

IPN REQUEST RQ 10/09

November 10, 2010

NOTICE OF REGISTRATION

**Re: Request for Inspection
Lebanon: Greater Beirut Water Supply Project (Proposed)**

On November 4, 2010 the Inspection Panel (the “Panel”) received a Request for Inspection relating to the proposed Lebanon: Greater Beirut Water Supply Project (GBWSP) (the “Project”). The Request was submitted by Mr. Fathi Chatila on behalf of himself and around 50 residents of the Greater Beirut area, who fear that they are likely to suffer harm as a result of failures and omissions of the Bank in the design and preparation of the Project. The Request for Inspection comprises a number of attachments, which also include the names and signatures of the Requesters.

The Project

According to the August 2010 Project Information Document the proposed Project’s objective is to *“increase the provision of potable water to the residents in the project area [Greater Beirut] including those in the low-income neighborhoods of Southern Beirut, and to strengthen the capacity of the Beirut Mount Lebanon Water Authority in utility operations.”* This objective is to be achieved by building a conveyor, a water treatment plant, storage reservoirs and distribution networks to deliver water from the Litani and Awali Rivers to the Greater Beirut region. The proposed project aims at meeting the demand for 250,000 m³/d of potable water in the Greater Beirut and Mount Lebanon areas.

The proposed Project has three components. Component 1 (Bulk Water Supply Infrastructure: Tunnels, Water Treatment Plant, Transmission & Bulk Storage) provides for the construction of two water tunnel conveyors (3 and 21 km respectively), a water treatment plant, two transmission twin pipelines (7.6 and 2.7km respectively), three storage reservoirs (35, 50 and 20 ML capacity respectively) and all related equipment. Component 2 (Supply Reservoirs, Distribution Network and Metering) requires

construction of 16 supply reservoirs, replacement or installation of the water supply network and bulk water meters. Component 3 (Project Management, Utility Strengthening and Studies) provides for the creation of the Project Management Unit, procurement of utility strengthening systems, equipment and technical advisory services, and high priority national studies to be undertaken on key sector areas in alignment with the priorities set forth in the National Water and Sanitation Sector Strategy (NWSSS) under preparation by the Government of Lebanon.

According to the proposed Project's Integrated Safeguard Data Sheet, the Project will require land acquisition and involuntary resettlement in relation to building surface structures and for establishing easement right of ways along the corridor of the water conveyer.

The total project financing requirements are estimated to be US\$ 370 million, of which US\$ 200 million are to be funded by an IBRD Investment Loan to the Government of Lebanon. The Beirut Mt. Lebanon Water Authority (BMLWA) is to finance US\$140 million and the GOL will finance US\$30 million for land acquisition and the front-end fee. The Loan is scheduled to be considered for approval by the World Bank Board of Executive Directors on December 16, 2010. The Project is to be implemented by the Council for Development and Reconstruction (CDR), responsible for the implementation of Component 1, and by BMLWA, responsible for Component 2 and 3.

The Request

The Requesters raise issues of compliance and harm related to the proposed Project because they believe that their rights and interests are likely to be directly and adversely affected by the GBWSP as a result of failures and omissions of the World Bank in the design and preparation of the proposed Project.

The Requesters question the adequacy of the Environmental Assessment (EA), in particular the environmental analysis of alternatives and the consultation process. They state that in the preparation of the proposed Project, which calls for delivering water "*from the Litani River stored at the Qaroun lake diverted to the Awali river*" by means of "*a 26 kilometer tunnel to the Khalde village in Greater Beirut*" the Environmental Assessment's analysis of alternatives considered no sources of water other than that from the Litani/Awali River. In addition, they claim that this analysis of alternatives was based on outdated studies from 1972 and 1984 and thus that the validity of the data in the studies is questionable. The Request also argues that the proposed Project, as designed, will deprive of much needed water the south of Lebanon and the Upper Litani River basin that suffer from water shortages, which could harm the livelihood of agriculture-dependent communities living in these areas.

The Request claims that water analyses that were conducted on the Litani River water stored at the Qaroun Lake confirmed that this water is "*extremely industrially polluted and has high level of chemicals and bacteria*". Because of this, the Requesters argue that treating the water in wastewater treatment plants built in the Litani River basin will not be sufficient.

The Requesters claim that the EA included consultations only with national and local authorities, while nobody who can be considered representative of local communities affected by the proposed Project was consulted. They also state that these consultation took place a long time ago, in 1997 and 1998. The Request adds that two consultations events were held recently in 2010, but from the list of attendees and the questions asked, it appears that the consultations were not “*comprehensive*” and “*do not reflect the opinion of Greater Beirut inhabitants*” and “*the communities of Damour, Al Chouf and Ikleem Al Kharroub*” that may be affected by the Project. Furthermore, according to the Requesters, the Resettlement Action Plan (RAP) was not available in the Bank’s website, at least until the time they lodged their complaint to the Panel, nor were Arabic versions of the document provided to citizens prior to consultations.

The Request also raises an issue with respect to the application of the involuntary resettlement policy to lands that were expropriated in the late 1990s or lands for which expropriation is still to be carried out in order to implement Project activities. The Requesters state that it is not clear whether the Project RAP refers to all lands, even those already expropriated, or only to those that still have to be acquired. They believe the policy should be applied to all lands already expropriated or to be expropriated. They also claim that the related consultations were inadequate and were conducted with people who are not the representatives of the affected communities.

With respect to the economic analysis, the Requesters state that it is not clear whether the Project is the least costly option because in their view the alternatives considered are not exhaustive. In addition, the Requesters believe that certain investment costs were not taken into consideration, and as a result of this, the total cost of the Project will almost double. This, the Requesters believe, will also increase the water tariffs by 10 to 15% annually, making the service unaffordable for poorer people.

The Requesters also raise issues in relation to the “Bisri Dam” project on the Awali River, which is to be financed by the Islamic Development Bank but that, according to the Requesters, is closely linked to the Project because “*the GBWSP will necessitate the construction of the dam at Bisri village.*” The Requesters also claim that while the World Bank representative in Lebanon stated that the World Bank is not financing the dam, the Ministry of Energy and Water stated to a local newspaper that the Bisri Dam is the second phase of the GBWSP, that the Government agreed to the Litani/Awali project on condition that the World Bank would finance the Bisri dam and that the “*World Bank agreed to finance the Bisri Dam*”. In light of this, the Requesters argue that the Involuntary Resettlement policy of the World Bank should be applied to the resettlement that might also occur as a result of the construction of the Bisri Dam.

The Requesters state that they brought their concerns to Bank Management but are not satisfied with the response. They ask the Panel to carry out an investigation of the matters raised in their Request for Inspection.

The above claims may constitute non-compliance by the Bank with various provisions of the following operational Policies and Procedures:

OP/BP 4.01

Environmental Assessment

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