



**Republic of Lebanon
Council for Development and Reconstruction**

Water Supply Augmentation Project

**Environmental and Social Panel (ESP) of Experts
Fourth Mission (February 3-15, 2019)**

Social safeguard Dimension Report

Background

During this fifth mission (February 3-14, 2019), the Social Safeguard expert of the Environmental and Social Panel (ESP), focused his efforts on five areas of concern as highlighted in the conclusion and recommendations of the fourth mission (June 2018). Those five areas of concern are: (i) The informal tenants, (ii) Complaints and appeals, (iii) The refugee's issue, (iv) RAP update, and (v) The benefit sharing program.

Methodology

The information used is derived from the review of the project documents, mainly the Quarterly Progress Reports, the External Monitoring (EM) and Evaluation report on the implementation of Resettlement Action Plan for the Great Beirut Water Supply Augmentation Project, and the last report of the WB supervision mission. The information was verified and triangulated through a field visit to Kherbit Bisri, Jezzine and Bkassine in the project area, in depth discussions with the mayors of the three visited sites and individual and group discussions with CDR experts and with the independent experts who prepared the external monitoring report.

Findings

Summary of the implementation of the compensation process

The legal department at CDR in charge of the expropriation and compensation process, continues its steady collaboration with the expropriation committees. So far, based on documented information provided by CDR, **999** plots owned by **1,188** landowners have been affected by the expropriation process. Presently, 89% of the landowners (**1,053**) are non-absentees and only **11%** (135) are absentees and not reachable for the time being. CDR expropriated 971 plots for an amount of **149,709,828 USD** (28 plots remaining awaiting the launch of the 5 MUSD Decision). As of end of December 2018, **108,887,423 USD** had been disbursed, reaching a very high percentage of **73%**. **590** plots appealed and the Appeal Court Decision issued decisions for **472** plots of them (**80%** of all the appeal cases) owned by 396 landowners. The average increase of the amounts is **25.43%**. The total amount of these decisions is **20,652,075 USD** out of which **11,769,191 USD** are valid for execution (landowners have already paid their due taxes) and **8,882,884 USD** are not valid for execution, mainly, tax issues.

The informal tenants

Among the categories of PAPs identified by CDR there is a category of tenants. These are mostly Lebanese landless farmers who rent land from landowners. Most of tenants have no written contracts. Just an oral agreement, which is an old traditional custom in Lebanese rural areas. As specified in the previous report, in some instances, investment on the land is done by the landlords; in other instances, it's done by the tenants or by both tenants and landlords. The approach used by CDR is to compensate the tenants for their investments if there is a contract and evidence of investment. If there is no such contract and evident proof of investment, the compensation for investment is given to the landlord who should in turn compensate his/her tenants. This approach

worked in most cases. However, the second external monitoring report shows that there are tenants without official contracts who invested in trees, shelters, and equipment but were not compensated by the landlords. So far, the number of such tenants is less than 12, but may be higher and by all means is sufficient enough **to put CDR in a situation of non-compliance with both national and Bank policies related to land acquisition and compensation.**

This situation was observed during the precedent mission and is still presently not solved despite the fact that the precedent mission urged CDR to address and correct the problem within two months and before the launch of the construction works. The social safeguard specialist of the ESP reiterates the proposal that CDR prepares and implements an information campaign in the project area, using its GRM, the local newspaper, the radio and TV, to inform the PAPs that might fall in the category “tenants”. The campaign should include the following elements:

- Any tenants that have not been compensated for investment done on landowner’s land or farm, should use the Grievance Redress Mechanism (GRM) to contact CDR’s focal points;
- The focal points, with the help of CDR’s social scientist (not yet recruited), will contact the tenant(s) and the concerned mayor(s) and other resource people to ascertain whether the case(s) is/are legitimate(s);
- If the case(s) is/are solid and well documented, CDR will refer the case(s) to the relevant expropriation committee for review and study; and
- CDR should organize a working session with the tenant(s), the mayor and the relevant expropriation committee for final decision and course of action.

This approach could be refined by CDR with the help of the Bank’s communication specialist and should be easy to implement as CDR continues to be in contact with all parties affected by the project and consider consultation as a process. A cut-off date should also be considered for this specific issue.

It is worthwhile insisting on the use of the GRM as instrument for the concerned tenants to reach out CDR and to make sure that tenants are aware of the existence of the GRM, especially when one knows that CDR’s GRM booklet has the value of a best practice because of the quality of the information it contains on the project and on the process to be followed in case of complaints.

Complaints and appeals

As stated in the two previous mission reports, despite the fact that the unit prices used for compensation are superior to the selling and buying prices observed in the project area by an average of 15-20%, over 59% of the plots were subject to appeals. If the prices used by the expropriation committees are above the average market price, then why all those appeals? Do the appeals really and necessarily reflect a situation of dissatisfaction with the level of compensation and can they be used as an objective and reliable indicator of dissatisfaction? Facts and explanations were largely presented and discussed in the two previous mission reports with a conclusion suggesting that the appeal should not be considered as a sign of dissatisfaction nor an indicator of non-

compliance. Below are two essential facts (among others, already mentioned in the 4th mission) that militate in favor of such a conclusion:

- The national policy allows PAPs to accept, receive and use the proposed compensation, and later appeal within a period of one month (CDR can as well appeal and reject unit prices proposed by the ECs);
- The cost of appeal will not come from the already received compensation. Lawyers will be paid from whatever increase PAPs might receive from the appeal court. In the agreement between lawyers and PAPs, if no increase is decided, PAPs walk away without paying the lawyers, hence layers will work hard and use any power, means and connections to get an increase. It becomes obvious that it is in the interest of the PAPs to try to get an increase. There is no risk of losing money from the initial compensation payment. Under those circumstances, who wouldn't try to appeal? For information, most of those who did not appeal are in fact absentees.

To be on the safe side and make sure that unit prices proposed by the EC are adequate, the social scientist of the ESP re-iterates the need for CDR to commission a concise study on the prices of agricultural land and other land in rural areas. It is important to note that such a study will have approximate output as there is no established and official market for agricultural land. The study would then consist of comparing the prices used by the ECs with the prices of selling and buying agricultural lands in the project area during the last five years and which are registered in the Ministry of finance. Outside this approach, there are no milestones or official indicators to use as a base for comparison.

The refugees 'issue:

It has been agreed with CDR that although OP/BP 4.12 does not apply to displaced people/refugees as a result of an act of God or an armed conflict, the refugees living in the area and affected by the project, will be considered as a vulnerable group and as such will benefit from two specific actions: (i) negotiation with UNHCR to relocate the refugees in a close-by and safe area and re-house them, and (ii) negotiations between CDR and the future contractors to encourage the latter to employ refugees, to the extent feasible, as laborers or/and skilled workers during the construction period.

As explained in the previous mission reports, negotiations with UNHCR to help relocate the refugees in the project area failed (for more information and details, please refer to report #4 of ESP's social scientist).

As to the employment of refugees by the contractors, ESP is pleased to note that CDR has already started the negotiations with the retained contractors whereby a commitment to employ refugees is obtained, where needed and to the extent feasible. It is, however, not clear whether the contractors agreed to officialize this agreement by putting it officially in their "cahiers des charges". For an added transparency, the ESP social safeguard specialist strongly recommends that a section on the refugees and the agreement reached with the contractors be included in the next Quarterly Progress Reports. CDR is also committed to help refugees re-locate in safe areas.

The nature of this help has not yet been defined and CDR should clarify this in its up-coming quarterly report.

Updating the RAP

The World Bank requested that CDR updates the 2014 RAP, to ascertain that the Unit prices proposed in the document, as well as the PAPs categories identified then are still valid and, as needed, make the required adjustments. Five years elapsed since the preparation of the RAP which is a living document that needs to be enriched whenever additional information and/or adjustments become available. Since there are some disagreements between the WB and CDR on some of the unit prices and the PAPs categories, and despite the fact that the RAP implementation is almost a 100% completed on the basis of its current content and requirements, it would be beneficial to do the updates and adjustments targeted to the two issues mentioned above. This is particularly important to help end the disagreement mentioned above. It is also relevant for the evaluation, the monitoring and possibly the audit of the implementation process of the RAP. Once the adjustment and updates are completed, CDR will have to reflect the changes in the implementation of the RAP as and where needed.

In order to avoid delays in the launch of the construction works, CDR should, without delay, identify a consultant to update the RAP, keeping in mind the following two facts:

- There is no established and official market for agricultural land. The review of the unit prices would then consist of comparing the prices used by the ECs with the prices of selling and buying agricultural lands in the project area and which are registered in the Ministry of finance; and
- In order to adjust the PAPs' categories by adding the tenants, CDR should first prepare and implement an information campaign in the project area, using its GRM, the local newspaper, the radio and TV, to inform and mobilize the PAPs that might fall in the category "tenants".

Benefit sharing program

The benefit sharing program was conceived to help the local communities improve their general living conditions as a complementary development for hosting the project and contributing collectively solve the water problem in the Great Beirut. Although the study and the preparation of the program globally has not yet been completed, repeated consultations with the affected communities indicate that water waste infrastructures and management are indeed a priority. Therefore, a complete study was commissioned by CDR to launch an extended waste water treatment project in priority areas, more likely Bisri, Kherbit Bisri, Mazraat Mathané and Ktalé, but up to now, no final decision has been reached as to the choice of the locations. This is a good start, but by definition, a benefit sharing program is diversified and integrated, taking into consideration diverse priorities of the most affected communities. If CDR wants to increase the support of the population to the project and sustain their confidence, it is essential to proceed and complete the preparation of the benefit sharing program as a whole as soon as possible in order to implement it at the same time as the launch of construction works for the project at large.

Conclusion

The implementation of the RAP continues to progress well. Just one possible non-compliance has been noticed so far, along with a disagreement with the WB on the adequacy of some of the unit prices proposed by the ECs.

Both issues (non-compliance and disagreement) should and will be resolved through the revision of the RAP which will include the missing tenant category and will, if needed, adjust the unit prices used to calculate the compensations, once the proposed independent study on the validity of the unit prices has been completed.

The agreement on the unit prices is crucial. If the study indicates that the unit prices are adequate to be considered as a fair basis to calculate the compensations/replacement costs, then, it will be more convincing for the WB to accept that appeals to get higher compensations do not necessarily constitute an indication of dissatisfaction. The reasons, arguments and rationale are largely presented in the core of this and the preceding reports.

Last, CDR reporting on internal monitoring and GRM has greatly improved. Still, a self-standing analytical monitoring report is missing. Such report would provide a critical mass of valuable information that already exists here and there. It would also add an analytical dimension to the information at hand.

Arbi Ben Achour

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