



1. Project Data:		Date Posted : 04/03/2003	
PROJ ID: P005336		Appraisal	Actual
Project Name: Emergency Recovery	Project Costs (US\$M)	293.1	294.9
Country: Lebanon	Loan/Credit (US\$M)	225.0	221.2
Sector(s): Board: UD - General water sanitation and flood protection sec (51%), Power (20%), Housing construction (14%), Other industry (9%), Central government administration (6%)	Cofinancing (US\$M)		
L/C Number: L3562			
	Board Approval (FY)		93
Partners involved :	Closing Date	12/31/1996	03/01/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components			
a. Objectives			
Within the overall framework of the National Emergency Reconstruction Program (NERP), the Project was designed to assist the Government of Lebanon (GOL) to : (i) rehabilitate, repair and reconstruct damaged physical and social infrastructure facilities and housing; and (ii) strengthen GOL's institutional capabilities in implementing the NERP .			
b. Components			
The project had several components (with final costs of each in parentheses): (a) <u>Water and Wastewater</u> (US\$130.9m.) - reconstruction and rehabilitation of water supply and wastewater facilities; (b) <u>Electricity</u> (US\$52.0m.) - rehabilitation of distribution networks and procurement of metering equipment; (c) <u>Solid Waste</u> (US\$41.0m.) - repair of existing and procurement of new collection vehicles and equipment; development of priority areas for landfill; rehabilitation of existing compost plants, incinerators and their access roads; (d) <u>Education</u> (US\$18.2m.) - rehabilitation of schools and their equipment; production of new student textbooks and teacher guides; and training seminars; (e) <u>Housing</u> (US\$15.6m.) - reconstruction and repair of damaged houses, and construction of new ones for displaced households; and (f) <u>Technical assistance</u> (US\$20.1m.) - for: economic management and the restructuring of infrastructure services; design, preparation and construction supervision of project implementation; studies to evaluate restructuring strategies in telecommunication, electricity, water, and wastewater sectors; and technical assistance to the Ministry of Finance (MOF).			
c. Comments on Project Cost, Financing and Dates			
Actual project costs were similar to those estimated at appraisal, although cost overruns meant that some components were not completed. Slightly below the levels foreseen at appraisal, 75% of all project costs were financed by a Bank loan. The project was prepared expeditiously in six months and approved as an emergency recovery loan (ERL) on 03/04/1993, and scheduled for completion within three years on 12/31/1996. Implementation delays--due to inaccurate/incomplete cost estimates at appraisal, a change of administration, an outbreak of fresh hostilities in 1996 and the extension of this project's assistance to occupied territories liberated in 2000--led to successive loan extensions until the project was actually completed 03/01/2002. By this time the emergency that triggered the project was long over. Fully nine years were needed to implement this operation, against a Bank policy (OP 8.50) of normally implementing an ERL, like this one, fully in two to three years.			
3. Achievement of Relevant Objectives:			
The project achieved its two stated objectives :			
(i) Damaged physical and social infrastructure was rehabilitated, repaired and reconstructed, fully as intended, with sectoral results, as follows: (a) <u>Water and wastewater</u> - nearly 100 communities served by 58 wells, 86 water treatment plants, 133 pumping stations, 430 reservoirs, and 73 km of sewerage lines; (b) <u>Electricity</u> - 432 km of lines; 1287 sub-stations and 83,500 energy meters; (c) <u>Solid waste</u> - 80 new and 33 rehabilitated compactor trucks,			

and 2,760 metal containers; (d) Education - 22 technical and vocational schools rehabilitated, and 9,000 participants were trained; (e) Housing - grants to 14,175 households for repairs, instead of intended 17 year loans; (f) Technical Assistance - led MOF to introduce Value Added Tax (VAT), new telecommunications law drafted and approved by Prime Minister, and also new Water Law approved.

(ii) GOL's institutional capacity was strengthened, although not all improvements can be attributed entirely to the project. Nevertheless GOL's Council for Development and Reconstruction (CDR) has developed into the premier public institution responsible for coordinating all donor aid across several ministries in Lebanon. The project also helped MOF develop its customs revenue collection. Reform laws were enacted for telecommunications and water sectors. Cost recovery measures were also implemented.

4. Significant Outcomes/Impacts:

- CDR emerged as the prime GOL agency for coordinating international assistance and a preferred interlocutor for donors.
- Through enacting sectoral reform laws for telecommunications and water, project achievements exceeded reconstruction and recovery by themselves.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Implementation of this *emergency* project took *three* times longer than planned for a variety of reasons. Delays originally arose from inaccurate damage assessments and cost estimates at appraisal, and hence led to much work to clarify uncertainties about what could be implemented. A new administration taking office also held up implementation. The project was also held up by the outbreak of fresh external hostilities in 1996, and the liberation of occupied territories in 2000 was seen as an opportunity to extend and prolong assistance through this project.
- Damage assessments underestimates led to the need for a supplemental loan to cover full costs (US\$50 m. approved in 1996). In many cases, damage assessments were not based upon detailed or comprehensive studies.
- Poor implementation of water treatment plants led to serious under-provision of services to final beneficiaries--none at all in the case of the Ba'albeck plant--that lacks influent and effluent connections that will require a follow-on loan to provide.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Moderately Satisfactory	Although it achieved a lot, it took far too long; a major shortcoming for an emergency recovery loan (ERL). After nine years' implementation--2-3 years is the norm for an ERL--the project's emergency purpose was lost. Yet, what had in fact become a regular investment operation still suffered from the fall-out of hasty preparation as an <i>emergency</i> project, notably inaccurate damage assessments and cost estimates.
Institutional Dev.:	Modest	Modest	
Sustainability:	Likely	Likely	
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf.:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

The ICR--Bank and borrower parts--points to the following lessons:

- A quick response to an emergency can be most effective through the proper preparation of an inventory of modest-sized investments.
- Flexibility in project design, allowing reallocation of funds between sub-components is very useful in expediting rehabilitation works that proceed at different speeds.
- Combining "opportunistic" extensions/development works alongside emergency works should be avoided, as they lead to delays and cost overruns and can even leave uncompleted works.
- Streamlining and coordinating the rehabilitation and reconstruction effort through an autonomous agency can be very effective. Cumbersome and time-consuming procurement procedures can be circumvented.
- Emergency operations can "carry" modest sectoral reforms--such as cost recovery--where these do not undermine the emergency response.

8. Assessment Recommended? ☒ Yes ☐ No

Why? As an input to OED forthcoming review of Bank conflict policy implementation .

9. Comments on Quality of ICR:

Report is satisfactory, providing a consistent, yet broad coverage of project performance . It is informative about the project's achievements and candid about its limitations .