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Report No: PAD149

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT FROM THE

GLOBAL ENVIRONMENT FACILITY TRUST FUND

IN THE AMOUNT OF US\$ 2,538,900

TO THE

LEBANESE REPUBLIC

FOR A

PCB MANAGEMENT IN THE POWER SECTOR PROJECT

October 29, 2014

Environment and Natural Resources Global Practice
Middle East and North Africa Region

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PAD DATA SHEET

Lebanon

LB: PCB Management in the Power Sector Project (P122540)

PROJECT APPRAISAL DOCUMENT

MIDDLE EAST AND NORTH AFRICA

Environment and Natural Resources Global Practice

Report No.: PAD149

Basic Information			
Project ID P122540	EA Category A - Full Assessment	Team Leader Maria Sarraf	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 21-Nov-2014	Project Implementation End Date 01-Jan-2020		
Expected Effectiveness Date 01-Apr-2015	Expected Closing Date 30-Jun-2020		
Joint IFC No	GEF Focal Area Persistent Organic Pollutants		
Practice Manager/Manager Benoit Paul Blarel	Senior Global Practice Director Bilal H. Rahill	Country Director Ferid Belhaj	Regional Vice President Inger Andersen
Borrower: Lebanese Republic			
Responsible Agency: Ministry of Environment			
Contact: Telephone No.: 9611981854	Manal Moussallem	Title: Advisor Email: Manal.Moussallem@undp- lebprojects.org	
Project Financing Data(in USD Million)			
[] Loan	[] IDA Grant	[] Guarantee	
[] Credit	[X] Grant	[] Other	
Total Project Cost:	2.54	Total Bank Financing:	0.00
Financing Gap:	0.00		

LEBANESE REPUBLIC
PCB Management in the Power Sector Project

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32. **Capacitors in the private sector.** The rapid inventory (COWI, 2011) also identified three private companies that held PCB containing capacitors with a total weight of about **5 tons**. MOE will contact these companies as well as other agencies (e.g. concessions, etc.) to check their willingness to dispose of their PCB equipment (capacitors and transformers) through the proposed project.

33. **Contaminated oil in Bauchrieh.** As mentioned previously EDL's repair and storage site in Bauchrieh contains about 2,000 transformers; a large percentage of them being contaminated. The inventory undertaken under Component 1 will identify all contaminated transformers. The proposed project will finance the drainage, packaging and disposal abroad of the contaminated oil. It is estimated that about **100 tons** of contaminated oil will be disposed of from Bauchrieh. As part of the project parallel financing, EDL will be responsible for purchasing PCB-free oil, to be used for transformers' maintenance and repair.

34. Similar to Component 2.1, the most cost-effective way of disposing in-service equipment and contaminated oil²⁵ is export to licensed facilities abroad in accordance with the requirements of the Basel Convention. The responsibility of this work will be with a contractor selected based on international tendering procedure. The contractor will provide all required packaging materials and will perform drainage, dismantling and removal of all in-service Askarel transformers, collection of transformer carcasses, liquid, and capacitors, package, transport and destruction abroad.

Component 3. Capacity building and project management (US\$0.65 million)

35. This component will support: (i) establishment of a Project Management Unit (PMU) within MOE; (ii) monitoring of indicators and reporting on project performance; (iii) training and capacity building of MOE, EDL and other stakeholders (e.g. customs administration, on site workers technicians etc.) on sustainable management of PCB equipment and storage sites.

B. Project Financing

36. The proposed lending instrument is an Investment Project Financing (IPF).

37. The project cost is US\$2.54 million and will be financed by a GEF Grant. The table below provides the detailed cost estimate by component and type of expenditure.

²⁵ In theory, purchase of rental of a dechlorination unit to decontaminate oil on-site is feasible. However, in practice, such an investment is economically viable only for quantities higher than 300 tons (see economic analysis for more details).

projects under IBRD and IDF grant. The procurement function in the ministry is limited to budget execution of purchasing office supplies. Related record keeping is observed and needs to be enhanced with the growing number of transactions. The procurement and financial management functions are not segregated. Procurement processing needs to be better defined and standardized.

80. **Risks and mitigations.** The identified risks are related to (i) weak implementation capacity, (ii) unclear document processing and flow within the ministry, (iii) undefined control mechanism, and (iv) delays in decision taking due to coordination with EDL. The following mitigation measures are proposed: (i) appointment of an experienced PMU by agreement signing (not condition of effectiveness), (ii) training of the procurement staff, (iii) determining in particular the procurement related roles and responsibilities of the stakeholders, (iv) diligent maintenance of procurement planning, and (v) prior review of first contract under each procurement method.

81. **Project guidelines:** World Bank procurement guidelines are applied for the project.³⁹

82. **Procurement methods** for goods, works and non-consulting service: For the procurement of Goods, Works and Non-Consulting Services, the following methods shall be used: (i) international competitive bidding (ICB); (ii) national competitive bidding (NCB) for which shall be used either ICB -or a translated version- or develop Standard Bidding Documents acceptable to the Bank as mentioned in clauses 3.3 and 3.4 of the procurement guidelines, (iii) force account, (iv) shopping; (v) framework agreements, (v) direct contract.

83. **Selection of Consultants:** For the selection of consultants, the following methods shall be used: (i) Quality-and-Cost-Based-Selection (QCBS), (ii) Selection under a Fixed Budget (FBS); (iii) Least-Cost-Selection (LCS), (iv) Selection based on Consultants' Qualifications (CQS); (v) Quality Based Selection (QBS); (vi) Single Source Selection (SSS); (vii) Selection of Individual Consultants; (viii) Selection of UN agencies.

84. An initial **procurement plan dated June 5, 2014** was developed by the Government. It defines the prior review and procurement methods thresholds. It will be updated and reviewed by the Bank at least twice a year or as seen necessary. The initial procurement plan for the whole project is attached to the legal agreement.

85. Frequency of implementation support mission and post procurement review is *foreseen* respectively twice and once yearly. In post procurement review, a sample of 10% of contracts eligible for post review shall be covered.

E. **Social (including Safeguards)**

86. A detailed **Environment and Social Impact Assessment (ESIA)** undertaken during project preparation indicates that while the power stations are not in close proximity of habitation, the proposed storage site is within a residential area. However, the proposed storage area is within the confines of the existing Bauchrieh service station and the proposed activity is primarily to undertake a full inventory of transformers and to drain and ship the contaminated oil. Therefore **no land is to be acquired** and there will be **no involuntary displacement** or total or even partial loss of livelihoods. The Operational Policy 4.12 on Involuntary Resettlement is not triggered. Public

³⁹ Refer to Annex 3 for a complete list of these guidelines

Annex 1: Results Framework and Monitoring

Country: Lebanese Republic

Project Name: LB: PCB Management in the Power Sector Project (P122540)

Results Framework

Global Environmental Objectives

PDO Statement: The objective of the project is to dispose of high risk PCBs and improve the inventory management of transformers in the power sector in an environmentally sound manner.

These results are at : Project Level

Global Environmental Objective Indicators

Indicator Name	Baseline	Cumulative Target Values						Frequency/Source	Responsibility
		YR1	YR2	YR3	YR4	YR5	End Target		
Direct project beneficiaries (Number) - (Core)	0	0	0	200,000	200,000	205,500	205,500	Biannual Progress Report	PMU
Female beneficiaries (Percentage)	0						50.00		
POPs& POPs waste destroyed, disposed or contained in environmentally sound manner (Metric ton) - (Core)	0	0	0	50	50	300	300	Biannual Progress Report	PMU
EDL transformers recorded in the inventory (Number)	0	0	2,000	2,000	21,000	21,000	21,000	Biannual Progress Report	PMU

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values						Frequency/Source	Responsibility
		YR1	YR2	YR3	YR4	YR5	End Target		
Contract for Inventory signed (Number)	0	1	1	1	1	1	1	Biannual Progress Report	PMU
Contract for First Shipment and Disposal of PCB signed (Number)	0	0	1	1	1	1	1	Biannual Progress Report	PMU
Client days of training provided (Number) - (Core)	0	0	10	20	30	40	40	Biannual Progress Report	PMU
Client days of training provided - Female (number) (Core)	0	0	2	4	6	8	8	Biannual Progress Report	

Annex 2: Detailed Project Description

A. Background

91. **Persistent Organic Pollutants (POPs)** are chemical substances that persist in the environment, bio-accumulate through the food web and pose a risk of causing adverse effects to human health and the environment.⁴⁰ POPs have four key characteristics. They are: (i) *toxic*, causing adverse health effects, such as birth defects, damage to immune and respiratory systems, and critical organs; (ii) environmentally *persistent*, by resisting breakdown by natural processes, and, in some cases, remaining in the environment for decades; (iii) *soluble* in fatty tissue, therefore they bio-accumulate exponentially up in the food chain; (iv) *semi-volatile*: through cycles of evaporation and atmospheric cycling and deposition they are capable of traveling very long distances. POPs have been found on every continent on the planet, and in every major climatic zone.

92. The POPs include nine pesticides (DDT being the best known), **polychlorinated biphenyls (PCBs)**, dioxins and furans. PCBs are a group of organic compounds used in the manufacture of plastics, as lubricants, dielectric fluids in transformers, protective coating for wood, etc. due to their excellent dielectric properties and low inflammability.⁴¹ However, exposure to PCBs is believed to cause illnesses such as cancer in humans and animals.⁴²

93. The GOL is committed to eliminate the PCBs and became Party to the *Stockholm convention* on January 3, 2003 (Law 432). It completed its National Implementation Plan (NIP), which identified the following priorities in terms of POPs management: (i) awareness raising; (ii) institutional and regulatory strengthening; (iii) PCB management; and (iv) management of emissions of dioxins and furans. Lebanon banned imports and exports of PCBs (Decree 4461/2000) and enacted laws to preserve the environment against pollution from hazardous waste and PCBs (Law 64/1988) and to increase the safety conditions of workers while using chemical products (Decree 11802/2004).

94. To address its commitments towards the *Stockholm Convention*, a preparatory study conducted a rapid inventory of PCB equipment and contaminated sites in Lebanon's public and private sectors in 2010 (COWI, 2011).⁴³ The inventory focused on the high-content PCB equipment, contaminated transformers and contaminated sites. The results show that EDL possesses the majority of PCB equipment, i.e. **29 Askarel transformers** and **495 PCB capacitors**, with a total weight of 191 tons; and 2,800 PCB-contaminated transformers, containing 1,000-1,600 tons of PCB contaminated oil. In addition, the Bauchrieh storage site and well contain at least 100 tons of PCB contaminated oil. The following paragraphs provide a summary of the findings of high-content PCB equipment and PCB contaminated transformers.

⁴⁰ UNEP Chemicals: <http://www.chem.unep.ch/pops/>

⁴¹ <https://stats.oecd.org/glossary/>

⁴² See USEPA. 2013. Health Effects of PCBs, and Kramer, S., Hikel, Stephanie Moller; Adams, Kristen; Hinds, David; Moon, Katherine (2012). "Current Status of the Epidemiologic Evidence Linking Polychlorinated Biphenyls and Non-Hodgkin Lymphoma, and the Role of Immune Dysregulation". *Environmental Health Perspectives* 120 (8): 1067–75.

⁴³ This study updated the previous inventory of PCB oils and PCB contaminated equipment in Lebanon done during the preparation of the NIP and financed by GEF (2005).

High-content PCB equipment

95. *Askarel transformers* are manufactured with liquids typically consisting of around 60 percent PCBs (600,000 mg/kg). These are transformers intentionally filled with PCB by the manufacturers. Experience shows that more than 99 percent of these transformers can be identified by indication of PCB presence on the nameplate (Askarel, Pyralene, Sibanol, etc.). The table below shows the information on Askarel content and total weight of in-service and out-of-service transformers.

Site	Capacity (KVA)	Type of Askarel	Number of transformers	Transformer weight without liquid (t/transformer)	Weight of liquid (t/transformer)	Total weight (t)
IN SERVICE						
Jieh	7000	Pyralene	3	11.2	7.5	56.1
Jieh	750	Pyralene	8	2	1	24.2
Jieh	400	Pyralene	1	1.4	0.7	2.1
Jieh	6000	Sibanol	2	13.2	9.9	46.2
Jieh	750	Sibanol	3	3.8	2.2	18
<i>Sub-total</i>			17	89	58	147
OUT OF SERVICE						
Jieh	750	Sibanol	1	3.8	2.2	6
Zouk	200	Askarel	4	0.8	0.4	1.2
Zouk	315	Askarel	2	0.8	0.5	1.3
Zouk	315	Askarel	2	1.1	0.5	1.6
Zouk	400	Askarel	2	1.2	0.5	1.7
Bauchrieh	n.i.	n.i.	1	0.8	0.1	0.9
<i>Sub-total</i>			12	14	7	21
TOTAL			29	103	65	168

Note: The sub-totals of columns 5 and 6 reflect total weight (tons) instead of unit weight (ton/transformer).

96. *PCB capacitors* are closed containers, which have about 33 percent PCB (333,000 mg/kg). In some cases, it is specifically mentioned that the capacitors are filled with PCB (e.g. Pyralene, Sibanol, etc.), but often it is necessary to determine the content based on information on which the capacitors were produced with PCB. The table below provides the results of the inventory of PCB capacitors.

- a) **Database update for EDL.** This activity will support: (i) updating the database of PCB contaminated transformers based on the results of the countrywide inventory conducted during Component 1; and (ii) ensuring a continued system of monitoring and updating the database.
- b) **Replacement of transformers in Jieh power plant and purchase of PCB-free oil.** EDL is responsible for purchasing and replacing transformers of Jieh power plants so that the existing 17 in-service Askarel transformers and six PCB capacitors can be disposed of through the project. In addition, EDL will purchase PCB-free oil that will be needed for the transformers’ maintenance and repair in Bauchrieh.
- c) **Coordination in project implementation.** EDL will work in close collaboration with MOE to ensure timely implementation of the project. In particular, EDL will be responsible for the tendering process of purchasing and replacing the in-service Askarel transformers and PCB capacitors at Jieh. EDL will ensure good coordination between the dismantling and removal of in-service Askarel transformers (by MOE) and the replacement with PCB-free transformers (by EDL).

and audit. The Bank will provide further trainings and guidance to set up the recording format for spreadsheets when project starts. The IFRs will be in compliance with International Public Sector Accounting Standards (IPSAS) format of financial statements as the Project will be recording the grant transactions using the cash basis of accounting. The IFRs will be composed of the following:

- a “Statement of Cash Receipts and Payments by category” and
- Accounting policies and explanatory notes including a footnote disclosure on schedules:
 - (i) “the list of all signed Contracts per category” showing Contract amounts committed, paid, and unpaid under each contract, (ii) Reconciliation Statement for the balance of the Project’s DA, (iii) Statement of Cash payments made using Statements of Expenditures (SOE) basis, and (iv) Statement of Fixed Assets.

136. These Project IFRs will be prepared on a quarterly basis and submitted to the Bank within 45 days at the end of each quarter.

137. The PFSs, prepared in accordance with IPSAS – Cash Basis - should contain the same information as the quarterly IFRs but cover an annual period. The audited PFS would be submitted to the Bank no later than six months after the end of each fiscal year⁵¹ (see External Audit Arrangements below).

138. **External Auditing.** The PFS will be audited by an independent private external auditor acceptable to the World Bank. The audit will be comprehensive and will cover all aspects of the project, including compliance with the financial management manual, review of effectiveness of the internal controls system, and compliance with the Financing Agreement. The audit will be carried out in accordance with International Standards on Auditing. The audit report and audited PFSs, along with management letter, will be submitted to Bank no later than six months after the end of each fiscal year. In addition, the project management letter will contain the external auditor assessment of the internal controls, accounting system, and compliance with financial covenants in the Grant Agreement. The audit TORs will be finalized and agreed upon with the Bank three months after project effectiveness. The external auditor is expected to be engaged within 6 months of project effectiveness. Moreover, the Bank makes publicly available the borrowers’ audited annual financial statements for all investment project financing operations.

139. **Flow of Funds and Cash Management.** The funds will be transferred from the Bank to the project in accordance with the provisions of the Financing Agreement. The funds will be channeled first from the World Bank to the *MOF Account for Grants and Donations* and then transferred – without delay- to the DA opened for the project under the treasury account. MOE will open a separate DA in US\$ at the Central Bank of Lebanon to receive the Grant proceeds. Deposits into, and payments from the DA will be made in accordance with the provisions stated in the Grant Agreement and disbursement letter and as outlined in the World Bank “*Disbursements Guidelines for Projects*”.

140. To note that for a previous IDF grant “*Supporting the Judiciary for the Enforcement of Environmental Legislation*” implemented by MOE, there were **delays in opening the DA** due

⁵¹ Project fiscal year ends December 31.

supporting documents scanned and transmitted on line through the Bank's Client Connection system. E-disbursement will considerably speed up disbursements and facilitate project implementation.

144. Necessary supporting documents will be sent to the Bank in connection with contracts that are above the SOE thresholds, except for expenditures under Contracts with an estimated value of: (a) US\$ 200,000 or less for goods; (b) US\$ 100,000 or less for Consulting Firms; (c) US\$ 50,000 or less for Individual Consultants as well as incremental operating costs, training, workshops and study tours which will be claimed on the basis of SOEs. The documentation supporting expenditures will be retained by the project and will be readily accessible for review by the external auditors and periodic Bank Implementation Support missions.

145. **Retroactive financing** of eligible and agreed completed expenditures and rendered services will apply based on the conditions and time-frame disclosed in the Financing Agreement. The project has to actually make payments to the providers of these expenditures during the retroactive financing period to get reimbursed, as per the World Bank Disbursement Guidelines.

146. The Bank will honor eligible expenditures completed, services rendered and goods delivered by the project closing date. A four months' grace period will be granted to allow for the payment of any eligible expenditure incurred (i.e., services, goods or works, received and accepted) before the Grant Closing Date.

147. *Authorized Signatories:* Authorized signatories will be nominated by MOE to sign the Withdrawal Applications (WAs). Names and corresponding specimen signatures will be submitted to the Bank prior to the receipt of the first WA (advance to DA). Each WA will be approved and signed by the authorized signatories.

148. **Governance and Anti-Corruption.** Fraud and corruption may affect the project resources, and thus impact negatively the project outcomes. The Bank team developed with the team an integrated understanding of possible vulnerabilities, and agreed on actions to mitigate the risks. The above proposed fiduciary arrangements, including the financial management manual, reporting and external audit are expected to address the risk of fraud and corruption that are likely to have a material impact on the project outcomes.

Financial Management Action Plan

Action	Date Due	Responsible
Open a separate designated bank account	15 days from effectiveness	MOE
Adopt a ring fenced accounting system	30 days from effectiveness	MOE
Quarterly IFRs submitted to the Bank	45 days after the end of each quarter	MOE
Appoint an external auditor with TORs acceptable to the Bank	Within 6 months from effectiveness	MOE
Audit of project financial statements and management letter	Within 6 months after the end of each fiscal year	MOE

dated December 30, 1963, and operates under the ceiling of L.L.100 Million (US\$67,000 equivalent). Above that ceiling, bidding is processed centrally by the central tender board. The public procurement regulations allow the implementing agencies to follow the donors' guidelines, when needed.

154. *Audit:* The ministry does not have an internal audit but relies on the court of account for ex-ante and ex-post reviews, and the ministry of finance for financial inspection. The project shall appoint an independent external audit for the grant proceeds.

155. *Applied taxes:* The ministry observes the following taxation: (i) Stamp Duties of (a) three per thousand of the contract price for contract registration at ministry of finance (MOF), and (b) three per thousand (3‰) on each payment; (ii) Value Added Taxes (VAT) of 10 percent applied on consultants and contractors who are registered and eligible to pay VAT; and (iii) Income Taxes that are a flat rate of 7.5 percent deducted by the employer for consultants who are not registered as tax payers in MOF and variable for registered consultants depending on their job classification at MoF. Exemption of consultants from Income Taxes may be observed if they are registered in countries that have entered with Lebanon into agreements prohibiting double taxation. Contracts financed by international donor proceeds are exempted from VAT (Law No 379 dated December 14, 2001).

Overall Procurement Risk Assessment:

156. The risk rating is **Moderate**. The identified risks are related to (i) weak implementation capacity, (ii) unclear document processing and flow within the ministry, (iii) undefined control mechanism, and (iv) delays in decision taking due to coordination with EDL. The following mitigation measures are accordingly proposed: (i) appointment of an experienced PMU by agreement signing (not condition of effectiveness), (ii) training of the procurement staff, (iii) determining in particular the procurement related roles and responsibilities of the stakeholders, (iv) diligent maintenance of procurement planning, and (v) prior review of first contract under each procurement method.

Proposed Procurement Arrangements:

157. *Project guidelines:* The following shall be applied to the project: (i) “Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants” dated October 15, 2006 revised in January 2011 , (ii) World Bank “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and (iii) World Bank “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.

Methods of Procurement and prior review threshold:

- a) *Procurement methods for goods, works and non-consulting services:* For the procurement of Goods, Works and Non-Consulting Services, the following methods shall be used: (i)

the work of the contractor.

165. An **Environment and Social Impact Assessment (ESIA)** was prepared by MOE and EDL in January 2013, which details status of baseline environment and describes the potential impacts of project activities. This ESIA was conducted in a comprehensive manner and went beyond the scope of the project in case MOE and EDL decide to manage PCB on their own in the future. The report also includes an Environment and Social management Plan (ESMP) which defines safeguard measures needed to be taken with respect to project activities and identifies capacity building and institutional strengthening activities. MOE will need to ensure that all project activities (those funded from the Grant and those funded by GOL) are implemented in accordance with the ESMP. Multiple rounds of consultations have been held, including individual discussions with key stakeholders and two workshops (November 2012 and May 2013). The Executive Summary has been translated into Arabic and the draft ESIA **was disclosed in-country and in the Bank Infoshop on March 21, 2014.**

Annex 4

Operational Risk Assessment Framework (ORAF)

Lebanese Republic: LB: PCB Management in the Power Sector Project (P122540)

Risks

Project Stakeholder Risks						
Stakeholder Risk	Rating	Moderate				
Risk Description: There is strong interest for this project from the Ministry of Environment (MOE) and the Electricité du Liban (EDL). However, frequent change in Government may impact this interest.	Risk Management: The strong commitment shown by the Government to take forward this project and its obligations to the <i>Stockholm Convention</i> provides an overarching commitment to PCB management. EDL has embarked in a reform program to increase its power generation and rehabilitate Zouk and Jieh power plants; the proposed operation is timely within this framework. MOE has the responsibility of regulating hazardous substances including PCBs and this operation will increase their capacity in this sector. Both MOE and EDL have indicated their commitment by allocating parallel funding for this project in the amount of US\$4.7 million.					
	Resp: Client	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:
Implementing Agency (IA) Risks (including Fiduciary Risks)						
Capacity	Rating	Substantial				
Risk Description: The implementing agency (MOE) has limited capacity in (i) management of PCB and (ii) implementation of WB / GEF funded projects. There is a risk of delay in opening the Designated Account, transferring funds to the account and making payment to consultants and contractors (due to heavy internal bureaucratic procedures within MOE).	Risk Management: The disposal of high content PCB will be done through an international bidding and with an international firm competent and experienced in this field.					
	Resp: Both	Status: Not Yet Due	Stage: Implementation	Recurrent:	Due Date: 20-Nov-2018	Frequency:
	Risk Management: A strong PMU will be established in MOE, with Financial and Procurement Officers with experience in Bank or other international project accounting. Adequate training will be provided both in project implementation and PCB management. To the extent possible, the ceiling of the designated account will be raised and the minimum value of direct payment lowered to facilitate payment.					
	Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: Continuous
Governance	Rating	Moderate				

<p>Risk Description:</p> <p>Monitoring of project delivery is relatively straightforward and does not entail any risk.</p>	<p>Risk Management:</p> <p>The PMU will have the responsibility to monitor the project on a daily basis. On a bi-annual basis they will prepare a project progress report. The TOR of the Project Manager already reflect this task.</p>					
<p>Resp: Client</p>		<p>Status: Not Yet Due</p>	<p>Stage: Implementation</p>	<p>Recurrent: <input checked="" type="checkbox"/></p>	<p>Due Date:</p>	<p>Frequency:</p>
<p>Overall Risk</p>						
<p>Overall Implementation Risk: Substantial</p>						
<p>The overall rating of this project is substantial due to the existing security situation in Lebanon and the fact that this project involves the management of hazardous substances. The overall political and security situation in Lebanon remains tense, this can have direct implication on project implementation (travel to Lebanon can be restricted). To ensure the adequate implementation of risk mitigation actions, the Bank will maintain close oversight of project implementation (including implementation support for close and continuous supervision).</p>						

Annex 5: Implementation Support Plan
Lebanon: PCB Management in the Power Sector Project (P122540)

Strategy and Approach for Implementation Support

166. The strategy for the Bank’s Project Implementation Support reflects the nature of the Project and its risk profile (outlined in the Project ORAF, Annex 4) and aims to enhance the quality of the client’s delivery of proposed project interventions. As such, the implementation support focuses on risk mitigation measures identified in the ORAF, as well as the traditional supervision focus areas, including safeguards and fiduciary aspects.

167. The Bank team will plan to provide implementation support by either combining missions with other environmental projects (e.g. *Lebanon Environmental Pollution Abatement Project*, and *Lake Qaraoun Pollution Prevention Project*) or by undertaking virtual implementation support missions. Missions will focus on::

- (a) **Technical inputs.** Hazardous waste inputs are required to review bid documents to ensure fair competition through proper technical specifications and fair assessment of the technical aspects of the bids. Such expertise will be provided by the PM (expert in hazardous waste management), other staff from the Department of Chemical Safety, supported by a national consultant on a needs basis.
- (b) **Fiduciary.** The PMU will use part-time fiduciary staff who is already working in other Bank projects, thus being familiar with Bank procedures. To strengthen its capacity, the Bank’s financial management and procurement specialists will provide training to the PMU’s fiduciary staff before the commencement of the project implementation. Supervision of financial management and procurement arrangements will be carried out on a timely basis, to respond to client’s needs.
- (c) **Safeguards.** The environmental specialist will ensure that training is provided to relevant counterpart staff. In addition, the team will make sure to include environmental supervision updates in regular project progress reports.
- (d) **Client Relations.** The Task Team Leader (TTL), based in headquarters, will provide day-to-day supervision of all operational aspects, as well as coordination with the client and among team members. The members of the team based in Lebanon (i.e. procurement, FM) will facilitate the linkage with the client in between formal missions.
- (e) **Mid-Term Review.** A mid-term review will be carried out in the third year of project implementation in which a comprehensive review of the project implementation experience will be undertaken and adjustments made to improve the project’s design and/or execution, if needed.

Implementation Support Plan

168. The main elements are shown in the following table:

Time Horizon	Supervision Focus	Frequency*	Staff
Year 1	<ul style="list-style-type: none"> • Start-up challenges • Conditions of effectiveness • Establishing PMU • Engaging consultants • Bidding packages 	Two	<ul style="list-style-type: none"> • TTL • Environmental Specialist • Procurement Specialist • Financial Management Specialist
Years 2 to 5		Two per year	<ul style="list-style-type: none"> • Same team as above with additional technical experts as required (such as PCB Specialist)

*As indicated above at least one mission per year will take place in country (in combination with other project), the second one is likely to take place virtually due to budget constraint.

Skills Mix Required

169. The following table shows the mix of the skills required for the project's implementation support:

Skills Needed	Number of Staff Weeks per Year	Number of Trips per Year
Procurement	3	In country
Financial management	2	In country
Technical	4	1
Environment	2	1
Social	0.5	1