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# Lebanon Water and Wastewater Sector Support

QUARTERLY REPORT: JANUARY 1, 2010—MARCH 31, 2010

April, 2010

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# LEBANON WATER AND WASTEWATER SECTOR SUPPORT

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Support**

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## LIST OF ACRONYMS USED IN REPORT

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
BKWE	Beka'a Water Establishment
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
GIS	Geographical Information System
GOL	Government of Lebanon
GTZ	German Technical Assistance
HPIP	High Priority Intervention Program
HR	Human Resources
IRG	International Resource Group
IT	Information Technology
IAR	Initial Assessment Report
KPI	Key Performance Indicator
LWWSS	Lebanon Water and Wastewater Sector Support
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
TOR	Terms of Reference
USAID	United States Agency for International Development
WE	Water Establishment
WPS	Water Pumping Stations
WWTP	Wastewater Treatment Plant

# **1. SUMMARY OF PROJECT OBJECTIVES**

## **Project Objectives**

Building on recent support to the water and wastewater sector through infrastructure projects and through the Lebanon Water Policy Program (LWPP), this project aims to continue partnering with the four Water Establishments (WEs) and the Ministry of Energy and Water (MOEW) to strengthen their capacity to deliver quality services at sustainable costs.

The Lebanon Water and Wastewater Sector Support Program (LWWSS), implemented by DAI, will provide technical assistance and related resources (e.g., technical equipment) to the four WEs and the MOEW in order to:

- Build the capacity of their staff
- Increase their managerial, administrative, technical, financial, and operational efficiencies
- Improve the quality of water and wastewater services
- Expand access to water and sanitation services
- Improve capital investment planning and asset management
- Undertake limited and selected urgent and critical infrastructure projects

The LWWSS program will build on, and be implemented in close coordination with other USAID and donor-supported projects in the sector that aim to improve and expand water and wastewater services.

## **2. PROGRESS TO DATE**

### **Overview at the End of the Quarter**

LWWSS continues to search for candidates for the DCOP and Institutional Training Specialist. Qualified candidates with the requisite education or training and years of relevant experience are difficult to recruit in the Lebanon manpower market due to the impact of Gulf State recruitment in the same market with the ability to offer salaries much higher than allowable under USAID contracts. While USAID has shown willingness to approve higher salaries, even this additional consideration has not significantly enhanced the recruitment process. DAI continues to seek top level candidates available in Lebanon within the salary guidelines approved by USAID.

LWWSS has carried out meetings with WE Directors General and the two Directors General at the MOEW along with meetings with other donors. Since donor coordination is so integral to the preparation and implementation of the initial assessment report, the list of meetings with other donors is included in this report, below:

Meeting with Donor or GOL Official	Date	Attendees	Brief Synopsis of Meeting
Mahmoud Baroud	January 11	Sam Coxson, Roger Patrick and Bassam Jaber	To brief Mr. Baroud on the Workshop to be held on Jan 15 <sup>th</sup> .
GTZ	January 12	Sam Coxson, Roger Patrick, Walter Weaver, Bassam Jaber, Manfred Scheu, Nabil Chalmy, Amal Chammas	Discuss the activities list to be used in the Jan 15 <sup>th</sup> workshop
Workshop with Counterparts and Donors	January 15	All WEs, MOEW, USAID, GTZ, EIB	Overview of IAR findings and discussion for coordinating implementation
AFD-Francis Stefan	January 27	Bassam Jaber, Sam Coxson	Go into greater detail of what each program is doing and planning to do
UNICEF	February 11	Sam Coxson, Rami Wehbeh, Danielle Doccache, Elizabeth Lictevaout	Presentation of the LWSS program and discussion of areas of mutual interests
GTZ	February 22	Sam Coxson, Bassam Jaber, Nada Akl, Jimmy Zammar, Bassem Ghouda	Further definition of GTZ program and where LWSS can work
GTZ	March 3	Sam Coxson, Jimmy Zammar, Bassem Gaida, Bassam Jaber, Manfred Scheu, Nabil Chamaly	Workplan coordination meeting
GOL	March 3	Abdul Tayar, Rami Wehbeh, Eric Viala	Discussed each project and possible areas of mutual interest and assistance—Request for a Consultant to the Minister presented by Abdul
EU Water Donors Coordination Meeting	March 18	All major donors to the water and wastewater sector	Discussion of new programs and changes in programs
Donor Implementers Technical Meeting	March 30	GTZ, LWSS, UNDP, UNICEF, MOTGE	GTZ hosted a meeting of technical program managers to discuss technical items in more detail than the EU Water Donors Meeting

## A. Specific Objective One—Initial Assessment Report Data Gathering

The Initial Assessment Report (IAR) and the High Priority Intervention Plan were completed and submitted by the end of March, as required. The IAR and the HPIP formed the foundation from which to develop the first year workplan and annual procurement plan for year one.

The IAR also laid out the general framework for coordination with other donors in order to avoid duplication and to identify areas of possible collaboration among LWWSS and other donors.

As part of the IAR process, LWWSS hosted its first event on January 15<sup>th</sup>, a half-day workshop with senior representatives from the MOEW, all four WEs, USAID, as well as GTZ and EIB. Other invited donors were unable to participate. The workshop served to discuss preliminary outcomes from the IAR openly with counterparts and donors to ensure effective prioritization and donor coordination prior to finalizing the IAR.

## **B. Specific Objective Two—High Priority Intervention Program (HPIP)**

The High Priority Intervention Plan (HPIP) identified equipment that a top priority for each WE. Small- and medium-sized capital projects were discussed but not put on a priority list at the request of the Directors General. Their rationale was that the equipment that would allow them to address immediate problems would have a greater impact improving service to customers. Therefore, LWWSS has not included small- and medium-sized capital projects in the annual procurement plan.

## **C. Specific Objective Three—Annual Work Plan and Related Deliverables**

The annual workplan for year one of the LWWSS program builds on the data collected in the IAR and HPIP but takes the data collection several layers deeper in order to address specific priority problems as stated by the WE Directors General. The workplan also introduces the concept of focusing on one area within the WE, in addition to the WE-wide technical assistance and training, in order to develop clear analytical data and problem solving solutions that can be applied to other parts of the WE.

The annual training plan is really a subset of the annual workplan but spells out the training methodologies that will be used in providing the training. The specific training topics are presented in the annual workplan along with a timeline for their provision.

The annual procurement plan includes the highest priorities of each WE Director General. Procurement will be an area of intense activity by LWWSS in the effort to increase utility efficiency and sustainability, or increase service coverage.

The Subcontractor Management Plan is in place to cover how LWWSS will manage the work of its subcontractors. In managing the large number of deliverables due at the end of the quarter, this document was submitted prior to the due date.

The Construction Quality Control Plan (CQCP) has been completed and submitted to USAID early in order allow more time for review and comment prior to approval. The CQCP is based on DAI's subcontractor (CDM) quality control practices which have already been approved for another project in Lebanon.

The Performance Monitoring Plan incorporates nine USAID/Lebanon water sector indicators. In addition, LWWSS has augmented these with project specific indicators, and aims to track project progress in these areas.

### **3. USE OF FUNDS DURING THE QUARTER**

#### **Quarterly Expense Summary**

## **4. CONTRACT DELIVERABLES**

During this quarter, LWWSS has submitted to USAID the following deliverables:

- Initial Assessment Report
- High Priority Investment Plan
- Subcontractor Management Plan
- Construction Quality Control Plan
- Performance Monitoring Plan
- Annual Training Plan for Year One
- Annual Procurement Plan for Year One
- Work Plan for Year One

## **5. CHALLENGES, PROBLEMS, ISSUES**

None

## **6. STTA DURING QUARTER**

### **STTA**

During January Roger Patrick and Walter Weaver provided STTA support to develop the Initial Assessment Report. This included participating in meetings with donors active in the water sector, counterparts at the WEs and MOEW, as well as participating in the January 15 workshop where LWWSS presented initial findings.

During February and March Philip Giantris provided STTA support to validate the activities outlined in the Initial Assessment Report to ensure alignment with the goals and objectives of the WE business plans. He also assisted to develop the one year workplan with each WE, which is reflected in the LWWSS Annual Workplan for year one.

## **7. MAJOR ACTIVITIES PLANNED FOR NEXT QUARTER**

### ***Component Two***

During the next quarter LWWSS will continue initial efforts in assisting the BMLWE to develop its business plan. Additionally LWWSS will undertake training materials development for water pump station and chlorination system maintenance and operation. The training will also include safety training in both pump operation and chlorination system operations and maintenance.

### ***Component Three***

LWWSS will, during the next quarter, evaluate the level of accounting and financial management skills in each WE, including a review of financial management practices and recording and reporting procedures within branch offices. LWWSS will subsequently recommend improvements and identify associated training needs.

### ***Component Four***

LWWSS activities in component four will be very limited for the next quarter. To the extent that the WE business plan entails capital investment planning, LWWSS will be active in its development in the next quarter only in the BMLWE.

### ***Component Five***

LWWSS will be very active in reviewing the priority equipment lists provided by each WE. Each item on the priority equipment procurement must be reviewed for feasibility, sustainability and cost reduction or increased efficiency prior to recommendation to USAID. The evaluation will become a part of the recommendation to procure submitted to the project COTR for approval.

### ***Component Six***

LWWSS does not plan to carry out any major activities in this component based on the request from the Directors General that immediate attention be focused on equipment needs as opposed to small- and medium-sized infrastructure projects.

### ***Component Seven***

LWWSS plans to conduct baseline polls in each WE that would provide data on customer satisfaction with water and wastewater services as well as willingness to pay and ability to pay. This polling process is anticipated to be repeated at the end of year two and the end of year four in order to provide comparative data and trending analysis relative to customer satisfaction.