030601

Business Trip Report to Lebanon for

"Roundtable on Water and Power in Lebanon"

(On Opportunities and Challenges in the Water/Sanitation and Power Sector in the Middle East and North Africa Region (MNA))

1. Outline

Date: May 26-28, 2003

Place: Beirut, Lebanon Hotel Al Bustan

Attendance: Mr. Takehiko SOMEYA (Hydrologist) / Mr. Nobuo SUGIURA (Project Coordinator) from WRIC Project Syria JICA Expert

Other Attendance: About 150 persons from Middle East and North Africa Region, and European Commission, Africa Development Bank, some European Countries.

2. Contents

2-1 May 27

1) Welcome and Keynote Speech on Opportunities and Challenges in Water and Power Sector Reform(9:30～)

・Introduce condition of the world about water and energy

・Explain situation of MNA(see attached PowerPoint copy)

2) Opening Remarks(10:00～)

・Presenter insisted countries around the Mediterranean should manage water and power with no boarder.

3) Opening Remarks(10:10～)

・Presenter asked attendance for discuss efficiency and exchange idea.

4) A Summary of Questions Identified and a Review of the Program(11:00～)

・Summarize conditions of MENA(See attached PowerPoint copy)

・The host requested attendance for entry problems that should be discussed at this roundtable

5) A review of reform programs in water and power – introduction to the session

6) Improving access to the poor

6)-1 Palestinian(14:20～)

・Introduce Palestinian situation and their challenges

・The condition of water is very hard and they need water resources management

・Make a register and set a meter for domestic water is completed and under setting a meter for agriculture sector

・There are the operators who has license from government at each water resources and the operators manage water discharge

・It is difficult to find new resources and they are planning to utilize the water more efficient method (ex. Utilize waste water, recycle water and desalination etc)

・Groundwater polluted too much and should protect environment this area

・They need investments to carry out their plan

・They succeeded to cost recovery before "INTIFADA" and there is no incentive to cover cost.

6)-2 Yemen(14:55～)

・Introduce Yemen basic situation

(Precipitation is 250mm/year, 140cubic m3/year/person 93%: aguriculture & 5%: domestic &2%: industry, a population growth rate is 3.5%, etc)

・Dependence for groundwater increase from 1960 to 1990

・Tariff changes depending on area condition

・It became possible to take up water from 800m depth aquifer recently through 4 years survey by Dutch corporation

・Urban area set up system but this running cost is expensive and it is difficult to recover cost

・Though they carry out checking water quality, it needs to up speed of analysis for people's health

6)-3 Iran(15:30～)

・This example was introduce as a succeed one to cost recovery

・Water rate consist of connect fee and water use rate. The connect fee are decided by size of house land and water use rate by measuring meter. The water use rate includes basic rate and rate on amount of using water.

・It was necessary to modify functions for calculate the connect fee, because there were problems to use; ex the functions were so complicated and made a lot of mistakes

・Teheran have succeeded through this system and other cities in Iran also recover

almost cost

7) Tariffs and cost recovery in water supply and sanitation(16:00～)

Those three presenters and World Bank staff discussed about tariff and answered for some questions from audience

8) Experiences in desalination as a means to enhance water availability in the region

8)-1 Saudi Arabia(17:10～)

・Sustainability and affordability is very important for this technique (the plant of desalination is bigger, it is more efficiency)

・They need (1) Assessment for environment, (2)Fund of research and development, (3)Incentive of private sector

8)-2 World Bank Consultant

・Introduce general matter about desalination

・Desalination had become popular in this area because this cost became lower than before and there in no choice for getting water

・Desalination needs (1)Reliability, (2)Study for environment, (3)Affordability, (4)Total water supply & demand management, (5)Institutional approach, (6)Private sector involvement, (7)Research & training

・Desalination is last resort. We should consider total water system before planning desalination

・It is important to build capacity for desalination because this efficiency directly relate to the cost

・The investment from private sector is only 7%. Government should prepare some framework for help private sector go on.

8)-3 Saudi Arabia (?)(17:45～)

Explain process to utilize desalination

(No PowerPoint & Just 5 minutes presentation in Arabic)

9) Close session(17:50～)

・Summarize this session and inform tomorrow schedule

・Emphasis capacity building is most important for desalination

2-2 May 28

1) Experiences with public-private partnership in the water and powers sectors – Introduction to the session(8:40～)

2) The Casablanca multi utility concession – a case study(8:50～)

・Introduce succeed example for utilize private sector at Casablanca in Morocco

・As a result of utilize private sector,(1)Improve service quality(Achieve 24 hours supply, Reduce the loss), (2)Change staff's mind, (3)progress technical level,(4)Protect environment

・Introduce condition of recovery from big flood in 1996 and network of garbage

・Explain problems in Shanti town for rehabilitation

・Conclude their succeed depends on (1) Partnership between government and private sector, (2)Friendship donor country :Spain, (3) Good staff, (4)Integrate management, (5) Acceptable cost (rehabilitation & sustainable and reliable service)

3) Breakout Groups facilitated by the World Bank(10:30～)

・Divide four group and discuss below themes and report-back

(1) How can the region catch up in terms of attracting capital and improve sector's operational and financial performance?
(2) What is the best subsidy mechanism to ensure the poor have access to service?
(3) How can tensions in objectives between public and private interests be managed?
(4) What assistance should the international community including the World Bank, focus on?

4) Risk measures and enabling tools to increase market attractiveness – Intorduction to the session(14:45～)

5) Mitigation Instruments offered by the World Bank Group(15:15～)

Introduce MIGA: Political risk insurance of World Bank Group since 1988, relate 161 countries

6) View from Donors, International Finance Institutions(IFIs), EC and Banks(15:40～)

・Each donor gave short comment (Donor: EC, Africa Development Bank, JICA, JBIC, GTZ, WB etc)

・Introduce organization and investment situation

・Explain necessary conditions for investment

・Speech for water sector

7) Feedback from the Private Sector(16:45～)

・Some private sector explain their idea against question “Why it is difficult to invest for this area”

・The reason why they can not invest is not steady and safety at some of this area and worry about collapse

8) Conclusions and Closing Remarks(17:40～)

3. Others

Contact persons

1) Mr. Bassam JABER Ministry of Energy and Water in Lebanon
2) Mr. Khalil KLINK CDR(Council for Development and Reconstruction) Lebanon
3) Mr. Hicham HASSER CDR(Council for Development and Reconstruction) Lebanon
4) Ms. Axelle NICAISE　European Commission
5) Ms. Anna BJERDE World Bank
6) Mr. Mahib CISSE African development bank
7) Mr. OKANE Masahoto JBIC
8) Ms. UOZUMI Masako JBIC

APPENDIX: PHOTO

Opening; Keynote

Group 4 Discussion

Report from discussion group