

**Lebanese Republic****Water Supply Augmentation Project****Chair Summary\*****September 30, 2014**

Executive Directors approved the loan for the Water Supply Augmentation Project for the Lebanese Republic (R2014-0215) in the amount of US\$474 million on the terms and conditions set out in the President's Memorandum.

Directors commended the commitment of the Lebanese Authorities to investment in transformational infrastructure and noted the measures in place to implement the project according to international best practice. They felt the project could have a transformational impact by improving water services and increasing water supply in the densely populated Greater Beirut and Mount Lebanon region where over half of the Lebanese population lives. Directors underscored the importance of total Government commitment and ownership as well as full citizen engagement to the success of the project. More broadly, the importance of implementing the water sector reform agenda was also emphasized.

Directors noted that this was the Bank's largest loan to the Lebanese Republic and expressed their broad support. They highlighted the ongoing challenges of prolonged drought and the great stress to services brought about by refugees from Syria. In this regard, they underscored the importance of the Bank's continued engagement in Lebanon and urged the Lebanese Authorities to balance the focus on long-term and short-term priorities so as to reduce poverty and enhance shared prosperity. Directors were particularly encouraged that, upon full implementation, this project would benefit over 1.6 million people, 28 percent of whom are poor and live below the national poverty line. They urged close monitoring of the environment and social impacts assessed as well as a careful implementation of the Resettlement Action Plan.

Directors appreciated that the project design leverages Bank assistance with a partnership with the Islamic Development Bank that will finance key environmental and social mitigation measures and associated infrastructure. They looked forward to reports on the implementation of the project.

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\*This summary is not an approved record.