



USAID | **LEBANON**
FROM THE AMERICAN PEOPLE

Lebanon Water and Wastewater Sector Support

QUARTERLY REPORT: JANUARY 1, 2011—MARCH 31, 2011

April 15, 2011

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI.

LEBANON WATER AND WASTEWATER SECTOR SUPPORT

QUARTERLY REPORT: JANUARY 1, 2011—MARCH 31, 2011

Program Title: Lebanon Water and Wastewater Sector Support

Sponsoring USAID

Office: Lebanon Mission

Contract Number: EPP-I-00-04-00023-00/04

Contractor: DAI

Date of Publication: April 15, 2011

Author: Samuel L. Coxson, Chief of Party

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

ACRONYMS

ACWUA	Arab Countries Water Utilities Association
AFD	French Development Agency
AWP	Annual Work Plan
APP	Annual Work Plan
ATP	Annual Training Plan
BMLWE	Beirut and Mount Lebanon Water Establishment
BWE	Beka'a Water Establishment
CAS	Central Administration of Statistics
CDG	Chairman and Director General
CDM	Camp, Dresser and McKee Engineering
CDR	Council for Development and Reconstruction
CIP	Capital Improvement Plan
CQCP	Construction Quality Control Plan
CSR	Customer Service Representative
DG	Director General
COP	Chief of Party
COTR	Contract Officer Technical Representative
DAI	Development Alternatives Inc.
DCOP	Deputy Chief of Party
EIB	European Investment Bank
EU	European Union
FAS	Financial & Accounting System
GA	Geographical Area
GIS	Geographical Information System
GIZ	Gezellschaft fur Internationale Zusammenarbeit
GOL	Government of Lebanon
GTZ	German Technical Assistance
HPIP	High Priority Intervention Program
HR	Human Resources
IAR	Initial Assessment Report
IFI	International Financial Institution
IRG	International Resource Group
IRM	Information Resources Management
IT	Information Technology
IWRM	Integrated Water Resource Management
KPI	Key Performance Indicator
LWWSS	Lebanon Water and Wastewater Sector Support
MMS	Maintenance Management System
MOEW	Ministry of Energy and Water
MOF	Ministry of Finance
MOTGE	Mise en place des Outils Techniques de Gestion de l'Eau
NLWE	North Lebanon Water Establishment
NRW	Non Revenue Water
O&M	Operations and Maintenance
PMP	Performance Monitoring Plan
PSP	Private Sector Participation
PPP	Public Private Partnership
SCADA	System Control and Data Acquisition
SLWE	South Lebanon Water Establishment
SMP	Subcontractor Management Plan

STTA	Short-Term Technical Assistance
TOR	Terms of Reference
USAID	United States Agency for International Development
WE	Water Establishment
WPS	Water Pumping Stations
WWTP	Wastewater Treatment Plant

CONTENTS

ACRONYMS.....	1
1. QUARTERLY ACTIVITY HIGHLIGHTS	4
2. REACHING PROJECT OBJECTIVES IN YEAR TWO	4
<i>Component Four: Increased Capacity in Capital Investment Planning and Project Management</i>	5
<i>Component Five: Provision of Technical Equipment to Improve Water</i>	6
<i>Component Seven: Improved Customer Service and Customer Relations</i>	7
3. COMPONENT PROGRESS DETAIL	10
Component One: Initial Assessment Report and High Priority Intervention Plan	11
Component Two: Strengthened Capacity for Managerial, Technical and.....	11
Operational Efficiency	11
Component Three: Increased Financial and Commercial Viability and.....	12
Operational Efficiency	12
Component Four: Increased Capacity in Capital Investment Planning and Project Management	13
Component Five: Provision of Technical Equipment to Improve Water	14
Establishment Performance	14
Component Six: Implementation of Small- and Medium-Scale Projects to Improve	15
Operations and Services.....	15
Component Seven: Improved Customer Service and Customer Relations	15
4. USE OF FUNDS DURING THE QUARTER.....	ERROR! BOOKMARK NOT DEFINED.
5. CONTRACT DELIVERABLES	16
6. CHALLENGES, PROBLEMS, ISSUES	16
7. STAFF AND STTA DURING QUARTER	ERROR! BOOKMARK NOT DEFINED.
9. PERFORMANCE MANAGEMENT PLAN (PMP) REPORTING	19

LWWSS Counterparts and Primary Contacts

Beirut-Mount Lebanon Water Establishment (BMLWE)
 Beka'a Valley Water Establishment (BWE)
 North Lebanon Water Establishment (NLWE)
 South Lebanon Water Establishment (SLWE)
 Ministry of Energy and Water
 MOEW Advisor to Minister (Water)
 MOEW Advisor to Minister (Wastewater)

Joseph Nseir
 Maroun Msallem
 Jamal Krayem
 Ahmed Nizzam
 Mahmoud Baroud
 Abdo Tayar
 Randa Nemer

1. QUARTERLY ACTIVITY HIGHLIGHTS

World Water Day Observed

LWWSS customer service and outreach specialist, Nada Akl, conducted a series of presentations at the Ecole St. Joseph des Soeurs Antonines in Zahle, Ksara region. During the week that celebrated World Water Day (March 22, 2011), 682 students and 18 teachers participated in the water conservation exercise. The presentation objective included (1) raising awareness about the importance of water conservation, (2) educating students about their daily water consumption (at home and at school), and (3) discussing ways students can apply water conservation methods at home, at school and other places. A workbook for each student with exercises, some done in the session and some to take home and do with parents, were given to each student.



A presentation session at the Ecole St. Joseph des Soeurs Antonines, Zahle, Ksara region.



Left to Right—LWWSS Presenter, Nada Akl, Water Conservation Quiz Prize Winners and Sister Mary Nassav, Principal for 3rd and 4th Grades, Ecole St. Joseph des Soeurs Antonines..

2. REACHING PROJECT OBJECTIVES IN YEAR TWO

Progress Summary

The second quarter of project year two (sixth quarter) saw substantial progress in many items that were undertaken but had a long lead time for activities to show progress, particularly with respect to procurement but also in other components.

Component Two: Strengthened Capacity for Managerial, Technical, and Operational Efficiency

Training and capacity building were carried out for the BMLWE and BWE increasing IT skills (5c of the year-two work plan activities) and pump station operations and management (activity 1 of the year-two work plan). A more detailed discussion is presented under the component detail section below.

In addition to the training and capacity building of personnel, LWWSS worked on the provision of a detailed pump station survey that would (year-two work plan activity three) be developed in tabular form to make it compatible with many software systems, particularly GIS. After extensive discussions with the SLWE Director General, Ahmed Nizzam, LWWSS developed bid specifications for the survey, advertised, and selected the competitive winning bid (Cadres). The survey, when completed will allow the SLWE to have a detailed asset inventory of the pump stations in the SLWE including assessments on the age of equipment, prioritization of equipment to be replaced, plus assessments of the well production capacity and additional training needs of the pump station operators.

Component Three: Increased Financial and Commercial Viability of the WEs

During this quarter, LWWSS completed step 5e and 70 percent of 5f of its year-two work plan (Financial and customer relations management systems upgrade for BMLWE). Additionally, 5b and 5c were carried out for the BWE.¹ Although these processes are very similar in procedure, they are quite different in content since the BMLWE has the staff and the funding to ensure the sustainability of the activity. The BWE is much further behind in hiring personnel to staff critical positions and in establishing a modern IT system to implement integrated financial and customer service management systems, particularly between the headquarters office and branch offices.

During the quarter LWWSS was informed that the MOEW Minister had established a policy that significantly curtailed water establishment directors general and department head travel to conferences and workshops outside the country. Therefore, LWWSS will endeavor to focus on training provision for directors general and department heads in country. Lower level staff was not affected by the new policy and LWWSS will continue to work with these staff to attain appropriate training in the region.

Component Four: Increased Capacity in Capital Investment Planning and Project Management

Work on the SLWE business plan (year-two work plan activity number seven) has progressed on time and produced the intended documents and training in the process of business plan

¹ Year-two work plan item three applies to both the BMLWE and BWE. Although the principles are the same, the two are quite different in the pace of absorption, the level of sophistication and the capacity to invest in the process with BMLWE having more funds, and personnel that can absorb the new procedures and information flow, and more money for system hardware.

development. DAI subcontractor ValuAdd has trained all major department heads in the process of development of and planning for implementation of the updated five-year business plan.

Component Five: Provision of Technical Equipment to Improve Water Establishment Performance

BMLWE

CDM, DAI's engineering subcontractor, completed design and specification development for Jeita pump station rehabilitation work for BMLWE to review and accept. The package includes specifications for the replacement of 16 pumps and motors, cleaning and painting of the wetwell (where the pumps are housed), design of a sand removal unit that utilizes a part of the wetwell, and replacement of the electrical control panel and wiring system to make operating the system safer and easier on the pumps at start-up and shut-down.

SLWE

LWWSS has completed the competitive bidding, selected the winning bid and is starting the detailed pump station survey (year-two work plan item 3). This survey will generate in matrix form data that can be used for maintenance management systems (MMS), provide schematic drawings for civil, mechanical and electrical drawings, provide specifications and bidding documents and prioritization for pump station equipment. Completion of the survey is anticipated in May, 2012.

The GNSS surveying equipment and software were delivered to the SLWE in March. In addition to the advertisement, selection of winning bidder, LWWSS also sought USAID ADS Chapter 548 (IRM) approval. Following IRM approval, the equipment was purchased and training started. The procurement specifications call for training over a period of months to enable the training to encounter a wide variety of conditions.

NLWE

During this quarter, LWWSS has attempted to finalize the priority equipment procurement with the NLWE leadership. The initial priorities were requested by the NLWE Director General, Jamal Krayem, to be changed and LWWSS accommodated the requested changes within the budgetary goals that are tacit, though not a part of any written agreement. Within a month, the WE again requested changes to its list of priority equipment procurement. At center to the changes was whether the WE would include customer metering in the equipment mix, or focus on other priority needs such as specific pump and motor replacement and generators for critical pump stations. The decision was made to exclude consumption meter procurement from year-two the NLWE procurement plan. LWWSS has finalized a list of equipment that we believe to be final and requested NLWE Director General concurrence prior to submission to USAID for approval.

SLWE and BWE

The evaluation of the bid proposals was completed in January with the winning bid awarded to Numelab for the supply, installation and training of laboratory equipment. USAID CO approval was granted in February, 2011. Following the USAID approval, LWWSS began to implement the procurement. The equipment is anticipated to be installed by mid-June and training started.

Component Six: Implementation of Small- and Medium-Scale Projects to Improve Operations and Services

BWE

The specifications and selection of a contractor to install the UNICEF purchased chlorination systems was completed during the quarter (year-two activity number 12). Sanabel, S.a.r.l. was the winning bidder and has been authorized to start work. The completion of the installation of the chlorination system is anticipated by September, 2011 or earlier. The contract calls for periodic training on the installed equipment and the supply of gas chlorination for one year.

Component Seven: Improved Customer Service and Customer Relations

BMLWE

The customer relations management assessment (year-two work plan activity 15) was completed and a customer relations management (CRM) system improvement action plan approved by the BMLWE leadership. The CRM system is closely linked to the financial accounting system (FAS) improvements and would work on the same management information system platform. The completed action plan has these two activities working in tandem. This ongoing work will culminate in the conversion of the BMLWE to a new software platform that will integrate all aspects of financial reporting and recording, financial management (FAS), with modules of customer relations management (CRM), maintenance management system (MMS), and be able to be displayed on a geographical information system basis (GIS). The target date for the initial FAS and CRM system activation is January 1, 2012. Other modules will be added as the BMLWE staff are able to absorb them.

Additionally, the LWWSS customer service and communications specialist has worked with BMLWE customer relations staff to develop an improved customer relations system. Training will be provided as –the processes, forms and procedures are approved by the BMLWE leadership.

BWE

LWWSS staff customer relations specialist, Nada Akl, has worked closely with the BWE leadership to develop a strategy for (1) establishing a customer service center, (2) developing and implementing an ad campaign that combines water conservation and request to pay water

bills (this is a pilot for LWWSS to gauge the impact of ad campaigns), and (3) provide customer service training to existing and newly hired personnel of the BWE.

Additionally, Nada Akl, has made presentations to school classes (1,087 students including 39 teachers and parents) concerning water conservation. This program involves presenting the water cycle, doing a water consumption workbook and teaching the students about ways to reduce their water consumption. A quiz is given at the end of the presentations and the winners are presented with a water conservation hose nozzle.

NLWE

Customer service and communications with the NLWE staff continued during the sixth quarter of this program. Part of the cooperative effort with the NLWE customer service management staff is the development of corporate identity and brand guidelines for the establishment which is part of their marketing and communications strategy. This activity will help the WE in communicating and reinforcing the establishment's vision, mission and values, and will create a positive image in the public mind about the water establishment. The LWWSS staff specialist also continued work with the NLWE customer relations staff in the development of a website for the WE.

Collaboration with Donors and GOL Officials

Donor coordination is an essential part of LWWSS project planning and execution in order to (1) avoid unnecessary duplication, (2) identify specific areas of coordination and (3) identify areas where LWWSS can collaborate with other donors on specific projects or programs. The list of meetings with the GOL and other donors below provides a clear picture of this important program activity.

During the fifth quarter, the primary donor that LWWSS has worked with is GIZ.² GIZ and LWWSS are the dominant donor programs in the water and wastewater capacity and operations building efforts. Other donors have much smaller programs or focus on infrastructure programs.

Meeting with Donor or GOL Official	Date	Attendees	Brief Synopsis of Meeting
GIZ (Former GTZ)	January 10, 2011	Manfred Scheu and Nabil Chemaly	Discussed assistance to be given to BWE and coordination of each program's efforts to avoid duplication and assist BWE DG in implementing the Rapid Assessment Action Plan
USAID	January 13, 2011	COPs Briefing on Mission PMPL	COPs were introduced to the PMPL team and process to be undertaken by the mission
USAID	January 14, 2011	Jimmy Zammar and May Koleilat	Additional guidance in working

² GTZ has changed its name from German Technical Development to GIZ, German International Development.

			with the PMPL given to project implementation staff.
MOEW	January 21, 2011	Jimmy Zammar, Sam Coxson, Sana Saliba, Mahmoud Baroud, Abdo Tayar and Randa Nemmer	LWWSS presented a draft presentation that it would present to the minister. Comments and suggestions were received on the presentation.
BWE-Zahle	January 28, 2011	Donors and MOEW	The DG of BWE presented a two year action program that donors were asked to review and determine where they may provide some assistance. LWWSS is one of three major donors active in the two year performance program.
BWE and WB	Feb 7, 2011	Sam Coxson, Jimmy Zammar, Bassem Ghayda and Bassam Jaber, Maroun Msallem and Roy Yazbek	Discussion of the FAS system data gathering and process mapping steps for the WE MIS upgrade.
MOEW	Feb 9, 2011	Sam Coxson, Bassam Jaber and Hassan Jaffer	Discuss the three WWTPs in BWE sustainability and operation by WEs as opposed to municipalities.
Donors Coordination Meeting	Feb 10, 2011	All Donors related to Water and Wastewater	Updates on various donor projects and the NWSS activities
CDR	Feb 16, 2011	Sam Coxson, Bassam Jaber, Joussef Karam	Discuss the planning of WWTPs and the need for an agreement between the WEs and municipalities on network and WWTP operation and maintenance
Mayor of City of Foursol, Mayor of City of Ablaah	Feb 25, 2011	Sam Coxson, Bassam Jaber, Mayor of Fourzol-Ibrahim Nasrallah, Mayor of Ablaah—Robert Semaan	Discuss the role of the municipality in the operation and maintenance of wastewater network and WWTPs in their cities
USAID Regional Contract Officer Meeting	March 15, 2011	Sam Coxson, Jimmy Zammar, Elias Hasbini, Sana Saliba, Stanley Canton, Abeer Rizk	Discussion of budget realignment, subcontractor budgets, CLINS, deliverables, key personnel and embedded advisors
ESCWA	March 22, 2011	Sam Coxson, Jimmy Zammar, Bassam Jaber, Elias Hasbini	ESCWA World Water Day Forum with Discussion Panels
President of the Lakes Union of Municipalities	March 28, 2011	Sam Coxson, Bassam Jaber, Mr. Khaled Sharaneck	Discussed the potential of a service agreement between the WE and the Association. The mayor was very supportive of the approach as sustainable.
Mayor of Aitanit	March 30, 2011	Sam Coxson, Bassam Jaber, Mr. Assad Najum	The mayor was supportive of the idea but questioned whether the WE could uphold its part of a service agreement. The mayor

			stated that the city completed over 30 km of water pipeline because the WE could not do it.
--	--	--	---

3. COMPONENT PROGRESS DETAIL

Administrative Items:

Work Plan Amendments

BWE

Last quarter it was noted that changes in the work plan are needed from time to time to reflect changes in opportunities for LWWSS to assist the WEs and changes in direction and priorities of the WE leadership. During the sixth quarter the opportunity to assist the BWE in its financial and accounting system modernization and integration presented itself. Along with the BWE's decision to enter the reform process in modernizing and making effective the billing and collection process, LWWSS was given approval by USAID to undertake the long-term capacity building activity.

Closely related to the effort to reform the financial management, administration procedures is the improvement of collections for the WE. At the beginning of the request by the new general director, Maroun Msallem, the collection rate was 17.5 percent of total billed. As we began to implement the first phase of the FAS and CRM reforms, the collections had increased to approximately 24 percent.³ LWWSS sought and was given approval to add to the work plan a public relations collection program that would further increase the collections (reduce arrears) as well as encourage conservation of water consumption. These two messages—discounts for paying arrears and the plea to reduce consumption—are designed to improve the WE's financial condition and reduce the total amount of water consumed. They constitute a pilot effort to determine the effectiveness of the public relations media approach in the BWE.⁴

Related to this overall financial management improvement effort is the establishment of a customer service center in Zahle to (1) strengthen the tariff collection process by providing an additional and more customer friendly process and location for customers to pay their bills, current and past.

NLWE

The year-two work plan for the NLWE has been amended and is under review by USAID to conduct the development of job descriptions for the entire NLWE organization. This effort will build on the reorganization of the WE to establish a wastewater department and (2) update the

³ This new collection percentage has not been confirmed through the financial records. However, given the huge amount of arrears—over 70 billion Lebanese pounds, the initial effort in increased collection of arrears has been encouraging.

⁴ Related to the consumption question is the effort to reduce water loss by the distribution network (current loss estimated by the NWWSS to be 50 percent but this is without the benefit of metering production).

job descriptions to conform with the organizational changes and to provide the foundation upon which pay for performance systems may be established.⁵

Component One: Initial Assessment Report and High Priority Intervention Plan

LWWSS completed and submitted the Initial Assessment Report (IAR) and the High Priority Intervention Plan by the end of the first quarter of the program (Due Date: December 31, 2009). Both deliverables were approved by USAID and incorporated into the year-one work plan.

Component Two: Strengthened Capacity for Managerial, Technical and Operational Efficiency

BWE Pump Station Operations and Maintenance Training

Pump station operations and maintenance training was completed during this quarter. Twenty pump station operators completed the week-long training course provided by DAI subcontractor, KREDO. The impact of this activity is to provide more effective and efficient operation of pump stations, thereby improving the water supply service to more than 65,000 people in the Beka'a Valley.

Geographical Area Analysis and Action Plan Completed

BWE Geographical Area

As described in the previous quarterly report, LWWSS has undertaken two rather than one geographical pilot areas to focus selected activities on. The BWE Director General requested the addition of the Zahle municipality to be added to the geographical area activity focus. The concept is to carry out the administrative, financial, customer service, outreach, and non-revenue water reduction activities (starting with well production metering) in the geographical area and then use the best practices and lessons learned to roll out the reforms in other areas of the water establishment. Therefore, this activity will be an ongoing effort for most of the remainder of the project or until it reaches a logical and successful stopping point.

During the sixth quarter, LWWSS specialists worked on the financial, engineering and customer service action plans in the BWE and SLWE. Specific work in the BWE was to begin the financial accounting system information process mapping and changes to procedures to (1) systematize them and (2) ensure that the personnel in the geographical offices understand and can carry out the new policies and procedures. A similar activity was applied to the customer service action plan for the Zahle geographical area with the added emphasis of (1) establishing a customer service center in the municipality of Zahle, (2) developing a geographical based customer service action plan, and (3) beginning the hardware and software review to ensure integration of the geographical office with the headquarters office.

⁵ It is unclear whether the current civil service system in Lebanon will permit a pay for performance system. LWWSS will assess this possibility in year three.

SLWE Geographical Area

A similar process was undertaken with the SLWE's Jezzine area. The Jezzine geographical area already has the benefit of integrating more closely to an existing IT platform (JD Edwards system), but still needs the information process mapping and financial reporting standardization in policies and procedures. The implementation effort in the SLWE will take less time and effort given that LWSS is building on a hardware and software system installed under the previous USAID LWPP program.

SLWE Detailed Pump Station Survey

Correction to the previous quarterly report: Cadres S.a.r.l. was the winner of the competitive bidding, not ACE Engineering as reported.

LWWSS continue to obtain DAI and USAID approvals for the subcontract.

BMLWE Training

As a part of the year-two work plan for capacity building, LWWSS completed the basic and intermediate computer training for 28 BMLWE staff. This training is a precursor to the financial management and reporting training and total system software system upgrade implementation with more integration and uniform reporting. The benefit of this activity is to create approximately 40 BMLWE staff capable of carrying out financial management steps using up-to-date financial procedures and policies (e.g., proper closing and opening balances on an accrual basis, capacity to share information with other BMLWE divisions such as billing and collections).

Component Three: Increased Financial and Commercial Viability and Operational Efficiency

Financial and CRM Systems Assessment Implementation for BMLWE

FAS

After several meetings with the BMLWE Finance and Accounting Reform Team and the BMLWE Director General, Mr. Josef Nseir, LWWSS reached an agreement on the information flow (information mapping for the IT system to support). The full FAS will address data on the following: new subscribers, recording and archiving subscriber payments, recording WE procurements (including the documentation of the procurement process), fixed assets (to the extent that such information is available—many assets of the BMLWE are not legally determined as owned by the WE), parts and stores department, human resource management and payroll, budgeting and linkage to the customer relations software module.

CRM

At the same meetings referred to above, the LWWSS Team (made up of the financial management specialist, customer relations specialist and DAI subcontractor ABA) reached agreement on the customer relations management reforms that would be undertaken. The CRM element of the reform will also be supported by the new software to be procured. The detailed steps of the information flow, procedures to ensure accurate data reaches the appropriate decision-making level and that information can be shared by selected department heads will also be supported by the software system developed. LWWSS has the basic agreement on the information desired and its flow. The next step during the ensuing quarter is to develop the software and hardware specifications that will effectively carry out the information flow.

Financial and CRM Systems Assessment Implementation for BWE

FAS

The BWE financial accounting system improvement plan includes several phases for policies and procedures, information content and flow, and software systems to produce various reports and information. That is, the BWE system must start from a more basic point than the BMLWE approach. Use of Excel spreadsheets and Access generated reports was reviewed and the decision was made to continue the simpler systems until the BWE staff are capable of absorbing a more integrated and sophisticated software system. In the meantime, reporting formats and processes were confirmed for accuracy and intended receiver.

CRM

LWWSS customer service specialist, Nada Akl, continued work with the customer service staff of the BWE in the systemization and standardization of customer service forms, work processes and information flow, and identification of personnel needs to implement a fuller customer service function, including staffing the proposed Zahle customer service center. The establishment of the Zahle branch customer service office will also entail linking the branch software and hardware with the headquarters office. Customer service specialist Akl also worked with the Director General to ensure that the DG included the appropriate positions for the Zahle customer service center in his request to the MOEW.

Component Four: Increased Capacity in Capital Investment Planning and Project Management

SLWE Business Plan Update Work Continued

DAI's subcontractor ValuAdd continued the SLWE business plan update. After identification of the SLWE department head team that would receive the business plan development training, ValuAdd continued the detailed work with the SLWE Team to complete specially designed workbooks that, when completed, provide the information needed to complete a segment of the business plan. During the quarter, the SLWE Team, ValuAdd and LWWSS financial management specialist completed all the workbooks (1. Mission, Goals and Objectives; 2. Capital Investments; 3. Five-year Budget Projection, including capital outlays; 4. Manpower Needs and Projections, and 5. Performance Improvement Planning). Additionally, they

compiled the business plan draft. During the next STTA visit by ValuAdd, the SLWE team will present the plan to the Director General, Ahmed Nizzam, for approval and then submission to the WE Board of Directors for approval. Following these steps, the WE will submit the business plan to the MOEW for approval.

SLWE Capital Planning Training

The capital plan is essentially one of the components of the business plan. As such, the SLWE business plan development team developed the capital investment plan after going through the steps of budget review and projection and prioritization of capital needs of the WE. This hand-on training approach enables the SLWE team to carry out subsequent business plan updates.

Component Five: Provision of Technical Equipment to Improve Water Establishment Performance

Jeita Pump Station Upgrade Engineering

Although the pump station rehabilitation went through several iterations, the design and specification stage was completed during the sixth quarter. The final design includes a modification to the wetwell that will remove much of the sand that now accounts for early pump wear out and the nuisance it causes customers, particularly in their rooftop storage tanks. There is a portion of the total designed solution that BMLWE will carry out and a portion that USAID will provide. This aspect of the rehabilitation is similar to a cost-sharing program, and it is intended to leverage USAID funding toward a total solution.

LWWSS has been careful to limit the items of the rehabilitation that it will do to those essential for the new pump and motor installation in order to ensure that BMLWE does its part (not merely promises to do the items). The items that the BMLWE must carry out will have been completed before the pump and motor manufacture and shipment are due for arrival. LWWSS and USAID can monitor the situation and determine if BMLWE has met its obligations and the rehabilitation completed.⁶

UNICEF Chlorination Systems Installation

Following the selection of the winning bid, LWWSS obtained USAID subcontract approval and internal DAI approvals. This process was delayed somewhat while LWWSS worked out the method of payment to the subcontractor. LWWSS needed to seek exemption from the subcontract tax that the GOL levies on all subcontracts and leases. If the subcontract were paid from the US, the project would be exempt from the tax. Therefore, LWWSS decided to arrange for periodic payment for the chlorination system to be paid from DAI headquarters. Sanabel is installing the chlorination systems and will have them installed within three or four months.

⁶ The pumps and motors are large but can be used in other pump stations in other WEs should BMLWE fail to carry out its part of the agreement.

Component Six: Implementation of Small- and Medium-Scale Projects to Improve Operations and Services

No small- to medium-scale capital construction projects are planned for year two. As stated in the fourth quarterly report, the highest intervention priorities of the directors general of the four water establishments are procurement of equipment such as pumps, motors, electrical controls, generators and source metering. Since LWWSS is a demand-driven project, the DG priorities will be addressed first. Should project resources allow for small- and medium-scale infrastructure projects, LWWSS with USAID approval would execute them in subsequent years.

Component Seven: Improved Customer Service and Customer Relations

BWE Customer Service Center for Zahle

Bids for the architectural services to design and oversee the rehabilitation of the customer service area were solicited and a successful bidder chosen. The design and implementation of the space is anticipated to take three to four months. In the meantime, work on the subscriber application form and other customer-related forms are being developed with the current customer service staff using the establishment's new logo.

BWE Water Conservation Outreach

LWWSS customer service and communication specialist, Nada Akl, continued her water conservation outreach efforts for youth (see Activity Highlights for the World Water Day event).

BMLWE Customer Service Operations

The customer service and communication specialist continued to work with BMLWE staff and Director General in the planning for the integration of the nine branch offices of the WE.

The customer service technical assistance to the BMLWE is a part of the broader financial accounting system (FAS) upgrade where a customer relations management (CRM) software component will enable integration of the FAS and CRM systems for more efficient and effective operations.

4. CONTRACT DELIVERABLES

- Quarterly Report October—December, 2010
- Year-Two Work Plan Revisions

Based on discussion with the COTR and WE Directors General, the work plan, training plan and procurement plan were changed to clarify support and activities. It is understood that the work, procurement and training plans are subject to change even after adoption in order to (1) provide LWWSS with maximum flexibility and (2) provide LWWSS with the ability to be responsive to its water establishment and ministry counterparts.

6. CHALLENGES, PROBLEMS, ISSUES

Capacity Building

LWWSS has encountered difficulty and delays in confirming training candidates, especially in critical areas such as financial operations and pump station operations. One problem is that many employees are contract employees of a subcontractor to the WE and not a full-time regular employee. Selecting only full-time employees is the correct approach but finding employees that can be allowed to miss work for even short periods of time makes the search more difficult and time consuming. In some cases, the personal contract employee may be trained if he has been in the position for a long period and has a good chance of being nominated to the full-time position.

LWWSS is mitigating this challenge by extending the time frames for training and training smaller classes, resulting in less work flow disruption while accomplishing the training for targeted WE employees.

Due Diligence

An aspect of the lack of data and staff capacity is that the WE may list an activity or high priority equipment purchase need but not have any of the information supporting that decision. For example, while a WE may request pump station rehabilitation with new pumps and motors to reach the water flow capacity of the source, he may have no specifications for the requested equipment. LWWSS must review the feasibility of the request, make amendments with the concurrence of the WE, and then proceed with the development of specifications, bidding, approvals and then procurement process.⁷

LWWSS is mitigating this aspect of the project by planning long lead times, sometimes as much as a year or more for the procurement process when the procurement process warrants it.

⁷ Approvals include USAID approval by the COTR and CO, and DAI approval to procure as well as IRM office approval if computer equipment or software are included in the procurement.

7. Major Activities Planned for Next Quarter

Component Two:

- Pump station operations and maintenance training in NLWE
- Detailed pump station survey continued
- Geographical area work will continue with respect to the upgrade of the FAS and CRM systems

Component Three:

- SLWE business plan completion and submission for approval
- BMLWE financial management and accounting training carried out
- Continued work on FAS and CRM for BMLWE
- Continued work on FAS and CRM for BWE

Component Four:

- SLWE capital planning as part of the business plan completed

Component Five:

- Continued work on the Jeita pump station rehabilitations (procurement of pumps and motors anticipated in next quarter)
- Completion or near completion of the 20 chlorination systems in the BWE
- Source metering procurement for SLWE started
- Specifications and bidding started for NLWE motors and pumps
- Water quality testing planning and baseline for BWE started
- Lab equipment procurement for SLWE and BWE completed and installation and training started

Component Six:

- No small- or medium-scale infrastructure is planned for next quarter

Component Seven:

- Continuation of customer service guidelines and training for BMLWE
- Continuation of customer service system upgrade for BWE
- Continuation of the bill collection public relations-outreach effort in the BWE

9. PERFORMANCE MANAGEMENT PLAN (PMP) REPORTING

LWWSS will report on program performance in the second and fourth quarters of the program year. Second quarter performance reporting will be preliminary and not have the benefit of the full year's results. However, the second quarter for some of the performance criteria will provide an indication of direction and rate of progress of the project.

Indicator/Unit of Measure	Disaggregation	2011 Target	2011 Actual	Description		
				Activity	Event/ Date	Number/ M-F
1. Number of people in target areas with access to improved drinking water supply as a result of USG assistance	Gender	Male - 14,700, Female- 15,300- Total <u>30,000</u>	Male- 65,793 Female- 68,478 Total <u>134,271</u>	O&M Pump station training BWE-Zahle and Balbeck- Two sessions completed for twenty BWE pump stations employees. (2011 Actual) calculated based on population benefiting from the stations operated by the trainees.	Zahle: Five days from 11/29/2010 to 12/3/2010- Baalbeck: six days from 01/31/2011 to 02/03/2011	Zahle: M-43,119 F 44,879 Total 87,997 Baalbeck M 22,674 F 23,600 Total: 46,274
2. Percent customer satisfaction with water services in targeted areas.	M-49% F- 51%	None	None	There is no customer service satisfaction survey planned for year two of the program		
3. Percent of water revenues collected by targeted water entities	BWE BMLWE NLWE SLWE	50%		N/A The Year Two value for the four WEs, will be reported annually, given that accurate data is only available at year end.		

Indicator/Unit of Measure	Disaggregation	2011 Target	2011 Actual	Description		
				Activity	Event/ Date	Number/ M-F
4.Number of training activities provided to staff from water entities as a result of USG assistance	N/A	4	4	<p>1-BMLWE training for 28 persons on IT literacy for Finance department.</p> <p>2- BWE, two sessions O&M Pump station training for -Zahle and Balbeck regions , 20-pump station operators.</p> <p>3 -GNSS /GPS- training of three employees from SLWE on GNSS equipment supplied by LWSS.</p> <p>4-ACWUA conference and training for three senior employees from SLNWE(2) and NLWE(1)</p>	<p>1-from 11/29/2010 to 12/3/2010, from 01/31/2011 to 02/5/2011</p> <p>2- from 11/23/2010 to 02/03/2011</p> <p>3- 03/10/2011</p> <p>4-from 12/5/2010 to 12/9/2010</p>	
5. Number of WE and MOEW Staff Trained as a Result of UGG Assistance	Gender	35 M-25 F- 10	54 M-40 F- 14	<p>1-BMLWE training for 28 persons on IT literacy.</p> <p>2-O&M Pump station training BWE- Zahle and Balbeck- Two sessions completed for twenty BWE pump stations employees.</p> <p>3 -GNSS /GPS- training of three employees from SLWE on GNSS equipment supplied by LWSS.</p> <p>4-ACWUA conference and training for three senior employees from SLNWE(2) and NLWE(1)</p>	<p>From 11/23/2010 to 02/3/2011</p> <p>From 11/29/2010 to 12/3/2010, from 01/31/2011 to 02/5/2011</p> <p>From 03/10/2011</p> <p>From 12/5/2010 To 12/9/2010</p>	<p>M-15 F- 13</p> <p>M-20</p> <p>M-3</p> <p>M-2 F-1</p>

Indicator/Unit of Measure	Disaggregation	2011 Target	2011 Actual	Description		
				Activity	Event/ Date	Number/ M-F
6. Number of management systems and plans used at water management entities as a result of USG assistance	N/A	2	3	1-BWE Finance Action plan, 2- BWE Customer Action Plan * GA plan was incorporated into the above two deliverables 3-Business Process analysis and mapping for FAS & CRM (BMLWE), this business process relates to indicator five major sub which systems will be implemented as part of the MIS		
7. Number of water users trained on conservation and preservation of water resources*	Gender	M-3,300 F-3,200 Total 6,500	M-553 F-616 Total 1,169	Youth Awareness completed in three private school in SLWE and BWE: -one school in SLWE Jezzine. -two schools in BWE, Zahle Ksara and Zahle Raseie ECOLE DES S.S.C.C.Saints Coeurs in Jezzine College St. Joseph des Soeurs Antonines Zahle Ksara	From Jan 2011 till March 30 2011 Start 02/10/2011 End 02/18/211 Start 03/17/2011 03/29/2011	M-553 F-616 Total 1,169 M- 132 F- 172 Total 304 M- 219 F- 220 Total 439
				Ecole Des Soeurs des Saints Coeurs- Zahle Raseie	Start 01/19/2011 End 03/04/2011	M- 202 F- 224 Total 426

Indicator/Unit of Measure	Disaggregation	2011 Target	2011 Actual	Description		
				Activity	Event/ Date	Number/ M-F
8. Number of public meetings/consultations held by water institutions	N/A	3	40	<p>1-Meeting with Mayor of City of Foursol, Mayor of City of Ablaah; Discuss the role of the municipality in the operation and maintenance of wastewater network and WWTPs in their cities.</p> <p>2-Meeting with President of the Lakes Union of Municipalities; Discussed the potential of a service agreement between the WE and the Association. The mayor was very supportive of the approach as sustainable.</p> <p>3-Meeting with Mayor of Aitanit; The mayor was supportive of the idea but questioned whether the WE could uphold its part of a service agreement. The mayor stated that the city completed over 30 km of water pipeline because the WE could not do it</p> <p>37 Public meetings were held in BWE under the Youth Awareness Campaign in private schools. Thirty seven classes from two schools in BWE-Zahle (29) and SLWE (Jezzine) participated along fourteen days, ten days in zahle, and four days in Jezzine.</p>	from 01/19/2011 till 03/29/2011	
9. Number of functioning water and wastewater facilities constructed or rehabilitated with USG assistance	Water Wastewater	W-1 WW-0	0 0			

<p>10. Number of USG assisted water reports or studies proposing legal, policy, and institutional measures/procedures</p>	<p>N/A</p>	<p>2</p>	<p>2</p>	<p>i)Business Process analysis and mapping for FAS &CRM (BMLWE), this business process relates to indicator five major subsystems which will be implemented as part of the MIS .</p> <p>ii) BMLWE business plan produced and issued and approved by BMLWE August 2010.</p>		
---	------------	----------	----------	--	--	--

Indicator/Unit of Measure	Disaggregation	2011 Target	2011 Actual	Description		
				Activity	Event/ Date	Number/ M-F
11. Number of participants attending regional water and wastewater utility study tours	Gender/Type of Participant (Mgt., Supervisory or Staff)	15 Supr 3 Staff 12	3 Supr 3 Staff 0	<p>ACWUA -First Arab Water Week,Conference and Training in Amman Jordan.Attendees from SLWE (2) from NLWE(1).</p> <p>As mentioned within the March 2011 progress report, the number of conferences, workshops or study tours stated in LWWSS' performance management plan will not be met because of a change in the policy of the Ministry to allow the directors general and department heads to take part in overseas events.</p> <p>The Minister has stated that he prefers that WE Directors General and department heads receive training in country as opposed to traveling abroad; a policy that significantly curtailed water establishment Directors General and department head travel to conferences and workshops outside the country.</p> <p>LWWSS is attempting to mitigate this problem by planning more workshops, conferences and training in country.</p> <p>However, this will not allow the project to meet the target number of three workshops or conference attendance for 2011.</p>	from 12/5/2010 to 12/9/2010	M-2 F-1

Data obtained via by phone from BWE Head of Stations and project Mr. Khalil Azar on April 12, 2011.