STATUS OF PROJECTS IN EXECUTION FY10
SOPE

MIDDLE EAST AND NORTH AFRICA REGION

Lebanon

Operations Policy and Country Services
OCTOBER 03, 2010
Introduction

The Status of Projects in Execution (SOPE) Report for FY10 provides information on all IBRD, IDA, and trust funded projects that were active as of June 30, 2010. The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank’s revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document or Program Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY10 SOPE report\(^1\) contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

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\(^1\) Notes:

- Amounts and Graphs for loans/credits/grants in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Operations, which provide quick-disbursing financing to support policy and institutional reforms. For these operations, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed prior actions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus will not include a graph.
Lebanon

**Project Name (ID):** LB - Urban Transport Development Project (P034038)

**Country:** Lebanon

**Board Approval Date:** 06/13/2002

**Midterm Review Date:** 03/27/2007

**Closing Date:** 12/31/2011

**Loan/Credit/Grant Number:** TF-25375, IBRD-76420, IBRD-71230

**Sector(s):** Roads and highways (94%), Central government administration (6%)

**Theme(s):** Municipal governance and institution building (34%), Other urban development (33%), Regional integration (33%)

**Project Development Objectives:** The project objective is to set up a state-of-the-art parking and traffic management system in the Greater Beirut Area.

**The project was restructured, or received Additional Financing during FY 10**

An additional financing of $79.6 million was approved and became effective in May 2010 to cover cost overruns and financing gap of project.

**Progress toward achieving development objective(s):** The project is progressing well and likely to achieve all its objectives by the closing date. The Traffic Management Center (TMC) is completed and equipped. Traffic lights at more than 200 intersections have been completed. More than 600 pay and display parking meters have been installed and are operational. Some 19 grade separation facilities at highly congested intersections are to be completed.

<table>
<thead>
<tr>
<th>Loan/Credit/Grant</th>
<th>Status</th>
<th>Amount</th>
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Project Name (ID): LB - Cultural Heritage and Urban Dev. (P050529)

Country: Lebanon

Board Approval Date: 04/17/2003

Midterm Review Date: 06/07/2007

Closing Date: 06/30/2011

Loan/Credit/Grant Number: IBRD-71660, TF-25693

Sector(s): Other industry (30%), Roads and highways (20%), Central government administration (20%), Sub-national government administration (20%), General water, sanitation and flood protection sector (10%)

Theme(s): Other urban development (40%), Municipal governance and institution building (40%), Participation and civic engagement (20%)

Project Development Objectives: The objectives are: (a) to create the conditions for increased local economic development and enhanced quality of life in the historic centers of five main secondary cities; and (b) to improve the conservation and management of Lebanon’s built cultural heritage.

The project was restructured, or received Additional Financing during FY 10

The project was restructured in order to extend the Closing Date from December 31, 2009 to June 30, 2011 to allow additional time for completion of project activities.

Progress toward achieving development objective(s): Progress towards achieving the project development objective is good. Each city has benefited from improved infrastructure including sewerage, potable water network, drainage, electricity and lighting. The increase of employment in the cultural, heritage and tourism sectors has been positive with most cities experiencing substantial growth, between 40%-98%, since the beginning of the project. There has also been a substantial increase, over 158% in the number of permits for rehabilitation of classified historical properties.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2010)

<table>
<thead>
<tr>
<th>Loan/Credit/Grant</th>
<th>Status</th>
<th>Amount</th>
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**Project Name (ID):** LB - Ba' albeck Water and Wastewater (P074042)

**Country:** Lebanon

**Board Approval Date:** 06/04/2002

**Midterm Review Date:** 11/06/2006

**Closing Date:** 06/15/2011

**Loan/Credit/Grant Number:** IBRD-71170

**Sector(s):** Sewerage (49%), Water supply (42%), Sub-national government administration (7%), Central government administration (2%)

**Theme(s):** Pollution management and environmental health (29%), Rural services and infrastructure (29%), Infrastructure services for private sector development (28%), Other financial and private sector development (14%)

**Project Development Objectives:** The objectives are to develop and strengthen the institutional capacity of the Ba'albeck Hermel Water and Irrigation Authority (BHWIA) and the Zahle and Chamsine Water Authorities (ZWA and CWA), improve the access of customers of BHWIA to satisfactory water supply and wastewater services, involve the private sector in the operation and maintenance of the water and wastewater facilities and rationalize the use of water through the introduction of water meters.

**The project was restructured, or received Additional Financing during FY 10**

Level II Restructuring: Project closing date was extended, for the third time, by 18 months to June 15, 2011. Along with the extension to the closing date, the project results framework was restructured to better capture project impacts.

**Progress toward achieving development objective(s):** A full-time Bekaa Regional Water Authority (BRWA) Managing Director has finally been appointed in May 2010. In addition, a core team of 6 professional staff are being appointed to strengthen utility operations. It was agreed with GoL, CDR and the new BRWA management that their top priorities over the remaining period of the project would be to: (i) have the new management take charge and develop/update a business plan, effectively operate and maintain the recently installed water and sanitation infrastructure and develop solid financing and staffing plans beyond the Loan period to ensure sustainable operations on a medium to long term basis; and (ii) design and deliver an active campaign to increase subscriptions.

### Lending Information/Disbursement Summary (USD millions, as of June 30, 2010)

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![Graph showing status of projects in execution FY10: Middle East and North Africa Region](image-url)
Project Name (ID): LB - Municipal Infrastructure (P103875)

Country: Lebanon

Board Approval Date: 11/03/2006

Midterm Review Date: 11/04/2008

Closing Date: 06/30/2011

Loan/Credit/Grant Number: TF-57505, TF-57333

Sector(s): Roads and highways (32%), Sub-national government administration (30%), General water, sanitation and flood protection sector (30%), Other social services (5%), General industry and trade sector (3%)

Theme(s): Conflict prevention and post-conflict reconstruction (40%), Municipal governance and institution building (20%), Access to urban services and housing (20%), Other urban development (20%)

Project Development Objectives: The objectives are to: (a) restore basic services and rebuild priority public infrastructure in the affected municipalities and villages; (b) support local economic recovery and development in the municipalities that have suffered the heaviest damage; and (c) provide technical assistance to, and build the capacity of, municipalities, to mitigate the impact of the hostilities on municipal finances (within the broader context of developing the municipal sector).

Progress toward achieving development objective(s): The project is making good progress and is on track to deliver the expected development objectives. Despite adverse working conditions in 2007 and part of 2008, the reconstruction or repair of damaged municipal infrastructure (under Component 1) received the highest priority during the early years of project implementation in order to address the population’s most pressing needs and is substantially completed. Implementation is now concentrating on local development with the aim of fueling growth centers for the local economy (Component 2) and capacity building activities (Component 3). All the technical files and the bidding documents of the fifteen local development projects are finalized and several are about to enter the execution phase. As for the capacity building activities, the key elements include the establishment and launching of the Municipal Observatory and the implementation of the Municipal Finance Study Program. Both elements are central to the long term sustainability of the municipal sector policy dialogue in Lebanon and are now making good progress. Because the time and efforts required to carry out the agreed scope of work were much greater than initially anticipated, the Bank approved an 18-month extension of the grant closing date in response to a request by the Government of Lebanon (GOL). The above-mentioned momentum should ensure that the development objective of the Grant be fully achieved by the project’s closing date.

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Project Name (ID): LB - Bekaa Emergency Water Supply (P103885)

Country: Lebanon

Board Approval Date: 03/20/2007

Closing Date: 11/20/2011

Loan/Credit/Grant Number: TF-58085

Sector(s): Water supply (95%), Sub-national government administration (5%)

Theme(s): Other human development (50%), Pollution management and environmental health (25%), Environmental policies and institutions (25%)

Project Development Objectives: The key development objective is to alleviate the precarious conditions of the area's water supply systems, which have been further aggravated by the recent hostilities and long-term neglect.

The project was restructured, or received Additional Financing during FY 10

In February 2010, the project closing date was extended by 18 months from May 20, 2010 to November 20, 2011.

Progress toward achieving development objective(s): After some initial delays in implementation, the project schedule is back on track and construction works are progressing with no issues reported. As construction progresses, disbursement and progress towards achieving the project’s 2 Project Development Objectives (percentage of households connected and per capita delivery of water) has improved.

<table>
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Lending Information/Disbursement Summary (USD millions, as of June 30, 2010)
**Project Name (ID):** LB - Emergency Pwr Reform Capacity Reinf (P104774)

**Country:** Lebanon

**Board Approval Date:** 03/19/2007

**Midterm Review Date:** 11/03/2008

**Closing Date:** 12/31/2010

**Loan/Credit/Grant Number:** TF-58084

**Sector(s):** Power (50%), Central government administration (50%)

**Theme(s):** Other public sector governance (50%), Infrastructure services for private sector development (25%), Regulation and competition policy (25%)

**Project Development Objectives:** The objective of the project is to accelerate the implementation of reforms and restructuring of Electricite du Liban (EdL) by enhancing the capacity of Ministry of Energy and Water (MOEW), EdL and the Higher Council for Privatization. The project is contributing to the funding of advisory services which complement the service contracts, technical assistance and investment support currently provided by other donors.

**The project was restructured, or received Additional Financing during FY 10**

The Project was restructured to extend the Closing Date of the Project by one year. This allowed the newly formed Government of Lebanon the opportunity to consider ways in which it could use uncommitted funds to further support reforms in Lebanon's electricity sector.

**Progress toward achieving development objective(s):** During the fiscal year progress towards achieving the PDOs slowed. Two of the three contracts under the Project were completed, with the remaining contract effectively stalled while it awaits decision from the Government of Lebanon before work can continue. The Bank has raised this with the Government of Lebanon in recent missions and is downgrading implementation progress.

### Lending Information/Disbursement Summary (USD millions, as of June 30, 2010)

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![Graph showing lending information/disbursement summary](image)
Project Name (ID): LB - Emergency Fiscal Management Reform (P111602)

Country: Lebanon

Board Approval Date: 03/12/2009

Closing Date: 09/30/2011

Loan/Credit/Grant Number: TF-93850

Sector(s): Central government administration (100%)

Theme(s): Public expenditure, financial management and procurement (55%), Debt management and fiscal sustainability (21%), Macroeconomic management (14%), Other public sector governance (10%)

Project Development Objectives: The objective is to contribute to improving the control, allocation and use of public financial resources

Progress toward achieving development objective(s): Consistent with the broader fiscal and budgetary reform program presented by Lebanon at the Paris III Donor Conference in January 2007, and building on initial progress already made by the Ministry of Finance, a number of inter-linked reform measures in budgeting, debt and aid management are being implemented so far throughout the project's five components. The first component is providing assistance in macroeconomic programming and policy analysis in the Ministry of Finance. The second component is providing assistance in the area of public expenditure management through implementing reforms related to budget preparation and treasury functions. The third component is offering advisory services to strengthen debt management through the creation of a public debt department and the formulation of a debt strategy. The fourth component seeks to develop a fully operational function for aid management. The fifth component is delivering targeted training connected to the other components of the project. The eventual outcome from this project is a more efficient and effective management of public resources, with an ensuing improvement in access to and quality of public provision.

Lending Information/Disbursement Summary (USD millions, as of June 30, 2010)

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Project Name (ID): LB - ESPISP 2 (P111849)
Country: Lebanon
Board Approval Date: 09/05/2008
Closing Date: 03/31/2012
Loan/Credit/Grant Number: TF-92582

Sector(s): Public administration- Other social services (71%), Public administration- Education (17%), Public administration- Health (12%)

Theme(s): Social safety nets (71%), Health system performance (12%), Education for all (17%)

Project Development Objectives: The objective is to improve the administration, delivery, financial sustainability, and targeting of social services through implementation of new systems and the adoption of new policies in key ministries and agencies in Lebanon.

Progress toward achieving development objective(s): Progress in achieving the objectives has been slow and uneven across the different components; however, there has been acceleration of activities in the past few months and this is expected to translate into faster progress towards the objectives in the upcoming period. The capacity of the Ministry of Education and Higher Education (MEHE), Ministry of Social Affairs (MOSA), Ministry of Labor, National Social Security Fund (NSSF) and Ministry of Public Health (MOPH) has been strengthened through the establishment of secretariats in some agencies and technical teams in others. In particular, with respect to the NSSF reforms, activities were held up throughout 2009; however, arrangements have been modified where the Minister of Labor now assumes the responsibility of implementing NSSF activities. Significant progress has been made towards achieving the objective of rationalizing health expenditures. Through the project the MOPH has already been able to map out and analyze the distribution of particular types of treatments across different types of providers and test a new electronic billing system on a number of hospitals. The Minister of Labor announced plans for a comprehensive program for labor market and social insurance reform in Lebanon which includes the NSSF reforms under the Project and a "Strategic Planning Unit" was established to prepare and monitor the relevant reforms and projects. With respect to the National Poverty Targeting Program, it was officially established as a means to help poor and vulnerable Lebanese households by targeting Government social assistance programs as announced in the National Poverty Targeting Program Government Policy Statement. Moreover, MOSA’s National Poverty Targeting Program team has been officially set up through a Ministerial decision, staffing is underway in both the Central Management Unit and MOSA, and arrangements for the implementation of the baseline survey have been made. Finally, a National Education Development Plan and a concrete implementation strategy were endorsed by the Cabinet of Ministers and relevant quality-oriented activities have been accepted within MEHE’s budget.

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