

GONZALO CASTRO DE LA MATA
Chairman
The Inspection Panel

IPN REQUEST RQ 18/05

September 12, 2018

NOTICE OF REGISTRATION

Request for Inspection

LEBANESE REPUBLIC: Water Supply Augmentation Project (P125184); Greater Beirut Water Supply Project (P103063) and its Additional Financing (P165711)

Summary

1. On August 6, 2018, the Inspection Panel (“the Panel”) received a Request for Inspection (“the Request”) of the Lebanon Water Supply Augmentation Project and the Greater Beirut Water Supply Project and its Additional Financing (AF) (“the Projects”). The Request was submitted by Lebanon Eco Movement, a network of 60 environmental non-governmental organizations (NGOs), representing 42 local inhabitants, workers and community representatives. The Request also includes as attachments a petition signed by around 1,500 residents of impacted villages and an online petition with around 2,200 signatures of people from Lebanon and other countries opposing the construction of the Bisri Dam. The Requesters asked for confidentiality and authorized Lebanon Eco Movement to represent them during the Panel process.
2. The Requesters are concerned about the construction of the dam on the Awwali River in the Bisri Valley in Lebanon and claim that the assessment of alternatives was inadequate. The Request alleges harms to natural habitats, forests, cultural heritage, agriculture, water sources, as well as a lack of consultation and participation. The Requesters also express concerns related to the geology and seismology of the project area.
3. After conducting initial due diligence and confirming that the Request meets the Panel’s admissibility criteria, I am notifying you that I have, on September 12, 2018, registered this Request.

The Projects

4. The Lebanon Water Supply Augmentation Project was approved on September 30, 2014, for an amount of US\$474 million (IBRD Investment Project Financing). The total project cost is US\$617 million. The Islamic Development Bank is co-financing the Project with US\$128 million, and the Borrower with US\$15 million. The closing date of the project is June 30, 2024. It is a Category A project and is 32 percent disbursed.

5. The Project Development Objective is to “increase the volume of water available to the Greater Beirut and Mount Lebanon area.” The project component subject to this complaint is Component 1: Construction and construction supervision of Bisri Dam and associated infrastructure (US\$392 million). The project triggered the following safeguard policies: Environmental Assessment (OP/BP 4.01), Natural Habitat (OP/BP 4.04), Forests (OP/BP 4.36), Physical Cultural Resources (OP/BP 4.11), Involuntary Resettlement (OP/BP 4.12) and Safety of Dams (OP/BP 4.37).

6. The Greater Beirut Water Supply Project (GBWSP) was approved in December 2010, for US\$200 million and the AF in June 2018 for US\$90 million, and the closing date is November 30, 2020, for both. The GBWSP is a Category A project and includes three components: Component 1: Bulk Water Supply Infrastructure; Component 2: Supply Reservoirs, Distribution Network and Metering; Component 3: Project Management, Utility Strengthening and National Studies. According to the PAD of the GBWSP, “the likelihood for the construction of the Bisri Dam led to an increase of the design diameter of the water conveyance tunnel to be built under the project.”¹ In the addition, the PAD notes that “select high priority national studies will be undertaken in alignment with the priorities set forth in the National Water Sector Strategy (NWSS) under preparation by the GoL [Government of Lebanon].”² The project triggered the following safeguard policies: Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12).

7. The AF for the Greater Beirut Water Supply Project, approved in August 2018 but not yet effective, is to meet a financing gap under the GBWSP and to help finance the costs associated with scaling up of investments. The AF covers the same components as the GBWSP but adds a fourth component - Land Acquisition and Resettlement Compensation. The project is classified as Category A and triggered the same safeguard policies as the GBWSP: Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12).

The Request

8. The Requesters allege that the Projects are based on an insufficient understanding of the water balance in Lebanon and an incomplete consideration of alternatives, and the construction of the dam will result in the dismantling of an exceptional archeological complex and the inundation of a unique riparian ecosystem. They claim that it will destroy a productive local economy, threaten the safety of local communities and will be built in an area that is not geologically convenient. The Requesters claim that the “project’s catastrophic harms” outweigh the claimed benefits.

9. They allege harms to natural habitats and forests, claiming that the ecological value of the valley was “strikingly underestimated” in the Environmental and Social Impact Assessment (ESIA). The Request also alleges harm to cultural heritage, claiming that the value of it was severely underestimated in the ESIA. The Requesters further claim harm due

¹ Project Appraisal Document (PAD) of the GBWSP, October 13, 2010, pages 12 and 13.

² Component 3, PAD of the GBWSP, October 13, 2010, page 17.

to the undervaluation of the agricultural resources in the ESIA and that certain varieties of fruits and vegetables currently cultivated in the Bisri valley cannot be cultivated elsewhere. The Request also alleges that the Strategic Environmental Impact Assessment of the NWSS, which recommended a scaling back of the dam's program, was violated. The Requesters further claim a lack of efficient consultation and participation, including the under representation of women and exclusion of environmental NGOs. Finally, the Requesters also express concerns related to the geology and seismology of the project area, and raise issues related to access to potable water and quarries.

10. The Request also has several attachments, including: various archaeological study reports; extracts from the Strategic Environmental Assessment for the new water sector strategy for Lebanon 2015, supported by Global Environment Facility and executed by Plan Bleu; reports on seismic risks and reservoir-induced seismicity risk; a report on - "Water Policies and Politics in Lebanon: Where is the Groundwater?" by USAID and the International Water Management Institute; documents prepared by Lebanon Eco Movement for the review by the World Bank; the World Bank's response to Lebanon Eco Movement; copies of correspondence with the World Bank representatives and NGOs; and notes on geological and seismological concerns.

11. The Requesters ask the Inspection Panel to "use all the expertise to investigate into the reported violations" and to take "urgent action to protect the local communities, the archeological and religious sites, the productive economy and the natural environment."

Initial Due Diligence

12. After receipt of the Request, the Panel conducted its initial due diligence and verified that the Request meets the admissibility criteria for registration, as follows:

13. The Request is not frivolous, absurd or anonymous, and was submitted by a network of environmental NGOs, representing local inhabitants, workers and community representatives, who allege that the Projects will cause harm to them and their environment.

14. The Requesters explain that they have had several interactions about their concerns with World Bank staff for over a year and are not satisfied with the Bank's response. The Request refers to a first contact with Bank Management in May 2017 and the sharing of several documents by the Requesters in June 2017. They explain that in July 2017 a meeting with Bank staff took place in the World Bank Office in Beirut, followed by virtual meetings with the environmental and social panel of experts of the Water Supply Augmentation Project in January, February and May 2018. The Bank's Grievance Redress Service (GRS) case log lists two complaints about the Projects (November 2016 and July 2017). The former refers to the GBWSP and was closed by GRS. The latter refers to the Water Supply Augmentation Project and states that the complaint is being handled by the project team with monitoring and support from GRS.

15. The Panel also verified that the subject matter of the Request does not concern issues of procurement and, at the time of receipt of the Request, the Water Supply

Augmentation Project was 32 percent disbursed and the GBWSP and its AF was around 44 percent.

16. The Panel has also not made a recommendation on the issues raised in this Request. In 2010, the Panel had received a complaint about the GBWSP, which also raised allegations related to the Bisri Dam. The Management Response to this earlier complaint noted that the Bank had not committed to funding the Bisri Dam and that the GBWSP did not include the construction of the Bisri Dam. In April 2013, the Panel recommended not to investigate the GBWSP and thus closed the case. In September 2014, the Bank approved the Water Supply Augmentation Project, which finances the construction of the Bisri Dam.

17. The Panel spoke to the Requester representatives by telephone on August 23, 2018 to better understand the details of the Request. They explained their concern that the study of alternatives was not adequate and that the Bisri Dam would be built on an active fault line, which posed a risk of reservoir-induced seismicity. They also raised concern about the loss of agricultural land and impacts on important bird migration areas. The Requesters also provided the Panel with more details about their concerns over impacts on cultural and archeological heritage.

18. As part of its due diligence, the Panel also met with Bank Management on September 5, 2018. Management provided information on the implementation status of the Bisri Dam and provided information on consultation initiatives and communication activities during preparation and implementation, the role of the dam safety independent panel of experts and of the environment and social independent panel of experts as well as the status and timeline of the Bisri Dam construction. Furthermore, Management expressed its view that environmental concerns, including on cultural heritage, are being addressed in accordance with Bank policies. Concerning the alternative analysis, the team explained that an analysis of alternatives was conducted, including dam- and no-dam-options.

Registration of the Request

19. As provided in paragraph 17 of the IBRD Resolution (“the Resolution”) that established the Panel, “*the Chairperson of the Panel shall inform the Executive Directors and the President of the Bank promptly upon receiving a request for inspection.*”³ With this notice, I am notifying you that I have, on September 12, 2018, registered this Request.

20. The Panel’s registration implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 18 of the Resolution, and paragraphs 2 and 8 of the “*Conclusions of the Board's Second Review of the Inspection Panel*” (“the 1999 Clarification”), Bank Management must provide the Panel within 21 business days (by October 12, 2018) a response to the issues raised in the Request for Inspection. The subject matter that Management must deal with in the response to the Request is set out in paragraphs 3 and 4 of the 1999 Clarification.

³ Resolution Establishing the Panel (September 22, 1993), Resolution No. IBRD 93-10, <http://ewebapps.worldbank.org/apps/ip/PanelMandateDocuments/Resolution1993.pdf>

21. After receiving the Management Response, the Panel will, as outlined in the 1999 Clarification and as provided by paragraph 19 of the Resolution, “*determine whether the Request meets the eligibility criteria set out in paragraphs 12 to 14 [of the Resolution] and shall make a recommendation to the Executive Directors as to whether the matter should be investigated.*”⁴ This Request has been assigned IPN Request Number RQ 18/05.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'G. Castro', with a horizontal line underneath the name.

Gonzalo Castro de la Mata
Chairman

Attachments

Mr. Jim Yong Kim, President
International Bank for Reconstruction and Development

The Executive Directors and Alternates
International Bank for Reconstruction and Development

Lebanon Eco Movement
(Requesters confidential)

⁴ Ibid.