

**Action Document for the EU Regional Trust Fund in Response to the Syrian crisis to be used for the decisions of the Operational Board**

**1. IDENTIFICATION**

<b>Title/Number</b>	Water and Wastewater Programme for Host Communities and Syrian Refugees in Lebanon		
<b>Total cost</b>	Total estimated cost: EUR 48,000,000 Total amount drawn from the Trust Fund: EUR 48,000,000		
<b>Duration</b>	36 months		
<b>Country</b>	The Lebanese Republic		
<b>Locations</b>	i) intervention in Aarsal ii) at least 4 areas interventions (1 per Region in South, Bekaa, North and Beirut and Mount Lebanon)		
<b>Implementing Partner (s)</b>	i) European Member State or United Nations Implementing Agency ii) Consortium of NGOs		
<b>Main Stakeholders</b>	<ul style="list-style-type: none"> <li>- At least 150,000 direct beneficiaries: <ul style="list-style-type: none"> <li>o Lebanese host communities: approx. 90,000 people</li> <li>o Syrian Refugee population: approx. 60,000 people</li> </ul> </li> <li>- MoEW - Ministry of Energy and Water;</li> <li>- Public Water Establishments <ul style="list-style-type: none"> <li>o SLWE – South Lebanon Water Establishment</li> <li>o BWE – Bekaa Water Establishment</li> <li>o NLWE – North Lebanon Water Establishment</li> <li>o EBML - Beirut and Mount Lebanon Water Establishment</li> </ul> </li> <li>- Municipality of Aarsal.</li> </ul>		
<b>Aid method / Method of implementation</b>	<b>Indirect management</b> – Contribution Agreement for Aarsal wastewater component (EUR 23 M) <b>Direct management</b> – Grants – Direct award for Water projects component (EUR 25 M)		
<b>SDGs</b>	<b>SDG 6</b> “Ensure availability and sustainable management of water and sanitation for all” Other significant SDG: <b>SDG 13</b> “Take urgent action to combat climate change and its impacts”		
<b>DAC-code</b>	14020	Sector	Water supply and sanitation - large systems
<b>Objectives</b>	The <b>Overall Objective (OO)</b> of the action is to support Lebanon in coping with Syrian Refugee Immigration Crisis by improving public services in Water and Wastewater for the local host communities and Syrian refugee population.		

	<p>The <b>Specific Objectives (SO)</b> are:</p> <p><b>SO1.</b> To contribute to reduced environmental degradation and improved public water and wastewater services for local host communities and Syrian refugee population in Lebanon;</p> <p><b>SO2.</b> To reduce the tension between Lebanese population and Syrian Refugees.</p>
<p><b>Activities</b></p>	<p>Under SO1, <b>key activities</b> include:</p> <ul style="list-style-type: none"> <li>- <b>Procurement, implementation and infrastructural works for wastewater system</b> including construction and rehabilitation;</li> <li>- <b>Capacity building</b> with WEs for the provision of water and waste water services and application of NRW, including <b>training and coaching</b> for local operators;</li> <li>- <b>Identification, design, procurement and implementation of ITS sewage treatment solutions</b> in line with the National Guidelines for reduction of pollution.</li> </ul> <p>Under SO2, <b>key activities</b> include:</p> <ul style="list-style-type: none"> <li>- <b>Coordination activities</b> between humanitarian and development actors, at Municipal level;</li> <li>- <b>Data collection, satisfaction surveys, advocacy initiatives and communication campaigns</b> at the national level.</li> </ul>

## 2. RATIONALE AND CONTEXT

### 2.1. Summary of the action and its objectives

The **Overall Objective (OO)** is to support Lebanon in coping with Syrian Refugee Crisis by improving public services in Water and Wastewater for the local host communities and Syrian refugee population

The **Specific Objectives (SO)** of the action are:

**SO1.**To contribute to reduced environmental degradation and improved public water and wastewater services for local host communities and Syrian refugee population in Lebanon;

**SO2.**To reduce the tension between Lebanese population and Syrian Refugees.

In line with the Overall Objective of the EU Regional Trust Fund in Response to the Syrian Crisis, (EUTF Syria) the Action will contribute to the Specific Objective of the current Results Framework; namely:

*Syrian refugee population and host communities have better health, through improved access to health and water services, strengthened local capacities and strengthened infrastructure.*

The action aims to reduce tensions between host communities and refugee population by improving access to public water and wastewater services in Lebanon.

It is expected to improve **access to water to at least 150,000 people** and access to environmentally friendly **wastewater services to at least 80,000 people** (respectively 2,5% and 1,3% of total resident population in Lebanon, including refugees).

The action is composed of two main components that will be implemented under different modalities:

- **Part 1 – Wastewater project under Indirect Management (23 M€)** - Project component focused in the **Municipality of Arsal** to respond to the environmental challenges of the Municipality hosting a high number of refugees living in informal tented settlements (ITS). This intervention will be implemented by a **Member State** Agency or United Nation agency to realise a **full wastewater scheme** (sewage network and treatment plant) **for 30,000 residents and 60,000 refugees and improvement of the existing water supply**. This intervention will assure that all the sewage produced within the Municipality will be treated and will not constitute anymore a health and environmental risk for the whole North East Bekaa region. The intervention is also expected **to contribute significantly to reduced tensions stemming from the large refugee population living in the area**.
- **Part 2 – Water project under Direct Management – Grant (25 M€)** – This component will be assigned to a **consortium of the INGOs** that have shown the highest capacity in implementing sustainable water projects in Lebanon since the beginning of the Syrian crisis. Approximately **4 medium size water infrastructural projects** will be identified and implemented (one per Region) in line with the National Water Strategy. Each intervention will reach on average 15.000 people for a total of **approximately 60.000 people**. High relevance will be given to the **reinforcement of the public Water Establishments** in applying international validated technical and social approaches for the reduction of the NRW - Non-Revenue Water (reduction of technical losses and of illegal connections through operational and managerial improvements) to guarantee sustainability of the interventions under technical, financial and environmental point of view. This component will also include single interventions focusing on the **improvement of sanitary conditions of polluting ITS**, that will

be identified in collaboration with the National Water Sector. This component will require that international NGOs collaborate also with local NGOs, with the objective to reinforce local capacities in demanding **accountability of public services** and in **advocating for preserving the rights and the dignity of the Syrian refugee population**.

The action **builds on and complements other EU programmes** in the sector and capitalizes on best practices implemented to date in the sector, with the objective to reinforce the public water sector in terms of service delivery and accountability toward citizens. In particular, the action is complementary to:

- Action Document: "**Promoting the local economy in North East Bekaa**" (2019/042-129) financed under the European Neighbourhood Instrument (ENI). Both programs target the marginalised North East Bekaa Region, in particular Arsal. The wastewater issue has been considered as one of the main problems to be tackled in the area by the Municipalities for promoting the commercialisation of their agro-food production and for increasing their irrigation capacity (treated wastewater re-use);
- Decision "**Supporting Lebanon's Vision for Stabilization, Growth and Employment**" (CRIS number: 2018 / 041-228) financed under the European Neighbourhood Instrument (ENI), targeting the **reform of the water and wastewater sector** that will be signed with AFD by November 2019. The current EUTF action document will be complementary to the reform of the sector guided by the AFD Delegation Agreement. In particular it will apply and test on the field all the procedures that will be developed at Ministry and Water Establishment level. This will assure validation of procedures, capitalisation and larger capacity of replication at national scale;

It should be highlighted that the component in indirect management for the wastewater intervention in Arsal has been identified in collaboration with AFD (Agence Francaise de Development) and Ministry of Energy and Water (MoEW) and could be part of a larger regional intervention for improving wastewater services to a large part of North East Bekaa. The program is actually under feasibility study and once completed this action document could be the key to launch a larger regional operation of approx. 90M € (with expected 23 M€ grant from EUTF combined with a 5 M€ grant from AFD covering the whole Arsal intervention and the technical assistance to BWE and CDR (for managing the whole regional project) and 62 M€ of loan from AFD to cover the infrastructures for the valley component). This regional project would **assure wastewater services for large part of the North East Bekaa** by reaching not only Arsal but additional 10 Municipalities (between Labwe and Ras Balbeek) for a total beneficiary population of **155.000 people** (just for this component of the project). In that case, the visibility of the additionality provided by EU funds will be assured for the whole regional project.

In case the regional project will not be feasible, the component of Arsal (described in this action) will be implemented in any case or by AFD itself or by UNICEF.

## 2.2. Context

### 2.2.1. Country context

#### Political and Economic Context

Lebanon remains politically and economically fragile. It is vulnerable to internal and external pressures and shocks. Political and confessional divisions as well as regional developments have limited Lebanon's ability to build consensus on political issues and develop effective policies.

Lebanon has a long tradition of hosting refugees. In a country with a current population of approximately six million people, about one in five is a Syrian refugee. Perceptions about Syrian refugees by the Lebanese population have been strongly influenced by the country's history, particularly related to the role of Palestinian militias in the Lebanese civil war. Consequently, the establishment of formal refugee camps has not been permitted. The majority of Syrian refugees have relocated to neighbourhoods where vulnerable host communities predominantly live<sup>1</sup>. In the early years of the crisis, refugees were seen more as victims forced to flee from war. However, after eight years of protracted crisis, concerns have been voiced about the potentially destabilizing effect of the refugee presence. Consequently, the 2018 – 19 period has witnessed to increasing political polarization and more explicit calls for refugee return<sup>2</sup>.

Lebanon's economy has been subject to external and internal shocks. Growth, which reached an 8 per cent high in the post-civil war reconstruction period, has slowed down sharply since 2011; it was estimated to be about 1 percent in 2018. The negative economic outlook has been compounded by a number of challenges, including deterioration in foreign direct investments, increase of public deficit (which exceeds 150 per cent of GDP) and interest rates, and negative repercussions on public debt service and investment. This has resulted in a cumulative reduction of net external assets; a source of concern given the current model of the Lebanese economy, which counts on cash flows from abroad. The negative economic outlook has driven other socio-economic challenges, such as 'brain drain', unemployment, disparities in income and wealth distribution and increasing social tensions.

From 2018, the Government began to prepare reforms aimed at reviving the economy. At the Economic Conference for Development through Reforms with the Private Sector (CEDRE) in April 2018, the Government set out a series of goals included in the Vision for Stabilization, Growth and Employment. Despite efforts to reduce public debt, on 2nd September 2019, President Aoun, Prime Minister Hariri and Speaker of Parliament Berri declared a "state of economic emergency".

At the time of identifying the present action, the Lebanese context with respect to vertical and horizontal accountability mechanisms has entered into a period of turmoil. Popular uprisings have led to calls for drastic changes in Lebanese political landscape and for more accountable public authorities. Long-standing socio-economic pressures have combined with a fierce public outcry against corruption, with strikes breaking out across the country in an unprecedented manner, during October – November 2019. The seriousness of the protests initially forced the Government to announce a list of 25 reform measures to address corruption and the socio-economic crisis, and subsequently resulted in the resignation of the Prime Minister.

### **Socio-Economic impact of crisis on target population**

Despite Lebanon being a middle-income country, the civil war of 1975-1990, compounded by the country's conflict with Israel and the Syria crisis; and combined with the weak governance, a weak fiscal system and limitations to the rule of law, has stunted development and has contributed to the creation of a class of Lebanese living in poverty. Recent estimates report that the national unemployment rate is around 25 per cent, with 37 per cent for youth under 35 years of age, and 18 per cent for women<sup>3</sup>. The informal sector accounts for around 50 per cent of employment. 65 per cent of Palestinian Refugees in Lebanon (PRL) are classified as poor<sup>4</sup>.

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<sup>1</sup> The no-camp policy adopted by the GoL since the beginning of the crisis resulted in the scattering of refugees over the country. More than half of the refugees have settled in the long-neglected regions of Akkar and Bekaa.

<sup>2</sup> Syrian refugees in Lebanon; Eight Years On, CARE (2018)

<sup>3</sup> Arab Weekly Digest, Interview with Minister of Labour, Beirut (2017).

<sup>4</sup> AUB/UNRWA socio economic survey (2015).

The Government estimates that the country hosts 1.5 million Syrians, registered with the UNHCR or not, along with Palestine Refugees from Syria (PRS) and Lebanese returnees, as well as a pre-existing population of more than 277,985 PRL.

The influx of refugees from Syria has put pressure on the cost of rent, infrastructure and delivery of public services. The Vision for Stabilisation and Development states that: ‘The World Bank estimates that as a result of the Syria crisis some 200,000 Lebanese have been pushed into poverty (adding to the 1 million before the crisis) and that some 250,000-300,000 have become unemployed’.

As a result of the cumulative effect of depleted savings and increased difficulty to access income, the average monthly expenditure of refugees has decreased with the share of households living below the poverty line (US\$ 3.84 per day) reaching 73 per cent in 2019 (68 per cent in 2018) and 55 per cent (51 per cent in 2018) live below the survival minimum expenditure basket (US\$ 2.90 USD per day). Syrian households are increasingly adopting negative coping strategies that deplete assets, affect households' livelihoods, and very often are irreversible, as well as leading to a violations of their human rights (child marriage and labour, sexual exploitation, etc.). Syrian refugee households are increasingly incurring debt with 93% borrowing money and an average debt of US\$ 1,115 in 2019.

The Syrian labour force, often underemployed when able to access jobs<sup>5</sup>, is concentrated in the construction sector (21.2 per cent), agriculture (16.9 per cent), services (23.1 per cent), retail/shops (4.2 per cent) and cleaning (6 per cent). The lowest unemployment rate for Syrian refugees is in Beirut (16.5 per cent), whilst the highest is in Bekaa (61 per cent), followed by Baalbek El Hermel (49 per cent)<sup>6</sup>. Men struggle to find opportunities to earn a regular income. Adding to their care-taking roles and to fulfilling household chores, many Syrian women have had to work to financially provide for their families. Women have been able to get more jobs in the informal sector, such as petty trading, seasonal agricultural work and cleaning. Child labour among Syrian refugees in Lebanon is also critical. And because of the prevalent gender norms, more boys are working than girls, including in services such as electrics, motor and barbershops, restaurants, supermarkets as well as in construction and agriculture. In contrast, girls mostly work in the domestic and agricultural sectors. Both girls and boys are vulnerable to mistreatment, harassment and violence.

### **Social tension and security**

Social tensions have increased in areas of Lebanon where large numbers of Syrian refugees coincide with pre-crisis service delivery challenges. Perception surveys carried out under the Tensions Monitoring system report a decline in the level of contact between refugees and host communities, as well as an increase in intercommunal incidents during 2018 – 19, most prevalent in Bekaa and the North Governorates. Moreover, they confirm that tensions are compounded by perceptions that aid is helping refugees whilst the vulnerable Lebanese population are left to fend for themselves. Finally, they confirm that Lebanese families commonly refer to Lebanon's economic and job situation as a source of stress and attributed it to recent Syrian arrivals. However, they also confirm that actual competition for work is limited and only seems to threaten self-employed Lebanese who are also the most vulnerable to downturns in the economy; jobs for

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<sup>5</sup> Syrians are permitted to work in three sectors; agriculture, construction and environment/cleaning.

<sup>6</sup> VaSyr Executive Brief 2018 <https://data2.unhcr.org/en/documents/details/67983>

Syrians and Lebanese have traditionally been segregated and this largely remains the case in most parts of Lebanon<sup>7</sup>.

As the crisis became more protracted, international donors scaled up assistance, with a focus on responding to the needs of host communities and host country institutions, as well as refugees. This included projects supporting capacity development of public service delivery institutions, accompanied by investment in local infrastructure. There has also been a significant investment in social service delivery, including health, education, protection and social assistance. Regarding the latter, the international community even increased its support to a hitherto absent social assistance programme targeting the most vulnerable Lebanese, both through direct financial contributions to the benefits package, but also in the form of technical assistance to support the development of the system.

Despite Lebanon's generous hosting of Syrian refugees since the beginning of the crisis, as well as the large-scale international response, the concerns articulated above have resulted in negative rhetoric regarding refugees' protracted stay. This has fed into a rise of inter-communal tensions, which were initially prompted by the unresolved, protracted crisis. Since 2018, Lebanese authorities have adopted a number of new policy measures, including small-scale, facilitated group returns to Syria. Other measures have been introduced, including controls on movement, evictions, raids, police searches and, after a decision by the Higher Defence Council (HDC) in June 2019, demolitions of Informal Tented Settlements (ITS) in certain localities, as well as measures that have resulted in the deportation of Syrians deemed to have entered Lebanon irregularly<sup>8</sup>.

Aiming to reduce tensions and reach results in dialogue with the Government of Lebanon on the question of Syrian refugee presence and return, parts of the international community have begun to focus advocacy on more concrete deliverables, whilst acknowledging that controlling borders and stopping illegal movements is Lebanon's sovereign right and legitimate concern. Advocacy efforts have highlighted that existing Lebanese laws can provide acceptable safeguards / due process for deportations and prevent refoulement. This may create further entry points to ensure more readily available, reliable data, as well as timely, comprehensive and transparent protection analysis, and ultimately, the development of a framework to guarantee safety and dignity of returns, in compliance with international humanitarian law.

### 2.2.2. Sector context: policies and challenges

The water sector in Lebanon is highly politicized yet vastly **under-resourced**. Water shortages are increasing, with the country already using two-thirds of its available water resources, with surface water resources being largely exploited and groundwater experiencing significant depletion due to a high number of private and unregulated wells. Pre-crisis, the water supply system covered 79% of the population, with **more than half of the system being past its useful life** and requiring upgraded operation and maintenance. Furthermore, official data highlight that **48% of water across these networks is unaccounted for**, while experts consider these percentage **largely underestimated**. Only 10% of the connections are metered, but still invoiced with a flat tariff, and fees collection is limited and often not properly organized. Additionally, there are nationwide

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<sup>7</sup> Social Stability Sector, September 2019.

<sup>8</sup> As confirmed by General Security, 2731 Syrians who are believed to have entered the country irregularly have been deported since May 2011. Due to continued limited access, UNHCR have only been able to intervene on behalf of around 150 individuals, in some instances successfully, albeit with many individuals remaining in detention or deported without due process. UNHCR has confirmed that the implementation of deportations orders resulted in cases of violation of *non-refoulement*.

concerns relating to the lack of proper wastewater treatment, with wastewater network coverage reaching only 60% while **only 8% of the total wastewater produced in Lebanon is treated.**

The Syrian crisis has increased pressures on the Lebanese water supply and wastewater treatment system. For the water sector, the **total demand has been increasing especially in urban areas** where Syrian refugees live in rented houses or unfinished buildings. In the national media it is often declared that the presence of Syrian refugees is one of the main causes contributing to the low quality of services provided in the water sector. It should be highlighted instead that, even if the additional demand has increased the pressure on the existing infrastructure, the **poor public services can be just partially attributed to the presence of Syrian refugees.** The problems of the sector are deeply rooted and can be mainly attributed to:

- **partial implementation of the reform** in the sector launched in 2001 (law 221) and lack of commitment in implementing the national strategy published in 2012, especially in terms of application of principles of water demand management and "pollueur-payeur" (for the Wastewater sector);
- **lack of reliable Master Plans** for clear identification and prioritization of investments in the sector and weak coordination between MoEW, WEs and other important actors like CDR (this problem has been actually targeted by a new initiative launched by MoEW that the project will align to);
- **structural weaknesses of the 4 Water Establishments** in terms of lack of resources, adequate quantity and quality of staff and lack of modern managerial procedures;
- **lack of reliable and consistent data** in the sector to evaluate problems, performances and to monitor implementation of strategies;
- **lack of accountability and dialogue** between public Water Establishments and citizens, low capacity of law enforcement by public institutions and unclear role of the Municipalities in the sector;
- **lack of organized civil society** claiming for improved transparency and accountability of public services;

The change of the Directors of the 4 WEs (April 2018) brought **new dynamism in the sector** and more commitment toward improvement of the service and performances of the Water Establishments.

The new Government of Lebanon (GoL) since February 2019, and the new Minister for Water and Energy in particular, committed toward important reforms in the sector. MoEW launched a revision of the National Strategy that should be finalised by the end of 2019. It should be highlighted here that the projects proposed within this action document are in **line with the core pillars of the new national strategy.**

In this new scenario, where the focus of the main actors has finally shifted from pure infrastructural intervention to a more holistic approach for improvement of the final service for the citizens, investments in the sectors can be considered much more sustainable than in the past. New funds for infrastructures, if properly combined with proper technical assistance for WEs in coordination with MoEW strategy, can achieve relevant and sustainable improvement of the service in target localities with positive effect also on the image of the public authorities. For this reason the possibility of including the Aarsal component of the project in a larger regional intervention (composed by grant and loan) can be considered as a real opportunity for assuring better management of the services for the whole region, not only for the Municipalities involved.

In relation to the Syrian refugees' access to water, the new GoL has brought more limitations in the recent years that hamper the possibility to provide durable solutions for connecting Informal Tented Settlements (ITS) to public water schemes. In relation to wastewater sector it is largely agreed that some ITS, close to rivers or water sources, are a source of pollution and **the improvement of their sewage discharges should be considered a priority** under an environmental but also a protection point of view. It should be in any case highlighted that **the environmental impact of Syrian refugees is generally overestimated if compared with the**



**pollution produced by Lebanese Municipalities** (only 8% of the wastewater is treated in Lebanon) that should be considered in most of the cases as the priority for intervention. It is important to **respond to the most urgent environmental priorities caused by Syrian ITS** but to maintain the main focus of international support in funding large and medium scale wastewater infrastructures for Lebanese Municipalities. This is the approach that this action document is proposing in line with MoEW strategy.

### 2.3. Lessons learnt

The action is based on the lessons learned in the sector by EUD and EU partners since the beginning of the Syrian crisis in Lebanon.

The action is particularly in line with the ROM recommendations that have been made in the last year on two other projects funded by EUTF in the water sector (ROM T04.20 and ROM T04.34):

- By improving the provision of clean water supply to vulnerable populations through **upgraded infrastructures, coupled with intense social and communication activities** towards the beneficiaries and the Water Establishment's staff (surveys, awareness campaigns, capacity building, information sessions on cost recovery), the **economic viability of these water schemes is improving at local level** thanks to an increase of subscriptions and payment of fees by beneficiaries to the Water Establishments (*Recommendations provided in ROM T04.20*);
- **Need of treating the sewage produced by particularly polluting ITS** to reduce their impact on the environment, **reduce tensions at local and national level** and increase protection space for humanitarian interventions. Decentralised wastewater schemes (with limited and affordable operation and maintenance costs) should be promoted, in line with national policy (*strategy recommended by the National WASH sector group and validated by MoEW*);
- Need to define interventions in the sector with a **holistic approach** starting from the pre-feasibility stage **considering infrastructural and social actions as complementary**. Opportunity to test on the field new procedures under study at national level, measure their impact and capitalise the experiences in order to improve national policies, replicability and accountability of public sector. The **selection** of the projects to be implemented within this Action will be **in line with National strategy** but will also assure **quantifiable impact** within the timeframe of the funding (*Recommendations provided by Joint Humanitarian Development Framework document in Lebanon, by ROM reports*)
- Create alliances and **mechanisms of coordination** are important when implementing projects in order to have more visibility and impact in the sector. This has been proven also by the PACT coordination funded by the previous round of EUTF projects that has created a mechanism of coordination between all EU funded interventions in the water sector. This action will require the partners to build on the **best practices already validated between EU actors and WEs** (*recommendations provided by ROM reports and by WEs*)
- It is needed a **transition toward more long-term strategy** that could continue even after the availability of funding related to the Syrian crisis. For this purpose, it is important to start **involving local partners** to increase their capacities in pushing for accountability in the water sector. The grant component of this action will require alliances with local partners.
- It has been proved by the experience along these years that INGOs do not have the technical capacity to intervene in large-scale projects with very high technical complexity as wastewater treatment plants. **The INGOs have instead an added value in intervening in small or medium sized projects in the water sector** (low technical complexity) because of their capacity to implement in a short time and to implement social activities with the communities

and improve the relations between citizens and their public providers (*recommendation provided by 2 ROM reports*). **Grant component of this action will focus mainly on the water sector** with INGOs, while the **indirect management on wastewater** with a Member State or UN Agency.

- Capacity building at regional level should be implemented with larger interventions and by Actors that have more political leverage (Recommendations from the ROM reports). **Capacity building at regional level done by INGOs did not always provide the expected impact** (apart some exceptions). It is more effective to have a larger programme for capacity building at national level (ENI funded project with AFD) and to have local actions implemented by NGOs that could test new procedures on the field (*this is the strategic approach defined during the AFD assessment for the new ENI-Delegation Agreement and recommended by MoEW and WEs*).  
Large number of small projects, implemented by different actors, is considered to provide less impact than a lower number of projects but of a bigger size. This action will reduce the total number of projects to only two (1 grant and 1 contribution agreement) and will assure a strict coordination between them. The grant will have **only one consortium** that will operate with **only one actor for each WE** but with a unique coordinated approach at national level.
- Media often present overestimated, or in any case not precise, data in relation to the real impact of Syrian Refugees on the environment. This, apart to increase the hostility against the refugee population, often overshadows pre-existing environmental problems of Lebanon in terms of access to water and wastewater services. The **infrastructures built in Lebanon since the beginning of the crisis are not properly highlighted by the media** in terms of contribution to the improvement of the national public services. Advocacy in the water sector needs more evidence-based data to communicate the right figures in terms of environmental pollution. **Coordinated national and local communication campaigns** would contribute to **reduce hostility** against Syrian refugee population at local and national level (*These recommendations are provided by different coordination group for the response to Syrian crisis*).

#### 2.4. Complementary actions

This action is targeting most of the objectives indicated in the 2019 EU Lebanon Joint Humanitarian Development Framework (JHDF) , builds on the strategy implemented by EU since the beginning of the Syrian crisis and aims to improve the impact of EU funded projects and sectorial policy dialogue.

The action builds **on and complements other EU programmes in the sector and capitalizes on best practices implemented to date in the sector**, with the objective to reinforce the public water sector in terms of service delivery and accountability toward citizens. It will apply an approach already tested in the sector that combines infrastructural improvements, capacity building for public authorities and social activities toward citizens to increase sustainability and reduce tensions.

In particular, the action is fully aligned with the Decision "**Supporting Lebanon's Vision for Stabilization, Growth and Employment**" (2018/041-228) financed under the European Neighbourhood Instrument (ENI), targeting the reform of the water and wastewater sector that will be signed with AFD by November 2019. The current EUTF action document is **complementary and contributes to the reform of the sector** guided by the AFD Delegation Agreement. It will apply and test on the field all the procedures that will be developed at Ministry and Water Establishment level. This will assure validation of procedures, capitalisation and possibility of replication at national scale.

This action is also complementary and will reinforce the impact of the Action Document: "**Promoting the local economy in North East Bekaa**" (2019/042-129) financed under the European Neighbourhood Instrument (ENI). Both programs **target the marginalised North East Bekaa Region**, in particular Aرسال. In this region the wastewater has been considered as one of the main problems to be tackled for improving the quality and the quantity of the agro-food production (by re-using treated wastewater for irrigation).

The proposed action will also complement the subnational authorities programme adopted by EUTF Board in December 2017. In particular, it will engage closely with the **Maintaining Strength and Resilience for Local Governments (MASAR) project**, which includes a component currently under implementation in Aرسال Municipality.

It is important to mention that the Aرسال project could be probably **inserted in a larger regional operation** that would **provide wastewater services for additional 10 municipalities of the valley below Aرسال** (between Labwe and Ras Baalbek - Additional 65,000 people). This regional project is now under study with the MoEW (that is finalising the feasibility) and it is estimated to have a total cost of approximately EUR 90 million. In case the feasibility study will be satisfactory, the Aرسال component will be inserted in this larger programme that could **benefit more than 150,000 people in the North Bekaa region**.

The Aرسال component will be implemented independently and with similar modalities in both scenarios but extending the scope of the project to a larger area would guarantee higher involvement of MoEW (as the whole project is considered as a priority in the national strategy under revision) and better reinforcement of capacities of Bekaa Water Establishment (as both infrastructures would be managed by the same local office and more resources would be allocated). The larger programme would also promote the inclusion of the Municipality of Aرسال in its regional context of North Bekaa with consequent benefits in terms of increased communication and possibly commercial reinforcement of the whole region.

The proposed action will guarantee an important continuity of EUTF support in the water sector as at the end of 2020 most of the interventions funded by previous EUTF Boards will end. The current portfolio of EU projects in the Lebanese Water sector is mainly financed through EUTF, and includes 5 consortia projects for approximately EUR 43 million, expected to end in 2020:

- 2 projects started between 2016 (GVC) and 2017 (ACTED), ending in 2020;
- 2 projects (NRC and CISP) and 1 Delegated Agreement (UNICEF), started in 2018 and expected to end in 2020.

## **2.5. Donor co-ordination**

The action has been developed in full coordination with the international donor community.

EUD, in collaboration with AFD, engaged in addressing the problem of wastewater situation in Aرسال (the Municipality with the highest number of refugees in Lebanon, 60,000 against a resident Lebanese population of 30,000 people), as this has been considered as an humanitarian priority by the Lebanese Authorities. The possible engagement of EUTF for funding the wastewater solution in Aرسال has been welcomed by the Donor community as key for reducing tensions between host communities and refugees at local level but also at national level as Aرسال is often mentioned as one of the major environmental problems by GoL. In addition to its environmental outcomes, the intervention in Aرسال is expected to drastically reduce the actual cost of humanitarian assistance to operate the desludging (an average cost of EUR 2,7 million per year was reported by UNICEF at the humanitarian Forum). The complementarity of this project with the larger wastewater under study in North Bekaa, and the coordination already in place with MoEW, BWE and AFD to

unblock a larger loan fund through this grant intervention, has already been presented in the previous chapter.

The interventions for improving water supply in at least 4 different Municipal schemes, have been coordinated with the water sector and would be complementary with the strategy of other donors for the years to come. In particular, the interventions will be complementary with the AFD Delegation agreement funded by ENI that will target the reform of the sector. The interventions within this action will coordinate and test on the field the procedures that will be developed by the MoEW and WEs at National and Regional level in terms of communication with citizens, subscription to the service and reduction of NRW- Non-Revenue Water (reduction of technical losses and of illegal connections through operational and managerial improvements).

The approach presented in this action has been shared and coordinated with EU MS (an informal table of coordination has been conducted along 2019 by EU with EU MS in the Water Sector), USAID and IFIs (EIB, EBRD and World Bank).

A more coordinated and integrated approach with field interventions in other sectors, has been discussed with DG ECHO and other major UN agencies in charge of the humanitarian response (UNHCR and UNICEF) in order to assure more effective collaboration with Municipalities and assure higher protection for Syrian refugees.

### 3. DETAILED DESCRIPTION

#### 3.1. Objectives/Expected Results

The **Overall Objective** of the programme is to support Lebanon in coping with the Syrian Immigration Crisis by improving public services in Water and Wastewater, for the local host communities and Syrian refugee population

The **Specific Objectives** are:

**SO1.** To contribute to reduced environmental degradation and improved public water and wastewater services for local host communities and Syrian refugee population in Lebanon;

**SO2.** To reduce the tension between Lebanese citizens and Syrian refugees' population;

The expected results are listed here below specifying which component of the Action Document (Component 1 – Contribution Agreement or Component 2 – Direct Grant) is contributing to their achievement:

OS 1	Output 1.1 - A <b>full wastewater scheme</b> (network and treatment plant) is built to serve local host community and refugee population and water supply is improved in the Municipality of Aarsal (reaching approx. 90.000 people)	Comp 1
	Output 1.2 - <b>At least 4 large water schemes</b> (1 per WEs) are constructed/rehabilitated in 4 different regions of the Country (reaching approximately 60.000 people)	Comp 2
	Output 1.3 - <b>Environmental pollution from ITS is reduced</b> (reaching at least 60.000 Syrian refugees)	Comp 1 <i>and</i> Comp 2
	Output 1.4 - <b>Capacity of public services</b> to provide reliable and cost efficient water and wastewater services to the population is <b>increased</b> ;	Comp 1 <i>and</i> Comp 2
OS 2	Output 2.1 – <b>Protection space at local level is increased</b> and <b>positive impact of external assistance</b> to the Lebanese Water and Wastewater Sector as a response to the Syrian refugee crisis is <b>highlighted</b>	Comp 1 <i>and</i> Comp 2

An indicative logframe reflecting all of the above is included in Annex 1.

### 3.2. Activities

Most of the activities under component 1 (Indirect Management) and component 2 (Direct Management) are similar; the **different modality of funding** for the two components has been chosen because of the **higher technical complexity related to the implementation of wastewater infrastructure**, that is preferred to be managed by International Agencies (Member state or UN) specialised in this kind of interventions.

**Social components require for both programmes similar modalities of implementation** that should be done in collaboration with NGOs (international/local) to assure proper communication and ownership of the projects by final beneficiaries and to promote mechanisms of social accountability between public institutions and citizens.

The main activities proposed are listed in the following table in relation to the output they will contribute to achieve.

OUTPUTS	ACTIVITIES
Output 1.1 - <b>A full wastewater scheme</b> (network and treatment plant) is built to serve local host community and refugee population and <b>water supply is improved in the Municipality of Arsal</b> ( <i>under component 1</i> )	<ul style="list-style-type: none"> <li>- Procurement of <b>consultancy services and Completion of Feasibility study</b> in line with National guidelines and in complementarity with North East Bekaa wastewater plan;</li> <li>- Procurement and implementation of <b>wastewater infrastructural works</b> (wastewater plant, sewage network);</li> <li>- Completion of required infrastructural <b>works for existing water scheme</b>;</li> <li>- <b>Connection of households</b> to the service in collaboration with Water Establishments (WEs).</li> </ul>
Output 1.2 - At least <b>4 water schemes</b> (1 per WEs) are constructed/rehabilitated in 4 different regions of the Country ( <i>under component 2</i> )	<ul style="list-style-type: none"> <li>- Procurement of consultancy services and Completion of prefeasibility and <b>feasibility studies</b> in line with National guidelines;</li> <li>- Procurement and implementation of <b>water infrastructural works</b>;</li> <li>- <b>Connection of households</b> in collaboration with WEs;</li> </ul>
Output 1.3 - <b>Environmental pollution from ITS</b> is reduced ( <i>under component 1 and 2</i> )	<ul style="list-style-type: none"> <li>- <b>Identification of priority areas</b> in line with National Guidelines for reduction of pollution of ITS (For Component 1, the Arsal area is already identified);</li> <li>- <b>Design of technical solution</b> for ITS sewage treatment;</li> <li>- Procurement and <b>implementation of ITS sewage</b> treatment solutions;</li> </ul>
Output 1.4 - <b>Capacity of public services</b> to provide reliable and cost-efficient water and wastewater services to the population is <b>increased</b> ( <i>under component 1 and 2</i> )	<p><b>Social activities</b> (to be implemented in collaboration with WEs and NGOs)</p> <ul style="list-style-type: none"> <li>- Coordination activities with Municipalities;</li> <li>- Surveys about citizens perception of public services pre-post intervention;</li> <li>- Communication campaigns in collaboration with WEs to promote role of Water Establishment, subscriptions and installation of water meters;</li> </ul>

	<p><b>Capacity building for Water Establishments and Application</b> of NRW- Non-Revenue Water reduction principles (<i>reduction of technical losses and of illegal connections through operational and managerial improvements</i>)</p> <ul style="list-style-type: none"> <li>- Cleaning and geo-referencing of customer DB for the targeted localities;</li> <li>- Training for local operators in applying procedures proposed at national level for NRW reduction;</li> <li>- Capitalisation of experience;</li> </ul>
<p>Output 2.1– <b>Protection space at local level is increased</b> and positive impact of external assistance to the Lebanese Water and Wastewater Sector as a response to the Syrian refugee crisis is highlighted (<i>under component 1 and 2</i>)</p>	<ul style="list-style-type: none"> <li>- <b>Capitalisation of experience</b> and collection of data from projects implemented under this action and coordination with other actions in the water sector especially those funded by EU (especially with PACT mechanism);</li> <li>- Definition of a <b>coordinated strategy at local level between development and humanitarian actors</b> to held regular joint meetings within targeted Municipalities in order to assure enough protection space for humanitarian interventions;</li> <li>- <b>Communication activities</b> to share <b>key-information about environmental problems</b> related to pollution of Lebanese territory;</li> <li>- <b>Communication activities</b> to share info relative to achievements in the sector in terms of <b>improvement of public water and wastewater services</b> since the beginning of Syrian crisis;</li> </ul>

### 3.3. Risks and assumptions

Risks	Risk level (H/M/L)	Mitigating measures
Long process of identification of target Municipalities for water interventions.	M	The selection of the beneficiary communities will be done referring to the revision of the strategy, launched by MoEW that will be finalized by end of 2019. This would assure proper prioritization in terms of needs and transparency in the selection process. Different options will be evaluated at pre-feasibility phase, to assure that the chosen interventions could bring tangible outcomes in terms of improvement of the service for Lebanese population and Syrian refugees. The communities will be identified in agreement with WEs and MoEW before the signature of the grant contract.
Lack of capacity of WEs in fully operating the wastewater infrastructures.	M	The projects will assure full involvement of WEs since the conception phase and will promote solutions will low costs of O&M. Namely, for the indirect management project (Arsal wastewater), the technical solution has already been

		validated by the concerned WE (BWE). The project is also coupled with other technical assistance projects funded by EU to create capacities at WEs level (AFD bilateral project) and the WE is committed to assign new dedicated staff to follow the project and the operation of the service. For the projects related to water provision, this risk is not present.
Possible social tensions between host communities and Syrian refugees due to deterioration of political situation at <u>local level</u> .	H	For the localities that will be targeted, before the approval of the project, it will be set-up an inter-sectorial committee of actors intervening in the area (development and humanitarian) to assure complementarity in the discussion with the Municipalities and promote higher protection space thanks to the large water/wastewater investments.
Possible social tensions between host communities and Syrian refugees due to deterioration of political situation at <u>national level</u> .	H	The projects will provide elements for advocacy towards MoEW, to assure that possible elements of tension related to environmental pollution of ITS will be minimized.
Possible low commitment of institutional actors toward reform of the sector and toward reinforcement of WEs capacities.	M	The project will constantly coordinate with the other project of sector reform and capacity building for WEs (funded by EU-ENI and implemented by AFD), in order to assure constant commitment of Lebanese authority toward reform and capitalization of field experiences. EUD in Lebanon will assure that projects implemented through this grant will have enough visibility and the necessary follow-up from the MoEW.
The beneficiaries lack the financial means or do not want to pay the water and wastewater tariff.	M	The projects will ensure that the public service will provide a reliable service to the citizens and that they will not need to incur in expensive alternative copying strategies anymore. Each project will include important social and communication components to assure that citizens will be able to concur to the sustainability of the service by regularly subscribing and paying the public tariff.
The regional program for wastewater treatment facilities for large part of North East Bekaa is not finalized by MoEW and/or AFD.	L	In case the larger program will not be launched there will not be major consequences for the Aarsal project that will be implemented independently from that. The economy of scale of having a larger program will be reduced in terms of technical assistance and the resources will focus on improving only Aarsal section of BWE. A cutting date is fixed in March 2020 to define the participation or less of this component to this larger program and assure that the Delegation Agreement will be signed before the end of 2020 and the works of Aarsal finalized by end of 2023.
<p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>• Stable security conditions and political stability;</li> <li>• MoEW and WEs maintain their commitment toward the reform of the sector and to extend</li> </ul>		



- the reach of services and their sustainability;
- WEs maintain their commitment in applying new forms of communication with their citizens/customers;
- Commitment of GoL to enforce the respect of Environmental law in relation to ITS pollution upon a timeframe to be agreed with MoEW and MoEnv. This will allow the needed time for implementing the improvement of ITS sewage solutions;
- All the humanitarian and development actors intervening in target Municipalities coordinate for a better dialogue vis-a-vis Municipalities, to assure the maximum possible protection space for refugees.

### 3.4. Cross-cutting issues

All the projects funded under this programme will integrate a Rights-Based Approach in each step of the project cycle from identification, formulation, monitoring to evaluation.

**Environment** –The Project will tackle the major ongoing environmental and social issues created by inadequate, and often non-existent, public water and wastewater services. In Aarsal, the population growth resulting from the refugee influx has placed an unprecedented strain on the already poor infrastructure, which creates the severe risk for the environment. The Project will reduce the risk of a health and safety hazard and the risk of an environmental disaster. The projects will assure the application of energy saving solutions and, where possible, the installation of renewable energy technologies.

Better management of water resources (water demand management and wastewater reuse) will improve the resilience to climate change as will increase the total quantity of resources available in the country.

**Social – reduction of social tension between Syrian refugee population and Lebanese host communities.** The Project tackles some of the growing tensions between refugees and the host communities.. Tensions between host communities and Syrian refugees are palpable all along the country but in particular in Aarsal, where socio-economic problems created by the Syrian refugee influx are the most acute, exacerbating already existing feelings of marginalisation and vulnerabilities among Lebanese population. The Project is responding to this issue by providing services to both refugees and host community citizens; the participation of stakeholders to the implementation of the activities will improve social cohesion in the targeted Municipalities.

**Gender** – All resident population is reached by the improvement of the services. Women are in general benefitting more by improvement of sanitation solutions because in most of the communities they are still in charge for maintaining a clean environment around the household. Better public hygienic solutions imply lower risk for health contamination for women and for children playing around the households. Social activities that will be conducted in all the target municipalities will assure proper gender balance between the teams. It will be encouraged the creation of local citizens’ committees to monitor the implementation of the projects and to assure that a proper accountability system is in place from public service providers. In these civic committees, it will be mandatory to assure equal representation and proper empowerment of women.

### 3.5. Stakeholders

The main **beneficiaries** of the project are:

- **local host communities and refugee population** (estimated in at least 150,000) that will benefit from improved water (at least 150.000) and wastewater (at least 90.000) services and, in case of Syrian refugees, also of increased protection space. The beneficiary population is of approximately **90.000 Lebanese residents** and **60.000 Syrian refugees**.
- **Water Establishments (WEs)** that will benefit from the action in terms of capacity building at local level and by an increased stream of revenues for operating the infrastructures.

The main stakeholders are the local host communities and the refugee population as such, their leaders, local and national authorities, local and national CSOs as well as other forms of local community or business/economic associations.

In particular it should be mentioned:

- **Ministry of Energy and Water (MoEW)**. All the projects that will be implemented under this Action will be coherent with the National Water Strategy under revision at the MoEW. MoEW would be included in monitoring the results and assuring capitalization of experiences to facilitate replication at larger scale.
- **Water Establishments (WEs)**. 4 Regional Water Establishments would be targeted by this Action (at least BWE, SLWE and NLWE). The definition of the project localities will be agreed with them, in line with National Water Strategy, assuring that the impact of each project could be achieved within the timeframe available. WEs would be reinforced in their capacity of operating and maintaining the scheme at local level by this action, under strict coordination with the national capacity building programme implemented by AFD and funded by EU-ENI. Working with all the WEs would be important to assure the harmonization of the procedures.
- **Ministry of Environment (MoEnv)** will be involved to assure that the solutions that will be chosen for reducing environmental pollution of targeted ITS will be considered satisfactory; this would reduce the risk of eviction for Syrian Communities.
- **Municipalities**. The Municipalities that will be targeted should assure proper collaboration with the implementing partners and should assure that protection space is guaranteed for Syrian refugees living in the area.

### 3.6. Contribution to SDGs

This intervention is relevant for the 2030 Agenda. It contributes primarily to the progressive achievement of **SDG 6** “*Ensure availability and sustainable management of water and sanitation for all*”.

By promoting efficient use of water resources and possibly re-use in agriculture of treated wastewater, the action will be also contributing to **SDG 13** “*Take urgent action to combat climate change and its impacts*”.

### 3.7. Intervention Logic

The intervention logic is based on the fact that refugee crisis has brought additional pressure on **already weak Lebanese public services**. Weakness was mainly due to **infrastructure not completed or poorly operated and maintained** by Public Water Establishments. Incapacity to

operate by the Water Establishments is due to **lack of technical capacity and resources**, lack of **personnel** and very **low level of payment** from tariffs that does not allow cost-recovery. Low level of payment is due to **lack of trust** and **dialogue between citizens and public services** in Lebanon. Similar dynamics are happening in the wastewater sector, where the additional pollution provided by Syrian refugee (that should in any case be tackled) is minimal if compared to the environmental pollution coming from Lebanese Municipalities because of lack of wastewater treatment infrastructures.

All these elements put together constitute a vicious circle difficult to break by Lebanese Public services alone due to **limited capacity of investment**. This action, in line with the sectorial strategy of EU, tries to **break this vicious circle** by targeting some of key problems and tries to generate larger benefits for the sector in the present and in the years to come.

It is important that also the **communication is able to inform citizens about the additional benefits coming from external assistance** to the Lebanese Water Sector in response to the Syrian Crisis and how this is targeting root problems. A better communication could improve the relations between hosting communities and refugee population and improve the protection space until safe conditions for return are present in Syria.

The main elements of this approach, listed here below, contribute in this way to the improvement of water and wastewater services and reduction of environmental degradation for Lebanese host communities and Syrian refugee population and to the reduction of the social tensions between them.

- **New water and wastewater infrastructures**, in line with a revised strategy of MoEW, will improve access to public water/wastewater services for hosting communities and refugees and reduce the tensions in the Municipalities related to the presence of Syrian Refugee population.
- **Application of NRW (Non-Revenue Water) Reduction** approach in the design and operation of the schemes. The NRW reduction approach aims to reduce technical and financial losses (guaranteeing improved service and at the same time cost recovery for operation) by applying principles of modern management to the sector. Between these principles it is worth to mention: water metering, GIS based customer DB, pressure management and leakage control. This process will allow more consistent and transparent data collection that would improve accountability of the sector.
- **Application of principles of water demand management** at customer level (installing domestic water meters and disincentivising illegal consumptions), and training of Public Authority staff in applying them, will improve the quality and the sustainability of the public services and the preservation of water resources and of the environment. These principles are partially included in the NRW approach and partially complement them by focusing the attention on the customers and their relation with the service provider. This processes will allow improved communication with the citizens.
- **Application of social processes**, in complementarity with the infrastructural interventions, will assure participation of citizens, better dialogue with Public providers and in general more accountability of the sector. This would also lead to a better acceptance of local refugee population. This process will be improved with the reinforcement and collaboration of local organisations.
- **Threatening the sewage of specific ITS** considered as a priority for the Ministry of Environment would help to reduce the risks of eviction due to environmental concerns and to moderate the national rhetoric against Syrian refugee presence;
- **Better coordination at local level** by implementing agency/organisations with an intersectoral approach would help in coordinating better humanitarian and development

interventions with Municipalities and assuring more protection space for supporting Syrian refugees;

- **Proper capitalisation of experiences and better communication at national level** would improve evidence-based advocacy for improving national services, better protection of the environment and better acceptance of Syrian refugee population.

The whole intervention, based on the National Water Strategy published in 2012, is designed upon the lessons learned and in complementarity with the other actions in the sector (see chapter 2.2-2.3-2.4) and will assure sustainability of the intervention without creating dependency of additional funds beyond the timeframe of the project. The capacity building activities and the capitalisation of the experience will assure capacity of Local WEs in managing the infrastructures and will aim to promote replication of the approach at a larger scale under Government direct guidance. The involvement of local organisations in the project will assure that a proper mechanism of monitoring, dialogue and demand of accountability from public services remains in place beyond the project timeframe.

All these achievements are possible if the political conditions remain stable and the commitments of MoEW and WEs toward reform are confirmed in the years to come. EU Delegation is reinforcing these conditions with other bilateral and regional projects that will be complementary to this action in the next 4 years.

#### 4. IMPLEMENTATION ISSUES

##### 4.1. Financing agreement, if relevant

In order to implement this action, **it is not** foreseen to conclude a financing agreement with the Government of the partner countries.

##### 4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in section 3.2 will be carried out is **36 months**. A possible extension of the implementation period may be decided by the Manager, and immediately communicated to the Operational Board.

##### 4.3. Implementation components and modules

###### 4.3.1. Component 1 – Indirect Management with an entrusted entity

In order to be able to respond to immediate needs for interventions in the complicate context of Arsal Municipality and to proceed in a short timeframe with construction of the wastewater scheme, a **Contribution agreement** is foreseen. The Contribution Agreement will be signed **with a European Member State Agency** (most probably with AFD) or United Nations Implementing Agency that will be selected by the Commission's services using the following criteria:

- capacity for implementing large infrastructural projects in water sector, in particular related to wastewater;
- capacity to absorb considerable aid funds in a short period but maintaining the required accountability standards at the same time;
- capacity to intervene in the delicate context of Arsal;

- capacity to provide an integrated technical and social approach for the communities;
- possibility to scale up their existing operations and/or introducing new activities within their portfolio or to provide additional co-funding

The best placed potential Partner in this regard is AFD (Agence Française de développement) as the identification of the project has been conducted jointly and because their involvement could be the key to launch a larger wastewater intervention that could reach most of North Bekaa region (additional 65.000 citizens). This larger intervention, already validated by MoEW, it is still under feasibility study by AFD. In case this regional program will not be launched, the intervention of Aarsal will be implemented as a stand-alone project as described in previous chapters. .

In case AFD will not confirm its commitment to Aarsal project (should be still validated by their board), UNICEF has already been pre-identified as a possible beneficiary of the contract because of their assessed capacity to implement big infrastructural projects.

#### 4.3.2. Component 2 - Grant (direct management)

The interventions mainly related to water infrastructures will be implemented through grant in direct management with a **consortium of International and National Ngos**.

In order to be able to respond to immediate needs for interventions in the context of the Syrian crisis the direct award of grants is foreseen. The Fund has been established under Article 187 of the Financial Regulation as 'emergency' trust fund, and is therefore covered with flexible procedures applicable to crisis situations.

##### a) Eligibility conditions

The lead applicant needs to be a legal entity, be non-profit making and non-governmental organisation. Specialized European or International non-profit operators and CSOs are envisaged partners.

##### b) Essential selection and award criteria

Essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria are: relevance of the proposed action to the objectives of the Action Document; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

The **International partners** of the consortium should have already implemented projects in the Lebanese water sector with EU and already shown their capacity in:

- implementing without major delays infrastructural water projects in a relatively short timeframe and assuring at the same time high technical quality standards;
- complementing technical activities with social and communication activities;
- collaborating with public Water Establishments.

**Local partners** of the consortium, if not previously partners of EU, should show proven record of interventions in the water/wastewater sector or in advocacy for improvement of public services in Lebanon.

##### c) Maximum rate of co-financing

The maximum possible rate of co-financing for the grants is **100%** of the total eligible costs of the action.

If full funding is essential, the applicant has to provide adequate justification and accepted by Manager, in respect of the principles of equal treatment and sound financial management.

d) Indicative trimester to conclude the grant agreements is **3rd trimester of 2020**.

#### 4.3.3. Management structure

The management structure of the overall programme will depend on the implementation bodies that will be chosen. The programme officer with responsibility for the water sector in the EU Delegation shall ensure coordination between different partners and that activities are in line with host governments guidelines and national plans.

#### 4.4. Indicative budget

	<b>EU contribution (amount in EUR)</b>
<b><i>COMPONENT 1 - INDIRECT MANAGEMENT ( one contract)</i></b>	
Output 1.1 - A full wastewater scheme (network and treatment plant) is built to serve local host community and refugee population and the water supply is improved in the Municipality of Aarsal	20,000,000 €
Output 1.3 - Environmental pollution from ITS is reduced	1,300,000 €
Output 1.4 - Capacity of public services to provide reliable and cost-efficient water and wastewater services to the population is increased;	1,500,000 €
Output 2.1 – Protection space at local level is increased and positive impact of external assistance to the Lebanese Water and Wastewater Sector as a response to the Syrian refugee crisis is highlighted	200,000 €
<b>TOTAL COMPONENT 1 – INDIRECT MANAGEMENT -</b>	<b>23,000,000 €</b>
<b><i>COMPONENT 2 - DIRECT MANAGEMENT ( one contract)</i></b>	
Output 1.2 - At least 4 large water schemes (1 per WEs) are constructed/rehabilitated in 4 different regions of the Country	20,000,000 €
Output 1.3 - Environmental pollution from ITS is reduced	3,000,000 €
Output 1.4 - Capacity of public services to provide reliable and cost-efficient water and wastewater services to the population is increased;	1,000,000 €
Output 2.1 – Protection space at local level is increased and positive impact of external assistance to the Lebanese Water and Wastewater Sector as a response to the Syrian refugee crisis is highlighted	1,000,000 €
<b>TOTAL COMPONENT 2 – DIRECT MANAGEMENT - GRANTS</b>	<b>25,000,000 €</b>
<b>Total Budget Action Document</b>	<b>48,000,000 €</b>

*Costs for monitoring, evaluation, communication and visibility shall be included in the projects' budgets and included in each contract.*

In relation to the budget of component 1 (Arsal Wastewater) there could be some variations in relation to the total amount needed, due to the conduction of the feasibility study and possible revision of technical solutions proposed during pre-feasibility. If the budget will not be sufficient (and there will not be the possibility to have any co-funding from the selected implementing agency) the budget of component 1 will be increased at the expense of the total budget available for component 2.

#### **4.5. Performance monitoring and reporting**

Monitoring shall be ensured primarily through EU Delegations in-country and in particular with the assistance of specific Trust Fund field and liaison officers posted within the EU Delegations. In addition, the EU Trust Fund has an independent Monitoring and Evaluation exercise to accompany all Fund programmes and ensure that targets are met and lessons learnt can be incorporated into other EUTF actions.

The purpose of the EUTF Syria Monitoring and Evaluation Framework is to assess, across various levels, the degree to which the Overall Objective of the Trust Fund has been achieved. Partners implementing this Action will comply with the ad hoc Monitoring and Evaluation Framework developed for the EUTF Syria as well as with the reporting requirements and tools being developed by the EU Trust Fund.

The implementing partner shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports and final reports.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The monitoring and evaluation exercises noted above will represent milestones in the implementation of the activities. These regular assessments will constitute a basis for a possible decision of suspension or revision of activities, should the conditions on the ground not allow for their proper implementation.

#### **4.6. Evaluation and audit**

Overall, evaluation of the EUTF is mandated by the Constitutive Agreement of the Fund (article 13): "The Trust Fund and the Actions financed by it will be subject to the evaluation rules applicable to EU external programmes, in order to ensure the respect of the principles of economy, efficiency and effectiveness." Detailed provisions for the Evaluation of EUTF-funded Actions are defined by the strategy for portfolio evaluations.

To support the fulfilment of the mandate of the EUTF reinforcing the EUTF capacity to bring a change in the cooperation area, the projects will carry out a number of evaluations.

Projects should carry out a final evaluation, and one external audit per year. A mid-term evaluation may also be considered. Whenever possible, evaluations will be jointly carried out by partners.

If necessary, ad hoc audits or expenditure verification assignments could be contracted by the European Commission for one or several contracts or agreements.

Audits and expenditure verification assignments will be carried out in conformity with the risk analysis in the frame of the yearly Audit Plan exercise conducted by the European Commission. The amount dedicated in the budget for external Evaluation and Audit purposes is EUR. Evaluation and audit assignments will be implemented through service contracts, making use of one of the Commission's dedicated framework contracts or alternatively through the competitive negotiated procedure or the single tender procedure.

#### **4.7. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. Beneficiaries, host communities and administrations in Syria's neighbouring countries, the European public, EU Members States and other stakeholders of the Trust Fund need to be informed about the EU's efforts as the leading donor in the Syria crisis response. Insufficient visibility of the EU's actions weakens the EU's political traction in the region and its standing in Europe. Unsatisfactory recognition of knowledge of EU assistance also has a potential to negatively affect the EU's political efforts to resolve the Syria crisis and its future role in a post-peace agreement transition.

Communication and visibility is an important part of all EUTF Syria programmes and must be factored in to underline the programme's importance at all stages of the planning and implementation. Each implementer is required to draw up a comprehensive visibility, communication and outreach plan for their respective target country/community and submit a copy for approval to the EUTF Syria Communication and Outreach Lead. The related costs will be covered by the project budgets. The measures shall be implemented by the implementing consortium/ia, and/or contractors, and/or grant beneficiaries. Appropriate contractual obligations shall be included in, respectively, procurement and grant contracts.

The global objective of the EUTF Syria communication and visibility campaigns, and hence of the implementing partner, is to improve recognition, public awareness and visibility of the comprehensive and joint EU efforts to effectively address the consequences of the Syrian and Iraqi crises. This should be done by highlighting the Action's real-life impact and results among defined target audiences in the affected region but also vis-à-vis the general public, donors and stakeholders in the EU Member States.

The Communication and Visibility Manual for European Union External Action together with specific requirements for the EUTF Syria serve as a reference for the Communication and Visibility Plan of the Action and the relevant contractual obligations. According to the EUTF Syria's Visibility and Communications strategy all communication and outreach campaigns must be evidence-based, people-oriented and easily understandable. Regional outreach and communication must be conflict sensitive, strategic, do no harm and mindful of the differentiation in messaging for beneficiaries and stakeholders in each country of operation of the Action. The campaigns must place the beneficiaries at the centre and thus ensure adequate ownership. Messaging should have a human face, be empathic, honest, transparent, direct, unambiguous, neutral and conducive to a highly sensitive human and political environment, in addition to being gender-sensitive and gender-balanced.

Furthermore, campaigns should also include components of participatory and engaging communication, where the beneficiary becomes a key actor. This will support the EUTF Syria's programmes in promoting social cohesion, inclusion, dialogue and help mitigate tensions and misperceptions between refugee and host communities.



**ANNEX 1 - INDICATIVE LOGFRAME MATRIX** (max. 2 pages)

The indicative logframe matrix will evolve during the lifetime of the action and can be revised as necessary: The activities, the expected outputs and related indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the Action, no amendment being required to the financing decision. The logframe matrix should be used for monitoring and reporting purposes: new lines will be added for including baselines / targets for each indicator at contracting or inception stage new columns may be added to set intermediary targets (milestones) for the output and outcome indicators whenever it is relevant, as well as to regularly update values (“current value”) for reporting purpose. The inception report should include the complete logframe (e.g. including baselines/targets). Progress reports should provide an updated logframe with current values for each indicator. The final report should enclose the logframe with baseline and final values for each indicator.

*Additional note:* The term "results" refers to the outputs, outcome(s) and impact of the Action (OECD DAC definition).

	<b>Results chain: Main expected results (maximum 10) Reference overarching framework – sector objectives</b>	<b>Indicators (Disaggregated targets for all indicators targeting on individual beneficiaries are: community of origins AND sex)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
<b>Impact (Overall objective)</b>	<i>Support Lebanon in coping with Syrian Immigration Crisis by improving public services in Water and Wastewater for the local host communities and Syrian refugee population</i>	<ul style="list-style-type: none"> <li>- <i>Number of people with improved access to water (% of which are women) (indicator 6.1 SDGs – EUTF 22) &gt;= 150.000</i></li> <li>- <i>Number of people with improved access to wastewater (% of which are women) (indicator 6.3 SDGs) &gt;= 90.000</i></li> </ul>	<ul style="list-style-type: none"> <li>- Final narrative and financial reports</li> <li>- Evaluations</li> <li>- handover documents to Public Authorities (at the end of the project)</li> </ul>	<i>Not applicable</i>

	<b>Results chain: Main expected results (maximum 10) Reference overarching framework – sector objectives</b>	<b>Indicators (Disaggregated targets for all indicators targeting on individual beneficiaries are: community of origins AND sex)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
<b>Outcome(s) (Specific Objective(s))</b>	<p>OS1 – Public water and wastewater services in Lebanon are improved for Lebanese host communities and Syrian Refugee population and environmental degradation is reduced;</p> <p>OS2 – Tension between Lebanese citizens and Syrian Refugees population is reduced;</p>	<ul style="list-style-type: none"> <li>- <i>Indic 1.1 - Number of major wastewater treatment facilities fully operational and applying NRW principles (EUTF 26)</i> &gt;= 1</li> <li>- <i>Indic 1.2 - Number of major water schemes implemented and operational and applying NRW principles (EUTF 26)</i> &gt;= 4</li> <li>- <i>Indic 1.3 – Number of people in Informal Tented Settlements (ITS) with improved sewage treatment (% of which are women) (EUTF 24)</i> &gt;= 60.000</li> <li>- <i>Indic 2.1 – Status of tensions between host communities and refugee population in the targeted Municipalities is classified as &lt;= “low”</i></li> </ul>	<ul style="list-style-type: none"> <li>- Progress narrative and financial reports</li> <li>- Handover documents to public administrations</li> <li>- ROM monitoring visits</li> <li>- External evaluations</li> <li>- Quarterly tension brief reports</li> <li>- QIN</li> </ul>	<ul style="list-style-type: none"> <li>- Stable security conditions and political stability</li> <li>- MoEW and WEs maintain their commitment toward the reform of the sector and to extend the reach of services and their sustainability</li> <li>- WEs maintain their commitment to keep providing water and wastewater services for citizens living in Municipal Areas without discrimination related to the nationality;</li> </ul>

	<b>Results chain: Main expected results (maximum 10) Reference overarching framework – sector objectives</b>	<b>Indicators (Disaggregated targets for all indicators targeting on individual beneficiaries are: community of origins AND sex)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
<b>Other Results (Outputs and/or Short-term Outcomes)</b>	<ul style="list-style-type: none"> <li>- Output 1.1 - A full wastewater scheme (network and treatment plant) is built to serve local host community and refugee population and water supply is improved in the Municipality of Aarsal;</li> <li>- Output 1.2 – At least 4 large water schemes (1 per WEs) are improved in 4 different regions of the Country;</li> </ul>	<ul style="list-style-type: none"> <li>- <i>Indic 1.1.1 - Number of new major wastewater treatment facilities fully operational and applying NRW principles (EUTF 26) &gt;=1(Is this the same as 1.1.?)</i></li> <li>- <i>Indic 1.2.1 – Number of large Municipal or regional water facilities constructed/ rehabilitated (EUTF 26) &gt;=4 Is this the same as 1.2? Please check risk of double counting)</i></li> <li>-</li> <li>- <i>Indic 1.2,2 - Number of beneficiaries who have experienced an awareness session related to water use, sanitation or hygiene (% of which are women) (EUTF 25) &gt;= 100.000</i></li> </ul>	<ul style="list-style-type: none"> <li>- Progress reports of the projects</li> <li>- Handover documents to public administrations</li> <li>- ROM monitoring visits</li> <li>- QIN</li> <li>- External evaluations</li> <li>- Quarterly tension brief reports</li> <li>- Baseline and endline survey</li> </ul>	<ul style="list-style-type: none"> <li>- Stable security conditions and political stability</li> <li>- MoEW and WEs maintain their commitment toward the reform of the sector and to extend the reach of services and their sustainability</li> <li>- WEs maintain their commitment in changing their approach and dialogue with their citizens/customers;</li> <li>- WEs maintain their commitment to keep</li> </ul>

	<b>Results chain: Main expected results (maximum 10) Reference overarching framework – sector objectives</b>	<b>Indicators (Disaggregated targets for all indicators targeting on individual beneficiaries are: community of origins AND sex)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
	<ul style="list-style-type: none"> <li>- Output 1.3 – Environmental pollution from Informal Tented Settlements (ITS) is reduced</li>   <li>- Output 1.4 – Capacity of public services to provide reliable water and wastewater services to the population is increased;</li> </ul>	<ul style="list-style-type: none"> <li>- <i>Indic 1.3 – Number of Syrian Refugees in ITS with improved environmental impact (% of which are women)</i> &gt;= 60,000</li>   <li>- <i>Indic 1.4.1 Number of municipalities benefitting from improved infrastructure and services (RF 37)</i> &gt;= 4</li>   <li>- <i>Indic 1.4.2 – Number of infrastructural projects applying social approaches to improve dialogue with local authorities</i> &gt;=4</li>   <li>- <i>Indic 1.4.3 - Number of local operators trained/coached during the implementation of projects (EUTF 28)</i> &gt;= 15</li> </ul>	<ul style="list-style-type: none"> <li>- about citizens perception of public services</li>   <li>- Targeted quarterly local tension reports</li>   <li>- Communication campaigns at local level</li>   <li>- Data about outreach of local communication campaigns</li>   <li>- Updated Customers’ DB of WEs</li>   <li>- Minutes of meetings of intersectoral committees and Municipalities</li>   <li>- Data collected for communication campaigns</li> </ul>	<ul style="list-style-type: none"> <li>- providing water and wastewater services for citizens living in Municipal Areas without discrimination related to the nationality;</li>   <li>- Commitment of GoL to enforce the respect of Environmental law in relation to ITS pollution upon a timeframe to be agreed with MoEW and MoEnv.</li>   <li>- All the humanitarian and development actors intervening in target Municipalities coordinate for a better dialogue toward Municipalities to assure the maximum possible protection space for refugees</li> </ul>

	<b>Results chain: Main expected results (maximum 10) Reference overarching framework – sector objectives</b>	<b>Indicators (Disaggregated targets for all indicators targeting on individual beneficiaries are: community of origins AND sex)</b>	<b>Sources and means of verification</b>	<b>Assumptions</b>
	<ul style="list-style-type: none"> <li>- Output 2.1 – Protection space at local level is increased and positive impact of external assistance to the Lebanese Water and Wastewater Sector as a response to the Syrian refugee crisis is highlighted</li> </ul>	<ul style="list-style-type: none"> <li>- <i>Indic 2.1.1 – Number of intersectoral humanitarian/development coordination committees created at local level</i> &gt;= 4</li> <li>- <i>Indic 2.1.2 – Number of national advocacy initiatives supported at national level about water and environment</i> &gt;=1</li> </ul>		