq.m	\$1,400
Sub-total			\$59,350

D.3 Hasroun			
D.3.1 New reservoir Normal access, 100 m3 capacity	1	No.	\$40,000
D.3.2 Rehab reservoir Normal access, 60 m3 capacity	1	No.	\$7,000
D.3.3 Excavation in hard rock	13	cu.m	\$533
D.3.4 Fences	70	m	\$1,050
D.3.5 Gates	1	No.	\$2,500
D.3.6 Access road	60	sq.m	
Sub-total			\$51,083

D.4 Dahr El Qadi			
D.4.1 New reservoir Difficult access, 100 m3 capacity	1	No.	\$48,000
D.4.2 Excavation in hard rock	17	cu.m	\$667
D.4.3 Fences	80	m	\$1,200
D.4.4 Gates	1	No.	\$2,500
D.4.5 Access road	400	sq.m	\$2,000
Sub-total			\$53,367

D.5 Marj Ail			
D.5.1 New reservoir Normal access, 200 m3 capacity	1	No.	\$60,000
D.5.2 Excavation in hard rock	23	cu.m	\$923
D.5.3 Fences	80	m	\$1,200
D.5.4 Gates	1	No.	\$2,500
D.5.5 Access road	120	sq.m	\$600
Sub-total			\$65,223

D.6 Charbine			
D.6.1 Rehab reservoir Difficult access, 25 m3 capacity	1	No.	\$16,043
D.6.2 Fences	50	m	\$750
D.6.3 Gates	1	No.	\$2,500
Sub-total			\$19,293

D.7 Ech Chammas			
D.7.1 Rehab reservoir Normal access, 25 m3 capacity	1	No.	\$13,950
D.7.2 Fences	50	m	\$750
D.7.3 Gates	1	No.	\$2,500
Sub-total			\$17,200

D.8 Jabal Es Sevid			
D.8.1 New reservoir Normal access, 150 m3 capacity	1	No.	\$50,000
D.8.2 Excavation in hard rock	9	cu.m	\$347
D.8.3 Fences	80	m	\$1,200
D.8.4 Gates	1	No.	\$2,500
Sub-total			\$54,047

D.9 Ain El Assad			
D.9.1 Rehab reservoir Difficult access, 25 m3 capacity	1	No.	\$10,043
D.9.2 Excavation in hard rock	1	cu.m	\$53
D.9.3 Fences	50	m	\$750
D.9.4 Gates	1	No.	\$2,500
D.9.5 Access road	200	sq.m	\$1,000
Sub-total			\$20,346

D.10 El Marj			
D.10.1 New reservoir Difficult access, 50 m3 capacity	1	No.	\$40,250
D.10.2 Excavation in hard rock	5	cu.m	\$240
D.10.3 Fences	60	m	\$900
D.10.4 Gates	1	No.	\$2,500
Sub-total			\$43,890

D.11 Dalhsun			
D.11.1 Rehab reservoir Normal access, 75 m3 capacity	1	No.	\$8,000
D.11.2 Fences	70	m	\$1,050
D.11.3 Gates	1	No.	\$2,500
Sub-total			\$11,550

D.12 Msaniye			
D.12.1 Rehab reservoir, Minor, Difficult access, 25 m3 capacity	1	No.	\$7,130
D.12.2 Fences	50	m	\$750
D.12.3 Gates	1	No.	\$2,500
Sub-total			\$10,380
D.13 Er Rihale			
D.13.1 Rehab reservoir, Minor, Normal access, 160 m3 capacity	1	No.	\$10,000
D.13.2 Fences	80	m	\$1,200
D.13.3 Gates	1	No.	\$2,500
Sub-total			\$13,700
D.14 Es Seediyat			
D.14.1 New reservoir Normal access, 150 m3 capacity	1	No.	\$50,000
D.14.2 Excavation in hard rock	10	cu.m	\$400
D.14.3 Fences	80	m	\$1,200
D.14.4 Gates	1	No.	\$2,500
D.14.5 Access road	100	sq.m	\$500
Sub-total			\$54,600
D.15 Jiye			
D.15.1 Rehab reservoir, Difficult access, 200 m3 capacity	1	No.	\$31,050
D.15.2 Fences	80	m	\$1,200
D.15.3 Gates	1	No.	\$2,500
Sub-total			\$34,750
D.16 Deir El Mikhaila			
D.16.1 Rehab reservoir, Normal access, 100 m3 capacity	1	No.	\$18,000
D.16.2 Fences	70	m	\$1,050
D.16.3 Gates	1	No.	\$2,500
Sub-total			\$21,550
D.17 El Razaniya			
D.17.1 New reservoir Normal access, 150 m3 capacity	1	No.	\$50,000
D.17.2 Excavation in hard rock	8	cu.m	\$240
D.17.3 Fences	80	m	\$1,200
D.17.4 Gates	1	No.	\$2,500
D.17.5 Access road	400	sq.m	\$8,000
Sub-total			\$62,940
D.18 Mazboud			
D.18.1 New reservoir Normal access, 100 m3 capacity	1	No.	\$40,000
D.18.2 Excavation in hard rock	5	cu.m	\$200
D.18.3 Fences	70	m	\$1,050
D.18.4 Gates	1	No.	\$2,500
D.18.5 Access road	100	sq.m	\$500
Sub-total			\$44,250
SUB-TOTAL Reservoirs			\$676,263
E. Distribution System			
E.1 Haasrut			
E.1.1 New pipeline, Normal access, 80 diam	660	m	\$51,480
E.1.2 New pipeline, Normal access, 50 diam	80	m	\$3,600
E.1.3 New pipeline, Normal access, 38 diam	1800	m	\$77,400
E.1.4 Excavation in hard rock	45	cu.m	\$1,800
E.1.5 Road reinstatement	1750	sq.m	\$43,750
Sub-total			\$178,030
E.2 Aairina			
E.2.1 New pipeline, Normal access, 80 diam	1050	m	\$81,900
E.2.2 New pipeline, Normal access, 50 diam	250	m	\$16,750
E.2.3 New pipeline, Normal access, 38 diam	250	m	\$10,750
E.2.4 New pipeline, Normal access, 25 diam	400	m	\$15,800
E.2.5 Excavation in hard rock	30	cu.m	\$1,200
E.2.6 Road reinstatement	1120	sq.m	\$28,000
Sub-total			\$166,200
E.3 Aanaur			
E.3.1 New pipeline, Normal access, 80 diam	80	m	\$6,240
E.3.2 New pipeline, Normal access, 50 diam	700	m	\$35,700
E.3.3 New pipeline, Normal access, 38 diam	650	m	\$27,950
E.3.4 New pipeline, Normal access, 25 diam	400	m	\$15,600
E.3.5 Excavation in hard rock	35	cu.m	\$1,400
E.3.6 Road reinstatement	1022	sq.m	\$25,550
Sub-total			\$112,440
E.4 Zaarouriya			
E.4.1 New pipeline, Normal access, 80 diam	400	m	\$31,200
E.4.2 New pipeline, Normal access, 50 diam	50	m	\$2,550
E.4.3 New pipeline, Normal access, 38 diam	250	m	\$11,250
E.4.4 New pipeline, Normal access, 25 diam	1200	m	\$61,800
E.4.5 New pipeline, Normal access, 25 diam	800	m	\$7,800
E.4.6 Excavation in hard rock	20	cu.m	\$800
E.4.7 Road reinstatement	1092	sq.m	\$27,300
Sub-total			\$132,500

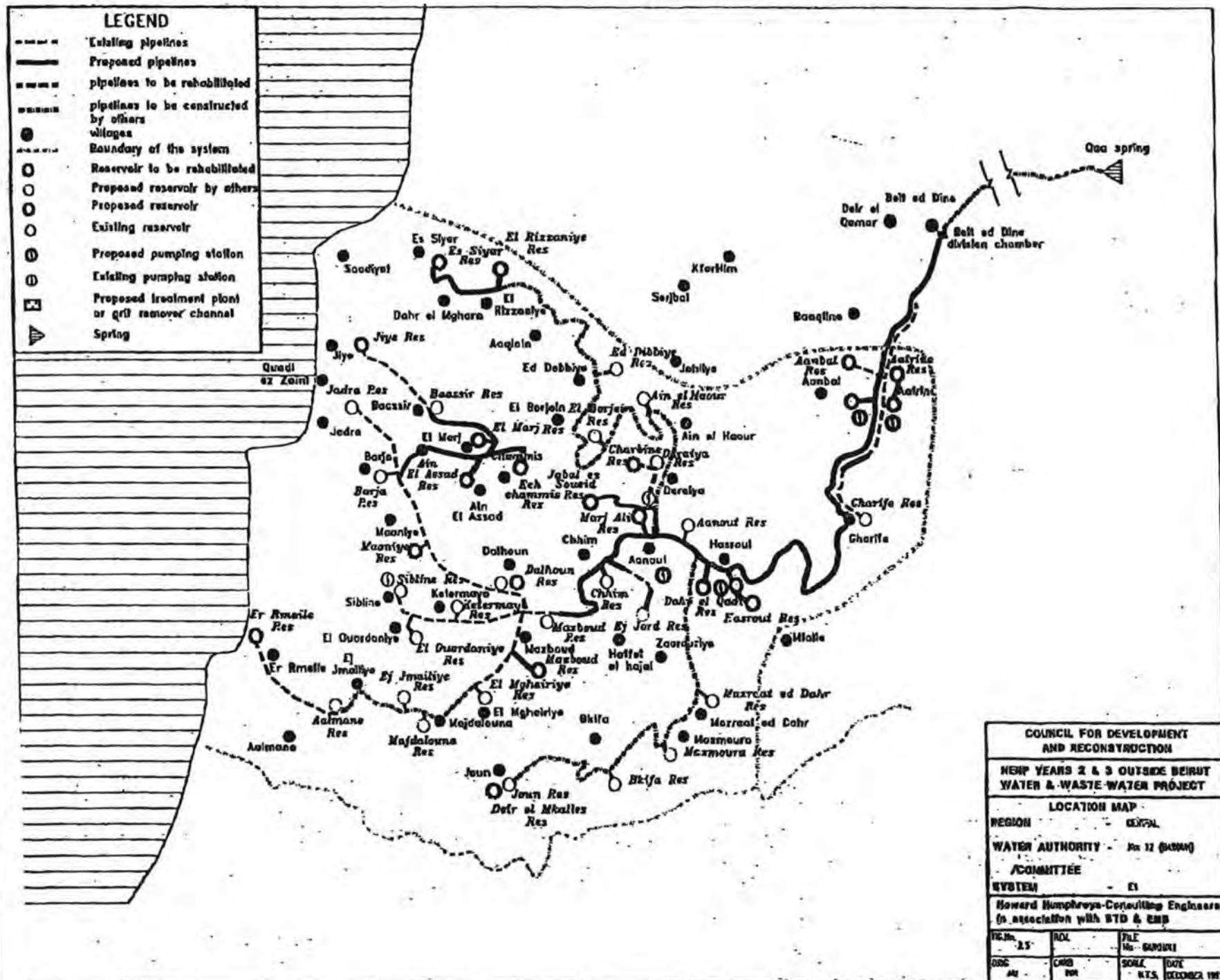
E.5 Darajya			
E.5.1 New pipeline, Normal access, 80 diam	560	m	\$43,680
E.5.2 New pipeline, Normal access, 50 diam	1630	m	\$74,250
E.5.3 New pipeline, Normal access, 25 diam	850	m	\$33,180
E.5.4 Excavation in hard rock	45	cu.m	\$1,800
E.5.5 Road reinstatement	1680	sq.m	\$42,000
Sub-total			\$194,910
E.6 Boestir			
E.6.1 New pipeline, Normal access, 50 diam	1000	m	\$45,000
E.6.2 New pipeline, Normal access, 38 diam	50	m	\$2,160
E.6.3 New pipeline, Normal access, 25 diam	1400	m	\$54,000
E.6.4 Excavation in hard rock	65	cu.m	\$2,600
E.6.5 Road reinstatement	1865	sq.m	\$24,125
Sub-total			\$128,875
E.7 Barja			
E.7.1 New pipeline, Normal access, 200 diam	750	m	\$110,250
E.7.2 New pipeline, Normal access, 100 diam	1900	m	\$167,200
E.7.3 New pipeline, Normal access, 50 diam	300	m	\$13,500
E.7.4 New pipeline, Difficult access, 200 diam	200	m	\$33,600
E.7.5 Excavation in hard rock	65	cu.m	\$2,600
E.7.6 Road reinstatement	1648	sq.m	\$41,125
Sub-total			\$368,675
E.8 Ketamalya			
E.8.1 New pipeline, Normal access, 150 diam	1250	m	\$140,250
E.8.2 New pipeline, Normal access, 50 diam	1200	m	\$54,000
E.8.3 New pipeline, Normal access, 38 diam	300	m	\$12,900
E.8.4 Excavation in hard rock	65	cu.m	\$2,600
E.8.5 Road reinstatement	1540	sq.m	\$38,500
Sub-total			\$254,250
E.9 El Ouardanlye			
E.9.1 New pipeline, Normal access, 80 diam	650	m	\$50,700
E.9.2 New pipeline, Normal access, 63 diam	500	m	\$25,500
E.9.3 New pipeline, Normal access, 50 diam	400	m	\$18,000
E.9.4 New pipeline, Normal access, 25 diam	400	m	\$15,600
E.9.5 Excavation in hard rock	75	cu.m	\$3,000
E.9.6 Road reinstatement	1085	sq.m	\$27,125
Sub-total			\$129,925
E.1 Sibline			
E.10.1 New pipeline, Normal access, 80 diam	60	m	\$4,800
E.10.2 New pipeline, Normal access, 50 diam	790	m	\$35,750
E.10.3 New pipeline, Normal access, 38 diam	500	m	\$21,500
E.10.4 New pipeline, Normal access, 25 diam	500	m	\$19,500
E.10.5 Excavation in hard rock	40	cu.m	\$1,600
E.10.6 Road reinstatement	1015	sq.m	\$25,375
Sub-total			\$108,405
E.11 Maaboud			
E.11.1 New pipeline, Normal access, 80 diam	150	m	\$11,700
E.11.2 New pipeline, Normal access, 60 diam	1430	m	\$64,350
E.11.3 New pipeline, Normal access, 38 diam	880	m	\$42,140
E.11.4 New pipeline, Normal access, 25 diam	850	m	\$33,150
E.11.5 Excavation in hard rock	70	cu.m	\$2,800
E.11.6 Road reinstatement	1908	sq.m	\$47,688
Sub-total			\$201,828
E.12 Dalhoun			
E.12.1 New pipeline, Normal access, 100 diam	60	m	\$5,280
E.12.2 New pipeline, Normal access, 80 diam	80	m	\$4,680
E.12.3 New pipeline, Normal access, 50 diam	1150	m	\$51,750
E.12.4 New pipeline, Normal access, 38 diam	1100	m	\$47,300
E.12.5 Excavation in hard rock	40	cu.m	\$1,600
E.12.6 Road reinstatement	1330	sq.m	\$33,350
Sub-total			\$143,960
E.13 Gharite			
E.13.1 New pipeline, Normal access, 80 diam	700	m	\$54,600
E.13.2 New pipeline, Normal access, 50 diam	1650	m	\$69,750
E.13.3 New pipeline, Normal access, 38 diam	400	m	\$17,800
E.13.4 New pipeline, Difficult access, 100 diam	80	m	\$4,080
E.13.5 Excavation in hard rock	90	cu.m	\$3,600
E.13.6 Road reinstatement	1528	sq.m	\$38,160
Sub-total			\$190,990
E.14 Aanbal			
E.14.1 New pipeline, Normal access, 50 diam	650	m	\$29,250
E.14.2 New pipeline, Normal access, 38 diam	590	m	\$23,850
E.14.3 New pipeline, Normal access, 25 diam	750	m	\$29,250
E.14.4 New pipeline, Difficult access, 63 diam	30	m	\$1,770
E.14.5 Excavation in hard rock	60	cu.m	\$2,400
E.14.6 Road reinstatement	1085	sq.m	\$27,125
Sub-total			\$113,645

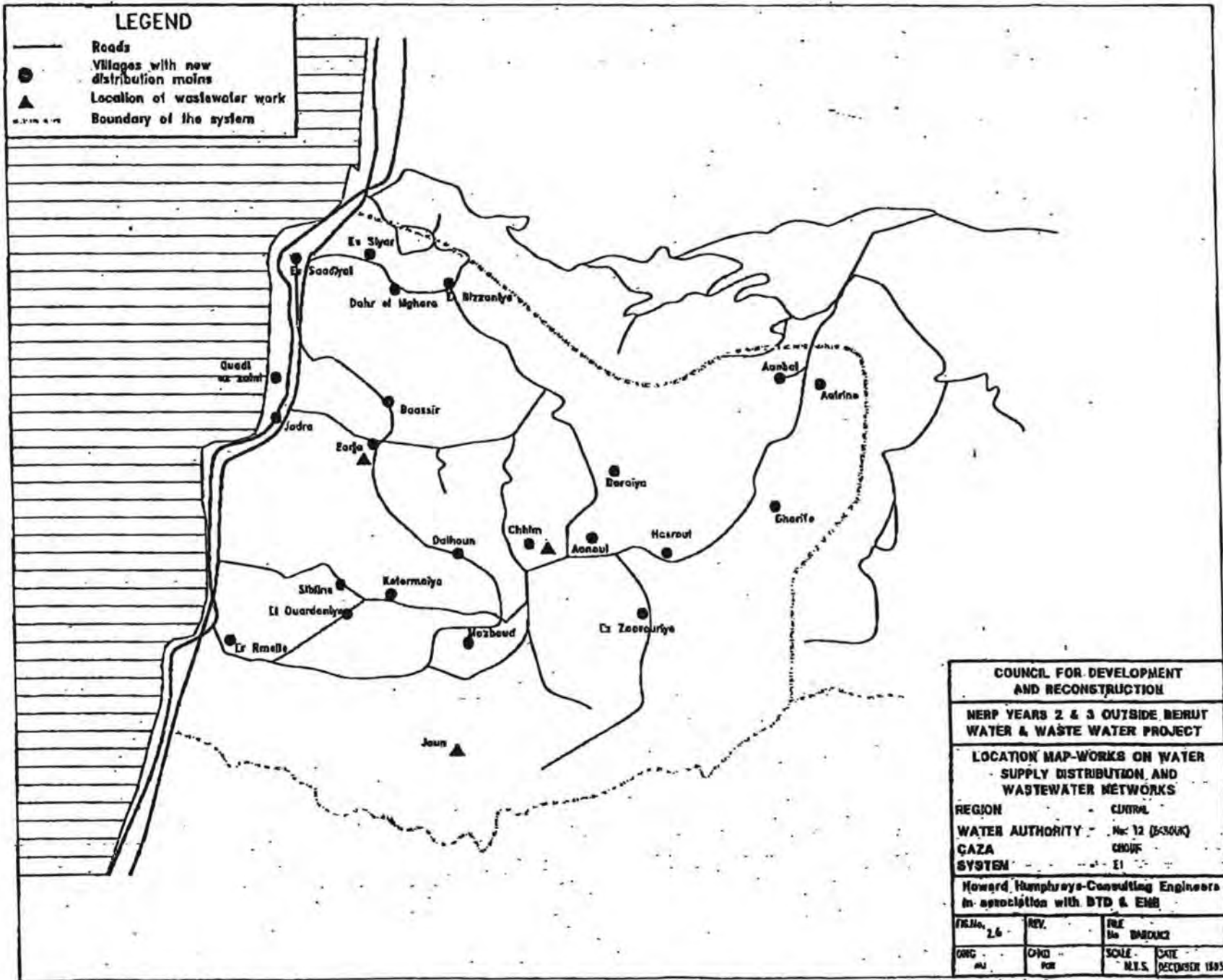
E.15 Parts of Aanout, Hasrouf and Zaaroufiye (from Dahr El Qadi reservoir)			
E.15.1 New pipeline, Normal access, 80 diam	850	m	\$74,100
E.15.2 New pipeline, Normal access, 80 diam	850	m	\$38,250
E.15.3 New pipeline, Normal access, 38 diam	900	m	\$38,700
E.15.4 Excavation in hard rock	63	cu.m	\$2,520
E.15.5 Road reinstatement	1505	sq.m	\$37,625
Sub-total			\$161,185
E.16 El Razzaniye and Dahr el Mghara			
E.16.1 New pipeline, Normal access, 63 diam	100	m	\$5,100
E.16.2 New pipeline, Normal access, 50 diam	1100	m	\$49,500
E.16.3 New pipeline, Normal access, 25 diam	1100	m	\$42,900
E.16.4 Excavation in hard rock	90	cu.m	\$3,600
E.16.5 Road reinstatement	1295	sq.m	\$32,375
Sub-total			\$133,475
E.17 Part of Chhim (from Jabal Es Soueid reservoir)			
E.17.1 New pipeline, Normal access, 150 diam	1100	m	\$128,700
E.17.2 New pipeline, Normal access, 100 diam	1900	m	\$167,200
E.17.3 Excavation in hard rock	85	cu.m	\$3,800
E.17.4 Road reinstatement	1680	sq.m	\$42,000
Sub-total			\$341,700
E.18 Part of Chhim (from Marj Ali reservoir)			
E.18.1 New pipeline, Normal access, 100 diam	350	m	\$30,800
E.18.2 New pipeline, Normal access, 80 diam	1650	m	\$128,700
E.18.3 New pipeline, Normal access, 38 diam	1100	m	\$47,900
E.18.4 Excavation in hard rock	70	cu.m	\$2,800
E.18.5 Road reinstatement	1735	sq.m	\$43,400
Sub-total			\$253,600
E.19 Er Rmalla			
E.19.1 New pipeline, Normal access, 100 diam	750	m	\$65,000
E.19.2 New pipeline, Normal access, 80 diam	1300	m	\$101,400
E.19.3 New pipeline, Normal access, 50 diam	500	m	\$22,500
E.19.4 New pipeline, Normal access, 38 diam	900	m	\$38,700
E.19.5 Excavation in hard rock	35	cu.m	\$1,400
E.19.6 Road reinstatement	1925	sq.m	\$48,125
Sub-total			\$278,125
E.2 Es Saadlyat and Es Shyar			
E.20.1 New pipeline, Normal access, 100 diam	150	m	\$13,200
E.20.2 New pipeline, Normal access, 80 diam	800	m	\$68,400
E.20.3 New pipeline, Normal access, 50 diam	4200	m	\$189,000
E.20.4 Excavation in hard rock	45	cu.m	\$1,800
E.20.5 Road reinstatement	2870	sq.m	\$71,750
Sub-total			\$338,150
E.21 Jabra and Qued El Zaini			
E.21.1 New pipeline, Normal access, 100 diam	100	m	\$8,800
E.21.2 New pipeline, Normal access, 80 diam	2150	m	\$187,700
E.21.3 New pipeline, Normal access, 50 diam	350	m	\$15,750
E.21.4 Excavation in hard rock	35	cu.m	\$1,400
E.21.5 Road reinstatement	1470	sq.m	\$36,750
Sub-total			\$230,400
SUB-TOTAL Distribution System			\$4,194,338
F. Leakage detection			
F.1 Labour	90	days	\$117,000
F.2 Material (included under item G.2)			
Sub-total			\$117,000
G. Vehicles and Material			
G.1 Vehicles	2	No.	\$60,000
G.2 Material		sum	\$100,000
Sub-total			\$160,000
GRAND TOTAL			\$4,471,338

Contract 1865 - Wastewater
Design Report
Summary List & Cost Estimate

Caza : Chouf

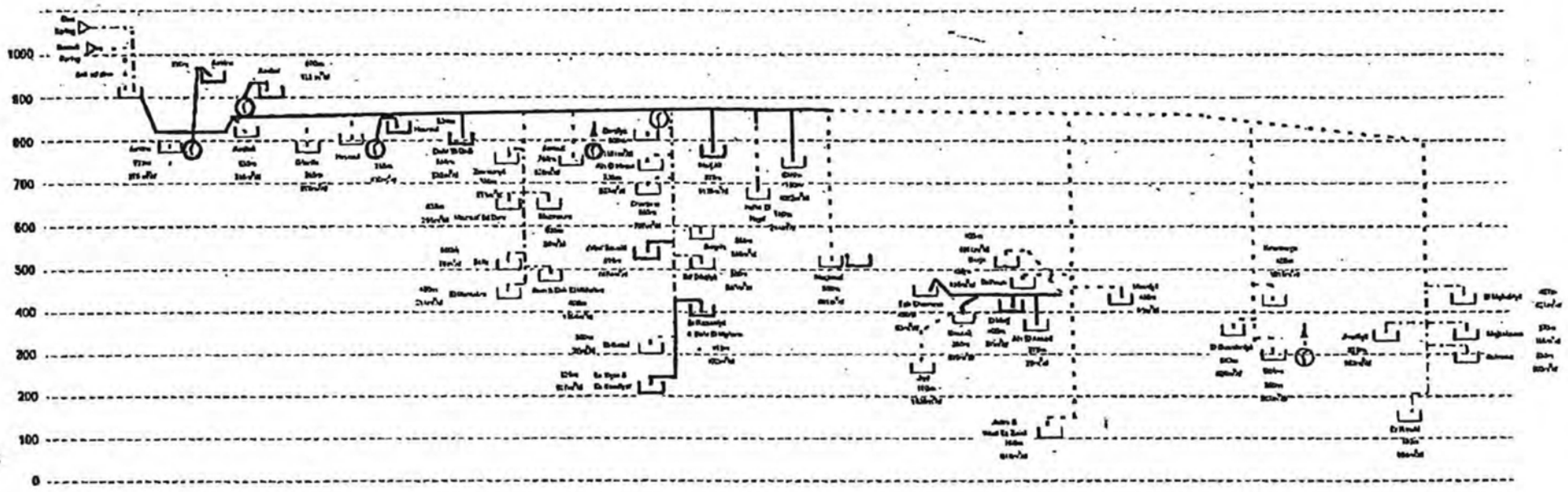
Site	Qty	Unit	Cost (in \$1,000)
Barja New sewers, 150-300mm diam.	2,351	m	401
Chbim New & Rehab. sewers, 150-400mm diam.	4,242	m	955
Joun New sewers, 150-250mm diam.	3,559	m	596
Total			1,952





Barouk E1 Hydraulic System - without Boreholes -

FEB 17 '96 01:59PM C D R BEIRUT, LEBANON



LEGEND	
	: Existing Booster pumping water directly to distribution main.
	: Existing Pumping station directly to the reservoir of the village.
	: Proposed Booster pumping water directly to distribution main.
	: Proposed Booster pumping water directly to the reservoir of the village.
	: Pipelines done by others.
	: New Transmission Lines.
	: Existing Transmission Lines.

LB-173562

2-16-96

TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE

TO : The World Bank
ATTN : Mr. Douglas Graham
Task Manager
MN2IN
FAX NO. : (202) 4770348
SUBJECT : Provision of Hardware to Schools
DATE : 16/02/1996
FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R)
BEIRUT - LEBANON
FAX NOS: (961-1) 86 44 94
REF. : 308/96/P.O.
NO. OF PAGES : (1) INCLUDING COVER SHEET

Dear Mr. Graham ,

We are sending you by express mail the bids analysis report for the Project "Supply of PC's and Printers for Public Vocational and Technical Schools" and two copies of the contract signed with Astec for the above procurement.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
& Reconstruction

MENA - CD2
Private Sector Development & Infrastructure
Ln/Credit No. LEB-2000-Voc. Reg. Component
Project LEB-2000-Voc. Reg. Component
Rec'd Feb 27 Log No. 116
Assigned to: El Keshk
Copy to: Division Chief
Division Files
EMENA Files
Action: Fax 3/7/96 (No obj)

Rec'd by fax Feb. 16,
log # 116

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

LB-3562

February 16, 1996

LB-3899

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

Re: LEBANON - Infrastructure Mission to Lebanon

Dear Mr. El-Jisr:

I would like to refer to the recent mission to Lebanon, comprising Mmes./Messrs. Graham, Zelaya, Monosowski, Ranganathan, Rotman and Peltekian. The findings of the mission and the agreements reached with CDR were recorded in two Memoranda of Understanding (MOUs), one for the solid waste management sector and the other for the remaining sectors of the ERRP. I would like to thank you and your staff for the hospitality and courtesies extended to the mission and to confirm the agreements reached with CDR.

In a letter dated February 13, 1996, faxed to you from Cairo, Mr. Graham confirmed the findings and agreements of the mission. However, I would like to take this opportunity to highlight a few of the points raised during the mission, which are essential for the timely implementation of the projects.

I understand that ratification of the Solid Waste/Environmental Management Project (SWEMP) is in its last stages in the Lebanese Parliament. I understand, also, that the Ministry of Municipal and Rural Affairs is very keen to start on the implementation of its institutional development program. I, therefore, urge you to follow up the process in Parliament very closely so that the loan can be declared effective and you are able to start disbursing as soon as possible.

In his above-mentioned letter, Mr. Graham attached a modified version of the Terms of Reference for the study on the marketing of compost in Lebanon. As you know, the completion of the feasibility study for a medical waste incinerator and the marketing study for compost are prerequisites for the consideration of a loan from the Japanese OECF. Furthermore, effectiveness of the OECF loan by March 31, 1996 is a prerequisite for the effectiveness of the Bank loan. Before we are able to consider postponement of the stipulation under para. 5.01(e) of the Loan Agreement, we would like to receive assurances that you are proceeding with the two studies. Please let us know if you need any clarification on this point.

We understand that you intend to use loan proceeds for the procurement of comprehensive Solid Waste Management (SWM) systems for Zahle and Baalbeck. Bidding documents were reviewed by the mission in the field and found not to be in compliance with the Bank's Procurement Guidelines. Please note that compliance with the Guidelines is mandatory even for National Competitive Bidding (NCB) procedures. Therefore, upon revision of these bidding documents, they should again be submitted to CDR for review, then sent to the Bank for the issuance of a "No Objection".

For the rest of the Country, the mission was informed that it is your intention to invite national bids from the private sector for complete SWM systems. As these contracts can be quite complicated and require special know-how, we will be glad to assist you in reviewing the bidding documents when they are ready, and advising you. Please let us know if you need our assistance.

I am pleased to note the keen interest of Mr. Demirdjian, Minister of Municipal and Rural Affairs (MMRA), in the technical assistance component of the SWEMP. Upon his request, the mission prepared draft Terms of Reference (TORs) for the invitation of consulting firms that could provide technical assistance services to MMRA, including the recruitment of the Project Coordination Unit. I would suggest that you proceed with the recruitment of the experts, especially the PCU, as soon as possible. As mentioned in Mr. Graham's above-referred letter, and pending ratification of the SWEMP by Parliament, the Bank has no objection to the utilization of some of the funds remaining under the solid waste component of the ERRP for bridge financing.

Sincerely,



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

February 16, 1996

cc: Messrs./Mmes. Darghouth, Monosowski (MN2NE); Graham (MN2EG); Rotman
(EMTEN); Ranganathan (CFSPS); Zelaya, Le (MN2PI).

FILES: MENA, Div. B/B., Chron.

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N-2 LB-PA-5345
N-12 LB-PA-5336

LB - 3562

February 13, 1996

LB - 3899

Fax No. 961-1-285-656

Copy - with distribution

H.E. Mr. Hagop Demirdjian
Minister of Municipal and Rural Affairs
Beirut, Lebanon

Your Excellency,

Technical Assistance to the Ministry

During our meeting of February 8, 1996, you asked us to send you a letter, explaining the alternatives that you may wish to choose from for the recruitment of advisers and experts to assist your Ministry in its institutional development efforts. The following are some suggestions that you may wish to consider.

Recruitment of Experts

There are three formulae to choose from:

- i. The first formula is to invite a short list of specialized consulting firms to submit proposals for the assignment. The successful consulting firm would then provide you with the required specialists, as and when needed. The advantages of this formula are that responsibility for performance and provision of logistical support is assumed by the firm; so is the responsibility of replacing incompetent or incapable staff. The disadvantage is that it could take longer to get the experts; it may cost more; and it requires a pretty good definition of the tasks required.
- ii. The second formula is to recruit individual experts directly by the Ministry. The advantages of this approach lie in the possibility of faster recruitment and lower cost. The disadvantages are that your Ministry will have to carry responsibility for the non-performance of experts, as well as their replacement, if necessary.
- iii. The third formula is to recruit a single expert in institutional development who would spend some time with the Ministry and selected municipalities. He would then draw up a more precise definition of the assignment, as well as the type and duration of employment of each expert. The disadvantage of this approach is that the Ministry will not be able to launch its programs until completion and acceptance of his recommendations.

Funding

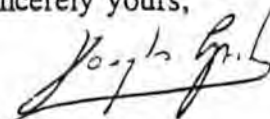
The Solid Waste/Environmental Management Project includes US\$2.0 million for technical assistance to the Ministry. This amount could be increased if the Government does not utilize all the remaining proceeds of the loan for the physical implementation of solid waste management projects. However, funds from the loan will not be available until the loan agreement is ratified by the Lebanese Parliament. Pending ratification, it is possible (i) either for your Ministry to provide bridge financing, which would be reimbursed from the loan once it becomes effective; or (ii) with the approval of CDR, use some of the unutilized funds under the solid waste component of the Emergency Reconstruction and Rehabilitation Program.

In response to your request, the mission prepared a document which would enable you to invite proposals from consulting firms in accordance with the first formula above, which is the one we recommend. The document comprises detailed terms of reference and job descriptions of the three experts needed for the Project Coordination Unit (PCU). It was left with CDR for transmittal to you. It should be reviewed by CDR and your Ministry, modified where necessary, and issued to a short list of consulting firms if this should be the alternative you choose.

CDR will be sending you a copy of the agreed Memorandum of Understanding. The last point relates to the recruitment of consultants for the PCU.

It was a pleasure meeting your Excellency again. We trust that we can be of further service to you.

Sincerely yours,



Douglas I. Graham

cc: Council for Development and Reconstruction
(by fax No. 961-1-864-494)

cc: Messrs./Mmes. Sud, Brizzi (MN2DR); Kanaan, Hoppenbrouwer (MN2CO);
McKechnie, Zelaya, Le, Chuppe (MN2PI); Darghouth, Monosowski
(MN2NE); Rotman (EMTEN); Ranganathan (CFSPS), Peltekian
(Consultant).

LB In 3562

February 13, 1996

H.E. Engr. Nabil A. El-Jisr
President
Council for Development and Reconstruction
Beirut, Lebanon

Copy, with distribution

Dear Mr. El-Jisr,

Infrastructure Mission to Lebanon

I would like to thank you and your colleagues for your help and cooperation during our recent mission to Lebanon. The findings of the mission and the understandings reached with you were recorded in a Memorandum of Understanding (MOU), which was discussed with Mr. Ibrahim Chamseddine on February 10, 1996. The modifications suggested by Mr. Chamseddine were later incorporated in the MOU and a revised version was delivered to CDR on Monday, February 12, 1996 by Ms. Randa El-Rashidi of the Bank. I trust that you will find the MOU to your satisfaction and that you will sign it and return a signed copy to Mr. McKechnie at the Bank in Washington at your earliest convenience. It would be appreciated if you could send a copy of the MOU to H.E. Mr. Hagop Demirdjian, Minister of Municipal and Rural Affairs, as certain parts of it are related to his Ministry.

One matter that was not finalized during the mission was the need to carry out a marketing study for compost in Lebanon. We understand your preference to postpone the study until the commencement of full production in the Karantina compost plant. However, as the completion of the study is a prerequisite for processing the loan from the Japanese OECF, we strongly recommend that you proceed with the study as soon as you can. In anticipation of an affirmative decision, we are enclosing a modified version of the Terms of Reference for the study, incorporating the agreements reached with CDR during Mr. Rotman's visit to Lebanon.

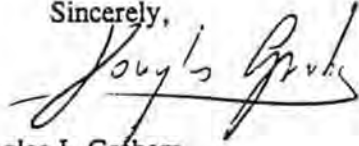
During our meeting with you on February 6, 1996, you informed us that the Council of Ministers has taken a decision to entrust responsibility for solid waste management in Lebanon to the Ministry of Municipal and Rural Affairs (MMRA). It was also agreed with CDR that there would be no more major withdrawals from the solid waste component of the Emergency Reconstruction and Rehabilitation Project (ERRP) except for the landfill at Tripoli. In the circumstances, we believe that the services of the SIU for solid waste, housed at the Ministry of Environment, are no longer needed for Bank financed solid waste management components, since the new Solid Waste/Environmental Management Project (SWEMP) will be managed by MMRA through a Project Coordination Unit (PCU). We suggest that, as soon as possible, you instruct SIU-3 to terminate its involvement in World Bank financed solid waste management projects.

Before leaving Beirut, the mission prepared draft Terms of Reference (TORs) for the invitation of consulting firms that could provide technical assistance services to MMRA, including the recruitment of the PCU. I would recommend that you call a meeting with Mr. Demirdjian and his advisers, with CDR, to finalize the TORs and send us a short list of the firms that you consider capable of carrying out the assignment, so that the PCU can become operational as soon as the SWEMP begins implementation.

Please let me know if we can be of further assistance to you.

With best regards

Sincerely,



Douglas I. Graham
Senior Operations Officer
The World Bank

cc: H.E. Mr. Hagop Demirdjian
Minister of Municipal and Rural Affairs

cc: Messrs./Mmes. Sud, Brizzi (MN2DR); Kanaan, Hoppenbrouwer (MN2CO); McKechnie, Zelaya, Le, Chuppe (MN2PI); Darghouth, Monosowski (MN2NE); Rotman (EMTEN); Ranganathan (CFSPS), Peltekian (Consultant).

FILES: ECA/MENA, Chron

A:ELJISRO1

LEBANON:

Business and Marketing Plans for Compost and Recycled Materials

TERMS OF REFERENCE

(8 February 1996)

1.0 BACKGROUND

1.1 Compost produced from municipal solid waste was originally produced in Lebanon in the early 1970s and early 1980s at the Karantina compost plant in Beirut, which was then closed during the periods of civil unrest. The quality of compost produced at the time was poor as it contained considerable amounts of metals and glass, and this compost had a very poor reputation among farmers in Lebanon.

1.2 Currently this composting plant at Karantina is ready to start full scale production for a design capacity of 500 tons/day. Although the plant layout and its technology were conceived in the early 1970s, a full rehabilitation and improvement program has been put in place. Initial production testing at the plant is producing good quality compost, and providing a stream of segregated materials. Furthermore the United Nations Food and Agriculture Organization (FAO) is sponsoring a compost testing program carried out by Institute de Recherche Agronomique Libanaise (IRAL), and initial sampling has begun at Karantina.

1.3 Additional processing plants for municipal waste are planned for the production of compost in Lebanon. At least one is planned for the Bekka Valley, most likely at Zachle with a capacity of 200 tons/day. Two additional plants are planned, with one in the southern coastal area, most likely in the Saida area, with a capacity of 200 tons/day, and another in the Beirut or northern coastal area, with a capacity of 200-250 tons/day.

1.4 An existing compost market study for the Tripoli area reveals a strong need for compost in the agricultural soils of the area, and a recent study on environmental priorities prepared for the Ministry of Environment (sponsored by METAP) shows a potential of 4.2 million tons per year for agricultural use and 100-200 million tons per year for forestry use. The arable soils in Lebanon, estimated at 200,000 hectares under production, have low organic matter contents in the range of 0.5 to 1.5%, considerably below the desirable levels of 2-2.5%.

1.5 Markets already exist in Lebanon for the use of recycled metals, plastics, cardboard and paper. Still there is little documentation on the extent and future development of industries using these recycled materials.

2.0 OBJECTIVES

2.1 The main objectives of the proposed study are to: (i) identify the uses for various types of compost and other recycled materials as produced from municipal wastes; (ii) identify the major geographic market areas in Lebanon and any countries internationally; (iii) describe standards and proposed regulations for compost production in Lebanon, and for recyclable materials; (iv) develop a quality assurance and monitoring program for plants producing compost from municipal waste; (v) carry out economic analysis for production of compost from municipal waste; (vi) review design concepts for the production of compost from municipal waste; (vii) develop recommendations for policy and institutional arrangements, including possible cross-subsidies; (viii) develop short and long term strategies for the marketing of compost, and development of industries using recycled materials.

3.0 SCOPE

3.1 The study will proceed in two phases, in which Phase I will consist of identifying the markets for compost and recycled materials produced at the Karantina compost plant and strategies for immediate market penetration. Phase II will consist of preparation of a longer term marketing plan for additional compost produced at the other new composting facilities.

3.2 Phase I: Short Term Marketing Analysis for Beirut Area

- review all physical and chemical data available describing compost produced at the Karantina compost plant and carry out additional laboratory analyses as necessary;
- identify using interviews and questionnaires several immediate potential users of compost in the Beirut area, in other areas in Lebanon and internationally including vegetable and flower farmers, commercial landscaping for parks, residential developments and tree planting, and various types of agricultural uses;
- carry out interviews and literature review on all factual and perceived public health risks of using compost produced from municipal solid waste for agricultural and other uses;
- using existing data supplemented by additional soil samples, calculate compost application rates and frequencies;
- establish overall quantities of compost that can be used in the immediate future in the Beirut area, and other areas with immediate demands for compost;
- recommend a short-term pragmatic action plan to allow the introduction of compost produced at Karantina to strategic users and geographic regions in Lebanon;
- review the operations by the Contractor and the quality control program carried out by FAO at the Karantina compost plant, and make recommendations for modifications to enhance marketing of compost;
- carry out an economic analysis for marketing of compost to establish pricing levels for the sale of compost, and recommend additional investments to assist compost marketing such as additional pre-sorting facilities, policy options, technical assistance programs and new institutional arrangements;
- collect and complete existing data on industries using recycled materials as based on lists available from the Ministry of Industries;
- carry out a general overview through interviews and observations of the scavenging of recycled materials from containers, transfer points and landfills with estimates of the numbers of people involved, types and volumes of materials scavenged, and income levels for scavengers in the Beirut area;
- evaluate general price levels for each recycled material, total quantities, future market trends as to future demand, price and quality of materials, creation of new industries, etc. in the Beirut area;
- recommend improvements to enhance the markets for recycled materials, with emphasis on the Beirut area;
- recommend guidelines for immediate enforcement by government agencies on safety measures, public health procedures and environmental quality standards for the production and use of compost and recycled materials;

3.3 Phase II: Mid and Long Term Markets for Lebanon

- identify using interviews and questionnaires additional longer term potential users of compost in other areas in Lebanon including vegetable and flower farmers, commercial landscaping for parks, residential developments and tree planting, and various types of agricultural uses;
- using existing data supplemented by additional soil samples in an expanded geographic area, identify any differences in the compost application rates and frequencies calculated in Phase I;
- establish overall quantities of compost that can be used in other areas of Lebanon;

- recommend a longer term marketing plan including agricultural rural extension and public awareness programs to expand the use of compost so as to market additional volumes of compost that will be produced by new compost plants;
- make recommendations for sorting at household level and at transfer stations, types of sorting equipment, new sources of organic wastes and other means to improve compost production;
- carry out an economic analysis for marketing of compost to establish pricing levels for the sale of compost, for additional investments to assist compost marketing, for policy making and for institutional arrangements;
- collect and complete existing data on industries using recycled materials outside of the Beirut area;
- carry out a general overview through interviews and observations of the scavenging of recycled materials from containers, transfer points and landfills with estimates of the numbers of people involved, types and volumes of materials scavenged, and income levels for scavengers outside of the Beirut area;
- evaluate general price levels for each recycled material, total quantities, future market trends as to future demand, price and quality of materials, creation of new industries, etc. outside of the Beirut area;
- prepare a strategy and action plan to develop small and medium scale industries that can or will use recycled materials, outside of the Beirut area;
- recommend regulations for adoption by government agencies on safety measures, public health procedures and environmental quality standards for the production and use of compost and recycled materials;
- recommend institutional and regulatory arrangements to enhance the use of recycled materials, and reduce general volumes of solid waste.

4. STUDY AND SUPERVISION TIME SCHEDULE

4.1. The work of the Consultant would be supervised by the Council for Redevelopment and Reconstruction (CDR), who will coordinate with all other ministries, agencies and international financial institutions.

4.2 The Consultant shall begin work no later than 15 days after the date of effectiveness of the contract. It is anticipated that the Consultant would complete the work for Phase I within 3.5 months, while Phase II should be completed within the next 5 months, for an overall duration of less than 9 months. The Consultant should propose a clear schedule with critical milestones, and make all possible efforts to meet or complete the work in a shorter duration than the proposed time schedule.

5. REPORTS

5.1 **Progress Reports:** Progress reports should be submitted every 30 days following contract signature. The progress report should present a very brief overview of progress in completing the task dates, difficulties in achieving the work as described in the contract, proposed alternate means to achieve the project objectives, status of budget and major scheduled milestones, any proposed modifications to the contract mandate. It is anticipated that progress reports would be 2-5 pages in length.

5.2 **Phase I - Interim Report:** The Phase I Interim Report shall be submitted to CDR within 100 days of the starting date for Phase I of the study. The Phase I Interim Report will provide complete details of all work performed, analyses made and justification of options and recommendations proposed. The Phase I Interim Report should be prepared in English in 10 copies. CDR will have 20 days to review and comment on the Phase I Report, so that the orientation of the remainder of the study is well understood by the Consultant.

5.3 **Phase II - Draft Final Report:** The Phase II Draft Final Report shall be submitted to CDR within 200 days of the starting date for the study. The Phase II Draft Final Report will provide complete details of all work performed for both Phases I and II, including results of surveys, analyses made and justification of options and recommendations proposed. This report will build upon the Phase I Interim Report. The Phase II Final Report should have an Executive Summary prepared in English and a Main Report prepared in English in 10 copies. The working papers and annexes can be prepared in French, as well as all other related material. CDR will have a 30 day period to review and comment on the Phase II Draft Final Report.

5.4 **Final Report:** The Final Report shall be submitted to CDR within 20 days following the close of the review and comment period. The Final Report will incorporate all comments received from CDR, including issues raised and discussed at review meetings. The Final Report will have an Executive Summary and a Main Report, and each should be submitted in 30 copies to CDR who will assure an adequate distribution to all interested parties. In addition, a master copy of each suitable for reproduction purposes should be provided to CDR to meet any future needs for reprinting.

6. **STAFFING REQUIREMENTS**

6.1 It is anticipated that the Consultant would establish a strong, focussed team of specialists that contains a clearly indicated mix of Lebanese and foreign specialist inputs. The Consultant should create a project team that has technical competence in scientific, environmental and engineering fields as well as competence in the private sector participation fields with skills in marketing, agriculture, institutional strengthening and regulatory fields. The team is expected to provide pragmatic and insightful planning to justify the chosen recommendations for marketing compost in Lebanon.

6.2 The Consultant shall propose and justify the range of disciplines to be included in the project team. It is expected that the proposed project team will contain several of, but not necessarily be confined to, the following specialists:

Technical Specialists:

- compost production specialist
- environmental planning specialist
- waste management specialist
- agricultural crop specialist
- soil scientist

Private Sector/ Institutional Specialists:

- market research specialist
- packaging and transportation specialist
- private sector participation specialist
- environmental regulatory and institutional specialist
- supervision and quality assurance/control specialist

6.3 The Consultant shall name individuals to participate in specified roles within the project team and provide full curricula vitae (in accordance with the Suggested Format shown in the attachment) and any other information considered relevant by the consultant. The Consultant shall name the project leader and key team members, and provide an assurance that all members of the proposed team will be made available as specified in the proposal, if the Consultant is named.

6.4 The selection of the Consultant would be based on the evaluation of their technical proposals which should include the resumes of all key team members.

7 RESPONSIBILITIES OF THE CLIENT

- 7.1 The Client shall assist the Consultant in the following matters:
- (a) obtaining visas for the expatriate staff of the Consultants, and their families to visit Lebanon;
 - (b) obtaining the necessary work permits; and
 - (c) assuring free access to all existing landfills and waste disposal facilities;
- 7.2 The CDR shall appoint, as required, a senior staff member representing the Client to assist the Consultant in his relations with the local authorities.

8. TIME SCHEDULE

8.1 The following is a tentative time schedule for the consultant services. The Consultants may propose their own time schedule, if they do not agree with the proposal. It should be noted that the project is of top priority and every effort must be made to respect the periods shown.

- | | |
|---|--------------------------------|
| - Submission of proposals | March 15, 1996 |
| - Negotiation of contract | April 15, 1996 |
| - Signature of contract | May 15, 1996 |
| - Commencement of work | June 1, 1996
(called Day 1) |
| - Submission of Phase I Interim Report | Day 100 |
| - Comments by CDR | Day 120 |
| - Submission of Phase II Draft Final Report | Day 200 |
| - Comments by CDR | Day 230 |
| - Final Report | Day 250 |

9. BUDGET AND REMUNERATION OF THE CONSULTANTS

9.1 The proposed budget for the activity is \$US 175,000.00 and the Consultant should clearly show the anticipated allocation of funds for all team members, including a distinction between international and resident Lebanese specialists, and the amounts budgeted for travel, international and local travel, communication expenses and other out-of-pocket items

9.2 For the performance of the duties enumerated under the Terms of Reference, the Consultants will be paid a lump sum fee.

- 9.3 The lump sum fee shall be paid in the following manner:
- 15% of the said fee as an advance payment against the submission of a bank guarantee for the amount, to be deducted in equal sums from the next two payments.

- 25% of the said fee upon completion of Phase I and submission of the Interim Report.
- 35% of the said fee upon completion of Phase II and submission of the Draft Final Report
- 25% of the said fee upon completion of the Final Report.

10. PROPOSAL EVALUATION

10.1 A two-stage procedure will be adopted in evaluating the proposals, with the technical evaluation being completed prior to the opening and comparison of financial proposals. Technical proposals will be evaluated using the following criteria.

- i) the firm's general experience in the field of the assignment (30 points);
- ii) the adequacy of the proposed work plan and approach in responding to the terms of reference (TOR) (40 points); and
- iii) the qualifications and competence of the personnel proposed for the assignment (30 points).

Curricula vitae of senior personnel in each discipline should be included with the proposal in the format of the sample c.v. These personnel will be rated generally in accordance with:

- i) their general qualifications (30 points);
- ii) adequacy for the assignment (50 points); and,
- iii) their language capabilities and experience in the Middle East Region (20 points). (Experience in Lebanon would be particularly advantageous.)

10.2 Price will be taken into account in the following manner. Proposals will be ranked technically and marked on a scale of 1-100. The price envelopes of the highest ranking proposal and all other responsive proposals within 10 percentage points of the highest will be opened. Technical proposals will receive a weighing of 80 percent while prices will receive a weighing of 20 percent. The resultant highest evaluated bidder will be called for negotiations. For comparison of bid prices, all consultants are required to submit their prices in U.S. Dollars.

10.3 Please note that CDR is not bound to select any of the firms submitting proposals. Further, as quality is the principal selection criterion, CDR does not bind itself in any way to select the firm offering the lowest price.

10.4 While it is estimated that \$US 175,000.00 will be required for the whole study, and that generally you should base your financial proposal on this figure, the Consultant should feel free to submit an alternative proposal on the basis of the man-months which considered necessary to undertake the assignment.

SUGGESTED FORMAT OF CURRICULUM VITAE
FOR MEMBERS OF CONSULTANTS' TEAM

Name _____ Profession _____ Age _____ Years with Firm _____
Nationality _____ Proposed Position on Team _____

Key Qualifications:
(Under this heading, give outline of staff member's experience and training most pertinent to assigned work on proposed team. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use up to half a page).

Education:
(Under this heading, summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degrees obtained. Use up to quarter page).

Experience Record:
(Under this heading, list all positions held by staff member since graduation, giving dates, names of employing organization, title of positions held and location of assignments. For experience in last ten years, also give types of activities performed and client references where appropriate. Use up to 2 pages).

Languages:
(Indicate proficiency in speaking, reading and writing of each language by "excellent," "good," "fair," or "poor").

Date _____
Signature of Staff Member



Record Removal Notice

File Title Emergency Reconstruction and Rehabilitation Project - Lebanon - Loan 3562 - P005336 - Correspondence - Volume 17		Barcode No. 1327101		
Document Date 08 February, 1996	Document Type Facsimile with memo attached			
Correspondents / Participants To: Nabil El JISR, Président du Conseil du Développement et de la Reconstruction From: Bernard DUQUENNE, Deloitte Touche Tohmatsu				
Subject / Title Factures du 3/10/95 en attente de règlement				
Exception(s) Information Provided by Member Countries or Third Parties in Confidence Personal 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><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			

FACSIMILE COVER SHEET AND MESSAGE

DATE: February 1, 1996	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: Alastair J. McKechnie Title: Division Chief Dept/Div: Private Sector Development and Infrastructure Room No.: H10-001		FAX NO.: (202) 477-0348 Telephone: (202) 473-3047 Dept./Div. No.: 28640
SUBJECT: LEBANON - Water Supply & Wastewater Sector		

MESSAGE:

Dear Mr. El-Jisr,

Thank you for your fax dated January 22, 1996, regarding the Lebanon - Infrastructure Sector Lending Program. I now believe that we have a good basis for proceeding with the Supplemental Loan to the ERRP and the Coastal Pollution Control and Water Supply Project (CPCWSP). To complete the processing of these projects, we will need the following information as agreed during the November/December Bank mission and summarized in the Aide-Memoire, dated December 2, 1995:

SUPPLEMENTAL LOAN TO THE ERRP

The next step is to update the documentation for the Executive Board of Director of the World Bank and submit it for their approval. Since we are planning to submit the supplemental loan to the Board for approval by end March 1996, we would need the information below for review before mid-February.

- ♦ the design reports for the Metn and Barouk sub-projects;
- ♦ up-dated cost estimates and implementation schedules for the three project components Metn, Barouk and Baalbek covering all works to be executed under respective water supply/waste water scheme;

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.

- ◆ whether provisions should be made under the loan to include the costs for construction supervision; and
- ◆ sources of finance including what should be covered by other financing agencies and under Government budget allocations.

CPCWSP

For the CPCWSP, we plan to update the appraisal report and negotiation of the loan would then take place, possibly in May. However, because of the redesign of the project we need the following information to complete appraisal of the project.

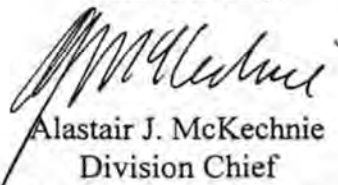
- ◆ the design report for the proposed Nabatiye water supply and waste water project component;
- ◆ the concept paper for operational and maintenance contracts with specific suggestions on how to proceed further and with tentative cost estimates; and
- ◆ time schedule for award of consultant contracts for detailed engineering and based on this an up-dated implementation schedule for project preparation and implementation. For our information we would also appreciate to receive copies of the contract agreements.

Mr. Rasmusson is scheduling a mission to Lebanon by early March (arrival on March 5), and he has made arrangements to meet in Brussels with the EU (Ms. Ana Gonzalo) and the EIB (Mr. Eric van der Elst) to discuss the proposed Technical Assistance component for sector reforms and possibly extended financing by the EU of the SIU contract. We hope this is acceptable to you, and we also propose the participation of someone from CDR/MHER.

We are looking forward to hearing from you on the above matters and please keep us up-dated on any development on the processing of the draft law for sector reforms.

Best personal regards.

Yours sincerely,



Alastair J. McKechnie
Division Chief

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

cc: Mr. K. Al-Saad (EDS11)

Mr. Shamsedin (EDS11)

cc: Messrs./Mmes. Kanaan, Hoppenbrower (MN2CO); Tharakan, Zelaya, Le (MN2PI).



LRasmusson:tc

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A-Supplemental Docs. LB-PA-43297

A-Supplemental Docs. LB-PA-5342

WB MNZIN

..... (AUTO)

THE FOLLOWING FILE(S) ERASED

FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
079	MEMORY TX	PERSONAL CODE ****	90119611864494	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:	February 1, 1996	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:	Alastair J. McKechnie Title: Division Chief Dept/Div: Private Sector Development and Infrastructure Room No.: H10-001	FAX NO.: (202) 477-0348 Telephone: (202) 473-3047 Dept./Div. No.: 28640	
SUBJECT:	LEBANON - Water Supply & Wastewater Sector		

MESSAGE:

Dear Mr. El-Jisr,

THE WORLD BANK
HEADQUARTERS: WASHINGTON, D.C. 20433 U.S.A.

ECA/MNA/LAC DISBURSEMENTS DIVISION
FACSIMILE TRANSMISSION

DATE: January 23, 1996 **NUMBER OF PAGES:** 15
(INCLUDING THIS ONE)

FROM: Kenneth Miller *WM* **FACSIMILE NO:** (202) 522-1649
Loan Department
World Bank
Washington, D.C. **TEL:** 202 458 4386
ROOM: MC 3-319
DEPT/DIV: LOAEL

TO: Mr. E. van der Elst **FACSIMILE NO:** 352 43 77 04
European Investment Bank
L-2950 Luxembourg

cc: Mr. Lars Rasmusson
Ms. Marie-Ange Le

SUBJECT: IBRD 3562-LE (Emergency Reconstruction & Rehabilitation Project)
YOUR: Lebanon Water/Sewage Works Project (no. 1 6720)

I refer you to your communication dated 13 December 1995 addressed to Mr. Lars Rasmusson. Please find enclosed herewith information detailing the status of the different contracts claimed under this loan.

Please do not hesitate to let us know if you need additional information.

Best regards.

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	
Project:	LEB-ERP
Rec'd:	JAN 23 Log No. 103
Assigned to:	CR, NIZ, MAC, TZ
Copy to	Division Chief
	Division Files
	EMENA Files
Action:	

Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00032

Contract ID	M00032	#Currencies/Contracts	1
Contract Desc	WATER SUPPLY-WATER SOURCES AND BOREHOLES (1ST		
Category Name	1-A	Category Description	CIVIL WORKS PART A
Borrowers Ref		Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to roject		Related to Contract	
Contract Signing Date	24-FEB-1994	No Objection Date	06-JAN-1994
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	ICB	Verified by LOA	Y
Description of Goods	CIVIL WORKS		
Contractor Country	LE	Contractor Name	ESTEPHAN SOCIETY

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	1,978,272.00	1,391,075.20	587,196.80	44.00	612,074.23	0.00	0.00

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Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00034

Contract ID	M00034	#Currencies/Contracts	1
Contract Desc	WATER SUPPLY-WATER TREATMENT WORKS (1ST YEAR)		
Category Name	1-A	Category Description	CIVIL WORKS PART A
Borrowers Ref	1339/7-4-94	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	01-MAR-1994	No Objection Date	06-JAN-1994
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	ICB	Verified by LOA	Y
Description of Goods	CIVIL WORKS		
Contractor Country	KO	Contractor Name	KUK DONG CONSTRUCTION

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	3,481,455.00	2,528,516.50	952,938.50	44.00	1,112,547.70	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00035

Contract ID	M00035	#Currencies/Contracts	1
Contract Desc	WATER SUPPLY-PUMPING STATIONS (1ST YEAR) - LO		
Category Name	1-A	Category Description	CIVIL WORKS PART A
Borrowers Ref	1336/7-4-94	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	01-MAR-1994	No Objection Date	06-JAN-1994
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	ICB	Verified by LOA	Y
Description of Goods	CIVIL WORKS		
Contractor Country	KO	Contractor Name	KUK DONG CONSTRUCTION

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalatio Amount
USD	11,694,169.00	8,321,807.90	3,372,361.10	44.00	3,661,595.63	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620
Contract Status as of 19-JAN-96

Details of Contract ID: M00033

Contract ID	M00033	#Currencies/Contracts	1
Contract Desc	WATER SUPPLY-TRANS. MAINS AND DISTR. SYSTEMS		
Category Name	I-A	Category Description	CIVIL WORKS PART A
Borrowers Ref	1335/18-2-94	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	24-FEB-1994	No Objection Date	06-JAN-1994
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	ICB	Verified by LOA	Y
Description of Goods	CIVIL WORKS		
Contractor Country	LE	Contractor Name	ESTEPHAN SOCIETY

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalatio Amount
USD	11,942,675.00	7,091,757.00	4,850,918.00	44.00	3,120,372.68	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00036

Contract ID	M00036	#Currencies/Contracts	1
Contract Desc	WATER SUPPLY-STORAGE TANKS (1ST YEAR) - LOT 5		
Category Name	1-A	Category Description	CIVIL WORKS PART A
Borrowers Ref	1340/18-2-94	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	25-FEB-1994	No Objection Date	06-JAN-1994
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	ICB	Verified by LOA	Y
Description of Goods	CIVIL WORKS		
Contractor Country	LE	Contractor Name	UNIBUILD/POLIMEX

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	9,784,175.00	8,621,347.00	1,162,828.00	44.00	3,793,393.85	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00021

Contract ID	M00021	#Currencies/Contracts	1
Contract Desc	CONS. SERVICES FOR 1ST YEAR'S CONSTRUCTION SU		
Category Name	3	Category Description	CONSULTANTS SERV.
Borrowers Ref	6166	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	25-FEB-1994	No Objection Date	21-DEC-1993
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	OTH	Verified by LOA	Y
Description of Goods	CONSULTANT SVCS, TECH. ASSIST, TRAINING		
Contractor Country	LE	Contractor Name	ENB (WATER SUPPLY)

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	1,041,550.00	992,272.00	49,278.00	50.00	496,136.00	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00022

Contract ID	M00022	#Currencies/Contracts	1
Contract Desc	CONS. SERVICES FOR 1ST YEAR'S CONSTRUCTION SU		
Category Name	3	Category Description	CONSULTANTS SERV.
Borrowers Ref	6172, 6171	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	25-FEB-1994	No Objection Date	21-DEC-1993
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	OTH	Verified by LOA	Y
Description of Goods	CONSULTANT SVCS, TECH. ASSIST, TRAINING		
Contractor Country	LE	Contractor Name	HYDEA S.R.L. (WATER SUPPLY)

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	846,000.00	857,027.00	-11,027.00	50.00	428,513.50	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00024

Contract ID	M00024	#Currencies/Contracts	1
Contract Desc	CONS. SERVICES FOR 1ST YEAR'S CONSTRUCTION SU		
Category Name	3	Category Description	CONSULTANTS SERV.
Borrowers Ref	6162	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	25-FEB-1994	No Objection Date	21-DEC-1993
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	OTH	Verified by LOA	Y
Description of Goods	CONSULTANT SVCS, TECH. ASSIST, TRAINING		
Contractor Country	LE	Contractor Name	LIBAN CONSULT

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	325,026.00	281,033.29	43,992.71	50.00	140,516.05	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00023

Contract ID	M00023	#Currencies/Contracts	1
Contract Desc	CONS. SERVICES FOR 1ST YEAR'S CONSTRUCTION SU		
Category Name	3	Category Description	CONSULTANTS SERV.
Borrowers Ref	6160	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	25-FEB-1994	No Objection Date	21-DEC-1993
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	OTH	Verified by LOA	Y
Description of Goods	CONSULTANT SVCS, TECH. ASSIST, TRAINING		
Contractor Country	LE	Contractor Name	B.T.D. (WATER SUPPLY)

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	224,540.00	211,143.00	13,397.00	50.00	105,571.50	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00025

Contract ID	M00025	#Currencies/Contracts	1
Contract Desc	CONS. SERVICES FOR 1ST YEAR'S CONSTRUCTION SU		
Category Name	3	Category Description	CONSULTANTS SERV.
Borrowers Ref	6161/19-3-94	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	25-FEB-1994	No Objection Date	21-DEC-1993
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	OTH	Verified by LOA	Y
Description of Goods	CONSULTANT SVCS, TECH. ASSIST, TRAINING		
Contractor Country	LE	Contractor Name	B.T.U.P. (WATER SUPPLY)

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	402,960.00	421,423.00	-18,463.00	50.00	210,711.50	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00026

Contract ID	M00026	#Currencies/Contracts	1
Contract Desc	CONS. SERVICES FOR 1ST YEAR'S CONSTRUCTION SU		
Category Name	3	Category Description	CONSULTANTS SERV.
Borrowers Ref	6165	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	25-FEB-1994	No Objection Date	21-DEC-1993
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	OTH	Verified by LOA	Y
Description of Goods	CONSULTANT SVCS, TECH. ASSIST, TRAINING		
Contractor Country	LE	Contractor Name	ENB (WASTE WATER)

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	289,650.00	280,665.00	8,985.00	50.00	140,332.50	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00028

Contract ID	M00028	#Currencies/Contracts	1
Contract Desc	CONS. SERVICES FOR 1ST YEAR'S CONSTRUCTION SU		
Category Name	3	Category Description	CONSULTANTS SERV.
Borrowers Ref	6164	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	25-FEB-1994	No Objection Date	21-DEC-1993
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	OTH	Verified by LOA	Y
Description of Goods	CONSULTANT SVCS, TECH. ASSIST, TRAINING		
Contractor Country	LE	Contractor Name	JOUZY (WASTE WATER)

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	161,920.00	148,976.18	12,943.82	50.00	74,488.09	0.00	0.00

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620
Contract Status as of 19-JAN-96
Details of Contract ID: M00046

Contract ID	M00046	#Currencies/Contracts	1
Contract Desc	WASTE WATER-COLLECTORS (FIRST YEAR) LOT NO. 1		
Category Name	1-A	Category Description	CIVIL WORKS PART A
Borrowers Ref	1334/18-2-94	Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	19-FEB-1994	No Objection Date	06-JAN-1994
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	ICB	Verified by LOA	Y
Description of Goods	CIVIL WORKS		
Contractor Country	LE	Contractor Name	GICO COSTRUZIONI

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	8,215,142.00	5,646,640.00	2,568,502.00	44.00	2,484,523.13	0.00	0.00

[Current Status](#)[Category Recap](#)[Contracts](#)[Special Accounts](#)[Paid Withdrawals](#)

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Project: LEBANON -- EMERGENCY RECOVERY

Project ID: 5336

Loan Number: 35620

Contract Status as of 19-JAN-96

Details of Contract ID: M00031

Contract ID	M00031	#Currencies/Contracts	1
Contract Desc	WASTE WATER-PUMPING STATIONS (1ST YEAR) - LOT		
Category Name	1-A	Category Description	CIVIL WORKS PART A
Borrowers Ref		Implementing Agency	COUNCIL FOR DEV. & RECONSTRUCTION
Transferred to Project		Related to Contract	
Contract Signing Date	18-FEB-1994	No Objection Date	06-JAN-1994
Restricted ?	May Disburse	Escalation Clause	Y
Bid Type	ICB	Verified by LOA	Y
Description of Goods	CIVIL WORKS		
Contractor Country	LE	Contractor Name	EMCO ENGINEERING

Currency Code	Total Contract Base Amount	Total Base Paid	Total Base Balance	World Bank Percent	Paid By World Bank	Total Paid Escalation	WB Paid Escalation Amount
USD	750,181.00	463,479.10	286,701.90	44.00	203,931.06	0.00	0.00

[Current Status](#)[Category Recap](#)[Contracts](#)[Special Accounts](#)[Paid Withdrawals](#)[Return to CTRFI Home Page](#)

FACSIMILE COVER SHEET AND MESSAGE

DATE: January 23, 1996 NO. OF PAGES: 1 MESSAGE NO.: {}
(including cover sheet)

TO: Mr. Nabil A. El-Jisr FAX NO.: 9-011-9611-864494
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon

FROM: George Tharakan FAX NO.: (202) 477-0348
Title: Senior Transport Economist Dept./Div. No.: 286/40
Dept/Div: Private Sector Development and Infrastructure Division
Room No.: H10-123 Telephone: (202) 473-2597

SUBJECT: LEBANON - ERRP, Loan 3562-LE, Electricity Component

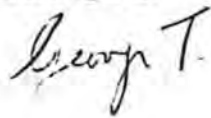
MESSAGE:

Dear Mr. El-Jisr:

This is to acknowledge with thanks receipt of your letter No. 70/96/P.O. dated January 15, 1996 enclosing a copy of the Monthly Progress Report No. 24 prepared by Electricite de France (EDF) for the month of November 1995.

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

Best regards,



Transmission authorized by: George Tharakan, MN2PI

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

cc: Mr. Skelton (o/r).

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

SUBJECT: Lebanon-Infrastructure Sector Lending
Program

REF.: 101/96/P.O.

DATE: 22/1/1996

NO. OF PAGES: (2) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Thank you for your fax dated 15/12/95 regarding the above mentioned subject.

Please find, hereafter, our comments in relation to the components of the Infrastructure Sector Lending Program which were discussed during your visit.

Coastal Pollution and Water Supply Project: We confirm that the Arab Fund for Economic and Social Development will now finance the water supply components in Saïda and Sour. The World Bank will finance a water supply component in Nabatiye. The Bank would also fund operation and maintenance contracts and spare parts and supplies for these contracts, as well as, the submarine outfalls for Keserwan and Sour. The European Investment Bank will finance sewage collection and treatment in Keserwan and Sour and the Japanese Overseas Economic Cooperation Fund (OECP) will finance the Water Supply component in Keserwan and sewage collection, treatment and disposal in Saïda.

The draft law for the restructuring of the water sector has been presented to the Council of Ministers for approval. The Minister of Hydraulic and Electric Resources is following up on this matter with a view to having the law passed by Parliament before the summer recess.

Emergency Reconstruction and Rehabilitation Project: The design reports for the project components to be financed under the supplemental loan will be ready shortly. We have taken the necessary steps for the acceleration of the preparation of the bidding documents.

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

FXNSCT1.DOC

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project:	LB - CPGWS / ERFP
Rec'd:	JAN. 22 Log No. 100
Assigned to:	MR. MZ. TC
Division Chief	
Division Files	
EMENA Files	
Action:	

Bank Guarantees: We appreciate being notified that the amount of a Bank partial risk guarantee for a BOT project would be additional to the Bank lending program for Lebanon and that it would require a counter-guarantee from the Government.

National Roads Project: We have not received, to date, the invitation to negotiate the National Roads Project.

Electricity Transmission Project: We are expecting a project preappraisal mission around the end of January. All matters related to the above mentioned project, including the letter of Sector Policy, will be discussed with the mission and agreements will be reached.

We look forward to hearing from you and hope that you will send the supplemental loan to the Bank Board soonest.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

NM

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

FXINSCT1.DOC

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-Solid Waste Component-
Supervision of the Rehabilitation of the
Qarantina Compost Plant

REF.: 100/96/P.O.

DATE: 19/1/1996

NO. OF PAGES: (1) INCLUDING COVER SHEET

Dear Mr. McKechnie,

Reference is made to the contract for the supervision of the rehabilitation of the Qarantina Compost Plant with the Consultant CREED.

Please take note that the above mentioned contract has been extended due to the identification of additional works not included in the contract of the rehabilitation of the Qarantina Compost Plant. This extension entails an increase in the contract value of US \$ 155,454.

We look forward to receiving your no objection to the above mentioned increase soonest.

Sincerely Yours,

Nabil A. El
PresidentCouncil for Development
and Reconstruction

NM

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project	LB-ERRP
Rec'd	19/1/96 Log No. 049
Assigned to:	LR-TC, MAL
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

FXSWCNQA.DOC

cc: Miller
H. Guyer
LEB-LN. 3562
PROC. Doc

FACSIMILE COVER SHEET AND MESSAGE

DATE: January 18, 1996 NO. OF PAGES: 1 MESSAGE NO.:
(including cover sheet)

TO: Mr. Nabil Al-Jisr FAX NO.: 961-1-647-947
Title: President
Organization: CDR
City/Country: Beirut, Lebanon

FROM: Alastair McKechnie FAX NO.: (202) (202) 477-0348
Title: Division Chief Telephone: (202) (202) 473-3047
Dept/Div: MN2PI Dept./Div. No.: 286740
Room No.: H-10-001

SUBJECT: **LEBANON: Technical and Vocational Education Component of the ERRP-School Lot No. 3**
Batroun Technical School (Ln. 3562-LEB)

MESSAGE:

Dear Mr. Al-Jisr,

In reference to your communication dated 1/16/96 requesting the World Bank's no-objection to additional works in the Batroun Technical School. We would have preferred looking at this request within the overall context of the re-allocation of funds to ensure consistency with current sectoral priorities. However, under the circumstances, we are happy to inform you that the Bank has no objection to the increase requested.

Regards.



Transmission authorized by:

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

cc: Demetriou, El-Rashidi (MN2HR); Zelaya, Le (MN2PI);
Divisional Files; ECA/MNA

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FACSIMILE COVER SHEET AND MESSAGE

DATE: September 13, 1995 NO. OF PAGES: 1 MESSAGE NO.: 1
(including cover sheet)

TO: Mr. Nabil A. El-Jisr FAX NO.: 9-011-9611-864494
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon

FROM: Douglas I. Graham FAX NO.:
Title: Sr. Financial Analyst
Dept/Div: Private Sector Development and Infrastructure Division
Room No.: H10-007

Dept./Div. No.: 28640
Telephone: (202) 473-5838

SUBJECT: LEBANON - ERRP, Loan 3562-LE, Education Component, Contracts for civil works and supervision of the rehabilitation of vocational and technical schools

MESSAGE:

Dear Mr. El-Jisr:

With reference to your letter Ref. 2141/95/P.O. dated 2 September 1995 concerning the above subject, I am pleased to inform you that the Bank has no objection to the price variations contained in your letter, which are based upon the price formula contained in the contracts.

With best regards,

[Handwritten signature]

[Handwritten signature]

BIRO نسخة في ملف

المهندس كركي / المهندسين صيدو وعبد

للمطابق مع المتابعة

رئيس إدارة المشاريع
المهندسين صيدو وعبد

4/9/95

المهندس كركي / المهندسين صيدو وعبد

للمطابق مع المتابعة

رئيس إدارة المشاريع
المهندسين صيدو وعبد

د. فهد جاسري
المهندس كركي / المهندسين صيدو وعبد
للمطابق مع المتابعة
رئيس إدارة المشاريع
المهندسين صيدو وعبد

Transmission authorized by: Douglas I. Graham, Task Manager, MN2PI

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

TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE

TO : The World Bank FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION (C.D.R)
BEIRUT - LEBANON

ATTN : Mr. Douglas Graham
Task Manager
MN2IN

FAX NO. : (202) 4770348 FAX NOS: (961-1) 864 4 94
(961-1) 647 947

SUBJECT : ERRP - Education Component Contract for REF. :
civil works and supervision of the
Rehabilitation of Vocational & Technical
Schools.
Price variation for Eleven Contracts

DATE : NO. OF PAGES (3) INCLUDING COVER SHEET

As per the conditions of contracts (Annexe D) the payments to the contractors and consultants are adjusted in order to account for the fluctuation in the exchange rate of the dollar with respect to Lebanese Pound. Such adjustments are calculated monthly as per the following formula :

$$X' = X \cdot (0,1 + 1,16 L/Lo + 0,74 D/Do)$$

Where X'/X is the adjustment factor which multiplies the payment due to the contractors and consultants.

These monthly factors for the execution period of the the project are as follows :

15/2/94	31/3/94	1.1
1/4/94	30/4/94	1.097
1/5/94	31/5/94	1.095
1/6/94	30/6/94	1.093
1/7/94	31/7/94	1.091
1/8/94	31/8/94	1.089

1/9/94	30/9/94	1.087
1/10/94	31/10/94	1.085
1/11/94	31/12/94	1.079
1/1/95	31/1/95	1.145
1/2/95	28/2/95	1.143
1/3/95	31/3/95	1.141
1/4/95	30/4/95	1.139
1/5/95	31/5/95	1.137
1/6/95	30/6/95	1.135
1/7/95	31/7/95	1.133

Totals for factors in 16 Months : 17.78

As an average we obtain a factor of : $X/X = \frac{17.78}{16} = 1.11$

If we adjust the approved contracts by multiplying them by the average adjustment factor 1.11 we obtain the following expected budget for each contract :

Contract Name	As approved L.L.	Contractor Consultant	Expected Contract Value after price adjustment
Lot 1: Tripoli, Zghorta, Deir Amar	1.753.292.133	Estephan	1.946.154.267
Lot 2: Ba'albeck, Hermel	1.070.606.405	Sleiman Haddad	1.188.373.109
Lot 3: Batroun, Douma	1.745.014.900	Badawi Azour	1.936.966.539
Lot 4: Dekwaneh	2.579.290.269	Abniah	2.863.012.198
Lot 5: Zahlé, Machgara	1.060.241.056	Orient Equipment	1.176.867.583
Lot 6: Saida, Nabatieh, Deir el Kamar	1.585.131.550	Arabian Civil Works	1.759.496.131
Lot 7: Bint Jbeil, Maria Aziz	1.416.276.560	Uleca	1.572.066.981
Lot 8: Ajaltoun	1.127.228.430	Sleiman Haddad	1.251.223.557
Consultant Ghassan Chaccour for North zone	427.278.937	Ghassan Chaccour	474.279.620
Consultant Chaccour for Beirut zone	242.140.140	Ghassan Chaccour	268.775.555
Consultant Spectrum Eng. for South & Bekaa zone	447.825.200	Spectrum	497.085.972
Totals	12.337.081.404	Contractors	13.694.160.365
	1.117.244.277	Consultant	1.240.141.147

The total additional expected budget requested to account for price revision due to fluctuations in the Dollar exchange rate with respect to the Lebanese Pound is :

$13.694.160.365 - 12.337.081.404 = 1.357.078.961$ Lebanese Pounds

We would appreciate your prompt review and we are looking forward receiving your answer soonest.

Nabil A. EL-JISR
President

Council for Development
& Reconstruction

مجلس الانماء والاعمار
بيروت - لبنان

بيروت في ٦/٢/١٩٩٦

رقم : ٥٤٨ / مشاريع

رئيس المجلس
مع الاصول المرفقة
وتنيل هذا الترخيص
الموقع منه للمراجع

١١ حضرة رئيس مجلس الانماء والاعمار المحترم

الموضوع : ترميم المدارس المهنية
مصادقة على كلفة اعمال اضافية

المرجع : قرارات المجلس وموافقة البنك الدولي على الكلفة الاضافية

١٧/٢/٩٦

نسخة : - ادارة التخطيط
- ادارة الشؤون الادارية
- ادارة الشؤون المالية (٥)

استنادا الى قرارات المجلس رقم : ٥٤٠ الى ٩٤/٥٤٦/١٨ تاريخ ١٩٩٤/١٠/١٨ - الملحق
١٩٩٥/١/١٧ تاريخ ١٩٩٥/١/٣٢
١٩٩٥/١/٣١ تاريخ ١٩٩٥/١/٦٠
١٩٩٥/٢/١٤ تاريخ ١٩٩٥/٢/١٦
١٩٩٥/٨/١٧ تاريخ ١٩٩٥/٨/١٧

حيث جرى الموافقة من قبل المجلس على الاعمال الاضافية والمراقبة الفنية
للمجموعات من الرقم ١ الى الرقم ٨،

وبعد موافقة البنك الدولي على تمويل كلفة جميع تلك الاعمال الاضافية بموجب
البرقيات بتاريخ ١٩٩٤/١١/٤ ، ١٩٩٥/٤/١٣ ، و ١٩٩٦/١/١٨ ،

وبموجب البرقية بتاريخ ١٩٩٥/٩/١٣ وافق البنك ايضا على اضافة مبلغ تم تقديره
بحوالي ١١٪ من قيمة العقود والذي يغطي زيادة قيمة الكشوفات التي يتم احتسابها وفقا لمعادلة
تعديل الاسعار الواردة في العقد الاساسي مع متعدي ترميم المدارس المهنية ومكاتب الاشراف،

وبناء لطلب البنك الدولي باعداد ملاحق تعديلية مع المتعدين ومكاتب الاشراف
ليتمكن البنك من حجز الاعتمادات لتغطية كلفة الاشغال الاضافية التي سبق ووافق عليها مجلس
الادارة والزيادة الطارئة عليها نتيجة لتطبيق معادلة تعديل الاسعار،

نرفق لكم مشاريع الملاحق التعديلية المطلوبة لجميع المتعدين والاستشاريين
والمفصلة مبالغها في الجدول التالي :

د

س

٩

بموضوعه - يلزم أخذ هامش
المستند بروتيا / زحوا
من الملاحق السابقة

SALAD

مجلس الانماء والاعمار
بيروت - لبنان

بيروت في ٦/٢/١٩٩٦

رقم : ٥٤٨ / مشاريع

رئیس المجلس
مع الاصول المرفوعة
من قبل هذا المجلس
الموضوع منه للمراجع
رأى المجلس

١١ حضرة رئيس مجلس الانماء و الاعمار المحترم

الموضوع : ترميم المدارس المهنية
مصادقة على كلفة اعمال اضافية

المراجع : قرارات المجلس وموافقة البنك الدولي على الكلفة الاضافية

١٢/٢/٩٦

نحو : - ادارة المشاريع
- ادارة الاعمال
- ادارة المرافق (٩)

بالاشارة للموضوع و المرجع المبينين اعلاه ،

استنادا الى قرارات المجلس رقم : ٥٤٠ الى ٩٤/٥٤٦ / تاريخ ١٨/١٠/١٩٩٤ - الملحق
١٩٩٥/١/١٧ تاريخ ٩٥/٣٢
١٩٩٥/١/٣١ تاريخ ٩٥/٦٠
١٩٩٥/٢/١٤ تاريخ ٩٥/١١٦
١٩٩٥/٨/١٧ تاريخ ٩٥/٥٤٤

حيث جرى الموافقة من قبل المجلس على الاعمال الاضافية والمراقبة الفنية
للمجموعات من الرقم ١ الى الرقم ٨ ،

وبعد موافقة البنك الدولي على تمويل كلفة جميع تلك الاعمال الاضافية بموجب
البرقيات بتاريخ ١١/٤/١٩٩٤ ، ١٣/٤/١٩٩٥ ، و ١٨/١/١٩٩٦ ،

وبموجب البرقية بتاريخ ١٣/٩/١٩٩٥ وافق البنك ايضا على اضافة مبلغ تم تقديره
بحوالي ١١٪ من قيمة العقود والذي يغطي زيادة قيمة الكشوفات التي يتم احتسابها وفقا لمعادلة
تعديل الاسعار الواردة في العقد الاساسي مع متعهدي ترميم المدارس المهنية ومكاتب الاشراف ،

وبناء لطلب البنك الدولي باعداد ملاحق تعديلية مع المتعهدين ومكاتب الاشراف
ليتمكن البنك من حجز الاعتمادات لتغطية كلفة الاشغال الاضافية التي سبق ووافق عليها مجلس
الادارة والزيادة الطارئة عليها نتيجة لتطبيق معادلة تعديل الاسعار ،

نرفق لكم مشاريع الملاحق التعديلية المطلوبة لجميع المتعهدين والاستشاريين
والمفصلة مبالغها في الجدول التالي :

د

س

SALAH

٩

بموضوع : يلزم أخذ هامش
المستند بروتيا / زعم
من المالحد العائده

المتبدا	المجموعة	قيمة المصفد الاسمية ل.ل.	قيمة المصفد المعاملة ل.ل.	قيمة المصفد التقديرية بنتيجة تعديل الاعمال والموافق عليها من قبل البنك الدولي ل.ل.
اسطفيان	١- طرابلس ، زغرستا ، دير صلا	١,٠٩٧,٠٥٢,٠٠٠	١,٧٥٢,٢٩٢,١٢٢	١,٩٤٦,١٥٤,٢٦٧
سليمان حنا	٢- بعلبك ، الهرمل	٧٨٦,٢٩٦,٢٤١	١,٠٧٠,٦٠٦,٤٠٥	١,١٨٨,٣٧٢,١٠٩
بشري ازعور	٣- بترون ، دوما	٨٣٥,٩٦٩,٩٣٠	٢,٠٩٦,٧٢٨,٨٦٠	٢,٤٣٧,٣٦٩,٠٣٤
البنية	٤- مجمع الكوراثية	١,٥٩٨,١٣٠,٧٠٢	٢,٥٧٩,٢٩٠,٣٦٩	٢,٨٦٢,٠١٢,١٩٨
الشرق للمعدات	٥- زحلة ، مشغرة	٦٣٨,١٠٩,٨٠٠	١,٠٢٠,٢٤١,٠٦٦	١,١٧٦,٨٦٧,٥٨٣
الاصصال المدنية العربية ح	٦- صيدا ، النبطية ، دير القمر	٩٠٨,٢٢٥,١٠٠	١,٥٨٥,١٣١,٦٥٠	١,٧٥٩,٤٩٦,١٣١
اركا	٧- بنت جبيل - جزين	٩٥٥,٥٥٥,٥٠٠	١,٤٤٦,٢٧٦,٥٥٠	١,٥٧٢,٠٦٦,٩٨١
سليمان حنا	٨- صقلون	٧٥٠,٢٨٧,٨٤٧	١,١٢٧,٢٢٨,٤٣٠	١,٢٥١,٢٢٢,٥٥٧
المجموع		٧,٥٩٩,١٢٨,١٢٥	١٣,٦٨٨,٧٩٥,٣١٢	١٥,١٩٤,٥٦٢,٨٦٠
الإشراف				
شكور	منطقة الشمال	٢٦٧,٨٣٢,٩٤٧	٤٢٧,٢٧٨,٩٣٧	٤٧٤,٢٧٩,٦٢٠
شكور	منطقة بيروت	١٨٥,٦٦٠,١٤٠	٢٤٢,١٤٠,١٤٠	٢٦٨,٧٧٥,٥٥٥
ستكروم	منطقة الجديب والقيح	٢٨٠,٠٢٨,٨٠٠	٤٤٧,٨٢٥,٢٠٠	٤٩٧,٠٨٥,٩٧٢
المجموع		٨٣٣,٥٩٢,٨٧٧	١,١١٧,٢٤٤,٢٧٧	١,٢٤٠,١٤١,١٤٧

يرجى الاطلاع والتفضل بتوقيع الملاحق التعديلية المرفقة تمهيداً لارسالها للبنك الدولي.

و تفضلوا بقبول فائق الاحترام .

٤٧٧
رئيس اللجنة المشاريع
حسان دغلي

المرفقات : - قرارات المجلس رقم ٥٤٠ الى ٩٤/٥٤٦ / تاريخ ١٨/١٠/١٩٩٤
رقم ١٩٩٥/١/٣١ / تاريخ ٣١/١٠/١٩٩٥
رقم ١٩٩٥/١/١٧ / تاريخ ١٧/١٠/١٩٩٥
رقم ١٩٩٥/٨/١٧ / تاريخ ١٧/٠٨/١٩٩٥
- نسخة عن بركات البنك الدولي

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

LB-35621

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

TO : Mr. Vasilios Demetriou
Sr. Implementation Specialist
MN2HR
The World Bank

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

FAX NO.: (202) 477-0036

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

SUBJECT: ERRP-Education Component-Rehabilitation of
Vocational and Technical Schools-Lot No. 3

REF.: 76/96/P.O.

DATE : 16/1/96

NO. OF PAGES: (4) INCLUDING COVER SHEET

Dear Mr. Demetriou,

Reference is made to the following contract, subject of our fax dated 22-9-95 and subsequent telephone conversations with the Bank, details of which are tabulated hereafter :

Contract	Present Contract Value	Increase	New Contract Value	Contractor
Lot 3: Batroun, Douna	LL. 1,936,966,539	LL. 1,351,713,960	LL. 3,288,680,499	Badawi A'azour

The increase in contract value has resulted from additional works in the Batroun Technical School, details of which are attached. We would appreciate it if you take note of these increases and send us your no objection soonest.

Sincerely Yours,

Nabil A. El-Jisr
PresidentCouncil for Development
and ReconstructionRECEIVED
96 JAN 16 AM 10:21

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

FXEDVBT1.DOC

**Addendum N° 2 to
Emergency Reconstruction and Rehabilitation Project - Education
Component Rehabilitation of Technical and Vocational training Schools
(Lot N°3)**

Between : Council for Development and Reconstruction (CDR). Beirut,
Lebanon

and : Badawi Azour

Dated : 1/9/1995

**Addendum N° 2 to Contract Lot N° 3
Contract Agreement**

- 1- Whereas an agreement, dated 12/2/1994, exists between the two parties for the execution of the subject works and this work has been completed, the Contractor has offered to undertake certain additional works for the rehabilitation of the Technical and Vocational Schools in Batroun and Douma, in consideration of a "Contract Price Adjustment" and the agreement of the Employer to an extension of the Time for Completion for this complementary works only. (The completion time for the all works for the contract has been respected).
- 2- The Employer accepts the offer of the Contractor for the provision and execution of such additional works. This agreement covers the Additional Works for Batroun technical school in the following areas :
 - a - Additional quantities in items related to the deteriorated concrete structure. Additional Cost : 535,920,000 L.P
 - b - Modification for the electrical specification in order to account for the lightning and rust effects conditions. Additional Cost : 115,524,800 L.P
 - c - Modification for plumbing, sanitary and HVAC specifications Additional Cost : 127,765,000 L.P.

d - Modified architectural and aluminium specifications in order to account for marine weather conditions
Additional Cost : 561,504,160 L.P.

e - Provision of lifts 11,000,000 L.P.

Total Additional Cost : 1,351,713,960 L.P.
(Refer to CDR decision N° 544/95/A dated 17/8/1995).

3- Contract Sub-clause 52.3 , Variations exceeding 15 percent of the contract Price is now applied to the original contract value of: 1,936,966,539 L.P detailed as follows:

835,969,930 L.P (original contract)
909,044,970 L.P(additional works addendum N° 1)
191,951,639 L.P(provision for price variation in addendum N° 1)

Total : 1,936,966,539, L.P

The Employer hereby agrees to extend Badawi Azour contract of an other 1,500,402,496 L.P and accepts the offer of the contractor for the provision and execution of such additional works.

This Addendum Price includes:

- An extension to the scope of the works :
1,351,713,960 L.P
- A provision for the Cost Adjustment under clause 70 :
148,688,536 L.P

This Addendum Price is payable in the proportion of the local and foreign currencies.

4- This addendum is made by the following documents

- 1- Addendum N° 2 to contract agreement
- 2- Bill of Quantities

The terms and conditions of Contract shall apply unchanged.

5- This extending Badawi Azour contract of 1,500,402,496 L.P (hereinafter called the Addendum N° 2 Price) is accepted by the Employer.

- 6- Payment Conditions shall be as per original contract.
- 7- Time for Completion : the provision of 5 additional Months.
- 8- The Defects Liability Period stated in sub-clause 94-1 is calculated from 7/12/1995 and for a period of 12 months from this date. This period is ended on : 7/12/1996.
- 9- The parties have entered into this Agreement in accordance with the respective laws and status of construction on the date of the original contract by their duly authorized signatories.

Signature(s) on behalf of the
Employer

Date :

Signature(s) on behalf of the
Contractor

Date :

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

LB - 3562

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

VD
REL
CO
EM

TO : Mr. Vasilios Demetriou
Sr. Implementation Specialist
MN2HR
The World Bank

FROM : COUNCIL FOR DEVELOPMENT
AND RECONSTRUCTION
BEIRUT - LEBANON

FAX NO.: (202) 477-0036

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

SUBJECT: ERRP-Education Component-Rehabilitation of
Vocational and Technical Schools-Lot No. 3

REF.: 76/96/P.O.

DATE : 16/1/96

NO. OF PAGES: (4) INCLUDING COVER SHEET

Dear Mr. Demetriou,

Reference is made to the following contract, subject of our fax dated 22-9-95 and subsequent telephone conversations with the Bank, details of which are tabulated hereafter :

Contract	Present Contract Value	Increase	New Contract Value	Contractor
Lot 3: Batroun, Douma	LL. 1,936,966,539	LL. 1,351,713,960	LL. 3,288,680,499	Badawi A'azour

The increase in contract value has resulted from additional works in the Batroun Technical School, details of which are attached. We would appreciate it if you take note of these increases and send us your no objection soonest.

Sincerely Yours,

Nabil A. El-Jisr
PresidentCouncil for Development
and Reconstruction
NMRECEIVED
96 JAN 16 AM 10:21

IN CASE OF IN-COMPLETE TRANSMISSION, PLEASE CONTACT US ON TELEPHONE NO.:

(961-1) 643980 /1/2/3- BEIRUT-LEBANON

FXEDVBT1.DOC

**Addendum N° 2 to
Emergency Reconstruction and Rehabilitation Project - Education
Component Rehabilitation of Technical and Vocational training Schools
(Lot N°3)**

Between : Council for Development and Reconstruction (CDR). Beirut,
Lebanon

and : **Badawi Azour**

Dated : 1/9/1995

**Addendum N° 2 to Contract Lot N° 3
Contract Agreement**

- 1- Whereas an agreement, dated 12/2/1994, exists between the two parties for the execution of the subject works and this work has been completed, the Contractor has offered to undertake certain additional works for the rehabilitation of the Technical and Vocational Schools in Batroun and Douma, in consideration of a "Contract Price Adjustment" and the agreement of the Employer to an extension of the Time for Completion for this complementary works only. (The completion time for the all works for the contract has been respected).
- 2- The Employer accepts the offer of the Contractor for the provision and execution of such additional works. This agreement covers the Additional Works for Batroun technical school in the following areas :
 - a - Additional quantities in items related to the deteriorated concrete structure. Additional Cost : 535,920,000 L.P
 - b - Modification for the electrical specification in order to account for the lightning and rust effects conditions. Additional Cost : 115,524,800 L.P
 - c - Modification for plumbing, sanitary and HVAC specifications Additional Cost : 127,765,000 L.P.

VERON

LB - 3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE****TO :** Mr. Rama Skelton
Sr. Power Sector Specialist
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:** ERRP - ELECTRICITY COMPONENT**REF.:** 69/96/P.O.**DATE:** 15/1/96**NO. OF PAGES:** (1) INCLUDING COVER SHEET

Dear Mr. Skelton,

We are sending you by express mail a copy of the Monthly Progress Report No. 24 prepared by Electricité de France (EDF) for the month of November 1995.

Sincerely Yours,

Nabil A. El-Jisr
PresidentCouncil for Development
and Reconstruction
NM

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project	ERRP - Electricity
Rec'd	1/11/96
Log No.	096
Assigned to	PS, CR, TC
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

FAXEF24.DOC

DATE January 5, 1996 **NO. OF PAGES** 1 **MESSAGE NO.**
(Including this sheet)

TO

Name Mr. Nabil A. El-Jisr
President

Fax Tel. No. 9-011-9611-647947

Company/
Organization: Council For Development
and Reconstruction

City: Beirut
Country: Lebanon

FROM

Name Lars Rasmusson

Dept/Div. Name MN2PI

Dept/Div. No. 28640

Room No. H10-125

Telephone No. (202) 473-3065

SUBJECT/

REFERENCE LEBANON - Supplementary Loan to the ERRP

MESSAGE

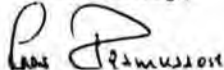
Dear Mr. El-Jisr:

This refers to proposed Supplementary Loan to the ERRP and to proposed project component covering the waste water treatment works for Baalbeck. We have received for review the final report, dated December 1995, on the feasibility study.

We have no objection to the recommendation made, which is option 2 with the construction of oxidation ditches. The detail design could thus proceed on this assumption.

Best Regards

Sincerely,



Lars Rasmusson
Principal Municipal Engineer
Private Sector Development and Infrastructure Division
Country Department II
Middle East & North Africa Region

Transmission authorized by Lars Rasmusson, MN2PI

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

cc: Mrs. Le (MN2PI).

LRasmusson:tc
m:\leb\0105.fx

LB - 3562

1-2-96

BACK TO OFFICE
REPORT

OFFICE MEMORANDUM

DATE: January 2, 1996

TO: Messrs. A. Seth, Chief (EMTEN); A. McKecknie, Chief (MN2PI)

FROM: Allan Rotman, Solid Waste/Environmental Specialist, EMTEN *ROT*

EXTENSION: 85189

SUBJECT: JORDAN: Gulf of Aqaba Environmental Action Plan
Energy Sector Adjustment Loan
LEBANON: Power Sector Loan
Emergency Reconstruction and Rehabilitation Loan
Solid Waste/Environmental Management Loan
Coastal Zone Pollution and Water Supply Project
Back to Office Report

1. Jordan: Gulf of Aqaba Environmental Action Plan. During this pre-appraisal mission, the implementation and procurement arrangements were discussed and drafted with the Aqaba Regional Authority (ARA) consultant, Mr. Phillip Warburg. The Part II technical annex was updated, and terms of reference were developed for all staff consultants to the ARA, project studies and equipment specifications.

2. The major outstanding issues to be discussed during the appraisal mission are: (i) institutional arrangements at ARA (e.g., management systems and structures, candidates for project management advisor, role of new environment department head, etc.); (ii) mechanisms for sustainability at the end of the project (e.g., new sources of revenue to support new technical and regulatory staff at ARA - user fees for marine park, laboratory service charges to support purchased laboratory equipment, permitting fees, tourist/hotel surcharges); (iii) confirmation of donor co-financing by EU, Japan, USA and Jordan (e.g. status of oil spill contingency plan and project preparation for Egypt and Israel); (iv) transitional arrangements from project preparation to effectiveness (retroactive financing, recruitment for key staff positions, etc).

3. Jordan Energy Sector Adjustment Loan (ESAL). For supervision of preparation of the energy sector environmental guidelines, I met with Eng. Mustafa Zahran (Director, Projects Department I, Ministry of Planning) and Eng. Jamal Ahmad) (Head of Environmental Unit Ministry of Energy and Mineral Resources - MEMR). Integrated Engineering and Environmental Consultants had a team in Jordan who had been working for several weeks on preparing the ESAL environmental guidelines. I attended a one-day workshop where MEMR and the consultants presented the main strategy and goals for the proposed ESAL

environmental guidelines. The workshop discussion showed strong participation by the parties to be affected by the guidelines (petroleum refinery, transport sector, NGOs) and strong outreach by the consultants to adapt the guidelines to the Jordanian technical and institutional situation. The consultants' draft report is due end of January 1995, and will be reviewed in Jordan by several ministries before being sent to the Bank for comments/no objection.

4. MEMR is requesting additional financial grant support towards training activities to implement the proposed environmental guidelines after the first quarter of 1996. It was agreed that a preliminary list of these training activities would be forwarded to the Bank in January. These activities would demonstrate progress towards implementation of the ESAL environmental guidelines and could fulfill the third tranche environmental conditionality. It is recommended that the funds left in Japanese grant be used for these training activities.

5. Lebanon Power Sector Loan. A pre-appraisal discussion was held with Electricite de Liban (EdL) to discuss the progress on the environmental assessment study (Category A) now being carried out by the consultants Fichtner. EdL has already established several policies for transmission line planning that will minimize environmental impacts. For example, narrow corridor widths (25 m) based on high transmission towers supporting several lines rather than broad T-shaped style towers; adequate compensation for tower base expropriations (100% of market value) and for air rights-of-way (50% of market value), avoidance of urbanized areas (i.e., villages); long-term goal of using only three transmission line corridors in Lebanon. Furthermore the specific routing is being selected by experienced topographical personnel who are choosing routings based on ease of access and construction in the difficult mountainous areas. The consultants are reviewing the routing in detail as well as the designs for the power stations, as per their terms of reference. The discussion ended with agreement that the consultants should recommend to EdL specific environmental training and inspection measures for the construction work to ensure that environmental design recommendations are carried out in the field.

6. Lebanon Emergency Reconstruction and Rehabilitation Loan (ERRP). The invitations for construction bids for the Tripoli landfill were sent out in mid-December, and the bidding documents for the Zacle and Baalbeck areas will be forwarded to the Bank in early January. These latter documents include contracting services for collection, transfer and disposal at controlled landfills.

7. The Karantina compost plant now has 24 hour electricity supply and is undergoing full scale industrial testing. High quality compost is being produced and farmers are requesting samples and laboratory analyses to validate the quality, which demonstrates the potential for a strong market demand. However the compost plant is suffering mechanical failures that affect quality and quantity of compost produced, and there also are reports of occasional hospital and slaughter house wastes mixed with incoming household wastes, despite visual inspections at the gate. It is recommended that CDR obtain a third party evaluation of the quality

of the rehabilitation work, and that the Ministry of Health carry out more vigilant inspections at hospitals and slaughter houses.

8. Lebanon Solid Waste/Environmental Management (SWEM) Loan. The technical assistance proposal presenting the concept of convertible management contracts (CMC) and a rapid implementation team (RIT) to prepare bid documents was discussed with Messrs. El-Jisr and Shamsedinne, President and Vice-President of CDR. The Zachle and Baalbeck bid documents have been prepared with this same concept, but waste management contracting for the Greater Beirut area will not use funds from the loan, as negotiations for full private sector involvement are well advanced. There is no immediate decision on the technical assistance RIT proposal, however it is clear that the Government of Lebanon is not considering full concessions because it is too difficult to pass new legislation. The objective is now mixed management arrangements from full privatization in Beirut, to transitional CMC in many regions, to management contracts in border regions.

9. The next mission should focus on initiating the TA mandates, liaison with Ministry of Municipal Affairs, and revised role for the SIU at Ministry of the Environment.

10. CDR agreed to launch the Hospital Waste Feasibility and Environmental Assessment Study, with a short list of consultants and invitations to tender that should be completed before the end of February 1996. It was recommended to CDR that the SWEM loan finance the study.

11. Lebanon Coastal Zone Pollution and Water Supply Project. Technical discussions were held with Wafa Charafeddine and Dick Wearne of the SIU on steps to study industrial liquid effluent in the three project component areas. A change in the scope of work for the detailed engineering consultant was discussed, and the SIU agreed to develop modifications to the terms of reference to include surveys of industries, sampling of effluent streams at selected industries, recommendations for pre-treatment or other effluent reduction means, and drafting of regulations to control acceptance of industrial effluents into sewers. As the detailed engineering consultant has not yet initiated contract negotiations with CDR, the preceding tasks will be brought up during negotiations. A fax outlining the Bank requirements with regards to industrial effluent should be forwarded to CDR to confirm these technical discussions.

Messrs./Mmes. A. Sood (EMTDR); E. Monowsowski, S. Dargouth, S. Arif (MN2NE); N. Glineur (EMTEN); D. Jordan, R. Skelton, D. Graham, L. Rasmussen (MN2PI).

ECA/MNA and Chron files

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LB-3562

LB-3893

LB - Generation & Transmission
Network Pr.

The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: December 20, 1995 06:06pm

TO: Laurens Hoppenbrouwer

(LAURENS HOPPENBROUWER)

FROM: Imelda Sevilla, MN2PI

(IMELDA SEVILLA)

EXT.: 37002

SUBJECT: Lebanon mission clearance

This is to request clearance for the following missions to Lebanon:

Jan 31-Feb 12, 1996 SPN of the ERRP and Solid Waste Management Projects

Team: Douglas I. Graham, British
 Albert Peltekian, Jordanian (cons)

Jan 21-Feb 10, 1996 LENP of Power Sector Restructuring Project

Team: Rama Skelton, Canadian
 Elizabeth Monosowski, Brazilian
 Pericles Thanassoulis, Canadian (cons)
 Joseph Schell, Canadian (cons)
 Sunil Mathrani, Indian (cons)

CC: Rama Skelton

(RAMA SKELTON)

CC: Douglas I. Graham

(DOUGLAS I. GRAHAM)

CC: Victoria F. Duncan

(VICTORIA F. DUNCAN)

CC: Elizabeth Monosowski

(ELIZABETH MONOSOWSKI)

CC: ECA MNA ISC Files

(ECA MNA ISC FILES)

BACK TO OFFICE
REPORT

12/19/95

LB-423562

OFFICE MEMORANDUM

LB - LN 3562
LB - COASTAL POLLUTION CONTROL
& WATER SUPPLY PROJECT

DATE: December 19, 1995

TO: Mr. Alastair McKechnie, Division Chief, MN2PI

FROM: Lars Rasmusson, MN2PI

EXTENSION: 33065

SUBJECT: LEBANON: Ongoing and Supplementary Emergency Reconstruction and Rehabilitation Project
Proposed Coastal Pollution Control and Water Supply Project
Back-to-Office Report

1. According to terms of reference dated November 2, 1995, I visited Beirut, Lebanon, from November 21 to December 3, 1995, to (i) review the ongoing Emergency Reconstruction and Rehabilitation Project (ERRP) (the water supply and waste water component only); (ii) appraise the proposed Supplementary ERRP; (iii) review progress in the preparation of the Coastal Pollution Control and Water Supply Project (CPCWSP); and (iv) initiate the preparation of management contracts. The mission prepared an Aide-Memoire (A-M), dated December 2, 1995, that is enclosed as Annex 1. As a brief follow-up you visited Beirut on December 7-8 and summarized in a fax dated December 14, 1995, to CDR and the Minister for the Ministry of Hydraulics and Energy Resources (MHER) your conclusions. Thus there is no further need to communicate with CDR and the MHER at this stage on the findings of the A-M.

2. The following specific matters are emphasized:

- (a) for the completion of the water supply and waste water component of the ongoing ERRP the closing date, presently December 31, 1996, would have to be extended to December 31, 1997. The remaining contract is scheduled to be awarded in April/May, 1996, for completion by end 1997, and is processed on the assumption that the closing date will be extended;
- (b) for the three project components included under the Supplementary ERRP, tender documents will be submitted to the Bank for review by mid-1996, which will enable award of contracts by end-1996 with completion of the works in the second half of 1998. Based on present experience an earlier completion would not seem to be realistic. This implies that a further extension of the ERRP closing date to December 31, 1998, would have to be approved by the Bank

management. The timing for Board presentation would also be reviewed and determined in the context of sector reforms. The mission raised the possibility to link Board presentation to the passing of the draft law by the Council of Ministers to the Legislative Assembly. This was rejected by the CDR. A review of the project costs also shows, that for completion local funds in the range of US\$26 million would be required. A management decision would thus be made on:

- a two-year extension of the closing date; and
 - the timing for Board presentation taking into account the schedule for contract processing and steps to be taken on sector reforms.
- (c) the specific issues under the proposed CPCWSP, which are dealt with further under the paragraphs below, are:
- (i) project composition and implementation, cost estimates, and coverage under an IBRD loan;
 - (ii) the linkage of project processing to sector reforms; and
 - (iii) timing for project processing;

Coastal Pollution Control and Water Supply Project (CPCWSP)

3. Concerning the scope and cost of the CPCWSP it is concluded:

- (a) the Sour and Saida water supply project components, that during appraisal were agreed to be included under proposed IBRD loan, will now be financed by the Arab Fund. This would leave the submarine outfall mains for Sour and Kesrouan, scheduled for construction during 1998, for Bank financing;
- (b) in addition to project scope as appraised the mission identified two potential project components for Bank financing (about US\$30 million), which are:
 - operation and maintenance contracts mainly for mechanical and electrical equipment and including working capital for spareparts and replacements; and
 - rehabilitation/extension of water supply and waste water systems for the Nabatiye area, which is outside present sub-project areas and located between Saida and Sour.

This was accepted by the CDR and was proposed to be submitted to the Bank management for review. Project preparation has

commenced with appraisal of these components scheduled for March 1996; and

- (c) total project costs have increased significantly and are, with the inclusion of components under (b), now in the range of US\$350 million as compared to previously US\$221 million. There is also a delay in project implementation with no contracts expected to be awarded before early 1997.

4. The status on the institutional reforms supported by the CPCWSP are as follows:

- (a) during the CDR visit to Washington in September 1995, agreement was reached with the Bank management to waive the ratification of the draft law as a condition for Board presentation and instead to proceed with management contracts. The CDR understood management contracts as operational and maintenance contracts, and when this matter was clarified during the mission, the CDR/MHER concluded that it was not feasible to process utility management contracts at this stage before the sector restructuring is in place; and
- (b) the headquarters responded to this matter in a fax to CDR/MHER and based on this and subsequent discussions between CDR and the mission, it was agreed to revert to the previous position with ratification of the draft law as a condition for Board presentation.

5. Processing of CPCWSP would now take place as shown below:

- (a) the processing of the project would be linked to:
 - the timing for the appraisal of additional project components (March, 1996), if these are accepted for inclusion under Bank financing;
 - the timing for construction works to start which cannot be assumed before early 1997. The commencement of the engineering consultancy for waste water is presently scheduled for February 1996 and this does not include construction supervision; and
 - the timing for ratification of the draft law, which is unpredictable, but is assumed to take place before mid-1996;
- (b) the following is proposed:
 - post-appraisal to take place in March, 1996;
 - Board presentation to be rescheduled for June, 1996, if at all to be included during FY96; and

- loan negotiations to be scheduled for April, 1996, or when the draft law has been approved by the Council of Ministers and passed to the Legislative Assembly for ratification. However, this would not be made a condition but could be taken into account for planning purposes.

Distribution:

Mmes./Messrs.: Sud (o/r), Brizzi (o/r), Tyler (MN2DR); Seth, Rotman (EMTEN); Kanaan, Hoppenbrouwer (MN2CO); McKechnie, Le (MN2PI).
ECA/MENA Files, Division Blackbook

LRasmusson:tc
m:\leb\1295-leb.bto

bcc: Mr. Al-Saad, EDS11.

LEBANON

EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT (ERRP)
SUPPLEMENTARY LOAN TO THE ERRP
PROPOSED COASTAL POLLUTION CONTROL PROJECT

Aide - Memoire
(Mission November 21 to December 3, 1995)

Water Supply and Waste Water

1. A mission, Lars Rasmusson, visited Lebanon from November 21 to December 3, 1995, to:

- (a) review progress made under the Emergency Reconstruction and Rehabilitation Project (ERRP) as divided between the first year and the second/third years;
- (b) review proposed project components under the Supplementary ERRP including cost estimates and implementation schedule;
- (c) review progress on the preparation of the Coastal Pollution Control and Water Supply Project (CPCWSP); and
- (d) review present status on sector reforms including Management Contracts.

The above items are dealt with in the paragraphs below. This Aide-Memoire (A-M) should be read as a continuation of previous A-M dated July 18, 1995.

2. The mission worked closely with CDR and the Ministry of Hydraulics and Energy Resources (MHER), the SIU and the Howard Humphrey consultants. The mission met and coordinated with representatives from the EIB and the EU.

SUMMARY

3. The following summarizes specific conclusions reached or agreements made:

- (a) on the ERRP:
 - for completion of remaining contract the closing date would have to be extended to December 31, 1997;

(b) on the Supplementary ERRP loan:

- the completion of proposed project components would be expected during the second half of 1998, which would require a further extension of the ERRP closing date to December 31, 1998; and
- local funds should be assured to an amount of about US\$26 million;

(c) on the CPCWSP:

- the ratification of the draft law should be a condition for Board presentation;
- the Arab Fund will include under its financing the project components on Sour and Saida water supply, which previously was proposed to be financed by IBRD;
- under the project the following additions were proposed for financing by IBRD: operational and maintenance contracts including working capital for spareparts and replacements; and water supply and waste water systems for the Nbatiye area;
- the Bank will confirm to CDR, whether proposed additional financing under an IBRD loan is acceptable; and
- the base costs for water supply, waste water and land acquisition have increased from US\$150.2 million to about US\$217.7 million and could increase further by another US\$30 million, if additional components proposed for IBRD financing are included.

(d) on sector reforms:

- the approach to sector reforms as agreed during the June/July, 1995, appraisal mission was confirmed by CDR;
- the Bank is proposed to discuss with EU relevant technical assistance;

(e) on the Howard Humphrey consultancy:

- the CDR should reach a conclusion on additional funding requirements and, for their coverage, on relevant sources of finance and inform the Bank accordingly;

ERRP

4. A proposed increase under the National Emergency Recovery Program (NERP) from US\$233 million to US\$674 million, which

includes the ERRP as a component, was reviewed during previous mission. The status on current and potential availability of funds is:

- (a) remaining funds under the ongoing IBRD loan of about US\$27.3 million will be used for the Baalbeck/Nabi Chit project (para.6);
- (b) for US\$20 million provided under the Saudi Fund, to cover the supply of pipes and fittings, tender documents have been prepared and have been submitted to the Saudi Fund to process tendering;
- (c) for US\$19.2 million provided under the French Protocol, to cover the supply of equipment for pumping stations and treatment works, contract documents have still to be made effective. A "French Protocol 1995" to an amount of US\$13.1 million has additionally been agreed to for coverage of consultant services, technical assistance to the MHER and equipment for water supply systems and for operation and maintenance;
- (d) the EIB has approved a loan of 60 million ECU (about US\$78 million equivalent) for coverage of the Northern Region. Three contracts, to cover all works, are scheduled to be awarded by mid-1996 for completion within a two years period or by about mid-1998;
- (e) financial assistance in the range of US\$100 million had been discussed with the Arab Fund for coverage of identified investments in the Southern Region. At current stage a loan of US\$35 million has been granted to be used for extension/rehabilitation of water supply systems in the Sour and Saida areas (para.15(c)); and
- (f) a proposed supplementary IBRD loan under the ERRP of US\$35 million is being prepared for submission to the Bank Board for approval (timing to be decided) for the financing of water supply and waste water works in the Bekaa and Central Regions;

This concludes that about US\$223 million has been or is expected to be secured, which leaves a financing gap of about US\$451 million.

5. The status under the first year's investment program under the ERRP is (Annex 1 is referred to):

- (a) all contracts under IBRD and EIB financing have been completed. However, some contracts will continue under variation orders that will be financed from local funds; and

- (b) out of approved IBRD financing US\$22.9 million about US\$16.5 million have been disbursed with remaining about US\$6.4 million to be disbursed before end January 1996;

6. Under the second/third years' investment program remaining IBRD funds of about US\$27.3 million will be disbursed against a water supply and waste water contract for Baalbeck/Nabi Chit, which will be processed as follows:

- tenders will be submitted on January 8, 1996;
- contract is scheduled to be awarded in April/May, 1996; and
- since the contract has a 18 months execution period, its completion is scheduled for end 1997.

7. During previous missions it has been discussed how to ensure satisfactory operation and maintenance of works to be constructed and of equipment to be installed under the NERP/ERRP. This would initially concern what has been commissioned under the first year's investment program and gradually be extended to cover completed works for the second/third years. The SIU has prepared for review a draft Monitoring and Technical Support Program (MTSP) and also an outline proposal to a more comprehensive coverage of Operation and Maintenance. The proposals have country wide coverage for execution by the private sector. The following conclusions were reached:

- (a) the MTSP is of limited coverage and would include direct responsibility for O&M of chlorinators only and technical assistance and monitoring for other mechanical and electrical (M&E) equipment;
- (b) the second proposal would cover direct responsibility for O&M of all E&M equipment and relevant civil works for pumping stations and treatment plants;
- (c) although the MTSP could be considered as a beginning to later be developed for overall coverage as proposed under (b), the CDR/MHER preferred to initially proceed with the approach under (b); and
- (d) although one O&M contractor for the whole country would be possible, the option to have contracts on a regional basis would be reviewed.

8. For the processing of proposed O&M contracts it was agreed:

- (a) the MHER/SIU should prepare a concept paper to address:
 - present and future scope of works (with the possible inclusion of all existing facilities);

- duties, responsibilities and performance criteria;
- organizational structures and staffing matters;
- number of contracts and areas to be covered;
- cost estimates and financing arrangements;
- auditing and regulatory and supervisory requirements with review of alternative arrangements;

A draft concept paper should be submitted for review by end February, 1996, with copy to be sent to the Bank;

- (b) in parallel with the preparation of the concept paper an inventory should be made by the MHER of facilities to be covered under potential O&M contracts; and
- (c) subject to CDR/MHER approval of the concept paper an action plan should be prepared for subsequent steps to be taken including award of contracts. Bank financing assistance for O&M contracts, to be included under the CPCWSP, could then be considered in March, 1996 (para.15(f)).

SUPPLEMENTARY ERRP

9. For the supplementary ERRP the mission reviewed, based on interim or updated feasibility reports, the following project components:

- (a) proposed extension/rehabilitation of the water supply system for Barouk (scheme E1) serving the Iqlim El Kharoub area (located south of Beirut in the Central Region);
- (b) proposed extension/rehabilitation of the water supply system for Metn (scheme E1) (located north of Beirut in the Central Region); and
- (c) proposed waste water treatment plant with connecting trunk main for the city of Baalbeck (in the Bekaa Region);

10. Specific comments on the project components are:

- (a) regarding the Barouk water supply system:
 - three options (1,2 and 3) were evaluated with option 2 agreed to, which, if need be, could in a subsequent phase be extended to cover works under option 3;

- pipes for a transmission main from the Raayan and Qaa springs to the Beit Ed Dine division chamber are proposed to be supplied under a second French Protocol, which is being negotiated, with laying to be financed locally;
- the integrated water supply system will also cover "displaced villages", for which financing of relevant works will be allocated separately; and
- it is assumed that for lower Iqlim (below about 500 m) additional water (during summer time) will, in the future, be provided under the Awali conveyor project or ground water to the extent available;

(b) regarding the Metn water supply system:

- the winter demand will mainly be covered by the Jouaizat spring, for which a transmission main will be laid with the pipes to be financed under the Saudi Fund and the laying to be financed locally;
- the summer demand will mainly be covered by existing water supply system from the Jitta spring and from proposed water supply system from the Fouar Antelias spring (underground river); and
- the treatment of the water from the Fouar Antelias spring (to be used in summertime only) is proposed to be limited to chlorination despite evidence of heavy pollution. Advice was sought from the Howard Humphrey headquarters on whether such treatment would be adequate, to which a response has still to be received. Chlorination only is assumed, until proved insufficient, but with provisions to be made for later extension of additional treatment and for the introduction of a well developed monitoring system;

(c) regarding the Baalbeck waste water treatment works:

- the findings in an interim report were reviewed regarding method of treatment and sites for treatment works; and
- a draft feasibility report will be submitted before December 22, 1995, with copy to be sent to the Bank for review;

11. Previous and present cost estimates are summarized below. For Baalbeck treatment plant any adjustments in the cost estimates will await the submission of the feasibility report.

	Previous Cost Estimate ¹	Present Cost Estimate ²
	-----US\$million-----	
Barouk water supply	10.4	23.7
Metn water supply	19.7	33.6
Baalbek waste water	<u>7.0</u>	<u>7.0</u>
Sub-total	37.1	64.3
Contingencies	<u>4.1</u>	<u>7.1</u>
Total	41.2	71.4

The above costs would be financed through:

Source of finance	Amount in US\$ million
IBRD	35.0
French Protocal	4.3
Saudi Fund	6.0
Local funds	26.1

The CDR/MHER should make provisions for the timely availability of local funds.

12. For the above project components separate contracts (for IBRD financing) are proposed to be awarded and to be implemented as follows:

- tender documents to be submitted to the Bank for review by mid-1996;
- award of contracts by end-1996;
- since the contracts will have a 18 to 24 months execution period their completion are scheduled for the second half of 1998.

For the treatment plant site in Baalbeck the process of land acquisition will start by February 1996 to be completed by end-1996. The Bank will, for the three proposed contracts, make

¹only includes specific components for Bank financing.

²includes total systems and financing requirements.

arrangements for advertizement in Development Business.

13. The closing date for the ERRP loan is December 31, 1996, which would have to be extended one year to accommodate the completion of the Baalbeck/Nabi Chit contract and for two years to December 31, 1998, for the completion of contracts under the supplementary loan. Contracts under EIB and Arab Fund financing are scheduled for completion during 1998. This concludes that the NERP, as presently financed, would be completed before end-1998.

14. The Howard Humphrey (HH) consultancy terminates mid-1997, but would have to be extended to 1999 to complete construction supervision and to address matters during the contractors liability period. The following steps should be taken:

- the CDR should review/negotiate a proposal to contract extension, which has been submitted by HH;
- the CDR should explore with involved financing agencies potential contributions; and
- an agreement, also to cover sources of finance, should be entered into between CDR and the HH to be subject to Bank review;

Costs relevant to construction supervision under the HH contract could be considered for coverage through:

- the EIB loan for the northern region;
- the Arab Fund for the Sour and Saida area;
- the ongoing IBRD loan for the Baalbeck/Nabi Chit contract; and
- the supplementary IBRD loan for proposed contracts.

COASTAL POLLUTION CONTROL AND WATER SUPPLY PROJECT

15. The status on the preparation of the CPCWSP is summarized as follows:

- (a) the OECF has appraised the project components for its financing covering Kesrouan water supply and Saida waste water collection and disposal. The feasibility report for Kesrouan water supply has still to be submitted. The basic design has also changed with the construction of a tunnel instead of a pipeline from the Madiq spring to the coast, which is partly the reason for a significant increase in the costs. The OECF financing will cover 100 percent of relevant contract amounts;

- (b) the EIB has preappraised the project components for its financing covering Sour and Kesrouan waste water collection and treatment (excluding the sub-marine outfall mains). The approval of the EIB loan is assumed to take place after Board approval of the IBRD loan. The EIB financing will cover 100 percent of relevant contract amounts;
- (c) the Arab Fund (para.4(e)) will under its financing, US\$ 35 million equivalent, cover proposed extension/rehabilitation of the Saida/Sour urban and rural (particularly in the Sour area) water supply systems, that partly was proposed to be covered under the IBRD loan. The investment coverage of water supply in the Saida and Sour areas has increased from about US\$14.4 million to US\$35 million;
- (d) during a CDR mission visiting the Bank in September it was agreed with the Bank management to waive the ratification of the draft law on sector reforms as a condition for Board presentation. Instead "management contracts" should be entered into for the project areas, for which the Bank management decided to make the invitation of proposals a condition for Board presentation and award of contracts a condition for loan effectiveness. The matter was discussed during this mission and for reasons stated under para.22, management contracts were not, under the circumstances, acceptable, and the previous position with ratification of the draft law, as a condition for Board presentation, was reverted to;
- (e) the EU had been considering to finance technical assistance for preparation and implementation of sector reforms, and this matter was discussed between the EU and the mission on the understanding, that the ratification of the draft law would be delayed. Thus any EU financed technical assistance would, for the time being, be put on hold, with any contribution to the water and waste water sector to be considered in the context of overall administrative reforms. Since the situation changed during the mission, the Bank is proposed to contact the EU and discuss the matter;
- (f) financing under the proposed IBRD loan would, based on previous project composition, be confined to:
 - the sub-marine outfall mains for Sour and Kesrouan (about US\$12.8 million); and

- operational and maintenance equipment for the proposed five Regional Water and Sanitation Companies (RWSCs) (about US\$12.5 million);

With the aim to increase Bank participation the mission reviewed the following potential project components:

- operation and maintenance contracts (for 3 years duration) covering the costs for high level staff (the management fee) (about US\$3 million);
- working capital for the operation and maintenance contracts mainly referring to the provision of spareparts and replacements (about US\$5 million); and
- rehabilitation/extension of water supply and waste water systems for the Nabatiye area (located between the Saida and Sour areas) with a major water source located in the adjacent occupied zone (about US\$24 million but could be adjusted to suit the availability of funds) (para.19).

The inclusion of the above project components was accepted by the CDR and will be submitted to the Bank management for consideration.

- (g) the status on the appointment of consultants for engineering including the preparation of tender documents for the waste water component of the project is:

- the evaluation of proposals has been completed and has been submitted to the CDR Board to approve negotiations to take place with recommended consulting company;
- negotiations will take place during December with agreements made to be submitted to the CDR Board for final approval, whereafter contract documents will be finalized; and
- the consultant assignment is scheduled to commence by February 1, 1996, or 5 months later than assumed during the July mission.

- (h) construction supervision is not included under proposed engineering contract and for its coverage the options are:

- CDR could continue with the same consulting firm provided that local financing can be made available, which at present seems questionable;

- OECF could finance the consultant services for Saida, which might involve renewed invitation of proposals; and
- EIB could finance the consultant services for Kesrouan and Sour (including sub-marine outfall mains), which also might involve renewed invitation of proposals.

For project execution it should be assured, that there will be no gap between the consultancies for engineering and construction supervision. Experience has also shown that, provided that the engineering consultancy has performed satisfactorily, there are distinct advantages in retaining the same consulting firm for construction supervision; and

- (i) the SIU contract will expire in April 1997, while project management will be required through 1999. The CDR should address this matter with a solution to be proposed prior to loan negotiations.

16. It has been proposed to initially have secondary treatment for Sour but preliminary treatment only for Saida and Kesrouan with provisions to be made for the extension of secondary treatment in a subsequent phase. In the feasibility reports this has been proved to be least cost solutions on the assumption that secondary treatment would be extended after a ten year period. In case this time period has to be shortened (because of the "Mediterranean convention") initial provision of secondary treatment might be justified, which in its turn would imply cost savings in the laying of a shorter outfall main. However, secondary treatment at this stage would significantly increase operational/maintenance costs with as a consequence higher tariff rates. This does not seem to be sustainable under present circumstances, and proposed arrangements are therefore recommended to be retained.

17. Updated cost estimates and project implementation schedule are shown on Annex 2. This concludes that:

- (a) the base costs have increased from US\$150.2 million to about US\$217.7 million, which mainly refers to cost increases for Kesrouan water supply and Saida waste water and increased scope of coverage in water supply for the Saida and Sour areas. The base costs would increase with another US\$30 million, in case additional project components proposed for IBRD financing will be included. The total costs, which were previously estimated at US\$221 million, could thus be in the range of US\$350 million.

(b) on project implementation:

- construction on water supply components are scheduled to start by early 1997;
- construction on waste water collection and treatment components are scheduled to start by April 1997; and
- construction of sub-marine outfall mains are scheduled to start by early 1998.

18. For land acquisition for the sites for the waste water treatment plants in Sour, Saida and Kesrouan the following action plan was agreed:

- (a) SIU to prepare a proposal with maps delineating relevant sites to be submitted to CDR before January 1, 1996, for approval before February 15, 1996;
- (b) expropriation dossiers to be prepared by the engineering consultants to be submitted to the CDR before March 15, 1996, for further submission to the expropriation committee, that has been established by the CDR and the Ministry of Public Works; and
- (c) the expropriation committee to submit its approval within a 5 months period or before August 15, 1996.

The implementation of the resettlement plan should follow the same time schedule.

19. For the possible inclusion of an additional water supply and waste water (to a minor extent) system under the project for potential IBRD financing, the mission reviewed the requirements in the Nabatiye area (para.15(f)). This area is presently using, for part of its water supply, a spring located at Nabaa Tasse in the occupied zone. Such a proposal could be processed as follows:

- submission of feasibility study by mid-January, 1996, including an environmental assessment report. This would also be the timing for appraisal of such a project component; and
- detailed engineering, topographic surveys and preparation of tender documents to be completed by June, 1996, which would enable contract award by end-1996 and contract completion by end-1998;

SECTOR REFORMS

20. The present status on the processing of the draft law on sector reforms is:

- the draft law has been submitted to the Council of Ministers for review and approval;
- in case the Council of Ministers will have comments on the draft law, it will go back to the MHER for revisions to be made;
- a revised draft law will then be resubmitted to the Council of Ministers for final review and approval and for submission to the legislative assembly for ratification;

The CDR/MHER will closely follow-up on this matter.

21. During the CDR mission to the Bank in September, 1995, when agreement was reached on "management contracts", these were understood by the CDR as "operation and maintenance contracts". In order to clarify the situation the mission reviewed with CDR/MHER the basis, to be applied in this particular case, for management contracts, which is summarized as follows:

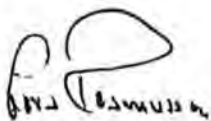
- (a) the objectives under the management contracts would be:
 - to initiate sector reforms;
 - to provide a framework for the subsequent creation of Regional Water and Sanitation Companies (RWSCs);
 - to ensure satisfactory revenue generation and operation and maintenance of existing and proposed works under the CPCWSP; and
 - to prepare for subsequent step, which could be affermage/concession or taking over by RWSC staff.
- (b) the management contracts would include water supply and waste water collection and disposal under an integrated approach. There should be no change in the ownership of assets and the merging of waste water with water supply for joint management could be phased over a certain time period;
- (c) the management contractors would be made responsible for all aspects relevant to operation and maintenance of water supply and waste water facilities; administration and staffing (for the taking over of present staff specific stipulations should be agreed to); accounting, billing and collection; customer services; and small scale investments for system

rehabilitation and extensions;

- (d) the management contractors would be reimbursed according to:
 - a fixed fee; and
 - an incentive fee to be based on specific performance criteria;
- (e) each management contractor could be supervised by a Steering Committee (SC) to be composed of representatives from the local and national levels and from the private sector; and
- (f) an independent auditor (to be a company) would be appointed to report directly to respective SC with the major function to, based on a review of the management contractors performance against set criteria, recommend on the payment of the incentive fee;

22. The proposal to proceed with management contracts under the above circumstances was rejected by the CDR/MHER for the following reasons:

- it would require the approval of the Council of Ministers and the Legislative Assembly, for which the timing cannot be foreseen. The proposed management contract for Tripoli water supply has been debated for a year and is presently on hold;
- to process management contracts in parallel with the draft law could be confusing, since the law, once passed, would enable the entering into management contracts; and
- the management contracts, to optimize their effect, would be geared to the completion of works proposed under the CPCWSP, and in such a case commence some time during 1998/99.



Lars Rasmusson
World Bank Mission

December 2, 1995
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CONTRACT	Contract No.	Contract Value in \$	Contract Value after Approved Variation \$	CONTRACTOR	% of Disbursement by WB	Approved Bank Financing \$	Disbursements from WB in \$ and advance payments	Undisbursed Balance from WB in \$
WATER								
(1st Year Works)								
Lo1: Water Sources and Boreholes	1337	1,978,272	1,886,589	ISTFAN	44%	831,111	812,072.53	219,038.63
Lo2: Water Treatment Works	1338	3,481,455	3,847,019	KUK DONG	44%	1,804,688	1,073,585.86	329,082.50
Lo3: Pumping Stations	1336	11,884,189	11,887,788	KUK DONG	44%	5,230,827	3,881,585.43	1,589,031.28
Lo4: Transmission, Mains and Distribution Systems	1335	10,429,550	11,842,875	ISTFAN	44%	5,254,777	3,121,371.82	2,133,405.08
Lo5: Storage Tanks	1348	8,886,330	9,784,175	UNIBUILD POLIMEX	44%	4,305,037	3,793,381.28	1,111,845.71
Sub Total		36,288,776	39,150,546			17,226,240	12,284,027	4,982,213
WATER								
(1st Year Consultants)								
Mount Lebanon	8171	825,000	825,000	HYDEA	50%	312,500	301,864.50	10,515.50
North Lebanon	8188	1,041,550	1,041,550	ENB	50%	520,775	486,135.50	24,639.50
South West Lebanon	8180	224,540	224,540	BTB	50%	112,270	108,908.50	5,381.50
Beka'a	8182	180,070	325,028	LIBAN CONSULT	50%	162,513	158,554.80	3,958.40
South East Lebanon	8181	402,980	402,980	BTUTP	50%	201,480	196,240.00	5,240.00
Sub Total		2,454,120	2,819,078			1,308,538	1,259,823	48,715
WASTE WATER								
(1st Year Works)								
Lo1: Sewage Collectors	1334	5,821,330	6,215,142	GICO COSTRUZIONI	44%	3,614,882	2,484,521.04	1,130,141.44
Lo2: Pumping Stations	1338	750,181	779,163	EMCO	44%	342,832	303,890.75	138,900.97
Sub Total		6,571,511	6,994,305			3,957,484	2,688,452	1,288,042
WASTE WATER								
(1st Year Consultants)								
Beirut	8172	221,000	221,000	HYDEA	50%	110,500	98,440.50	11,059.50
North Lebanon	8183	288,630	288,630	ENB	50%	144,325	125,028.50	19,795.50
Mount Lebanon South	8184	68,128	181,920	JOUZI	50%	80,960	83,782.82	-2,822.82
Mount Lebanon North	8183	20,000	35,750	GETI	50%	17,875	8,500.00	9,375.00
Sub Total		616,778	706,320			354,168	316,733	37,427
Water and Waste Water: 2nd & 3rd Year Consultants (All Lebanon except Greater Beirut)	8181	8,832,760	8,832,760	Howard Humphreys	100%	8,832,760	3,873,882.83	6,158,967.37
Grand Total		53,744,945	61,305,907			32,688,192	28,202,727	12,477,485

All values in US\$ x 1.000

[illegible]

Note : All costs exclude physical contingencies and price contingencies

Saida		All values in US\$ x 1,000																																			
Description	1995				1996				1997				1998				1999				2000																
					Consultancy				Construction																												
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J		J	A	S	O	N	D	J	F	M	A	M	
Wastewater Consultancy																																				Start	01/02/96
Detailed design																																				\$1,591,888	
																																				Finish	31/12/97
Wastewater																																				Start	01/04/97
Construction Supervision																																				\$2,700,000	
																																				Finish	30/06/99
Wastewater																																				Start	01/03/96
Land acquisition																																				\$5,000,000	
																																				Finish	28/02/97
Water Supply																																				Start	01/01/97
All works																																				\$6,135,000	
(Saida Urban Project)																																				Finish	31/12/97
Wastewater																																				Start	01/01/98
Collection (networks)																																				\$4,584,600	
																																				Finish	30/06/99
Wastewater																																				Start	01/04/97
Interceptors-trunk mains																																				\$8,634,410	
																																				Finish	28/02/98
Wastewater																																				Start	01/04/97
Treatment & pumping stations																																				\$3,810,946	
																																				Finish	30/06/99
Wastewater																																				Start	01/06/98
Sea outfall																																				\$14,000,000	
																																				Finish	31/05/99
Total - Wastewater																																				Total	\$31,029,956

Note : All costs exclude physical contingencies and price contingencies

Kesrouan

All values in US\$ x 1,000

Description	1995				1996				1997				1998				1999				2000				
					Consultancy ↓ Start				Construction ↓ Start (Wastewater)																
	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	
Consultancy (wastewater)																									Start 01/02/96
Detailed design																									\$1,000,000
																									Finish 31/12/97
Consultancy (wastewater)																									Start 01/04/97
Construction Supervision																									\$2,810,126
																									Finish 30/11/99
Wastewater																									Start 01/03/96
Land expropriation																									\$10,410,000
																									Finish 28/02/97
Water supply																									Start 01/01/97
All work																									\$61,060,000
																									Finish 31/12/99
Wastewater																									Start 01/01/98
Collection (networks)																									\$7,434,320
																									Finish 31/08/99
Wastewater																									Start 01/04/97
Collectors & pumping stations																									\$17,005,782
																									Finish 31/05/99
Wastewater																									Start 01/04/97
Treatment & pumping stations																									\$10,207,727
																									Finish 30/04/99
Wastewater																									Start 01/04/98
Sea outfall																									\$10,500,000
																									Finish 30/04/99
Total - Wastewater																									Total \$45,147,829

Note : All costs exclude physical contingencies and price contingencies

MENA COUNTRY DEPARTMENT II

ROUTING OF NON-APPRAISAL REPORTS

Country: LEBANON	L/C Number:	Project Name: Ongoing and Supplementary Emergency Reconstruction and Rehabilitation Project Proposed Coastal Pollution Control & W/S Project	
Type of Report: Back-to-Office Report			
	STATE WHICH PARTS OF REPORT EACH ADDRESSEE SHOULD FOCUS ON		CLEARANCE REQUIRED BY CLOSE OF BUSINESS ON:
	FOR INFORMATION	FOR DISCUSSION/ACTION	
Mr. Sud	X		
Mr. Brizzi	X		
Mr. Kanaan	X		
Mr. Seth	X		
COMMENTS BY ORIGINATING CHIEF:			
FOR SUPERVISION REPORTS ONLY:			
Date of Next Mission: 03/96 Project Rating: _____			
FROM (SIGNATURE OF DIVISION CHIEF): Alastair J. McKechnie, Division Chief, MN2PI		DATE: December 21, 1995	

FACSIMILE COVER SHEET AND MESSAGE *LB-3562*

DATE: December 15, 1995 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Mr. Nabil A. El-Jisr **FAX NO.:** 9-011-9611-864494
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon

COPIED: H.E. Mr. Al-Fadl Chalak **FAX NO.:** 9-011-9611-888600
Minister
Ministry of Post & Telecommunications
Beirut, Lebanon

FROM: Douglas Graham **FAX NO.:** (202) 477-0348
Title: Senior Financial Analyst **Dept./Div. No.:** 28640
st/Div: Private Sector Development and Infrastructure Division
Room No.: H10-007 **Telephone:** (202) 473-5838

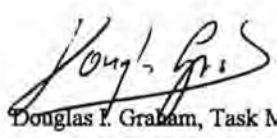
SUBJECT: **ERRP, Loan 3562-LE: Telecommunications Component; Management Contract: Progress Report**

MESSAGE:

Dear Mr. El-Jisr:

In accordance with the contract signed between Cable and Wireless and CDR on September 5, 1994, the Contractor should submit to CDR Quarterly Progress Reports and semi annual reports (Article 3.9 of the contract agreement). The last report that we have received was on July 11, 1995. The Semi annual progress report was due last October 1995. We would appreciate if you can provide us a copy of this report.

Best regards.


Transmission authorized by: Douglas F. Graham, Task Manager, MN2PI

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

cc: Mrs. Le.

JSaghirac
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The World Bank/IFC/MIGA
OFFICE MEMORANDUM

DATE: December 14, 1995 01:46pm

TO: Robert M. Buckley

(ROBERT BUCKLEY@A1@WBHQB)

FROM: Alastair J. McKechnie, MN2PI

(ALASTAIR J. MCKECHNIE)

EXT.: 33047

SUBJECT: FWD: LEBANON: PCN

Bob,

As the attached EM shows, it will not be possible to rate the first emergency rehabilitation project.

Reg ls,

Alastair

CC: Douglas I. Graham

(DOUGLAS I. GRAHAM)

CC: Marie Ange Le

(MARIE ANGE LE)

CC: Laurens Hoppenbrouwer

(LAURENS HOPPENBROUWER)

CC: Eca Mna Isc Files

(ECA MNA ISC FILES)

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

DATE: 13-Dec-1995 05:31pm EST

TO: Alastair J. McKechnie

(ALASTAIR J. MCKECHNIE)

FROM: Douglas I. Graham, MN2PI

(DOUGLAS I. GRAHAM)

EXT.: 35838

SUBJECT: LEBANON: PCN

Alastair,

Re Bob Buckley's request for further information on the PCN, we have to remember that the period in question covers the Israeli invasion and fighting between the militias as well as against the militias- the port area, being on the front line and a strategic objective witnessed some of the heaviest fighting of the war with massive destruction.

- * the Bank could not supervise the project because of the War

- * all records were lost during the war - militia ran the ports;

- * most of the investments were either destroyed, damaged, stolen or deteriorated due to lack of maintenance.

The initial port rehabilitation program prepared after the cessation of hostilities indicates that sheds, warehouses, cargo handling equipment, workshops and telephone and power lines were severely affected by the war action.

CC: Marie Ange Le

(MARIE ANGE LE)

CC: Laurens Hoppenbrouwer

(LAURENS HOPPENBROUWER)

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: December 14, 1995 NO. OF PAGES: 2 (including cover sheet) MESSAGE NO.: 1
TO: Mr. Nabil A. El-Jisr FAX NO.: 9-011-9611-864494
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon
CC: H.E. Fouad Siniora FAX NO.: 9-011-9611-642762
Minister of State for Financial Affairs
Beirut, Lebanon
CC: H.E. Mr. Elie Hobeika FAX NO.: 9-011-9611-449639
Minister of Hydraulic and Electrical Resources
Beirut, Lebanon
CC: Mr. Al-Saad
FROM: Alastair J. McKechnie FAX NO.: (202) 202-477-0348
Title: Chief Dept./Div. No.: MN2PI
Dept/Div: MN2PI Telephone: (202) 33047
Room No.: H 10-001
SUBJECT: LEBANON: Infrastructure Sector Lending Program

MESSAGE:

Dear Mr. El-Jisr,

I would like to thank you and your colleagues for meeting with me at such short notice last week to discuss the Bank's infrastructure lending program. I would also like to thank you for the spirit of cooperation of our meetings and your assistance in facilitating my mission. I found our meetings very useful in clarifying the situation and I would like to record my understanding of what we agreed during our discussions.

Coastal Pollution Control and Water Supply Project - the Arab Fund will now finance the water supply components in Saida and Sour. The World Bank will appraise, as soon as it is ready (possibly March 1996), and finance, a water supply component for Nabatiye. The Bank would also fund operation and maintenance contracts and spare parts and supplies for these contracts. Other components of the project and their financing by the Bank (submarine outfalls in Kesrouan and Sour), the European Investment Bank (sewage collection and treatment in Kesrouan and Sour), the European Union (technical assistance)

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

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

and Japanese OECF (water supply in Kesrouan and sewage collection, treatment and disposal in Saida) would remain unchanged.

The law restructuring the water sector will be presented to Parliament with a view to having it passed before the summer recess. Presentation of the CPCWS project to the Board of the World Bank will take place after Parliamentary approval of the sector restructuring.

Emergency Reconstruction and Rehabilitation Project (ERRP) Supplemental Loan - CDR will accelerate the preparation of tender documents for the components of this project. In view of the increased financing of the water sector, the Bank would need to be assured that the rehabilitated assets would be operated efficiently within a sound institutional framework. Therefore, the Loan will be sent to the Bank's Board after receipt of CDR's written agreement on this fax (see below), which includes the institutional reform program under the CPCWSP.

Awali Conveyor Project - we can confirm that the amount of a Bank partial risk guarantee for a BOT project would be additional to the Bank lending program for Lebanon and that it would require a counter-guarantee from the Government. On this basis, processing of this project will proceed as planned, the next step being for CDR to select and appoint consultants to prepare the request for proposals.

National Roads Project - we expect to issue the invitation to negotiate within the next few days and for negotiations to take place around January 17, 1996.

Electricity Transmission Project - the environmental assessment will proceed as rapidly as possible to accelerate Bank processing of the Loan. The Government is preparing a letter of Sector Policy and an Action Plan to implement it which includes restructuring the sector and increasing the role of the private sector in operation of power supply and distribution utilities. This would be agreed with the Bank during the next few months.

I look forward to hearing your confirmation of the above agreements so that we may proceed with the processing of the ERRP supplemental Loan.

With best regards,



cc: Mmes/Messrs: Sud, Brizzi (o/r) (MN2DR); Kanaan, Hoppenbrouwer (MN2CO);
Rasmusson, Saghir, Le (MN2PI); Abu-Odeh (LEGMN).

AJM/DG

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			90119611449639	02/02	OK

ERRORS

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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:	December 14, 1995	NO. OF PAGES: 2 (Including cover sheet)	MESSAGE NO.: 1
TO:	Mr. Nabil A. El-Jisr		FAX NO.: 9-011-9611-864494
Title:	President		
Organization:	Council for Development and Reconstruction		
City/Country:	Beirut, Lebanon		
CC:	H.E. Fouad Siniora Minister of State for Financial Affairs Beirut, Lebanon		FAX NO.: 9-011-9611-642762
CC:	H.E. Mr. Elie Hobeika Minister of Hydraulic and Electrical Resources Beirut, Lebanon		FAX NO.: 9-011-9611-449639
CC:	Mr. Al-Saad		
FROM:	Alastair J. McKechnie		FAX NO.: (202) 202-477-0348
Title:	Chief		Dept./Div. No.: MN2PI
Dept/Div:	MN2PI		

23397

WB MN2IN

(AUTO)

THE FOLLOWING FILE(S) ERASED

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FACSIMILE COVER SHEET AND MESSAGE

DATE:	December 14, 1995	NO. OF PAGES: 2 (including cover sheet)	MESSAGE NO.: 1
TO:	Mr. Nabil A. El-Jisr	FAX NO.:	9-011-9611-864494
Title:	President		
Organization:	Council for Development and Reconstruction		
City/Country:	Beirut, Lebanon		
CC:	H.E. Fouad Siniora Minister of State for Financial Affairs Beirut, Lebanon	FAX NO.:	9-011-9611-642762
CC:	H.E. Mr. Elie Hobeika Minister of Hydraulic and Electrical Resources Beirut, Lebanon	FAX NO.:	9-011-9611-449639
CC:	Mr. Al-Saad		
FROM:	Alastair J. McKechnie	FAX NO.:	(202) 202-477-0348
Title:	Chief	Dept./Div. No.:	MN2PI
Dept/Div:	MN2PI		

FACSIMILE COVER SHEET AND MESSAGE

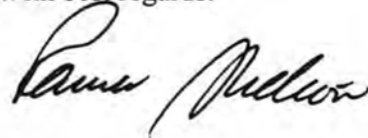
DATE:	December 11, 1995	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Mouhib H. Itani, Director General Electricite du Liban Beirut, Lebanon	FAX NO.:	9-011-9611-583084
COPIED:	Dr. Maroun Asmar President du Conseil d'Administration Electricite du Liban Beirut, Lebanon	FAX NO.:	9-011-9611-583084
COPIED:	Mr. Allan Rotman World Bank Staff Member c/o Sheraton Hotel Jerusalem, Israel	FAX NO.:	9-011-9722-231667
FROM:	Rama Skelton Senior Power Sector Specialist Private Sector Development and Infrastructure Division Room H10-101	FAX NO.: (202) 477-0348 Dept./Div. No.: 28640 Telephone: (202) 473-4942	
SUBJECT:	ERRP Loan 3562-LE, Environmental Impact Assessment (EIA) for the Power Generation & Transmission Project (Power I)		

MESSAGE:

Dear Mr. Itani:

Mr. Allan Rotman, an Environmental Specialist from our division, will be in Lebanon from December 19-21 (staying at the Summerland Hotel). We would appreciate it if you could arrange for him to meet with the CDR, and the Sector Implementation Unit (SIU) - people at EdL handling the EIA. We are keen to help bring the study along so that the date for launching the appraisal of the Power I Project can be accelerated if at all possible.

With best regards.




Transmission authorized by: Rama Skelton, MN2PI

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

cc: Ms. Monosowski (o/r)(MN2NE).

RSkelton:TC
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LB - 3562

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LB - Generation & Transmission

FACSIMILE COVER SHEET AND MESSAGE

DATE:	December 7, 1995	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.:
TO:	Mr. Nabil A. El-Jisr President Council for Development and Reconstruction Beirut, Lebanon		FAX NO.: 9-011-9611-864494
COPIED:	Dr. Maroun Asmar President du Conseil d'Administration Electricite du Liban (EdL) Beirut, Lebanon		FAX NO.: 9-011-9611-583084
COPIED:	Mr. Mouhib H. Itani Director General Electricite du Liban (EdL) Beirut, Lebanon		FAX NO.: 9-011-9611-583084
FROM:	Rama Skelton Senior Power Sector Specialist Private Sector Development and Infrastructure Division Room H10-101		FAX NO.: (202) 477-0348 Dept./Div. No.: 28640 Telephone: (202) 473-4942
SUBJECT:	ERRP Loan 3562-LE, Environmental Impact Assessment (EIA) for the Power Generation & Transmission Project (Power I)		

MESSAGE:

Dear Mr. El-Jisr:

In order to be able to disburse funds relative to the EIA under this loan, we would appreciate it if you could send us two copies of the signed contract with Fichtner for the above-mentioned consultancy.

With best regards,

R. Skelton

RS
Transmission authorized by: Rama Skelton, MN2PI

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

cc: Messrs./Mmes. Monosowski (o/r), Rotman (EMTEN); McKechnie (o/r), Le (MN2PI).

RSkelton:tc
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LB - 3562

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FACSIMILE COVER SHEET AND MESSAGE

LB - Generation & Transmission

DATE: December 7, 1995 **NO. OF PAGES:** 1
(including cover sheet) **MESSAGE NO.:**

TO: Ms. Elizabeth Monosowski **FAX NO.:** 9-011-9671-274129
World Bank Staff Member
c/o Taj Sheba Hotel
Sana'a, Republic of Yemen

FROM: Rama Skelton *RS* **FAX NO.:** (202) 477-0348
Senior Power Sector Specialist **Dept./Div. No.:** 28640
Private Sector Development and Infrastructure Division
Room H10-101 **Telephone:** (202) 473-4942

SUBJECT: **ERRP Loan 3562-LE, Environmental Impact Assessment for the Power Generation & Transmission Project (Power I)**

MESSAGE:

Dear Elizabeth,

Got your fax. Thanks.

Don't like the answer, let me explain.

Am hoping to have the project recategorized as a "B" instead of an "A". Main reasons: the power plant issues are now out of the picture.

I was also anticipating that the Fichtner Phase I findings would give us a further reasonable basis to recommend a "B", and that the new information would give us a compelling agreement.

If we stay with an "A", then we have almost lost the window of opportunity for us to deliver on one of our contract deliverables. The project would likely slip to a FY97 operation. So, if a visit to Fichtner is not possible what are the alternatives? Telephone conferences? Exchanges of faxes? Reschedule visit?

Please look at again and discuss with the Fichtner project manager. Advise if a telephone call from our end could be useful and make them more accommodating.

With best regards.

Transmission authorized by: Rama Skelton, MN2PI

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

cc: Mr. Rotman (EMTEN).

RSkelton:tc
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LB - 3562

LB - Coastal Pollution

FACSIMILE COVER SHEET AND MESSAGE

DATE:	December 4, 1995	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.: 1
TO:	Mr. Nabil A. El-Jisr President Council for Development and Reconstruction Beirut, Lebanon	FAX NO.:	9-011-9611-864494
FROM:	Douglas I. Graham	FAX NO.:	(202) 477-0348
Title:	Task Manager	Dept./Div. No.:	MN2PI
Dept/Div:	MN2PI	Telephone:	(202) 473-5838
Room No.:	H 10-007		

SUBJECT: LEBANON: ERRP Supplementary Loan - Coastal Pollution Control and Water Supply Project
MESSAGE:

Dear Mr. El-Jisr,

Our Division Chief, Mr. McKechnie, is planning to visit Lebanon from December 6 to 9, 1995, and would very much like to meet with you and your colleagues to discuss the infrastructure sector lending program. It would also be much appreciated if you could arrange for him to meet with the Minister of Hydraulic and Electrical Resources, Mr. Elie Hobeika, and the Minister of Public Works, Mr. Ali Harajli.

Mr. McKechnie will arrive on Wednesday, December 6 at 21:35 on British Airways and will be staying at the Summerland Hotel. It would be much appreciate it if you could arrange for him to be met at the airport.

With best regards

Sincerely,



Transmission authorized by: Douglas Graham, Task Manager, MN2PI

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

cc: Mmes\Messrs. Hoppenbrouwer (MN2CO); Rasmusson, Saghir, Le (MN2PI);

DGraham:tc
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FACSIMILE COVER SHEET AND MESSAGE

DATE: December 4, 1995 NO. OF PAGES: 1 MESSAGE NO.: 1
(including cover sheet)
TO: Mr. Nabil A. El-Jisr FAX NO.: 9-011-9611-864494
President
Council for Development and Reconstruction
Beirut, Lebanon
FROM: Douglas I. Graham FAX NO.: (202) 477-0348
Title: Task Manager Dept./Div. No.: MN2PI
Dept/Div: MN2PI Telephone: (202) 473-5838
Room No.: H 10-007

SUBJECT: LEBANON: ERRP Supplementary Loan - Coastal Pollution Control and Water Supply Project
MESSAGE:

Dear Mr. El-Jisr,
Our Division Chief, Mr. McKechnie, is planning to visit Lebanon from December 6 to 9, 1995 and would very much like to meet with you and your colleagues to discuss the

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FACSIMILE COVER SHEET AND MESSAGE

LB - Generation & Transmission

DATE: December 4, 1995 **NO. OF PAGES:** 1 **MESSAGE NO.:**
(including cover sheet)

TO: Ms. Elizabeth Monosowski **FAX NO.:** 9-011-9671-274129
World Bank Staff Member
c/o Taj Sheba Hotel
Sana'a, Republic of Yemen

TO: Mr. John O'Neil **FAX NO.:** 9-011-9611-585815
Electricite du Liban
Beirut, Lebanon

FROM: Rama Skelton **FAX NO.:** (202) 477-0348
Senior Power Sector Specialist **Dept./Div. No.:** 28640
Private Sector Development and Infrastructure Division **Telephone:** (202) 473-4942
Room H10-101

SUBJECT: ERRP Loan 3562-LE, Environmental Impact Assessment for the Power Generation & Transmission Project (Power I)

MESSAGE:

Dear Elizabeth,

On your way back from Yemen, please arrange to meet the Fichtner people concerning the status of their study for the above-mentioned project. They have started their field work in Lebanon, and I understand that the team will be returning to Germany on/or about December 14, 1995. So a visit at that time appears to be well-timed. Please contact Mr. John O'Neil at the SIU in Beirut for precise detail (tel. 9611-585815/6/7).

With best regards.



Transmission authorized by: Rama Skelton, MN2PI

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

cc: Messrs./Mmes. Rotman (EMTEN); McKechnie, Le (MN2PI).

RSkelton:tc
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Mr. Rasmusson
C/O Council for Development and Reconstruction.

Place Tallat El Seray
Beirut.

December 1, 1995

Our Ref : EN/C/01.04/002

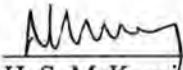
Dear Mr. Rasmusson

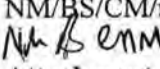
**Project 1021 Contract 6181 2nd & 3rd Year, Outside Beirut
Work Package 4 - Nabaa El Tasse
Options Excluding the Nabaa El Tasse Spring Source**

Further to the meeting on 30th November, please find attached a bound copy of the following:

1. Letter to CDR Ref : EN/C/01.08/003 of 13/09/95
2. Tender Design Report for Contract 1887
3. Feasibility Study Report for Systems 14E04, 14E05 & 14E06.

Yours sincerely,

PP 
H. S. McKenzie
Project Manager

NM/BS/CM/rh

Attachment: Report Dossier.

cc. CDR (without attachment)
SIU (without attachment)

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No:	
Project:	LB-22RP
Rec'd:	Dec 14 Log No. 0810
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NERP YEARS 2/3 OUTSIDE BEIRUT
C D R PROJECT No. 1021 / CONTRACT No. 6181

Howard Humphreys &
Partners Limited
Antoine Kassis Building
P.O. Box 70431 Antelias
Lebanon
Tel. 01.407 255 / 01.407 259
Fax 01.407 255 / 01.407 259

Dr. Mike Prisk
SIU
Ministry of Hydraulic & Electric Resources
Taiyah Building
Chiyah - Beirut.

December 2, 1995

Our Ref: EN/S/10.00/006

Dear Dr. Prisk,

Consultancy Services
**Records of Meetings with World Bank
on 25 and 30 November, on Central and
South Region Projects**

We attach herewith for your attention copies of our notes on the above meetings, recording the main items covered and our understanding of the conclusions and actions arising. Your confirmation and/or comments would be appreciated.

Regarding the important outstanding question of the requirement to treat the Fouar Antelias spring water, we have now received preliminary comments from our London office.

Their advice is that for conditions of turbidity of less than 1 FTU, chlorination would probably suffice, however in view of the limited data this should be viewed with caution. For turbidity values in the range 1 to 20 FTU, coagulation combined with filtration would probably be appropriate. Continuous automatic monitoring of turbidity should also be incorporated into the system triggering immediate shutdown if FTU exceeded the operating range.

Clearly this issue needs more extensive study, however our recommendation at this stage, in the interests of safety, is to plan for the installation of a suitable form of limited treatment such as coagulation and filtration, together with chlorination, both to guarantee the safe quality of supply during the summer flow conditions, and to assist in bridging any "gap" in supply between Fouar Antelias and Jouaizat Spring in the Autumn. Provision could be made to extend such treatment in the future to include for full removal of suspended solids under winter flow conditions, should this be required. A suitable site for the treatment works will be identified.

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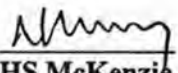


Brown & Root *Civil*

A more detailed outline scheme, including indicative costings, will be submitted as soon as possible to enable the scope of works for the Metn E1 System to be finalised.

We are sending copies of this letter, with attachments, to CDR and Mr Rasmusson of World Bank.

Yours sincerely


pp. HS McKenzie
Project Manager.

NM/BS/JCD/AAJ/PR/jh
  

Attachments:

- (1) Record of meeting of 25 November 1995
- (2) Record of meeting of 30 November 1995

cc: (with attachments)
- CDR
- Mr Lars Rasmusson (WB), c/o Summerlands Hotel.

MEETING RECORD NOTES

Between : CDR, World Bank (WB), SIU-1
Howard Humphreys (HH).

Venue : CDR offices (lower building)

Date/Time : November 25, 1995, 9.00 am

Present : CDR : Mrs. Wafa Charaffedine
WB : Mr. Lars Rasmusson
SIU-1: Mr. Mike Prisk
Mr. Alex Hamilton
Mr. Freddie Wilkinson
HH : Mr. Nigel Murray
Mr. John Davey
Mr. Peter Rose
Mr. A. Abou Jaoude

Subject : Review Of Engineering Proposals for Water Supply
Systems Barouk E1 (Iqlim El Kharoub) and Metn E1

SUMMARY OF MAIN ITEMS AND CONCLUSIONS

1 BAROUK SYSTEM E1 (IQLIM EL KHAROUB)

Mr. Adel Abou Jaoude outlined the scheme which it is proposed should serve the whole Iqlim area up to the Year 2000 and the upper area only up to Year 2015, at 120 l/hd.d. An alternative scheme of serving all Iqlim up to Year 2000 at 80 l/hd.d was also discussed.

A preliminary copy of an updated feasibility study for the above area had been circulated to the participants on the previous day.

Following the presentation the points detailed below were raised:

1. Would the proposals to serve lower Iqlim from the Awali River be implemented by Year 2000 and if not how long could lower Iqlim continue to be served with the available resources?

HH said that there is a degree of flexibility in the operation of the system as there is a large number of boreholes in lower Iqlim, and agreed to provide

an estimate of the time to which lower Iqlim could be served from resources within the area.

Action: HH

2. World Bank (WB) asked whether the proposed increase in allocation of Qaa water to 12,000 m³/d had been ratified. CDR said the matter was being negotiated with the Barouk Water Authority but they expected a satisfactory agreement could be reached to take the additional water.

Action: CDR

3. During the presentation it had been pointed out that parts of the existing transmission system were to be renovated / augmented under projects being funded by the Ministry of Displaced Persons.

WB questioned whether the non implementation of these schemes would have any implications on the NERP 2/3 proposed works.

WB were advised that the designs for the Ministry of Displaced Persons' works were at an advanced stage but even if they were not implemented the only NERP 2/3 work that would be affected would be the proposals for the small area around Er Rezzeneh and Es Saadiyat.

HH were asked to identify the lines being improved under the Ministry.

Action: HH

4. WB asked the status of the proposal to lay a new pipeline from Qaa to Beit ed Dine which, although not essential for the implementation of the NERP 2/3 works, would improve the security and quality of the water supply.

CDR said that an agreement for supply of the materials required was close to signature for French funding (Loi Programme). However, no funds had been allocated yet for the laying of the pipeline

Action: CDR

5. The size of the proposed Qaa to Beit ed Dine pipeline was queried and it was stated that it was being designed to carry 25,000m³/d, the maximum that could be made available from the Raayan/Qaa springs. This sizing would allow the full 20,000 m³/d to be supplied to Iqlim in the winter and thus reduce significantly borehole pumping costs during this period. The balance of 5,000 m³/d would be used to serve villages in the Beit Ed Dine area.

6. WB queried the increase in the estimated capital cost of the proposed works presented in the updated feasibility study. WB said that the WB Board working papers had been based on the earlier estimate of US\$10.4 Million and the revised estimate was now US\$ 14.14 Million and asked whether the work could be trimmed. If not, then the Government would need to find the additional funds required.

HH said that they would review the scope of the proposed works to see if any reduction could be made.

Further action

HH agreed to :

1. Review the scope of work and determine whether any modifications could be made to reduce the estimated capital cost.
2. Show on the plans and schematics, that would be submitted with the final version of the updated feasibility study, those works being carried out under projects being funded by the Ministry of Displaced Persons and also identify the area (lower Iqlim) that it is proposed to serve by the Awali River scheme.

Action: HH

2 METN SYSTEM E1

Mr. Adel Abou Jaoude outlined the proposed scheme and, in particular, the fact that there is a shortage of water resources to meet the future projected demands. The present (1995) demand is estimated at 40,000 m³/d and the available resources are only 20,000 m³/d.

Alternative sources that would meet the anticipated future demands had been discussed in a preliminary copy of an updated feasibility study for System E1, a copy of which had been circulated to the participants on the previous day.

The following points were then raised on the proposals for providing the future resources and other associated aspects of the project.

1. The quality of the water from the Fouar Antelias spring was questioned and whether there was a need for treatment even for summer only use.

HH replied that only a few samples had been taken to date but these indicated that in the short term chlorination of the water would be all that was needed. However, they pointed out that this proposal had to be associated with a firm commitment to provide sewerage and sewage treatment facilities for the 20 or so villages that were located in the catchment area of the spring and which discharged their wastewater without treatment at present.

HH were asked to review the suitability of this source as a long term supply.

Action: HH

2. SIU suggested that, as it was possible the investigations into the suitability of the Fouar Antelias source for potable supply may take some time, an interim scheme should be considered in which sufficient additional supplies were obtained from boreholes to meet the minimum specified level of 80 l/hd.d.

HH were asked to review this proposal as it was considered more analyses would need to be carried out before a firm decision could be made on the treatment of the Fouar Antelias water.

Action: HH

3. The possibility of treating the Fouar Antelias water at the Dbaye treatment plant of the Beirut Water Authority should be considered since proposed improvements in the conveyance of water from Qachqouch spring to the plant would reduce the demand on the treatment plant. Hence capacity could be available to treat the Fouar Antelias water, provided agreement could be reached between the two water authorities.

In this case it may be possible to use Fouar Antelias as a year round source should the resources be required year round in the future.

HH was asked to analyse this possibility.

Action: HH

4. World Bank questioned the economic viability of the propose Jouaizat pipeline. CDR said that when it had been reviewed a few years ago it was marginal but, in view of the increased pumping requirements to meet projected demands, the situation may have changed.

HH were asked to carry out a new analysis taking into account the need for treatment of the Fouar Antelias source, if it was to be used as a winter supply, and the reduction in pumping costs at Jiita / Qornet el Hamra as a result of the construction of the pipeline.

Action: HH

5. One problem that may occur with the use of the Fouar Antelias source was the fact that the Jouaizat spring flow may not build up quickly enough to supply sufficient winter water before the first rains caused the Fouar Antelias source to become unsuitable for potable supply using chlorination only. A suggestion to bridge the gap that may occur was to sink boreholes near Jouaizat to tap the reservoir that may exist below the level of the spring outlet.

Mr. John Davey (HH) said that from a study of the geology of the area it was extremely unlikely that there would be any stored water below the outflow level.

6. A suggestion to over pump Jiita to bridge any gap was made by HH. They were asked to review this proposal.

Action: HH

7. An alternative proposal to the use of Fouar Antelias for summer supply, that had been included in the feasibility study, was the use of water that would be stored in the proposed Boqaata Dam. The question was raised as to the source or sources from which the dam was filled. If it was Jouaizat spring then the use of the spring for a high winter supply may mean that the dam would not fill sufficiently to provide the required summer supply.

HH were asked to investigate the source or sources from which the dam would be filled.

Action: HH

Further Action

The various actions identified in the above paragraphs should be carried out by HH and the results reported to a further meeting to be held at 9 am on 30 November 1995.

The meeting closed at 2.00 pm.

MEETING RECORD NOTES

Between : CDR, World Bank (WB), SIU-1
Howard Humphreys (HH).

Venue : CDR offices (lower building)

Date/Time : November 30, 1995, 9.00 am

Present : CDR : Mrs. Wafa Charaffedine
WB : Mr. Lars Rasmusson
SIU-1: Mr. Mike Prisk
Mr. Alex Hamilton
Mr. Freddie Wilkinson
Mr. Dick Wearne
HH : Mr. Nigel Murray
Mr. Brian Sutcliffe
Mr. John Davey
Mr. Peter Rose
Mr. A. Abou Jaoude
Mr Emile Haddad
Mr Hassan Khawandi
Mr Chris Mason

Subject : Review of NERP 2/3 Projects in Central & South Regions

SUMMARY OF MAIN ITEMS AND CONCLUSIONS.

SESSION 1 : CENTRAL REGION PROJECTS

1 BAROUK E1

After Mr. Adel Abou Jaoude (HH) had outlined the scheme the following points were discussed.

- 1.1 WB asked for confirmation that lower Iqlim would be supplied from an alternative source by Year 2000. CDR stated that the Awali scheme had to come but the Anane Basin project was still at feasibility study stage.
- 1.2 Copies of a diagram showing the hydraulic system for Barouk E1 were tabled (See Annex 1). HH outlined the operation of the system and indicated the boundary between upper and lower Iqlim areas served.

- 1.3** A revised cost estimate was tabled from which the contingencies in the earlier estimate, submitted which the preliminary updated feasibility study, had been removed and corrections made to some of the lengths of transmission main.

The revised estimate, excluding contingencies, is US\$ 13.7 million. (A copy of this estimate is attached - See Annex 2).

It was concluded that the design report for Barouk System E1 should proceed on the basis of Option 2.

Action: HH

2 METN E1

After HH had outlined the basic principles of the scheme, a number of papers were tabled in response to questions raised at the previous meeting:

2.1 Metn E1 Hydraulic System (see Annex 3.1)

An updated version of the schematic tabled on 25 November 1995, was provided to WB, CDR and SIU-1.

2.2 Water Resources (see Annex 3.2)

Two sets of diagrams were tabled showing proposals for sourcing the winter and summer water demands to Year 2020 for System E1.

Three diagrams were tabled showing the sources, and amount of water supplied from that source for Years 2000, 2015 and 2020.

The diagrams assume that Boqaata Dam will be operational by 2005 and show that, even with Boqaata Dam, Fouar Antelias would need to be used as a winter source by about Year 2016.

HH advised that following the previous meeting, the Jouaizat spring had been visited and it had been flowing at an estimated rate of 10-12,000 m³/d. The water was very clear with zero turbidity.

It was therefore concluded that any time "gap" between the availability of summer flows from Fouar Antelias and winter flows from Jouaizat would be very brief. This period could be largely covered by temporary overpumping at Jiita spring.

2.3 Financial Analysis of the Proposed Jouaizat Pipeline. (See Annex 3.3)

In this table the capital cost of the pipeline is compared with the present value (PV) of the capital cost of a treatment plant at Fouar Antelias, the operating costs of that plant and the pumping costs of Fouar Antelias and Jiita.

Depending on the discount rate used, the break even point is between 5 and 6 years, showing the pipeline to be economically advantageous.

- 2.4 Financial Analysis of the Cost of a Treatment Plant for Fouar Antelias**
against the reduced pumping costs for Jiita, if Fouar Antelias is used as a winter source. (Annex 3.4).

The present value of the difference is about US\$2 million over 25 years, showing the economic advantage of continuing to pump from Jiita rather than construct a treatment plant at Fouar Antelias for this reason alone.

- 2.5 Financial Analysis of the Effect of Delaying the Construction of a Treatment Plant at Fouar Antelias** and providing sufficient new borehole supplies to provide a minimum level of service of 80 l/hd.d. (Annex 3.5).

The present value of constructing the Fouar Antelias treatment plant immediately (i.e. start operating in 1999) is virtually the same as delaying its construction to 2004 (operational 2006) and providing additional boreholes in the interim period.

However, if construction of the treatment plant were delayed by only two years (operational 2001) the PV cost of the treatment plant option would be greater than constructing it immediately, when the cost of the boreholes required for the interim period is taken into account.

The disadvantage of this approach is that only the minimum level of service would be provided prior to the construction of the Fouar Antelias treatment plant.

- 2.6 Treatment of Fouar Antelias Water**

There continued to be general concern regarding the safety of using Fouar Antelias water in the summer with no treatment other than chlorination. (HH were waiting for further advice on this matter from their Head Office in London).

Various approaches were discussed, and one option which looked attractive was to install some form of supplementary treatment (e.g. filtration) for summer flows, making provision for extending the scope of treatment in the future to include removal of solids if this proved necessary. A suitable site for a possible treatment works should be identified.

Action: HH

3 JBEIL

3.1 Status of Jbeil Scheme

HH raised the question of the status of the Jbeil project with regard to funding and the scope of the work to be included. SIU advised that this was part of current discussions between CDR/SIU and HH concerning the future scope of HH's work for NERP 2/3 and as such was still under review.

Action: SIU

3.2 Effect of Madiq Project

A further point was raised concerning the use of surplus water from the Kesrouane Madiq scheme in Jbeil. Two diagrams were tabled to illustrate the alternative schemes. (See Annex 4).

As the full amount of water that can be extracted from the Madiq spring will meet Kesrouane's requirements up to Year 2020, it was possible that the surplus of supply over requirement could be used for some years to feed the coastal strip of Jbeil by gravity, replacing the need for the Jbeil treatment plant at this time.

However, since it could be several years until the Madiq scheme starts operating and work had been commissioned to extend the Jbeil treatment plant under the French Protocol Contract 1733 to treat river water from Nahr Ibrahim, CDR confirmed that the present scheme should continue, but the pressure rating of the pipeline from Nahr Ibrahim to the Jbeil plant should be increased to allow its use in the future to supply Madiq water to the Jbeil coastal strip by gravity.

Action: HH

4 FURTHER ACTIONS:

4.1 HH were asked to pursue the question of whether treatment, other than chlorination, of the Fouar Antelias water would be required for summer use and what treatment would be required for its winter use.

Action: HH

4.2 In case the materials for the Jouaizat pipeline were not supplied under the Saudi Fund and, as there is no funding available at present for the laying of the pipeline, HH may be requested to include the construction of the pipeline (supply and lay) in NERP 2/3

Alternatively, consideration could be given to installing treatment at Fouar Antelias to cover the winter flows, however this would be less economic than installing the Jouzaia pipeline.

Action: SIU

This concluded Session 1.

SESSION 2 : SOUTH REGION PROJECTS

Session 2 commenced at 11h30 am and covered the following items:

5 REVIEW OF CONTRACT PACKAGE 1889 - SAIDA AND SOUR URBAN.

The feasibility study report Addendum, dated September 1995, prepared after the previous WB meeting was reviewed. Issues raised by SIU-1 in their review would be addressed in the Design Report, which would be issued shortly.

Action: HH

5.1 CDR agreed to pursue the Arab Fund requirements in respect of contract packaging and pre-qualification.

Action: CDR

5.2 Saida:

Revised design year of 2005 had been advised by SIU-1 and in view of this a further borehole would be necessary in Saida to meet the demand.

Population figure adopted determined from water authority connections (18529), less commercial connections (2594), plus estimated households (2000 by water authority) not connected, multiplied by the El Jouzy report people per household figure of 5.42. Total of 99638 in 1995, assuming 2½% growth rate, 100000 adopted.

Agreed no significant issues outstanding and design would proceed on the basis of Option 1 of the Addendum report.

Action: HH

5.3 Sour

Population: Figure adopted in the feasibility study report has been reassessed in light of the built-up nature of the Sour peninsula. A lower growth rate is appropriate and 1% will be proposed for the future. The water authority estimation of 60000 population (ref: Al Mouhit, 1994) based on connections in Sour and El Bass has been adopted. Subtracting 6000 for El Bass and allowing for growth results in a design population in 2000 of 60813 and a demand of 13726m³/d (158l/h/d and 30% leakage).

5.4 Ras El Ain:

Sustainable yield of 20000m³/d available for potable use. Presently WTW capacity is 13500m³/d. Raw water blended with treated water and 17000m³/d pumped into supply, with 3000m³/d wasted to the sea. Proposed to upgrade WTW with filter screens and two stage filtration to increase capacity to 20000m³/d. Potential for inclusion in French Protocol contract, thus need to identify variations quickly.

Action: HH

5.5 Sour Northern Coastal Line:

Development along the route of the northern coastal line is expanding quickly and surplus water from Ras El Ain will be utilised. The line will be a distribution main with floating reservoir en route. Alternatively, surplus could be delivered to El Bass reservoir and used as required in either Sour urban or for the northern coastal line. These options will be considered in the Design Report.

Action: HH

5.6 Sour Distribution:

Pumping direct into distribution without a tower in Sour is technically and operationally acceptable, cost effective and less environmentally intrusive. The water authority has advised that land is not readily available in Sour and land costs are therefore high at \$500/m². After considering the above points it was agreed to adopt Option 4 in the Addendum report, the option without the tower in Sour.

Action: HH

5.7 Sour Rural:

The variations from the feasibility study reports were discussed. The major item being the re-alignment of the main to Qlaile and Henniye. The present pipeline requires replacement and runs through private agricultural land. It is proposed to realign the main along the southern coastal highway and village access roads to avoid expropriation costs and disruption to agriculture. Some villages fed from the existing main will instead be fed from Saddiqine regional reservoir. Other variations involve mains from new boreholes and reservoirs into the system.

6 JABAL AMEL AREAS:

Areas of the Jabal Amel water authority outside the occupied zone are being fed from Ras El Ain as lines from Tibeh are cut. There is scope to increase the independent supply for such areas. Sources in Jabal Amel would be thus more able to meet demands in the occupied zone. The proposed main from Marj El Khokh to Tibeh, equipment for which is included in the Saudi Fund contract, would meet any shortfall. Saudi Fund scope to be reviewed.

Action: HH

7 FUNDING OPTIONS IN NABAA EL TASSE:

The scheme options presented to the Arab Fund for contract package 1887 (Nabitiye - System 14E06) and 1888 (Nabaa El Tasse - Systems 14E02, 14E04 & 14E05) were outlined. The major single source for these systems is the Nabaa El Tasse spring, which lies on the border of the occupied zone. The alternative options for these systems to those outlined in the feasibility study reports provide for the development of regional and village boreholes to eliminate dependence on the spring source for the bulk of each system. This proposal works well for Systems 14E06, 14E05 and 14E04, but less well for System 14E02.

These alternatives have a capital cost, based on feasibility rates, of approximately \$21 million (14E06) and between \$17 million and \$19 million (14E05, 14E04 & 14E02), depending on the scope of work in 14E02.

It was agreed a Design Report for both contract packages, and considering both options, would be prepared for mid January 1996. HH to provide Mr Rasmusson with copies of reports and correspondence.

Action: HH

Meeting concluded at 1.00 pm.

LB-3562

LB- Coastal Pollution
& Water Pr

FACSIMILE COVER SHEET AND MESSAGE

DATE:	November 28, 1995	NO. OF PAGES: 2 (including cover sheet)	MESSAGE NO.: 1
TO:	Mr. Nabil A. El-Jisr President Council for Development and Reconstruction Beirut, Lebanon	FAX NO.:	9-011-9611-864494
TO:	H.E. Mr. Elie Hobeika Minister of Hydraulic and Electrical Resources Beirut, Lebanon	FAX NO.:	9-011-9611-449639
CC:	H.E. Fouad Siniora Minister of State for Financial Affairs Beirut, Lebanon	FAX NO.:	9-011-9611-642762
CC:	Mr. Al-Saad Executive Director		
FROM:	Alastair J. McKechnie Title: Chief Dept/Div: MN2PI Room No.: H 10-001	FAX NO.:	(202) 477-0348 Dept./Div. No.: MN2PI Telephone: (202) 473-3047

SUBJECT: LEBANON: ERRP Supplementary Loan - Coastal Pollution Control and Water Supply Project
MESSAGE:

Mr. Lars Rasmusson's report on his recent discussions with you regarding the above raises a number of questions regarding the understandings reached during appraisal in July of the Coastal Pollution Control and Water Supply (CPCWS) project (US\$45 million loan) and, subsequently, during the discussions in Washington in September and October. Of particular concern is the progress with sector restructuring and the plans for use of management contracts with private sector companies to operate and maintain water supply and wastewater facilities in the project areas pending the establishment of viable sector institutions. Lack of an appropriate institutional framework would jeopardize the basis of the CPCWS project.

Furthermore, we are concerned about potential changes to the project components and financing since our agreements during appraisal. While our dialogue has until now been very constructive, such changes create delays in project processing and unnecessarily create misunderstandings. This is happening at a time when we are trying to expedite a number of lending operations and new projects while being responsive to the Government's constraints. We are ready to finance this project along the lines agreed earlier and develop other new

Transmission authorized by:

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

I am pleased to advise you that the documents for the supplementary loan for the ERRP are ready for distribution to the Executive Board of the World Bank for their approval of this US\$35 million loan. This loan has been prepared on an extraordinary basis to respond to your urgent reconstruction needs. Together we have both always seen it as part of a broader program that deals with institutional reforms that would assure the sustainability of investments in the sector. In view of our concerns referred to above, I very much regret that we must withhold distributing the Board documents until these issues are clarified.

We very much appreciate the high level of cooperation between the Government of Lebanon and the Bank on these and other projects and we look forward to providing additional support to the reconstruction of Lebanon. We look forward to hearing from you.

With best regards

Sincerely,

J. Macdonald

cc: Mmes\Messrs. Shamseddine (EDS11); Sud, Brizzi (MN2DR); Hoppenbrouwer (MN2CO); Rasmusson, Saghir, Le (MN2PI); Abu-Odeh (LEGMN); Joshi-Ghani (CFS)

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OFFICE MEMORANDUM

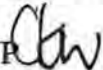
DATE: November 22, 1995

Approved by: 

Gautam S. Kaji

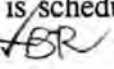
Date: 11/27/95

TO: Mr. Gautam S. Kaji, Managing Director, EXC

FROM: Caio Koch-Weser, MNAV 

EXTENSION: 35250

SUBJECT: **LEBANON - Emergency Recovery and Reconstruction Project, Loan 3562-LE**
- Supplemental Financing

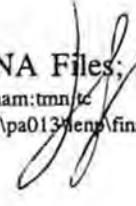
1. This memo seeks your guidance on the above supplementary Loan, in accordance with BP13.20, which is scheduled for Board presentation on December 19, 1995. The MOP is attached. 
2. The need for supplemental financing arises due to cost overruns in ERRP components in the water supply and wastewater sector. The rehabilitation of the water supply and wastewater systems in question is of an emergency nature for health and basic service reasons, and is a high priority for the Government. Performance under the existing ERRP loan has been highly satisfactory and Government is in compliance with all covenants, and has shown a strong commitment to the project.
3. The request for supplemental financing was made during a visit by a Government delegation in September 1995. The Government had earlier started the restructuring of the sector, from numerous small entities to a few larger autonomous and financially viable units. The legislation to enact these changes is prepared and under review, but will not be presented to Parliament until late 1996, due to elections scheduled for next summer. Government, meanwhile, has decided to enter into management contracts with private sector operators to operate and maintain networks and facilities in the sector. The processing of a Bank-assisted US\$222 million FY96 project in the sector would be conditional upon these management contracts being bid and awarded. In the meantime, Government's commitment to reform is considered sufficient to recommend Board presentation of the supplementary loan.

Attachments

cc: Messrs./Mmes. Sud, Brizzi (MN2DR); Garg, Fernandez-Palacios, Ijichi (MNAV); Abu-Odeh (LEGMN); Miller (LOAEL); Graham, Rasmusson, Le (MN2PI).

MENA Files: Blackbook

DGraham:trnn/te
m:\leb\pa013\mena\finance.mem



LB-3562

TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE

TO : Mr. Douglas Graham Task Manager 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: ERRP-Loan No. 3562 LE- Proposed Supplemental Loan	REF. : 2761/95/P.O.
DATE : 15/11/95	NO. OF PAGES: (3) INCLUDING COVER SHEET

Dear Mr. Graham,

Please find attached the formal approval of the "Agreement Amending Loan Agreement" by HE the President of the Council of Ministers/Minister of Finance, Mr. Rafic El-Hariri and the formal approval of the "Agreement Amending CDR Project Agreement" by the President of CDR.

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

NM [Signature]

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

FXSLPAG.DOC

Beirut, 15/11/1995

Mr. Caio Koch-Weser
Vice President
Middle East and North Africa Region
The World Bank

Subject : Emergency Reconstruction and Rehabilitation Project-Loan no. 3562
LE -Proposed Supplemental Loan- Agreement Amending Loan
Agreement

After reviewing the draft legal documents dated 17/10/1995, namely, the
"Agreement Amending Loan Agreement", relating to the above mentioned Project
and which reflects additional financial assistance for the Water and Waste Water
Component of the Project, We, hereby, duly approve the draft "Agreement
Amending Loan Agreement".

Sincerely,

President of the Council of Ministers
Minister of Finance



Rafic AL-HARIRI

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

No. : 2762/95/P.O.

Beirut, 15/11/1995

Mr. Caio Koch-Weser
Vice President
Middle East and North Africa Region
The World Bank

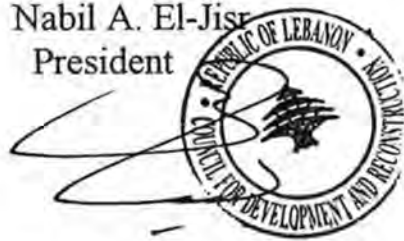
Subject: Emergency Reconstruction and Rehabilitation Project-Loan No.
3562 LE-Proposed Supplemental Loan- Agreement Amending CDR
Project Agreement

After reviewing the draft legal documents dated 17/10/95, namely, the
"Agreement Amending CDR Project Agreement", relating to the above
mentioned Project, We , hereby, duly approve the draft "Agreement
Amending CDR Project Agreement", except for Part C-2 of the Schedule
related to National Competitive Bidding which we propose should read as
follows:

*Works estimated to cost \$3,000,000 equivalent or less per contract
and \$30,000,000 equivalent in the aggregate, may be procured under
contracts awarded in accordance with the provisions of paragraphs 3.3
and 3.4 of the Guidelines.*

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

LB-3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

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

TO : Mr. Douglas Graham
Task Manager
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: ERRP-Loan No. 3562 LE- Proposed
Supplemental Loan

REF.: 2761/95/P.O.

DATE: 15/11/95

NO. OF PAGES: (3) INCLUDING COVER SHEET

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Sincerely Yours,

Nabil A. El-Jisr
PresidentCouncil for Development
and Reconstruction

NM

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project	LB-ERRP-Supplemental
Rec'd: NOV. 15	Log No. 070
Assigned to:	BB, LR, Abu-Obaid (CDRMS)
Copy to	Division Chief Division Files EMENA Files
Action	Fix 15 Nov 95 requesting agreement to modification of project agreement

type
pls make sure
a copy is
filed in Div
BB Thanks
LA
nlsks

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

FXSLPAG.DOC

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION
BEIRUT- LEBANON

No. : 2762/95/P.O.

Beirut, 15/11/1995

Mr. Caio Koch-Weser
Vice President
Middle East and North Africa Region
The World Bank

Subject: Emergency Reconstruction and Rehabilitation Project-Loan No.
3562 LE-Proposed Supplemental Loan- Agreement Amending CDR
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and \$30,000,000 equivalent in the aggregate, may be procured under
contracts awarded in accordance with the provisions of paragraphs 3.3
and 3.4 of the Guidelines.*

Sincerely Yours,

Nabil A. El-Jisr
President



Council for Development
and Reconstruction

REPUBLIC OF LEBANON
PRESIDENCY OF THE COUNCIL OF MINISTERS

Beirut, 15/11/1995

Mr. Caio Koch-Weser
Vice President
Middle East and North Africa Region
The World Bank

Subject: Emergency Reconstruction and Rehabilitation Project-Loan no. 3562
LE -Proposed Supplemental Loan- Agreement Amending Loan
Agreement

After reviewing the draft legal documents dated 17/10/1995, namely, the
"Agreement Amending Loan Agreement", relating to the above mentioned Project
and which reflects additional financial assistance for the Water and Waste Water
Component of the Project, We, hereby, duly approve the draft "Agreement
Amending Loan Agreement".

Sincerely,

President of the Council of Ministers
Minister of Finance



Rafic AL-HARIRI

FACSIMILE COVER SHEET AND MESSAGE

DATE:	November 15, 1995	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.: 1
TO:	Mr. Nabil A. El-Jisr	FAX NO.:	9-011-9611-864494
Title:	President		
Organization:	Council for Development and Reconstruction		
City/Country:	Beirut, Lebanon		
FROM:	Douglas I. Graham	FAX NO.:	(202) 477-0348
Title:	Sr. Financial Analyst	Dept./Div. No.:	MN2PI
Dept/Div:	Private Sector Development and Infrastructure Division	Telephone:	(202) 473-5838
Room No.:	H10-007		
SUBJECT:	LEBANON: Proposed Supplementary Loan to the ERRP		

MESSAGE:

Dear Mr. El-Jisr,

Thank you for your fax of November 15, 1995 with attachments amending the legal documents for the above project. With regard to the "Agreement Amending CDR Project Agreement", part C-2 of the Schedule related to National Competitive Bidding, we are pleased to agree an increase in the aggregate amount from US\$23.8 million equivalent to US\$30 million equivalent, but regret that we have to retain the ceiling of US\$2 million equivalent per contract agreed in our procurement review.

Please could you advise us by return fax if this is acceptable to you.

Please also send us by DHL the originals of the letters signed by yourself and His Excellency Mr. Al-Hariri.

We look forward to hearing from you.

With best regards.



Transmission authorized by: Douglas I. Graham, Task Manager, MN2PI

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

cc: Mmes/Messrs. Brizzi, Yuksel, El Saifi (MN2DR); McKechnie, Rasmusson, Le
(MN2PI); Abu-Odeh (LEGMN); Miller (LOAEL).

DGraham:tc
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WB MN2IN

(AUTO)

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FILE	FILE TYPE	OPTION	TEL NO.	PAGE	RESULT
097	MEMORY TX	PERSONAL CODE ****	90119611864494	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:	November 15, 1995	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.: 1
TO:	Mr. Nabil A. El-Jisr Title: President Organization: Council for Development and Reconstruction City/Country: Beirut, Lebanon	FAX NO.:	9-011-9611-864494
FROM:	Douglas I. Graham Title: Sr. Financial Analyst Dept/Div: Private Sector Development and Infrastructure Division Room No.: H10-007	FAX NO.: (202) 477-0348 Dept./Div. No.: MN2PI Telephone: (202) 473-5838	
SUBJECT:	LEBANON: Proposed Supplementary Loan to the ERRP		

MESSAGE:

Dear Mr. El-Jisr,

Thank you for your fax of November 15, 1995.



SOCIETE CERIS
90 avenue Lanessan
69410 CHAMPAGNE AU MONT D'OR - FRANCE
Tél : (33) 78.43.23.31
Télécopie : (33) 78.47.40.95

LB-3562

Date : 7 septembre 1995

Pour / To : Monsieur Jamal SAGHIR - The World Bank - Washington - USA

N° de Télécopie / Fax Nr : 19.1.202.477.1691

De la part de / From : Olivier GOUEDARD-COMTE

Nbre de pages / Number of pages : 3 (Bordereau compris/Incl.cover sheet)

Si la télécopie n'est pas correctement passée, veuillez contacter / If any part of this fax is illegible, please contact : Danielle PILOTI

Téléphone / Telephone : (33) 78.43.23.31

MESSAGE :

Cher Jamal,

Suite à une conversation téléphonique avec Monsieur EL FADL CHALAK le 6 novembre dernier, tu trouveras ci-joint le courrier que nous lui adressons ce jour.

T'en souhaitant bonne réception et dans l'attente de notre prochain contact, je te prie d'agréer, Cher Jamal, mes salutations distinguées.


Olivier GOUEDARD-COMTE

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project:	CEB-ERP-Telecoms
Rec'd:	11/7 Log No. 058
Assigned to:	TS, AG, TC
Copy to	Division Chief Division Files EMENA Files
Action.	

1 S 96-99 07:51 15:40 1995-11-07

EXP. SOCIETE CERIS



MINISTRY OF POSTS AND
TELECOMMUNICATIONS (MPT)

Sami El-Sohl Avenue

BEIRUT, LEBANON

For the attention of H.E. EL FADL CHALAK

November 7, 1995

Nos Réf. : C 471/OGC/VR

His Excellence,

Further to our call on November 6, 1995, I would like to draw up your attention on the two following points, for the evaluation of our proposal dated October 20, 1995...

1. Usefulness of our intervention in the current context of telecommunication sector in Lebanon.

Our technical proposal contains 6 work programmes. Among these 6 work programmes, the implementation of WP1 (Management on a permanent basis of the fixed assets flows), WP2 (Definition of technical indicators for equipment management and implementation through Primmo) et WP3 (Implementation of a management system for purchasing / stocks / logistics) is essential for three main reasons...

- First of all, the implementation of these three work programmes aims to extend to the fixed assets flows management and the purchasing / stocks / logistics management what we have already carried out for the inventory and what you have seen in our demonstration at the end of August.
Thanks to your authorisation and your offensive policy, the MPT have invested in Primmo software. In this context, it would be in-effective and expensive to stop the actions at the middle after having carrying out the foundations. Indeed, we have selected Primmo because this software is able to manage not only inventory but also fixed asset flows, stocks, purchasing and logistics.
- Secondly, as for the POS, fixed asset flows management and stocks / purchasing and logistics management are necessary and crucial in the current context because the MPT has decided to invest strongly via PSTN and SWITCHING PROGRAMMES. Consequently, as you know it, a lot of new equipments are (and will be very soon) installed on site and old equipments will be taken off. In this period of strong investments, taking into account both the value of these new equipments and their technical characteristics for an efficient operation, it is a priority to be able to manage flows, stocks, purchasing and logistics generated by these equipments. Moreover, it is important to keep in mind that Lebanon is one of countries in the world where the telecommunication investments are the highest.

... / ...

DELOITTE & TOUCHE / CERIS

90, AVENUE LAMASSAN 69100 CHAMPAGNE AU MT D'OR
TEL 78 43 23 51 - FAX 78 47 10 95
S.A. AU CAPITAL DE 1.050.000 F - R.C. 502 011 518

EXP: SOCIETE CERIS 1995-11-07 15:41 03-96 S Z#



- Finally, the implementation of fixed asset flows management and stocks / purchasing / logistics management, thanks to Primmo software application, will be an opportunity to organise both inside the MPT and Ogero the different departments involved by these functions.

2. Method of our intervention in the current context of telecommunication sector in Lebanon.

We are aware that your main worry is to go ahead with a pragmatic way while involving MPT and Ogero staff. Our assistance aims to achieve concrete results in close cooperation with your advisers and your management. Your staff has to become autonomous for managing the different tasks related to fixed asset flows, stocks, purchasing and logistics.

After more than twenty months of a very amicable, efficient and constructive cooperation with all the MPT personnel, we are very motivated to pursue our collaboration and to achieve the projects we have begun thanks to your impulse at the head of the MPT. So, we would like to meet you in Beirut, if you agree, at your earliest convenience to discuss our proposal.

We are looking forward to hearing from you soon.

Best Regards.

Olivier GOUEDARD-COMTE
General Manager

DELOITTE & TOUCHE / CERIS

EXP: SOCIETE CERIS 1995-11-07 15:41 63-96 S #3

LB - 3562

MENA - CD2	
Private Sector Development & Infrastructure	
Ln/Credit No.	
Project	IP ERKP - Power & Infrastructure
Rec'd: 11/9	Log No. 061
Assigned to:	PSO/R, DG, TC
Copy to	Division Chief Division Files EMENA Files
Action.	

Monsieur R. SKELTON
INDUSTRY & ENERGY DIVISION
Country Dept. II
THE WORLD BANK GROUP
1818 H Street N.W.
WASHINGTON, DC 20433
(United States Of America)

Le 03 Novembre 1995

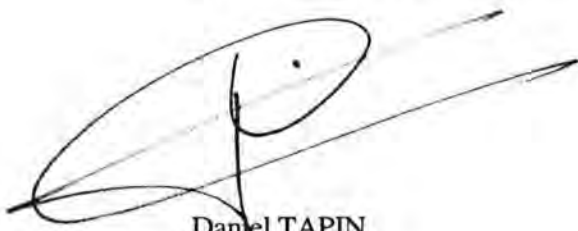
Cher Monsieur,

Nous avons le plaisir de vous adresser, dans leur version française, les documents dont
détails ci-dessous =

- Copie du courrier adressé ce jour, par porteur, à Monsieur Maroun ASMAR,
- Rapport Préliminaire d'Orientation Générale (RP1),
- Annexes au Rapport Préliminaire n° 1,
- Projections Financières (1995 - 2010) Volume n° 1,
- Projections Financières (1995 - 2010) Volume n° 2.

Nous vous souhaitons bonne réception de ces documents, et vous priant de bien vouloir
nous excuser pour le retard que nous avons pris à leur élaboration,

Nous vous prions de croire, Cher Monsieur, en l'expression de nos cordiales salutations.


Daniel TAPIN
Associé

P.J. - Citées

Monsieur Maroun ASMAR
Président du Conseil d'Administration
EDL
22, Rue du Fleuve
BEYROUTH
(Liban)

Le 03 Novembre 1995

Monsieur Le Président,

Comme nous vous l'annoncions dans notre courrier du 30 Octobre dernier, nous avons le plaisir de vous faire parvenir, en version française et anglaise, le Rapport RP1 et ses Annexes, de même que les Volumes 1 et 2 des Projections Financières.

Nous profitons de la présente afin de vous renouveler toutes nos excuses pour le retard pris dans l'envoi de ces documents mais comme nous vous le précisons dans notre dernier courrier les corrections et l'amélioration du contenu desdits documents ont nécessité un travail beaucoup plus important que celui que nous avions initialement estimé.

Vous souhaitant bonne réception de ces rapports et restant à votre entière disposition,

Nous vous prions de croire, Monsieur le Président, en l'assurance de notre haute et parfaite considération.

En vous priant de bien vouloir accepter toutes nos excuses pour ce retard.

Daniel TAPIN
Associé

P.J. - Citées

LB-LN 3562


MENA - CD2
 Private Sector Development & Infrastructure

 Ln/Credit No.:
 Project: 93-788P-telecoms
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Action.

SOCIETE CERIS
 90 avenue Lanessan
 CHAMPAGNE AU MONT D'OR - FRANCE
 Tél : (33) 78.43.23.31
 Télécopie : (33) 78.47.40.95

Date: 19 octobre 1995

Pour / To : Monsieur Jamal SAGHIR - The World Bank - Washington - USA

Cc : Monsieur Bernard DUQUENNE - Deloitte & Touche Fax n° 16.1.40.88.29.31

N° de Télécopie / Fax Nr : 19.1.202.477.1691

De la part de / From : Olivier GOUEDARD-COMTE

Nbre de pages / Number of pages : (Bordereau compris/Incl.cover sheet)

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Téléphone / Telephone : (33) 78.43.23.31

MESSAGE :

Cher Jamal,

J'espère que tu as bien reçu l'ensemble de nos rapports correspondants à l'addendum n° 2 de notre contrat ainsi que la copie du courrier que nous avons transmise le 20 octobre au Ministre à notre retour de Beyrouth avec Bernard DUQUENNE ...

Ce courrier fait suite à plusieurs réunions de travail que nous avons eues à sa demande les 16, 17 et 18 octobre avec ses deux conseillers et le CDR afin de leur présenter notre proposition de service.

Cette proposition détaillée concerne six Work Programmes :

- **Work Programme 1 :** Management on a permanent basis of the fixed asset flows (both physical and accounting).
- **Work Programme 2 :** Definition of technical indicators for equipment management and implementation through Primmo.
- **Work Programme 3 :** Implementation of a management system for purchasing / stocks / logistics.
- **Work Programme 4 :** Follow-up of the implementation of a centralised financial and accounting department.
- **Work Programme 5 :** Creation of a marketing and sales department.
- **Work Programme 6 :** Creation of a human resource department.

Tu trouveras dans les pages qui suivent la synthèse de cette proposition qui comprend 1 page par Work Programme.

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A l'issue de ces différentes réunions de travail, il a été convenu de faire deux nouvelles offres de services sur un plan commercial et financier. Ces deux nouvelles offres font précisément l'objet du courrier du 20 octobre que nous transmettons au Ministre et dont tu vas recevoir une copie.

Que dire en deux mots de la situation actuelle au Liban concernant le MPT et OGERO ?

1 - Nous avons évoqué avec le Ministre, lors de la présentation de notre première proposition, la question de la création de Télécom Liban. Le Ministre nous a fait savoir que cette question n'était pas à l'ordre du jour politiquement.

2 - Le Ministre est actuellement très sensible à l'influence de son conseiller technique, Mr Abdoul Youssef. Ce dernier entretient des relations conflictuelles avec le CDR, la direction d'OGERO (hors Riad Mountaz), Cable & Wireless et de manière générale les fournisseurs du MPT.

Dans ce contexte nouveau, le docteur Boutros Labbaki ainsi que d'autres personnes influentes du CDR vont sensibiliser Monsieur Chalak aux risques que représentent certaines orientations préconisées par Abdoul Youssef.

3 - Il est probable que les deux directeurs généraux du MPT seront bientôt remplacés.

4 - La situation chez OGERO est critique. OGERO souffre en effet d'un manque crucial d'organisation et de l'absence de management du transfert des personnes provenant du MPT. Il serait donc souhaitable de procéder à une structuration complète d'OGERO en lien avec les transferts de personnel.

5 - Au MPT, le personnel (management et middle management) n'est toujours pas informé des évolutions prévues à court terme et des effets attendus à moyen terme des actions engagées par le ministre. Il y a donc un déficit important de communication peu propice à la mobilisation du personnel.

6 - Le projet phare qui focalise actuellement l'attention du Ministre est le POS (projet POS : Provision Of Services). Ce projet ne se déroule pas de manière satisfaisante pour deux raisons ...

- Sur le plan des systèmes d'information, il y a actuellement deux approches concurrentes : celle de Cable & Wireless et celle de Monsieur Mountaz appuyé par le conseiller technique du Ministre. Il serait donc souhaitable qu'une décision soit prise rapidement pour trancher.

- Sur le plan "physique", la connexion des abonnés n'est pas réalisée de manière techniquement correcte sur le terrain.

7 - L'appel d'offre sur le projet CSB (Customer Services and Billing) où deux sociétés ont été short listées a été mis en stand by. Là aussi, cette situation devra être rapidement "débloquée" au risque d'hypothéquer l'avenir.

Globalement, l'impression qui se dégage est celle d'une tendance très marquée de la part des conseillers du Ministre vers un retour à la politique consistant pour MPT / OGERO à "vouloir tout faire tout seul en interne". Compte tenu des ressources actuellement mobilisables dans ces deux entités, cette politique dite de "libanisation" paraît très risquée. Ce constat est partagé par le CDR.

L'orientation la plus adaptée dans le contexte actuel consiste selon vous à utiliser des partenaires extérieurs pour "faire avancer les choses avec le personnel compétent de MPT et OGERO" en opérant un réel "transfert de technologie".

C'est la raison pour laquelle notre nouvelle proposition de services est fondée sur ce principe de base. C'est ce principe que nous avons mis en avant sous diverses formes lors de nos discussions récentes avec les deux conseillers du Ministre.

Dans l'attente de notre prochain contact, je te prie de croire, Cher Jamal, à mes sincères salutations.



Olivier GOUEDARD-COMTE

DELOITTE & TOUCHE

LB-203562

11-3-95



ASSISTANCE FOR THE REORGANISATION OF MPT/OGERO

OCTOBER 1995

Deloitte & Touche
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EXP: SOCIETE CERIS 1995-11-03 17:27 63-96 S #4

1 - SERVICE PROPOSAL (SYNTHESIS)

- 1.1 - Work Programme 1 : Management on a permanent basis of the fixed asset flows (physical).**
- 1.2 - Work Programme 2 : Definition of technical indicators for equipment management and implementation through Primmo.**
- 1.3 - Work Programme 3 : Implementation of a management system for purchasing / stocks / logistics.**
- 1.4 - Work Programme 4 : Follow-up of the implementation of a centralised financial and accounting department.**
- 1.5 - Work Programme 5 : Creation of a marketing and sales department.**
- 1.6 - Work Programme 6 : Creation of a human resource department.**

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1.1 - WORK PROGRAMME N° 1 : MANAGEMENT ON A PERMANENT BASIS OF THE FIXED ASSET FLOWS (PHYSICAL).

1.1.1 - Definition of concrete, practical and efficient actions.

For today's operator, it is essential to understand his own wealth in both financial and technical terms in order to allow internal control, investment control and optimisation of the network equipment management. For this, the Consortium has carried out an initial inventory, installed a potentially powerful computer tool (PRIMMO software) and has trained a group of MPT staff in this tool.

There remains a certain number of further tasks to be completed which aim to derive an advantage from the work already carried out. The database is a complex product which can only be efficiently used if it is regularly updated. For this, it is important to manage the flow of materials and to define annual or semi-annual control inventories.

This work is particularly sizeable in the case of Lebanon. With the PSTN and Switching contracts which are in progress, most of the former equipment is to be replaced and the consequent flow will be considerable.

In this context, we consider it best to carry out the following action :

- Organisation of a structure which handles the MPT / OGERO flow management project.
- Elaboration of the flow management procedures.
- Preparation of the update inventory.
- Realisation of the update inventory.
- Definition of the control inventory procedure.
- Realisation of the MPT / OGERO flow management structure.

Moreover, the flows in Lebanon are all the more important as most of the equipment is old and will be replaced.

Today, however, the MPT possesses very powerful computer equipment which is capable of managing these flows. Here we are referring the Primmo application software.

1.1.2 - Cooperation with the MPT and OGERO staff.

Two departments are particularly involved in this work programme : the Department of Equipment and the Department of Operations and Maintenance. More precisely, the following people will be involved in carrying out and supervising this module : Mrs Michel SAIDEH, Nassif KARAM, Antoine AOUN, Elias DOUMIT, Elie ABDEL-AHAD, Antoine ANTONIOS, Naël EL HAJJAR, Afif KATIB, Abdul YOUSSEF.

1.1.3 - Concrete results achieved by the consortium in close cooperation with the MPT / OGERO staff.

When the work is finished, the MPT will be in a position to insure the management of the physical flow (entry and exit of goods) without the need for outside help. The database will always be updated and operational. The MPT will also be able to carry out the control inventories single-handedly whenever they believe it to be necessary. Finally, the user-interface with PROGIS will be mastered by the MPT / OGERO.

Also, the MPT will have internal control and will master its investment flow.

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1.2 - WORK PROGRAMME 2 : DEFINITION OF TECHNICAL INDICATORS FOR EQUIPEMENT MANAGEMENT AND IMPLEMENTATION THROUGH PRIMMO.

1.2.1 - Definition of concrete, practical and efficient actions.

The MPT today has at its disposal a database of all the assets that it owned on 1 July 1995. In conformity with the demonstration made to the Minister, it is now possible to carry out a certain number of requests in order to obtain, for example :

- A list of assets by site, by district, ...
- The total switching capacity of Mount Lebanon 1.
- The total length of 4T14Q cables used in Lebanon...

However, Primmo was chosen from all the other applications available as it was both capable of coping with a sufficiently rich and complete physical database for the fixed asset management and also capable of being enriched to serve the database for the network equipment management.

This management is useful and necessary not only for the Department of Equipment, but also for the Department of Operations and Maintenance.

In order to take full advantage of the potential of the PRIMMO application software as a network management tool, we suggest the following actions :

- Analysis of the needs and definition of the key indicators for the equipment management.
- Computerisation of the enriched physical database.
- Definition of the various management reports.
- Organisation for the database utilisation and the dissemination of its results.
- Assistance of the MPT / OGERO staff in the database utilisation.

1.2.2 - Cooperation with the MPT and OGERO staff.

The Departments of Equipment and Maintenance are highly involved in the realisation of this work programme.

More precisely, Mr Nassif KARAM, MR Antoine AOUN and all the staff in charge of the network management will have a central rôle.

Finally, the heads of district are regularly involved in the definition of their equipment management on a local level.

1.2.3 - Concrete results achieved by the consortium in close cooperation with the MPT / OGERO staff.

Following this work programme, the MPT will have an enriched physical asset database at its disposal which will allow the evolution of the network equipment to be monitored, and will provide information at any moment concerning the technical characteristics of the equipment making up the architecture in each acra.

The use of this database will also provide information to feed the reflection concerning network optimisation.

The MPT / OGERO will thus use the PRIMMO software optimally and autonomously.

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1.3 - WORK PROGRAMME 3 : IMPLEMENTATION OF A MANAGEMENT SYSTEM FOR PURCHASING / STOCKS / LOGISTICS.

1.3.1 - Definition of concrete, practical and efficient actions.

Up to now, the MPT has not yet set up the procedures for the Purchasing Management, the Stock Management and the Logistics relating to the accountancy and physical flow management.

In Dekouane, the stock manager is not in a position to identify all the equipment kept in the warehouses. What is more, incoming and outgoing material movements can be carried out there without the Manager even being informed.

These problems can be solved by setting up an organisation and a computerised purchasing, stock and logistics management. This operation must be carried out in close correlation with the setting up of the material flow management.

In order to carry out this work, the following points, in our opinion, must be dealt with :

- Organisation of the Purchasing / Stocks / Logistics function.
- Carrying out a special mission for the reorganisation of the DEKOUANE site.
- Computerisation of the Purchasing / Stocks / Logistics function.

1.3.2 - Cooperation with the MPT and OGERO staff.

The staff of OGERO and the MPT will be highly involved in this work programme, especially Mrs Riad MOUMTAZ, Nassif KARAM, Michel SAIDEH, RABBA, Afif OBEID and the District Managers.

1.3.3 - Concrete results achieve by the consortium in close cooperation with the MPT / OGERO staff.

Following this work, the organisation of the Purchasing, Stocks and Logistics department will be based upon the computerised management procedures. The staff, involved throughout the whole project, will master all the computer tools set up.

What is more, the DEKOUANE site will have been totally reorganised and the MPT will have full information on the usable stocks in DEKOUANE and will be in a position to control their evolution.

Finally, following the reorganisation of the Purchasing, Stocks and Logistics departments, the MPT will be able to considerably reduce the operating costs.

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1.4 - WORK PROGRAMME N°4 : FOLLOW UP OF THE IMPLEMENTATION OF A CENTRALIZED FINANCIAL AND ACCOUNTING DEPARTMENT INCLUDING THE DEFINITION AND IMPLEMENTATION OF ACCOUNTING PROCEDURES AND OF A CASH MANAGEMENT SYSTEM.

1.4.1 - Definition of concrete, practical and efficient actions.

Up to now, the MPT has just started to implement a centralized financial and accounting department by:

- Defining the organisation chart of a centralized department,
- Identifying the profiles of the finance manager and cost controller,
- Defining the selection and recruiting procedures for this personnel,
- Defining the functions to be carried out,
- Implementing financial management reports and their computerization with Excel,
- Defining and testing procedures for cash controls and bank reconciliations.

However, these actions should now be completed by the definition and implementation of all the other accounting procedures as well as the implementation of a cash management system.

1.4.2 - Cooperation with the MPT staff.

The staff of the MPT will be deeply involved in this work programme. In particular, we shall report to the financial advisor of the Minister, Mr. Afif Khatib. We shall also involve the financial personnel who have been working with us in the previous phases of our Work Programmes: Messrs. Ryad Mourtaz, Michel Saideh, Selim Moawad, Antoine Aoun, Nasser Al Ek, Joseph Bahri.

1.4.3 - Concrete results which will be achieved by the Consortium in close cooperation with the MPT staff.

As a result of this Work Programme, a centralized financial and accounting department will be set up and organized. All the accounting and financial procedures will be defined and implemented. A cash management will be in place and computerized.

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1.5 - WORK PROGRAMME N°5 : CREATION OF A MARKETING AND SALES DEPARTMENT.

1.5.1 - Definition of concrete, practical and efficient actions.

The implementation of efficient network management tools is an essential and priority task in the short term. Despite this, the necessity to develop a sales process should not be underestimated since its efficiency will depend upon the capacity of the Ministry to achieve its objectives in terms of subscription sales and satisfaction of customer needs.

Today, there is no recognised competent authority capable of taking full responsibility of these sales and marketing tasks. What is more, the installed information system is limited to subscription and billing management. This is clearly insufficient for an efficient and reactive commercial follow-up. Finally, the sales network must be modernised.

Consequently, beyond the deepening of the two projects already identified by the Consortium (modernisation of the cash agencies and creation of pilot agencies), we believe the following actions to be called for :

- Creation of a marketing and sales department.
- Hierarchical organisation of the priority projects to be managed by the department.
- Creation of a marketing and sales information system to allow a commercial follow-up, evaluation of the tariffs and the monitoring of the products offered by the partners of the MPT (SODETEL, GSM operators, ...).
- Assistance in the management of the sales network modernisation projects.
- Assistance in the strengthening of the marketing of SODETEL.
- Adjustment of the organisation of the Marketing and Sales Department following an initial period of operation.

1.5.2 - Cooperation with the MPT and OGERO staff.

For the moment, it is too early to indicate the people to be mobilised in this project as the marketing and sales structure is in its embryonic stage. Nevertheless, Mr Tonny HANNA, Miss Faten HAMANDE, Mr Hady RAYESS, Mr Riad MOUMTAZ, Mr Abul YOUSSEF and the regional directors to be could be usefully involved in the success of this Work Programme.

1.5.3 - Concrete results achieved by the consortium in close cooperation with the MPT / OGERO staff.

The MPT will also have the necessary tools to understand the customer more fully. It could also adapt its tariffing policy in order to optimise its results as the number of subscribers increases.

Following this Work Programme, there will be, in the MPT, a Marketing and Sales department capable of managing the projects currently in progress autonomously and also of managing future projects (strengthening of the marketing and the gradual setting up of a new sales network).

Finally, the cash agencies will be renovated and four pilot agencies will be put into operation.

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Ceria

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1.6 - WORK PROGRAMME 6 : CREATION OF A HUMAN RESSOURCES DEPARTMENT.

1.6.1 - Definition of concrete, practical and efficient actions.

In the framework of the simultaneous reorganisation of the MPT and OGERO, a staff allocation process exists which puts those people awaiting transfer in a very delicate position. They only vaguely understand the reasons and the future perspectives justifying these transfers. They know neither when the transfer will take place, nor the material conditions of the transfer. This lack of transparency is highly detrimental to the good operation of the MPT.

Moreover, we have taken note of certain categories of MPT staff who are very badly informed as to the progress of the various projects of the Ministry, including the considerable flow projects.

In this context, the implementation of the following actions seem to us to be essential :

- Creation of a committee in charge of managing the staff transfer from the MPT to OGERO.
- Running of this committee and realisation of its preparatory work.
- Creation of an internal newsletter destined for the MPT / OGERO staff.
- Organisation and coordination of the seminars for the MPT / OGERO management and middle management in order to inform them of the short-and medium - term changes and their effect.

1.6.2 - Cooperation with the MPT and OGERO staff.

In order to achieve these objectives, we will set up an ad hoc committee comprising the different department managers. The advisors to the Minister will supervise this Work Programme. Finally, the Minister can be consulted to deal with very sensitive problems relating to his advisors and the committee.

1.6.3 - Concrete results achieved by the consortium in close cooperation with the MPT / OGERO staff.

Following this Work Programme, the MPT will be in a position to manage the problems created by the staff transfer to OGERO seriously and autonomously. The committee set up for this will possess a transfer schedule, criteria for the selection and the qualification of the staff viable to be transferred and a list of unprovided posts.

What is more, this committee will be able to solve the status problems relating to the transfer to OGERO in relation to the Civil service and the Administrative Reformation.

Finally, an internal newsletter will allow real internal communication to be organised in the MPT.

In this context, the MPT will have a remobilised staff at its disposal, ready to invest themselves fully in the actions in progress.

FACSIMILE COVER SHEET AND MESSAGE

DATE: November 3, 1995 NO. OF PAGES: 2 MESSAGE NO.: {#}
(including cover sheet)

TO: Nabil A. El-Jisr FAX NO.: 9-011-961-1-647947
Title: President
Organization: Council for Development and Reconstruction
City/Country: Beirut, Lebanon

FROM: Douglas I. Graham FAX NO.: (202) 477-0348 or 1691
Title: Senior Financial Analyst Dept./Div. No.: 28640
Dept/Div: Private Sector Development & Infrastructure
Room No.: H10-007 Telephone: (202) 473-5838

SUBJECT: LEBANON - Water Supply and Wastewater Portfolio

MESSAGE:

Dear Mr. El-Jisr,

We would like to propose a mission by Mr. Lars Rasmusson to Lebanon from November 19-26, 1995, to review the ongoing and supplementary ERRP (the water supply and wastewater component) and the proposed Coastal Pollution Control and Water Supply Project. During the mission, it is proposed that he should address:

- (a) regarding the ongoing ERRP:
 - the completion of the first year's construction works and consultancies and status of disbursement; and
 - progress on the award of contract for the Baalbeck and Nabi Chit water supply and wastewater works.
- (b) regarding the Supplementary ERRP:
 - review of the project components covering Barouk and Metn water supply systems and Baalbeck wastewater treatment works; and
 - review of time schedule for completion of engineering, tendering and construction works.

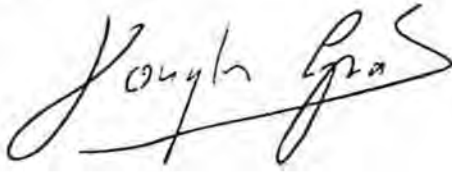
Transmission authorized by: Douglas I. Graham, MN2PI

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

- (c) regarding the Coastal Pollution Control and Water Supply Project:
 - status on the appointment of consultants for the wastewater component, and for the execution of the oceanographic surveys;
 - status on the design of the water supply components; and
 - review of an updated implementation schedule.
- (d) regarding sector reforms:
 - status on the processing of the Draft Law for cabinet approval; and
 - the preparation of Requests for Proposals for management contracts, with agreement to be reached on a time schedule for processing.

If the timing for the mission is convenient, Mr. Rasmusson will arrive on Sunday, November 19, at 9:35 pm, with BA107 and he will stay at the Summerland Hotel. We would appreciate it if the SIU and the Howard Humphrey consultants could be informed and be prepared for meetings to be held, with the first one proposed to take place at the CDR on Monday, November 20, at 09:00 am. It would be appreciated if transportation could be arranged for Mr. Rasmusson.

With best regards,



Distribution

Mmes./Messrs.: Brizzi o/r (MN2DR); Kanaan o/r, Macgregor (MN2CO);
McKechnie o/r, Rasmusson, Le, North (MN2PI)
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FACSIMILE COVER SHEET AND MESSAGE

DATE:	November 3, 1995	NO. OF PAGES: 2 (including cover sheet)	MESSAGE NO.: {#}
TO:	Nabil A. El-Jisr	FAX NO.:	9-011-961-1-647947
Title:	President		
Organization:	Council for Development and Reconstruction		
City/Country:	Beirut, Lebanon		
FROM:	Douglas I. Graham	FAX NO.:	(202) 477-0348 or 1691
Title:	Senior Financial Analyst	Dept./Div. No.:	28640
Dept/Div:	Private Sector Development & Infrastructure	Telephone:	(202) 473-5838
Room No.:	H10-007		
SUBJECT:	LEBANON - Water Supply and Wastewater Portfolio		

MESSAGE:

Dear Mr. El-Jisr,

WB MN2IN

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THE FOLLOWING FILE(S) ERASED

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Title:	President		
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City/Country:	Beirut, Lebanon		
FROM:	Douglas I. Graham	FAX NO.:	(202) 477-0348 or 1691
Title:	Senior Financial Analyst	Dept./Div. No.:	28640
Dept/Div:	Private Sector Development & Infrastructure	Telephone:	(202) 473-5838
Room No.:	H10-007		
SUBJECT:	LEBANON - Water Supply and Wastewater Portfolio		

MESSAGE:

Dear Mr. El-Jisr,

OFFICE MEMORANDUM

11 LB-LN 3562
11 LB-COASTAL POLLUTION & WATER
SUPPLY PROJ

DATE: November 2, 1995

TO: Mr. Lars Rasmusson (MN2PI)

FROM: Deane Jordan, Acting Division Chief (MN2PI) 

EXTENSION: 32609

SUBJECT: LEBANON: Ongoing and Supplementary Emergency Reconstruction and Rehabilitation Project
Proposed Coastal Pollution Control and Water Supply Project
Terms of Reference

1. You should visit Beirut from November 19-26, 1995, to review the ongoing and supplementary Emergency Reconstruction and Rehabilitation Project (ERRP) (the water supply and wastewater component only), and the Coastal Pollution Control and Water Supply Project. You should meet with representatives from the Council for Development and Reconstruction (CDR), the Ministry of Hydraulic and Electrical Resources (MHER), and their consultants.
2. You should pay particular attention to:
 - (a) regarding the ongoing ERRP:
 - the completion of the first year's construction works and consultancies, and status of disbursement; and
 - progress on the award of contract for the Baalbeck and Nabi Chit water supply and wastewater works;
 - (b) regarding the Supplementary ERRP:
 - review of the project components covering Barouk and Metn water supply systems and Baalbeck wastewater treatment works; and
 - review of time schedule for completion of engineering, tendering and construction works;
 - (c) regarding the Coastal Pollution Control and Water Supply Project:
 - status on the appointment of consultants for the wastewater component and on the execution of the oceanographic surveys;
 - status on the design of the water supply components; and
 - review of an updated implementation schedule;

(d) regarding sector reforms:

- status on the processing of the Draft Law for cabinet approval; and
- the preparation of TORs for management contracts with agreement to be reached on a time schedule for processing;

3. At the conclusion of the mission, you should prepare a Memorandum of Understanding (MOU) and on your return to headquarters (after your mission to Yemen under separate TORs), you should prepare a Back-to-Office report.

bcc: Mr. E. Shamsedin (EDS11)

Distribution:

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LB-LN 3562

COUNCIL FOR DEVELOPMENT & RECONSTRUCTION

**TELEFAX MESSAGE
FOR IMMEDIATE DELIVERY TO THE ADDRESSEE****TO :** Mr. Douglas Graham
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:** ERRP-Water and Waste Water Component-
Addendum to Feasibility Study Update**REF.:** 2657/95/P.O.**DATE:** 2/11/95**NO. OF PAGES:** (5) INCLUDING COVER SHEET

Dear Mr. Graham,

Please find attached the addendum to the feasibility study update for the Iqlim El Kharoub-Barouk System El which was prepared by the Consultant Howard Humphreys.

Sincerely Yours,

Nabil A. El-Jisr
PresidentCouncil for Development
and Reconstruction

NM

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Project	ERRP
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Action:	Acknowledged by phone Nov 3, 95

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THE WORLD BANK GROUP
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FACSIMILE COVER SHEET AND MESSAGE

DATE:	November 2, 1995	NO. OF PAGES: 1 (including cover sheet)	MESSAGE NO.: 1
TO:	Mr. Nabil A. El-Jisr	FAX NO.:	9-011-9611-864494
Title:	President		
Organization:	Council for Development and Reconstruction		
City/Country:	Beirut, Lebanon		
FROM:	Douglas I. Graham	FAX NO.:	(202) 477-0348
Title:	Sr. Financial Analyst	Dept./Div. No.:	MN2PI
Dept/Div:	Private Sector Development and Infrastructure Division	Telephone:	(202) 473-5838
Room No.:	H10-007		
SUBJECT:	LEBANON: Proposed Supplementary Loan to the ERRP		

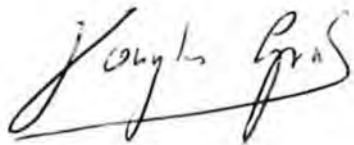
MESSAGE:

Dear Mr. El-Jisr,

With reference to the draft legal documents for the above Supplementary Loan, we would appreciate receiving your comments/clearance soon, as we need to distribute the documents next week if we are to maintain the currently scheduled Board presentation slot of December 12, 1995.

We look forward to hearing from you.

With best regards.



Transmission authorized by: Douglas I. Graham, Task Manager, MN2PI

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

cc: Mmes/Messrs. : Brizzi, El Saifi (MN2DR); McKechnie (o/r), Jordan, Rasmusson, Le
(MN2PI); Abu-Odeh (LEGMN)

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