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PROJECT PAPER

ON A

PROPOSED GRANT

IN THE AMOUNT OF US$30 MILLION

FROM THE TRUST FUND FOR LEBANON

TO THE

LEBANESE REPUBLIC

FOR THE

FIRST MUNICIPAL INFRASTRUCTURE PROJECT

October 27, 2006

Sustainable Development Department
Middle East Country Department
Middle East and North Africa Region

CURRENCY EQUIVALENT

(Exchange Rate Effective September 2006)

Currency Unit = LP
LP1,500 = US$1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
DGLA	Directorate General of Local Administration
FMIP	First Municipal Infrastructure Project
GDP	Gross Domestic Product
GOL	Government of Lebanon
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
MOIM	Ministry of Interior and Municipalities
PCU	Project Coordination Unit
SOE	Statement of Expenses
TFL	Trust Fund for Lebanon
UXO	Unexploded Ordnance
WA	Withdrawal Application

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PROJECT PAPER DATA SHEET

Date: October 27, 2006 Country: Lebanese Republic Project Name: First Municipal Infrastructure Project Project ID: P103875	Team Leader: Robert Maurer Sector Director: Inger Andersen Sector Manager: Hedi Larbi Country Director: Joseph Saba Environmental Category: B

Borrower: Lebanese Republic
Responsible Agency: Ministry of Interior and Municipalities

Revised estimated disbursements (Bank FY/US$m):

FY	07	08	09	10
Annual	2.0	12.0	14.0	2.0
Cumulative	2.0	14.0	28.0	30.0

Current closing date: June 30, 2007
Revised closing date: Not applicable.

Does the scaled-up project require any exceptions from Bank policies?	○ Yes **x No**
Have these been approved by Bank management?	○ Yes ○ No
Is approval for any policy exception sought from the Board?	○ Yes ○ No

Revised project development objectives/outcomes:
Not applicable.

Does the scaled-up project trigger any new safeguard policies?
No.

For Additional Financing

[ ] Loan [ ] Credit [X] Grant
For Loans/Credits/Grants:
Total Bank financing (US$ million): 30.0
Proposed terms: 100 percent grant

Financing Plan (US$m.)

Source	Local	Foreign	Total
Borrower	0.0	0.0	0.0
IBRD/IDA	0.0	30.0	30.0
Others	0.0	0.0	0.0
Total	0.0	30.0	30.0

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FIRST MUNICIPAL INFRASTRUCTURE PROJECT

PROPOSED GRANT FROM THE TRUST FUND FOR LEBANON

1. INTRODUCTION

1. The proposed grant to be provided under the Trust Fund for Lebanon established by the Board of Directors on September 7, 2006 (Resolution IDA/R2006-0176/2) (see below) would help finance the costs associated with the implementation of activities that scale up the impact and development effectiveness of the ongoing First Municipal Infrastructure Project (FMIP) (LN-70260). The grant would finance emergency works, goods and service contracts aimed at restoring key municipal infrastructure in the conflict-affected municipalities and villages of Lebanon. The proposed grant would also provide capacity building to the Government of Lebanon (GOL) to mitigate the impact of the hostilities on the country's municipal finances.

2. FMIP implementation progress and the achievement of the development objectives were rated *satisfactory* prior to the hostilities. The performance of the Project Coordination Unit (PCU) in the Ministry of Interior and Municipalities (MOIM) is rated *highly satisfactory* with staff fully familiar with the Bank's fiduciary and safeguards requirements. FMIP funds uncommitted before the recent hostilities have been quickly allocated to a pipeline of sub-projects to address immediate rehabilitation needs which are the result of heavy damage to municipal infrastructure. A new pipeline for financing under the proposed grant is being developed and the PCU capacities are being strengthened to handle the additional work load. Against this background, the grant is economically justified.

3. The grant would not entail a change in the FMIP's development objectives. Rather, the objectives would be adapted to today's circumstances by adjusting the allocation criteria of the grant proceeds according to the level of recorded destruction (instead of the registered population) and expanding (i) the project's geographic coverage to municipalities and villages affected by the recent hostilities, and (ii) the range of activities, to include the reconstruction, repair or replacement of municipal infrastructure and assets as well as development activities to facilitate the revival of the regional economy. The expected outcomes from the activities supported by the grant would be consistent with those of the FMIP and would include (i) the improvement in the living conditions of the affected population (through the sustainable rehabilitation of priority municipal infrastructure), and (ii) the improvement in municipal service delivery in the conflict-affected localities (through regular maintenance practices and the progressive return to more sustainable financing schemes).

4. Various donors have so far agreed to finance the rehabilitation of almost 100 villages. The Bank's grant provides parallel financing, covering most of the municipalities and villages not supported by other donors. The GOL and the Bank are in contact with potential donors to finance the remaining infrastructure rehabilitation needs in the affected localities.

2. BACKGROUND AND RATIONALE

Country Context

5. On August 14, 2006, a UN-brokered ceasefire brought an end to intense hostilities that took place in Lebanon for 33 days. The GOL estimates that almost one million Lebanese (out of an estimated population of four million) fled their homes during the height of the hostilities. The affected areas experienced a total disruption of basic services and continue to suffer from a lack of safe drinking water, running sewage disposal systems, and functioning social services.

6. A preliminary assessment carried out by the GOL indicates that the municipalities located in the conflict-affected areas suffered wide-scale destruction. The housing sector accounts for almost 50 percent of the total damage particularly in the southern suburbs of Beirut as well as in southern Lebanon. Partial or complete destruction was reported to approximately 30,000 housing units, almost 140 bridges, close to 210,000 m^2 of damaged roads, around 200 public and 80 private schools, and over 30 vital infrastructure facilities (airports, ports, sewage treatment plants, water reservoirs, power plants, etc.). The damage to the municipal sector (which includes, among others, urban roads, retaining walls, street lighting, water and sanitation, municipal buildings, and equipment) is provisionally estimated at around US$80 million.

First Municipal Infrastructure Project

7. An US$80 million IBRD loan for the First Municipal Infrastructure Project (FMIP) was approved on June 22, 2000 and became effective on November 28, 2000. The project development objectives consist of (i) restoring selected basic municipal infrastructure to improve the living conditions, primarily in municipalities previously deprived of such investments, and (ii) setting the stage for the development of the municipal sector by enabling municipalities to address local infrastructure needs and by providing municipalities with their share of intergovernmental transfers intended to promote capital investment. There have been no changes to the original objectives, design, or scope.

8. The FMIP finances the rehabilitation of municipal infrastructure, including potable water and sanitation networks, as well as improved access roads, retaining walls and street lighting to primary services such as health clinics and hospitals, schools and community facilities, churches and mosques, cemeteries and commercial areas. In addition to the rehabilitation of the physical municipal assets the FMIP also focuses on strengthening the management capacities of local governments. By being directly responsible for project identification, appraisal, design, bid preparation and construction supervision, municipalities in Lebanon have considerably improved their capacity to discharge their financial, planning and implementation responsibilities.

9. The FMIP is the best performing Bank project in Lebanon and is well on track to achieve its development objectives and related outcomes. Implementation progress and the achievement of the development objectives were rated *satisfactory* prior to the

hostilities. Almost 800 sub-projects have been implemented so far in more than 700 municipalities. For instance, by June 2006, over 1,500 km of roads and 260 km of retaining walls had been repaired and upgraded, over 12,000 street lighting poles had been installed, and almost 350 km of drainage, water and sewerage networks had been repaired. By September 30, 2006, disbursements have reached US$63 million (i.e., almost 80 percent of the loan amount) with the uses of all the remaining funds already identified.

10. While the FMIP does not have the ambition to develop a full-fledged long-term strategy for the municipal sector, it has succeeded in setting the stage for the gradual assumption of responsibility for municipal services and for promoting sustainable management practices at the local level. The ratio of government transfers to municipal revenues dropped from one-half to almost one-third, indicating improved financial sustainability. The capacity building activities have helped develop, implement and maintain an infrastructure rehabilitation program, including support for preparing feasibility studies, tender documents, sub-project technical designs and supervision, and maintenance programming. Moreover, significant progress has been shown in carrying out the complex and politically sensitive studies on strengthening the MOIM to better coordinate the municipal sector and on completing the review of the economic potential of ten cities to promote local development.

11. The PCU concentrates a wealth of experience in project implementation and constitutes an invaluable asset as the country prepares to surmount its new challenges. The PCU has strong leadership, tested administrative procedures, close interaction with the municipalities, and a strong focus on quality control. By way of example, the work program agreed between the GOL and the Bank during the 2005 Country Portfolio Performance Review was fully implemented within the agreed time frame; this represents a significant achievement in the Lebanese context. Consequently, project management was upgraded to *highly satisfactory* prior to the hostilities.

12. The FMIP is in full compliance with the loan covenants including the fiduciary, environmental and social safeguards. All audit requirements are met and reports have been received on time. The auditors have continuously issued reports without qualifications. The mid-term review of December 2005 confirmed that the FMIP succeeded in establishing a clear set of technical and economic criteria for the selection of priority investment sub-projects at the local level. Both the borrower and the implementing entities are committed to the project, which is also widely perceived by municipal councils as an essential partner to address their priorities needs.

Impact of the Hostilities

13. The recent hostilities have negatively affected implementation progress. About 150 civil works contracts will not be completed before the current closing date of June 30, 2007. The contractors face major challenges, including shortage of construction materials and limited access to the work sites because of unexploded ordnance (UXO). Moreover, the resumption of the works will be compounded by the onset of the winter season and the heavy rains as experienced over the recent years. The aggregate impact on

the completion of the physical work may require a second loan extension of nine months which would be processed in due time[1].

14. The capacity building component will suffer from delays as the urgent realities distract central government officials and the local authorities from focusing on longer-term sector reforms. Activities are being reprioritized toward immediate reconstruction needs. In response, the PCU is being strengthened to better adapt to the increased work load and the emergency conditions.

15. The municipal sector at-large has been significantly affected by the hostilities. Because of the combination of growing municipal expenditures and scarce resources the capacity of the municipalities to deliver basic services to the vulnerable population has been seriously compromised. The impact on the lower tier of government is being assessed to fully understand the negative implications on local management performance, notably: (i) the damage to physical infrastructure and direct destruction of municipal assets, (ii) the effect of contracting municipal revenues in the context of rising poverty levels and deteriorating economic conditions, (iii) the effect of growing municipal expenditures rendered necessary by the hostilities, (iv) the reduced capacity of local governments to deliver basic municipal services in a post-conflict environment, and (v) the already inadequate capacity to ensure proper operation and maintenance of municipal assets.

16. The Bank is assisting the project counterparts to undertake the necessary analysis to ensure adequate coverage of emerging sector issues. However, the focus on promoting longer term sector reforms in areas such as intergovernmental transfers and decentralization is likely to be postponed. As a result, implementation of the reform agenda will be slow in the aftermath of the hostilities.

Proposed Grant

17. Considering the project's demonstrated implementation effectiveness and quality of assistance to the municipalities, the MOIM expressed its intention to submit a supplemental financing request to the Bank in early 2006 to expand the geographic scope of the project and cover the 267 municipalities that were newly established after the approval of the FMIP. The recent hostilities necessitated a reorientation of the envisaged operation, focusing on replacing lost municipal assets and restoring basic services in the 270 most affected municipalities and villages. The GOL and the Bank concur that the FMIP's tested mechanisms, procedures and capacities are the most suitable operational vehicle to rapidly address these unforeseen needs.

[1] Implementation was similarly delayed after the assassination in February 2005 of the outgoing Prime Minister, the late Rafic Hariri. While the project recovered quickly thereafter, the closing date of the loan had to be extended by 18 months.

3. PROPOSED CHANGES

18. The FMIP's development objectives are adapted to respond to the emergency situation, allowing for the reconstruction of damaged infrastructure on a prioritized basis, and assisting the economic recovery in the worst-affected localities. The grant incorporates an adjustment to the allocation criteria which would be based on the level of recorded destruction (instead of the registered population). Another change is the expansion of both the project's geographic coverage to municipalities and villages affected by the recent hostilities (instead of in municipalities previously deprived of such investments) and the range of activities, to include (i) the reconstruction and repair of municipal infrastructure, (ii) the repair and replacement of municipal assets, (iii) the provision of Information and Communications Technology (ICT) equipment, and (iv) the support to development activities which will facilitate economic activities. Except for the abovementioned adjustments, the proposed grant would not include any substantive changes to the FMIP.

19. The closing date of the grant would be December 31, 2009.

4. CONSISTENCY WITH THE CAS

20. The Board discussed the Lebanon CAS in December 2005. The CAS base case foresees a supplement to the FMIP. However, all indications are that, as a result of the hostilities, Lebanon has fallen into the CAS low case which pre-empts new IBRD lending. Considering the magnitude of the physical damages and the increasingly precarious fiscal situation and public debt dynamics that are expected to prevail over the next 1-2 years, the Bank's Board of Governors approved a transfer of US$70 million in grants from IBRD surplus to a Trust Fund for Lebanon (TFL) to support the Government's reconstruction efforts following the recent hostilities. The Trust Fund document (R2006-0173/2) envisages the use of TFL resources to support the municipal sector via the FMIP. Like all TFL-financed projects, this grant uses simplified documentation, follows emergency procedures, and is approved by the Regional Vice President.

5. APPRAISAL OF THE PROJECT ACTIVITIES

21. Following the cessation of hostilities, the Bank reviewed on a sample basis the damage reports provided by the municipalities to the MOIM as well as the damage assessment carried out by a consulting firm on behalf of the GOL. The team undertook field visits to municipalities in the Governorates of Mount Lebanon, Bekaa, South Lebanon and Nabatiyeh and inspected both the damage to the physical infrastructure and the level of destruction of municipal assets. The detailed analysis of the cost estimates collected from a representative sample of 150 municipalities shows that the Nabatiyeh Governorate concentrates almost three quarters of the total losses. In this severely impacted region Bent Jbeil district alone represents about 40 percent of the total municipal damage reported so far. Sector-wise, the urban primary and secondary roads

and retaining walls represent 36 percent and 24 percent of the total municipal losses, respectively.

22. The Bank has been working closely with a team from the European Commission that has undertaken an in-depth validation of the damages to the country's public infrastructure. The team has also consulted closely with the relevant GOL agencies involved in the reconstruction process as well as the donors supporting the municipal sector in order to fold the proposed recovery activities into the GOL's priorities and the wider response of the international community.

Objectives, Description, and Cost

23. The objectives of the grant would be to (i) restore basic services and rebuild priority public infrastructure in the affected municipalities and villages[2], (ii) support local economic recovery and development in the municipalities that have suffered the heaviest damage, and (iii) provide technical assistance to and build the capacity of municipalities to mitigate the impact of the hostilities on municipal finances (within the broader context of developing the municipal sector). In pursuit of these objectives, the grant would finance three components.

24. **Component 1: Reconstruction of Public Infrastructure** ***(US$18.0 million).*** This component would finance the reconstruction of priority public infrastructure destroyed or damaged during the hostilities in about 185 municipalities not supported by other donors. Sub-projects would consist of, but are not limited to, urban roads, sidewalks, retaining walls, street lighting, water and sewerage networks, municipal buildings and ICT equipment. The selected sub-projects would comply with the emergency reconstruction criteria as well as the environmental and social safeguards adopted under the FMIP, with an added emphasis on simplicity and speed.

25. **Component 2: Municipal Recovery and Development** ***(US$9.0 million).*** This component would provide assistance to build new municipal infrastructure in order to help revive the local economy. Among others, it would finance market places, access to public facilities, site and services schemes, and the upgrading of service delivery systems and related equipment. The grant would support development-oriented sub-projects in about 10 to 15 municipalities that (i) receive reconstruction assistance from other donors and (ii) show the highest potential to become growth centers for the regional economy. The selected sub-projects would also comply with the economic and financial eligibility criteria as well as the environmental and social safeguards adopted under the FMIP.

26. **Component 3: Project Management and Capacity Building** ***(US$3.0 million).*** This component would support the following activities: (i) project management and technical assistance for implementing the grant, and (ii) capacity building for increasing local revenues and improving transparency in the management of intergovernmental transfers and financial flows between the central government and the municipalities. Both

[2] The municipalities located in Beirut's southern suburbs would be excluded from this grant as they are expected to benefit from a comprehensive and integrated urban development program to be financed under an alternative scheme.

activities are critical to the sustainable recovery of the affected municipalities in particular, and the municipal sector in general.

27. The grant of US$30 million would complement other donors' reconstruction programs by covering most of the estimated damages to municipal infrastructure in the municipalities. Moreover, it would foster economic recovery in select conflict-affected cities. The duration of the grant would be about three years. The following table provides an overview of the funds allocated to the individual components.

Activity	Procurement Category	TFL		GOL		TOTAL
		Amount (US$m)	%	Amount (US$m)	%	Amount (US$m)
COMPONENT 1: RECONSTRUCTION OF PUBLIC INFRASTRUCTURE						
(a) Rebuild and repair damaged public infrastructure including municipal buildings	Works	15.0	50%	0	0	15.0
(b) Replace damaged ICT equipment	Goods	0.3	1%	0	0	0.3
COMPONENT 2: MUNICIPAL RECOVERY & DEVELOPMENT SUPPORT						
(a) Provision of public infrastructure to facilitate social and economic recovery	Works	7.0	23%	0	0	7.0
(b) Provision of equipment to facilitate social and economic recovery	Goods	0.3	1%	0	0	0.3
COMPONENT 3: PROJECT MANAGEMENT AND CAPACITY BUILDING						
(a) Capacity building to mitigate impact of the conflict on municipal finances and technical assistance	Services	1.8	6%	0	0	1.8
(b) Preparation of the environment management plans for sup-projects screened as category B and Periodic Social Assessments	Services	0.2	1%	0	0	0.2
(c) Project Management	Services	1.0	3%	0	0	1.0
CONTINGENCIES (Physical and Financial) *		4.4	15%	0	0	4.4
TOTAL		**30.0**	**100%**	**0**	**0**	**30.0**

* Note: Contingencies are allocated on a pro rata basis for works and goods under Components 1 and 2.

Implementation Arrangements

28. The implementation arrangements for the grant would be aligned with the provisions established under the FMIP. The core principles include: (i) a demand-driven construction program based on well identified needs by the municipalities and villages; (ii) simplified approval and efficient implementation procedures; and (iii) compliance with FMIP eligibility criteria as well as its fiduciary, environmental and social safeguards. The activities would not involve any exceptions to Bank policies.

29. The allocation of the grant proceeds would vary between Components 1 and 2. Under Component 1, the funds would be apportioned among the affected municipalities and villages according to the level of recorded destruction. The full extent of the local damages is yet to be assessed, a process that may take several more months. In order to allow for a quick start-up of activities, an initial amount of US$5 million would be allocated by *providing up to US$130,000 to each municipality and village for damage repairs*; this amount has been established as the average damage in a sample of municipalities. Once detailed information on the actual damage to public infrastructure has been compiled by the PCU, a new indicator—the *ratio of actual damage in a municipality/village to the total damage to infrastructure in all conflict-affected*

municipalities/villages—would be introduced. Both indicators capture accurately the level of destruction in a given municipality or village, with the latter considering the proportion of the damages between the affected areas. The greater the damages, the higher would be the allocation to the municipalities and villages under either indicator. Under this component the allocation formula would be monitored to ensure that resources flow as planned, and to identify those municipalities/villages that are having difficulty in submitting proposals and making use of the allocated resources.

30. Under Component 2, funds would be provided primarily to the medium-size cities with the highest potential to become growth centers for the regional economy. The selection of the sub-projects among the eligible municipalities would be made according to the projected overall economic growth impact, approximated by the number of beneficiaries. The sub-projects would be identified through a participatory process and endorsed by a decision of the municipal councils. This component is expected to start once the housing and municipal infrastructure reconstruction work is well advanced. The required feasibility studies and community consultative processes would be funded under the project.

31. The MOIM would be responsible for project execution through the existing PCU. The PCU would be reinforced and be responsible for all aspects of project management. Quarterly and annual reports, including a mid-term review and an implementation completion report, would be prepared by the PCU for Bank and GOL review in accordance with Bank requirements.

32. In order to meet the unexpected and significant needs in the conflict-affected localities effectively, the implementation capacity of the PCU and of the Directorate General of Municipal Administration (DGMA) in the MOIM would require strengthening, the latter with specific emphasis on coordination and monitoring of the reconstruction effort. Staffing requirements at the PCU have been identified and additional personnel are being selected using the Bank's procedures for the recruitment of consultants.

Procurement

33. The grant would finance civil works, goods, consultant services, and training. The standard procurement method for civil works and goods would be National Competitive Bidding using simplified procedures. However, during the first 6-12 months after effectiveness, the exclusive use of Shopping, satisfactory to the Bank, would be allowed for two reasons: (i) the emergency nature of the sub-project investments and the need for speedy delivery; and (ii) the small size of the contracts[3] and the remoteness of many locations, which are unlikely to attract large contractors. In accordance with the Bank's guidelines for shopping, the invitation to submit quotations would include a detailed description of the works or goods, including basic specifications, the required completion date, a basis form of agreement, and relevant drawings, when necessary. Price quotations

[3] The average sub-project size is estimated to be around US$150,000. Following FMIP procedures, the individual municipalities would be responsible for the procurement of works; a bundling of contracts would, thus, not be feasible.

would be submitted in sealed envelopes and opened in the presence of the contractors who choose to attend. The award would be made to the contractor who offers the lowest price quotation for the required work and who has the experience and resources to complete the contract successfully. The PCU would update the procurement section of FMIP Operations Manual to reflect the different standard bidding documents to be used in each case, as well as the thresholds pertaining to procurement methods and to the Bank's prior review. The following contracts would be subject to the Bank's prior review: the first contract under each procurement method regardless of its estimated value, as well as all contracts for works estimated to cost US$200,000 equivalent or more, and for goods estimated to cost US$50,000 equivalent or more. (The procurement table is provided in Annex 1.

34. Consultancy services to assist the PMU in monitoring the implementation of sub-projects would be procured using the Bank's guidelines for recruiting consultants. Three consultancy contracts for the preparation of the initial pipeline of priority sub-projects in the Governorates of South Lebanon, Nabatiyeh and Bekaa would be initiated using sole sourcing, given the urgency to prepare the technical feasibility studies needed to start the reconstruction work. In those newly established municipalities and villages where project management and supervision capabilities are weak, the PCU would recruit local consultants to assist the authorities in designing sub-projects and supervising contract implementation.

35. The selection methods for consultants that would be used under the grant are Quality and Cost-Based Selection (QCBS), Selection Based on Consultants' Qualifications (CQS) for contracts below US$100,000 equivalent, Individual Consultant, and Single Source Selection for firms and individual consultants. Short lists for consulting services estimated not to exceed US$200,000 equivalent may be composed exclusively of local consulting firms suited for the assignment. Contracts of consulting firms estimated to cost US$200,000 equivalent or more and of individual consultants estimated to cost US$50,000 equivalent or more would be subject to the Bank's prior review.

36. The PCU would develop a procurement plan for the grant for the Bank's prior review and would update it on a quarterly basis. The PCU would submit the first procurement plan for the initial amount of US$2.5 million under Component 1 prior to grant effectiveness and the complete procurement plan for Component 1 by February 2007, by which time an accurate assessment of the needed repairs is expected to be available. An initial procurement plan for Component 2 would also be submitted by February 2007, identifying in broad terms the expected timing, value and procurement methods to be used. The PCU would finalize the plan for Component 2 once the local consultation processes have been completed and details about the sub-projects and contracts are known.

37. The PCU would also be responsible for maintaining accurate procurement records, including all actions related to Bank-financed procurement. This includes advertising, preparation of bids, invitation to bid, record of bid submissions, bid opening, and evaluation of bids, contract award and performance of the contracts. The

procurement files and the updated procurement plans would be maintained for review by the Bank's supervision missions.

Financial Management and Disbursement

38. The financial management system applicable for the FMIP loan would also be used for the proposed grant. The PCU would maintain the grant's records and accounts and prepare financial statements in a format acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the grant. The PCU's financial staff has been performing adequately under the FMIP and would also handle the financial management and reporting aspects of the grant. The PCU would prepare and disseminate financial monitoring reports for the grant. These reports would follow the same format as for the IBRD loan and would be submitted to the Bank within 45 days after the end of each quarter.

39. To facilitate project implementation and make timely payments, the PCU would open a separate special account in US dollars at the Central Bank of Lebanon. This account would keep the transactions related to the TFL grant separate from those of the IBRD loan. There would be no combined loan/grant payments to sub-projects; the grant would finance an entirely separate set of contracts related to the (re-) reconstruction of municipal infrastructure. The proceeds of the grant would be disbursed in accordance with the Bank's disbursements guidelines. (Annexes 2 and 3 present the detailed financial management and disbursement arrangements applicable to the proposed grant.)

Environmental and Social Safeguards

40. While preparing the grant, a small number of sub-projects were screened for environmental impact. The screening confirmed that the overall scale and significance of the potential environmental impact of the sub-projects are limited. The grant has, thus, been classified as Category B in accordance with Operational Policy 4.01 (Environmental Assessment). The grant would not trigger Operational Policy 4.12 (Involuntary Resettlement).

41. During implementation, all sub-projects would be screened for environmental and social impact consistent with the Operations Manual for environmental and social safeguards. Category A sub-projects would not be eligible for financing under the grant. Similarly, sub-projects requiring land acquisition or resettlement would not be funded. To ensure that all sub-projects are located on public land, the municipalities would provide a land title for each site prior to the commencement of the works. Based on the past PCU experience, the unit would develop a check list (including the land status screening) that the municipalities would fill in for each sub-project prior to approval. The municipalities would also carry out site-specific environmental assessments for sub-projects with potential significant impacts (Category B) and would submit such assessment to the PCU for approval.

42. At the implementation level, FMIP supervision missions have confirmed the PCU's satisfactory compliance with the project's environmental safeguards. Also, and

similarly to the FMIP, both the Ministry of Public Works and the Ministry of Water and Energy would provide the relevant oversight and would be responsible for the review and approval of non-municipal infrastructure sub-projects to be financed under the grant. These include mainly water and sewerage networks, secondary roads as well as electricity distribution lines and small transformers in the affected municipalities/villages. This process ensures that the engineering design for each sub-project is adequate in terms of technical specifications, public health, safety and environmental protection. To this end, municipalities would obtain the standard permit and approvals from the relevant line ministries.

43. From a social development perspective, and given the magnitude of the physical damage in the project area and the extensive social costs involved, the proposed emergency measures are likely to have a positive impact. The grant would focus on (i) improvements in living conditions, (ii) the restoration of key municipal infrastructure, and (iii) investments and support measures to revive the local economy in the areas hardest hit during the hostilities. The swift implementation of the GOL's reconstruction program, to which this grant would contribute, would be a key factor in addressing the broader social needs of the conflict-affected population. In order to closely monitor the social impact of the grant, a beneficiary assessment would be carried out every six months. This regular and participatory feedback from the beneficiaries would compensate for the limited monitoring indicators imposed by the emergency nature of the project and would allow to take timely adjustments in design and/or implementation, if need be.

Readiness for Implementation

44. The rapid implementation of the GOL's reconstruction program is a critical factor to address the needs of the population in the affected areas and to maintain stability. Consequently, the MOIM is already appraising the engineering designs of the initial pipeline of sub-projects in accordance with the criteria spelled out in the FMIP's Operations Manual. These criteria have been tested and refined during the implementation of the FMIP. FMIP resources have been allocated to finance the technical studies necessary to develop this pipeline.

45. PCU staff is fully familiar with project management, financial management, procurement and safeguards procedures. Furthermore, the PCU is being strengthened to handle the additional, urgent work load. The grant is, therefore, considered ready for implementation upon approval.

6. EXPECTED OUTCOMES

46. The grant would use a simplified set of indicators compared to the FMIP, focusing mainly on physical investments. The financial indicators would be maintained for the municipalities benefiting from grant assistance under Component 2, which would allow monitoring the impact of the investments on local economic development approximated by the increase in municipal resources. There would be no changes to the expected outcomes, which include: (i) the improvement in the living conditions of the

affected population, and (ii) the implementation of regular maintenance practices and the progressive return to more sustainable financing schemes regarding both transparent and predictable transfers from the central government to the municipalities and own revenue collection at the local level.

7. BENEFITS AND RISKS

47. The benefits of the grant would be multiple. It would create temporary employment at a time when unemployment has significantly increased. It would rebuild public infrastructure which is a critical ingredient to the construction of houses and other damaged infrastructure. The grant would aim to build growth centers to revive and develop local economic activity. It would also restore services and enhance safety. Not least, the grant would provide a weary population with a sense of normalcy. Consequently, municipalities have demonstrated a keen interest in the proposed grant.

48. The risks are equally manifold. Project implementation could slow down for a number of factors, notably a lack of focus among central and local authorities given multiple urgent demands, leading to possible delays in the preparation of technical feasibility studies, and the need to clear UXO in several municipalities and villages before it is safe to commence work in a locality. These risks would be mitigated in part by the recruitment of consulting services for the preparation of the priority pipeline of sub-projects and by targeting, in the initial phase, UXO-free villages and municipalities.

49. Other major risks are the uncertainty regarding the condition of the underground utilities, which may require extensive earth works and may delay the final determination of damages and cost, and the availability and volatility of the cost of construction materials. To compensate for these uncertainties, an amount equivalent to 15 percent of the grant proceeds has been kept unallocated and would be used to cover the potential cost of change orders. Another main concern relates to the lack of institutional capacity at the MOIM, a lesson learned during FMIP implementation. The grant would, therefore, provide targeted technical assistance to the DGLA and would foster closer coordination between the PCU and the DGLA.

50. In order not to overlap with the reconstruction efforts funded by other donors, the GOL and the Bank agreed that the proposed grant would not finance the rehabilitation of damaged infrastructure in the most conflict-affected municipalities. This may represent a risk in terms of both timing and reputation, if—as expected—the grant disburses faster in the less affected municipalities it covers. To reduce this risk, the GOL and the Bank are in contact with the key donors to ensure that the respective programs are planned and implemented in the most expedient manner. The use of FMIP implementation structures and procedures may also be considered.

51. In case there was a shortage of funds, the remaining municipal infrastructure rehabilitation needs would be included in the GOL's reconstruction and reform program that it is preparing in advance of a donors conference in early 2007. Lastly, the political context remains unstable and may disrupt implementation of the grant locally or

generally. In this case, the pace and/or scope of implementation would be adjusted accordingly.

8. Financial Terms and Conditions

52. TFL resources, including the proposed grant, would be provided on a grant basis. The grant would also finance 100 percent of eligible expenditures as indicated in the TFL Board document.

ANNEX 1

PROCUREMENT SUMMARY TABLES

Table A: Procurement Summary
(Bank Fiscal Year, Estimated US$ million)

FY	07	08	09	10
Annual	2.5	13.5	14.0	0.0
Cumulative	2.5	16.0	30.0	30.0

Table B: Procurement Categories

Activity	Procurement Category	TFL Amount (US$m)	%
WORKS		**26.30**	**88%**
Component-1: Reconstruction of Public Infrastructure			
(a) Rebuild and repair damaged public infrastructure including municipal buildings	Works	17.60	
Component-2: Municipal Recovery and Development			
(a) Provision of public infrastructure to facilitate social and economic recovery	Works	8.70	
GOODS		**0.70**	**2%**
Component-1: Reconstruction of Public Infrastructure			
(b) Replace damaged ICT equipment	Goods	0.35	
Component-2: Municipal Recovery and Development			
(b) Provision of equipment to facilitate economic recovery	Goods	0.35	
CONSULTANTS		**3.00**	**10%**
Component-3: Project Management and Capacity Building			
(a) Capacity building to mitigate impact of the conflict on municipal finances and technical assistance	Services	1.80	
(b) Preparation of the environment management plans for sup-projects screened as category B and Periodic Social Assessments	Services	0.20	
(c) Project Management	Services	1.00	
Total		**30.00**	

ANNEX 2

DISBURSEMENT SUMMARY TABLE
(Bank Fiscal Year, Estimated US$ million)

FY	**07**	**08**	**09**	**10**
Annual	2.0	12.0	14.0	2.0
Cumulative	2.0	14.0	28.0	30.0

ANNEX 3

FINANCIAL MANAGEMENT AND DISBURSEMENT ARRANGEMENTS

Financial Management

1. The PCU would be required to maintain the grant's records and accounts, and prepare financial statements in a format acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the grant.

2. A financial management risk assessment has been conducted for this grant and the risk was rated as low, based on the fact that the same financial management arrangements applicable for FMIP IBRD loan would be replicated for this grant, including the staffing, accounting, reporting and auditing arrangements as well as the applied internal controls.

3. The PCU's financial staff has been performing adequately under the FMIP and would also handle the financial management and reporting aspects of the grant.

4. The software provider of the FMIP accounting system has already been contacted and work is underway for a new copy of this accounting system that fits the grant's activities. There would be no change to the system's main features and modules.

5. The PCU would prepare and disseminate financial monitoring reports for the grant. These reports would follow the format as the IBRD loan and would be submitted to the Bank within 45 days after the end of each quarter.

6. The PCU would have the grant's records, accounts and financial statements for each fiscal year audited, in accordance with auditing standards acceptable to the Bank, consistently applied, by independent external auditors acceptable to the Bank. The audit report would be furnished to the Bank by no later than six (6) months after the end of each year. The external audit report would encompass all activities financed by the grant and would be in accordance with internationally accepted auditing standards. The annual audit report of the Grant's accounts would include an opinion on the financial statements and the special account transactions as well as a separate opinion as to whether the Statement of Expenses (SOEs) submitted during such fiscal year, together with the procedures of internal controls involved in their preparation, can be relied upon to support related withdrawals.

7. The auditor can issue a combined management letter for the grant and the loan identifying any observations, comments and deficiencies in the system and controls that the auditor considers pertinent, and would provide recommendations for their improvements.

Disbursements

8. To facilitate project implementation and make timely payments, the PCU would open a separate special account in United States dollars at the Central Bank of Lebanon. This account would keep the transactions related to the TFL grant separate from those of the IBRD loan. The proceeds of the grant would be disbursed in accordance with the Bank's disbursements guidelines.

9. The transaction-based disbursement method would be used for this grant. Accordingly, requests for payments from the grant would be initiated through the use of withdrawal applications (WAs) either for Direct Payments, Reimbursements and Replenishments to the Special Account. All WAs would include appropriate supporting documentation including detailed SOEs for reimbursements and replenishments to the Special Account.

10. During implementation SOEs would be used for all expenditures relating to: (i) works under contracts costing less than US$200,000, (ii) goods under contracts costing less than US$50,000, and (iii) consulting services under consultants firms contracts costing less than US$100,000 equivalent each and under individual consultant contracts costing less than US$50,000 equivalent each. The supporting documentation would be maintained at the PCU and would be made available for review by Bank supervision missions upon request. Documentation relating to SOEs would be retained for up to one year from the date the Bank receives the audit report for the fiscal year in which the last withdrawal application from the grant account was made.

11. Eligible expenditures would be financed 100 percent from the grant.

ANNEX 4

CAPACITY BUILDING COMPONENT

1. Capacity building, primarily through the use of consultant services, is a central element of the grant. Its objectives are three-fold: (i) to provide technical assistance to develop and implement a program of infrastructure (re-) construction, including the preparation of feasibility studies and tender documents, sub-project technical design, and support for the preparation of development-oriented sub-projects to revive the local economy; (ii) to maintain MOIM capacity to manage the grant; and (iii) to assess the direct and indirect effects of the hostilities on municipal finances and to improve the overall performance of the municipal sector. Activities under the first two objectives are largely identical to those carried out under the ongoing FMIP, with implementation arrangements described in the Operations Manual. The analytical work under the third objective comprises two main activities.

Setting up and operating a Municipal Observatory

2. Municipalities are required to submit year-end financial accounts and next year budgets on an annual basis. However, in the past, these data have not been systematically collected or analyzed. No reliable and comprehensive mechanism is, therefore, available to track the financial situation of local governments. Consequently, a Municipal Observatory would be established and would be tasked with collecting and monitoring municipal data on revenues, recurrent and capital expenditures, debt, and bilateral and multilateral assistance programs provided to the municipalities. Such data would enable local governments to improve the maintenance of municipal assets and the delivery of municipal services and to help the central government to closely monitor the financial flows to the municipal sector. Overall, the Municipal Observatory would provide an important input into policy formulation and planning at the national level.

3. The Municipal Observatory would consolidate the PCU's Project Management Information System and the Financial Management Information System maintained by the DGLA. These two systems have not yet been fully exploited to properly monitor the municipalities' performance in terms of revenue mobilization and services provision. Once the Municipal Observatory is fully functional, service delivery performance indicators and benchmarks would be developed based on global and regional best practice. In parallel, training modules for data collection and analysis would be prepared to help institutionalize this function in the MOIM.

Setting up and operating a Municipal Finance Cell

4. The grant would support the establishment of a Municipal Finance Cell in the Ministry of Finance the main objective of which would be to support the design, implementation and monitoring of the municipal finance reform agenda. The cell would design the scope of the analytical work and develop the corresponding terms of reference for three planned municipal finance studies (Strengthening the Municipal Finance

Framework, Independent Municipal Fund Assessment, and Property Tax Modernization). The terms of reference of these important studies would be submitted to the Ministry of Finance and the MOIM for approval. Once approved, the PCU would select and appoint the consultants and supervise the execution of the contracts assisted by the cell. The cell would also help shape the ongoing policy dialogue and would propose concrete actions to support the necessary reforms in the sector once the analytical work is completed. The PCU would assist in disseminating the Government's revised municipal finance policies.

Cost Table

COMPONENT 3: Capacity Building and Project Management Component

Activity	TFL		GOL		TOTAL
	Amount (US$m)	%	Amount (US$m)	%	Amount (US$m)
(a) Capacity building to mitigate the impact of the hostilities on municipal finances	**1.8**		**0**	**0**	**1.8**
Technical assistance to the reconstruction/development program	0.6	20%	0	0	0.5
Set up and operate the Municipal Observatory	0.2	7%	0	0	0.2
Set up and operate the Municipal Finance Cell	0.5	17%	0	0	0.5
Strengthening the Municipal Finance Framework Study	0.2	7%	0	0	0.2
Independent Municipal Fund Study	0.1	3%	0	0	0.1
Property Tax Modernization Study.	0.2	7%	0	0	0.2
(b) Preparation of the environment management plans for sup-projects screened as category B and periodic social assessments	**0.2**	**7%**	**0**	**0**	**0.2**
(c) Project Management	**1.0**	**33%**	**0**	**0**	**1.0**
TOTAL	**3.0**	**100%**	**0**	**0**	**3.0**

ANNEX 5

ECONOMIC ANALYSIS

Context and Objectives

1. The reconstruction efforts after previous conflicts concentrated on major infrastructure at the national level to support economic recovery. By contrast, smaller towns and villages in less accessible areas did not receive adequate assistance. Thus, even before the recent hostilities, the lower tiers of government were in need of rehabilitation and upgrading of municipal investments. Today, this need is even more acute after the large-scale destruction of municipal infrastructure in the already disadvantaged regions.

2. The proposed grant was requested by the Lebanese authorities to assist in (i) the reconstruction of the heavily damaged municipal infrastructure after the recent hostilities, (ii) the development of municipal infrastructure to support local economic recovery in the areas most affected by the hostilities, and (iii) the strengthening of the financial capacity of local governments to mitigate the impact of the hostilities. These activities are consistent with the long-term municipal development program initiated under the FMIP. The proposed grant also allows for the continuation of the ongoing policy dialogue and the advance of the reform agenda for the municipal sector. In line with the FMIP objectives, the grant aims to balance support between the different regions based on the severity of the destruction and to promote the role of municipalities in responding effectively to local needs.

Strategy and Design Considerations

3. Various strategic considerations were factored into the project's design. Because the purpose of this emergency operation is to help the communities affected by the hostilities to recover rapidly, it is not designed to target the needs of the poor. The major infrastructure provided by the municipalities (in particular, roads and retaining walls, street lighting, sidewalks, and drainage infrastructure), which the grant supports, may in some circumstances have a noticeable impact on the living conditions of the poor, but is normally not ranked as their first priority. However, the regions affected by the hostilities are considered the poorer parts of the country, hence the grant would help alleviate poverty at a general level.

4. Close to 100 municipalities have been "adopted" by donors who cover the housing and infrastructure rehabilitation priorities in these localities. Consequently, the grant focuses selectively on investments not supported by other donors: (i) the reconstruction of municipal infrastructure in municipalities and villages that do not otherwise benefit from external financial support (about two-thirds of project funds) and (ii) the construction of development-oriented infrastructure in selected "adopted" municipalities with the highest potential to become regional growth centers (about one-third of project funds). The grant would cover the entire area affected by the hostilities and aim to restore the infrastructure in the supported municipalities to at least the pre-conflict conditions.

5. The proposed grant is considered an appropriate instrument to target municipalities because it uses procedures and systems tested under the FMIP, is ready to implement a large number of small and diverse infrastructure projects across the country, and is the most suitable vehicle to provide the necessary technical assistance to local governments.

Criteria for Allocating and Monitoring Project Funds

6. The statistical information available at the national level is especially limited with regard to municipalities and villages. Allocation criteria and monitoring indicators have, therefore, been designed to ensure the efficient use of the grant resources and maximize the number of beneficiaries. These provide the MOIM with a management tool that facilitates the achievement of the project objectives.

7. The monitoring indicators are simplified as many of the municipalities are not in a position to provide financial data at this stage. Therefore, contrary to the FMIP (and with the exception of development-focused sub-projects funded under Component 2), the PCU would monitor mostly physical indicators and would not collect data on fiscal resources available to local governments. The absence of fiscal data would be compensated for by an assessment of the fiscal and financial impact of the hostilities on local governments. This study is part of the capacity building effort to strengthen the municipal revenue base.

8. Contrary to the FMIP, the allocation criteria under the grant would be based on the level of recorded destruction (instead of the registered population) and the potential impact on regional economic recovery. The allocation of the grant proceeds would vary between the reconstruction and the development components.

Reconstruction of public infrastructure

9. The funds would be apportioned among about 185 affected municipalities and villages not sponsored by other donors according to the level of recorded destruction. The full extent of the local damages is yet to be assessed, a process that may take several more months. In order to allow for a quick start-up of activities, an initial amount of US$5 million would be allocated by *providing up to US$130,000 to each locality for damage repairs*; this amount has been established as the average damage in a sample of municipalities. Once detailed information about the actual damage to public infrastructure has been compiled by the PCU, a new indicator—the *ratio of actual damage in a municipality/village to the total damage to infrastructure in all conflict-affected municipalities/villages*—would be introduced. Both indicators capture accurately the level of destruction in a given municipality or village, with the latter considering the proportion of the damages between the affected areas. The greater the damages, the higher would be the allocation to the municipalities and villages under either indicator. The allocation formula would be monitored to ensure that resources flow as planned, and to identify those municipalities/villages that are having difficulty in submitting proposals and making use of the allocated resources.

Construction of development-oriented infrastructure

10. This component would help build new infrastructure to revive the local economy (among others, market places, access to public facilities, site and services schemes, and upgrading service delivery systems.) in the 87 municipalities that are already sponsored under bilateral reconstruction programs. The funds would be allocated in three phases:

- First, the *registered population* would be used to apportion the funds per *caza*; nine *caza* have been identified as eligible at this stage. This ratio defines the financial envelope for each *caza*, with the *cazas* having a higher density receiving a higher allocation.

- Second, the medium-size municipalities identified as having a strong potential to promote economic growth would be invited to present their development projects to the Local Development Committee, comprising the MOIM, the Ministry of Finance, and the FMIP Director. The Committee would evaluate the proposals.

- Third, the Committee would select the development projects based on the following criteria: (i) the size of the municipality, with preference given to cities with a higher potential to become growth centers for the regional economy; (ii) the number of beneficiaries expected to gain direct and indirect social and/or economic benefits from the investment; and (iii) the internal rate of return of the specific sub-project, if it can be determined. The Minister of Interior would make the final decision and inform the Bank accordingly.

11. These criteria would help optimize the allocation of the grant proceeds between sub-projects with a developmental impact in the eligible municipalities. The selected sub-projects would be endorsed by a decision of the municipal councils and would comply with the environmental and social safeguards adopted under the FMIP. Whilst this component is expected to start once the housing and infrastructure reconstruction work financed by other donors is well advanced, the required feasibility studies and community consultative processes could be initiated at an earlier stage. If donors chose to adopt FMIP implementation arrangements, their funds would be allocated using the same criteria.

12. The allocation criteria would be assessed during the grant's mid-term review against progress toward achieving the development objectives and regarding the municipalities' implementation capacity. At that time, the criteria would be adjusted, if needed.

Sub-Project Cycle

Application

13. An elected representative, recognized leader, or central government representative would fill in a sub-project application for a beneficiary community (municipality or village) using a project application form. The form is designed to collect information on the nature of the damage, the community's priorities, the expected socio-economic

impact, and the estimated cost. This information would be used for both technical design and economic impact analysis of the proposed sub-project. Only those sub-projects that address conflict damages and foster economy recovery would be eligible (for instance, roads leading to a school, hospital or other public building, high traffic roads, and roads used by trucks or agricultural equipment).

Appraisal

14. The PCU would screen each application form. If a sub-project meets the basic criteria, the PCU would recruit a consultant to appraise it. The consultant would verify the information contained in the application form, review the justification and stated objective of the sub-project, refine the estimated number of direct and indirect beneficiaries, and collect other information required to complete the appraisal. A sub-project appraisal sheet has been designed and contains the information necessary for the economic analysis of the sub-project.

15. The sub-project would need to be designed in technically sound manner and be prepared according to the guidelines of the Operations Manual. Whenever possible, least-cost solutions would be sought. For instance, the repair design for a road would need to take into consideration the most appropriate maintenance strategy considering the weaknesses of local governments in this area. Different options would be modeled and the most cost-effective chosen.

16. For reconstruction sub-project the following screening indicators would be used to assess the economic justification of a proposal: street lightening: cost per beneficiary ratio, roads: cost per beneficiary ratio and benefit/cost ratio, water: cost per beneficiary ratio and economic rate of return, sewerage: cost per beneficiary ratio and economic rate of return.

17. For economic development sub-projects, indicators developed for sub-projects under the FMIP would be used, focusing on the established average cost per beneficiary, allowing for cost variations between different areas and different climatic conditions (for roads in particular). Sub-projects with cost per beneficiary ratios significantly higher than the average would be rejected unless a specific explanation were available. During the first year of implementation as well as in select cases, a second validation of project feasibility would be carried out. Whenever possible, a simplified net present value of benefits to costs would be computed over the life of the sub-project; it would be approved if its value is greater than zero. By coupling traditional cost/benefit indicators with beneficiary preferences would allow the MOIM and its technical staff to rationalize choices and maximize the use of scarce resources.

Evaluation

18. On the basis of the information collected throughout the sub-project cycle (application form, appraisal sheet and technical assessments), the actual economic return of the sub-projects by type of works would be determined on a sample basis two years after project effectiveness.

Expected Benefits

19. The grant would have significant benefits, including: (a) restored access roads to primary services such as health clinics and hospitals, schools and community facilities, churches and mosques, cemeteries and commercial areas; (b) improved safety and evening access to commercial areas; and (c) improved sanitation and reduced health and environmental hazards. These investments would increase the quality life and working conditions. Similarly, development-oriented sub-projects would aim to facilitate economy recovery, reduce unemployment, and generate local incomes.

Cost-sharing Arrangements

20. Eligible expenditures would be financed to 100 percent out of the grant proceeds. As a result no counterpart funds would be required either from the central or the local governments. However, agreements would be reached with the relevant authorities to ensure proper maintenance. Although most local governments are facing an acute shortage of resources, the municipal councils would be required to properly budget for the maintenance of the financed municipal assets. For villages, options would be explored with the relevant ministries (MOIM and Public Works) to organize adequate maintenance with the direct support of the central government. The PCU would monitor the annual maintenance budget and spending in the supported communities.

Fiscal Impact and Cost Recovery

21. The grant would be disbursed over three years. With no counterpart funds required, the GOL would not incur debt service obligations from this project. The fiscal impact, however, would be positive as the grant would translate into an additional annual capital investment program of about US$10 million.

22. Given the disarray in the municipal sector and the weaknesses in the tax collection systems, the project would initiate cost-recovery practices only in those localities that possess a more solid municipal budget and show a greater community willingness to contribute to the delivery of services. In most remote and underprivileged areas, the willingness and ability to pay are considered very low due to the perception of having suffered unfair damage. Evidence of investments that benefit the community may progressively change this perception and allow for the introduction of cost-recovery practices in the medium-term. This possibility would be evaluated during the mid-term review.

ANNEX 6

PROJECT PROCESSING SCHEDULE AND TEAM COMPOSITION

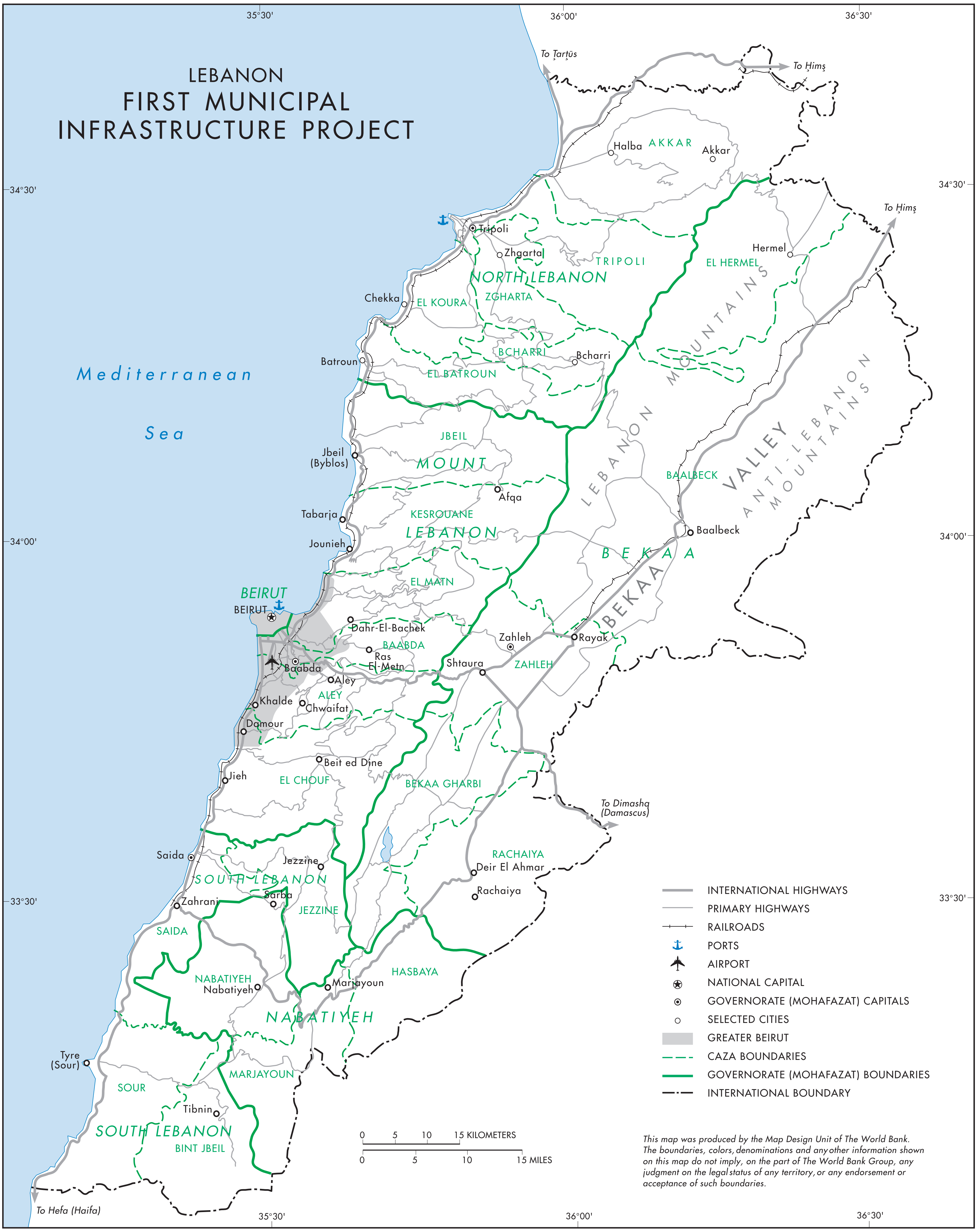
Project Processing Schedule

Project Schedule	Planned	Actual
First Bank mission (identification)	09/11/06	09/11/06
Time taken to prepare the project (months)	1 months	1.5 months
Appraisal	10/10/06	10/20/06
Negotiations	10/26/06	10/27/06
Approval	11/07/06	
Planned Date of Effectiveness	11/21/06	

Team Composition

Name	Specialty
Robert Maurer	Task Team Leader
Sateh Chafic El-Arnaout	Senior Municipal Development Specialist
Sophie Urnechlian	Project Assistant
Sara Gonzalez Flavell	Senior Counsel
Ghada Youness	Senior Counsel
Diana Masri	Financial Management Specialist
Lina Fares	Procurement Specialist
Tiguist Fisseha	Social Development Specialist
Mutasem El Fadel	Senior Environment Specialist

MAP SECTION



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