



PROJECT DOCUMENT
[Lebanon]

Project Title: Operation of the Zahle Wastewater Treatment Facility

Project Number: TBD

Implementing Partner: UNDP (DIM)

Start Date: 01 July 2022 **End Date:** 31 December 2024 **PAC Meeting date:**

| Brief Description |
|---|
| <p>The Government of Italy has funded the construction and operation of the Zahle Wastewater treatment plant under a soft loan. Under this funding a state-of-art facility has been constructed and was put in operation in October 2017. Due to the economic crisis that Lebanon is experiencing since October 2019, the Lebanese Government, and relevant authorities are no longer capable of securing funds to operate the facility. Hence a 1.5-year funding has been secured under a World Bank fund as of March 2021 up to August 2022. Furthermore, the Italian Government expressed its interest in supporting the operation of this facility for two additional years (September 2022 to August 2024).</p> <p>The objective of this funding is to ensure the sustainable operation of the facility and give time for Lebanese authorities to conduct reforms and introduce relevant cost recovery system to ensure the sustainability of the operation. Additionally, under the operation services capacity building shall be provided to BWE staff to train them on operating the facility to enable them to manage and operate the facility after two years. Furthermore, support MoEW in establishing the required financial mechanisms that would ensure sustainable operations thereafter.</p> |

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|--|-----------------------------------|--|------------|
| <p>Contributing Outcome (UNSF/CPD): UNSF Outcome 3.1 Environmental Governance Improved CPD Outcome 4.2 National and Environmental Management Strengthened, Indicator 4.2.2 No. of solid waste, water and wastewater management initiatives implemented</p> <p>Indicative Output(s) with gender marker: GEN0</p> | Total resources required: | Euro 4,000,000 (Equivalent \$4,480,000 at exchange rate 1.12) | |
| | Total resources allocated: | UNDP TRAC: | |
| | | Donor (Italy): | €4,000,000 |
| | | Government: | |
| | | In-Kind: | |
| Unfunded: | | | |

Agreed by UNDP


Resident Representative

Date: 25/02/2022

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I. DEVELOPMENT CHALLENGE

Origin and Context of the Initiative

In year of 2005, the Italian Government granted Lebanon a soft loan (Loan no. AID/05/008/00) for the construction and commissioning of a Wastewater treatment plant (WWTP) in Zahle. The implementation of the project was managed by the Council of Development and Reconstruction (CDR), on behalf of the Lebanese Government. CDR, acting as contracting authority, further to a public procurement procedure, awarded the contract to Degremont S.p.A. that was later bought by Suez Trattamento Acque S.p.A. The Implementation of the project was delayed for several reasons.

The construction of the facility was completed in 2017. On the 2nd October 2017, the facility was put into operation for the first time. The funding of the operation of the facility was covered by the Italian Government through CDR up till the end of February 2021. Between March 2021 and August 2022, the facility is expected to be operated by CDR through a World Bank funding.

Since the last quarter of 2019, an economic crisis started in Lebanon and has been escalating since then. This economic crisis is imposing limitations on allocating local funds to ensure sustainable operation of the facility. Additionally, according to local legislations, the Wastewater treatment plants should be managed and operated by Water authorities. In the case of Zahle wastewater treatment plant, it should be operated and managed by Bekaa Water Establishment (BWE). However, in light of the ongoing economic crisis which is affecting the financial resources of BWE, in addition to local legislations issued in 2018, that prevents recruitment in the public sector for 5 years, the BWE also suffers from lack of human resources. Accordingly, BWE expressed that they lack the human and financial capacity to take over the operation and management of Zahle WWTP from CDR, thus putting the facility at risk of being putting out of service and having the wastewater being disposed in illegal manner in nature/environment (with a main risk of having it disposed at Litani River).

Therefore, the Italian Government through AICS, are aiming to allocate additional funds to ensure the continuation of the operation of the facility for 2 additional years, thus granting BWE and Ministry of Energy and Water (MoEW) in addition to other national authorities' time to enhance their capacities and become ready to take over the operation of Zahle WWTP. In light of the resignation of the Lebanese Government, delays in creating a new government, failing of the caretaking government from convening, and lack of public trust in the public sector, AICS and the Italian Government approached UNDP as a potential management authority of the fund for the facility's operation.

Issues and Problems of the Zahle WWTP

The Zahle wastewater treatment plan is facing the following particular challenges:

- Currently the facility is operating only one line at a capacity of approximately 20,000m³/day while its full capacity is 37,300m³/day and can operate two lines. It is not clear at what pace the wastewater networks are being constructed and how will it affect the increase in quantities of wastewater within the upcoming years. The increase in quantity will influence the operation cost.
- The facility does not have a sustainable sludge management infrastructure. Currently the sludge is being placed in temporary cells within the site plot. Three cells have been constructed at the site and are almost full, a fourth cell will be constructed and financed by WB in order to receive the sludge currently produced over the area of the site. Thereafter the sludge will be delivered to the nearby landfill of the Zahle Municipality.
- The electric power supply, is expected to diminish, resulting in higher dependency on back-up generators (which will affect the operation cost as will need diesel supply). Additionally, word in the streets is mentioning that the rates of the public power are expected to increase over the upcoming years which may influence the operation cost.

While the decision was made to transfer the O&M contracts of the WWTPs from the CDR to WEs as of end of June 2021, the CDR and WB is to co-finance the O&M of Zahle WWTP till the August 2022. In order to avoid the shutdown of the WWTP as well as its environmental consequences, it is necessary to take immediate actions in the short, medium and long-term horizon.

National Status for Wastewater and Sludge Management

While Zahle WWTP is facing the above-mentioned specific challenges toward its sustainable operation, it should be noted that those issues are the reflection of challenges of the water sector at national level. While most of the WWTPs are currently managed by private operators contracted by the CDR, it has been decided that the task should be transferred to the WEs by end of June 2021. In summary, the following problems and constraints hinder a proper handling of the WWTPs by the WEs:

- Structural and Operational:
 - Technical deficiency due to the lack of sufficient expertise;
 - Absence of a performance-based contract modality.

- Financial:
 - o Deficiency in cost-recovery as applied water tariffs do not include provisions for wastewater treatment, thus incapability to support cost of consumables, energy and maintenance of wastewater treatment.
- Commercial:
 - o Operators currently running the plants will terminate their contracts in June 21 due to unpaid arrears by CDR, amounting in total to around 21 million USD.
- Legal:
 - o Inadequacy of the organisational structure as identified in the above mentioned organisational decrees;
 - o Ambiguity to date in the role of municipalities in the wastewater sector.

In order to address this urgent issue, the updated National Water Sector Strategy (NWSS) of the MoEW (MoEW, 2020) lays out the action plans to improve sustainable and integrated water resource management in Lebanon.

While Water Establishments (WEs) have the mandate of managing the wastewater systems as per law 221/2000, the organisational charts do not include these services. In fact, Bekaa Water Establishment (BWE) has no specific unit or team for wastewater. Thus, the wastewater management service of BWE, including the operation and maintenance of the Zahle WWTP and the other two plants, is currently provided through service contracts with private operators. Despite the management's effort to increase the number of engineers, they make up only 6% of the total headcount. In addition, there is no engineer who specialises in wastewater management, water management and hydraulic engineering.

The WE's understaffing is making any capacity building less effective. The absence of qualified personnel on the topic often led to direct participation of the Director General instead of an engineer or technician specialised in the topic, especially for wastewater management. To address this issue, the NWSS states that priority should be given to financing staff recruitment and using ad-hoc technical support staff rather than introducing long-term technical assistance into the WEs. This is because these technical assistances (TAs) end of doing the work of the staff being supported, hindering the sustainability of the achievement beyond the project implementation period.

The prerogatives of WEs include the proposition of tariffs for water services (drinking, irrigation and wastewater) according to the social and economic conditions as per Article 3 of Law 221/2000 amended by Article 1 of the Law 241/2000. From a legal point of view, this power of the WEs raise the following two concerns:

- The competency of the WEs to study and propose tariffs for proper management;
- The term "proposal" means that decision of the Board of Directors of each WE is subject to the approval of the regulatory authority, which may obviously refuse to approve the pricing policy of the WEs.

As a result, each WE has developed its own adjustment tariff. The sewage fee is a flat rate and has to be paid regardless of the service being rendered or not based on the idea of pollution tax for damaging the environment. The fee collection rate in BWE depends on the area: 47% and 55% in Zahle and Machghara respectively, while only 16% in Rachaya. Overall, current pricing system does not ensure a financial balance while technical and non-technical losses are also leading to draining of the WE's financial resources. In addition, there is no annual audits of the financial statements and ledger of all WEs by an international independent audit firm. This results in lack of transparency and accountability on the provider side, which will hinder the introduction of polluter-pays, user-pays and beneficiary responsibility principles on the consumer side. To overcome these financial and commercial challenges, the updated NWSS recommends the following set of actions:

- Financial side:
 - o Introduce International Financial Reporting for all WEs;
 - o Restructure the Water and Wastewater tariffs based on valid accounting books;
 - o Set a financial plan to have arrears, subscriptions, and fees settled through periodic instalments;
 - o Introduce an adequate Wastewater tariff.
- Commercial side:
 - o Conduct a customer census to identify customers of piped water and users of collective wastewater services for each WE's jurisdiction and include them in the customer database and billing system;
 - o Introducing district meters and water meters targeting 100% of households
 - o For wastewater, users of the services need to be identified and registered in specific databases and cross-reference the database of subscribers to the WEs with the database of users of wastewater services.

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As for the tariff, the Council of Ministers has to decide whether to approve the addition of a flat Wastewater tariff of no less than 100,000 LBP/year to allow WEs' to cover O&M of wastewater plants at least partially, until the tariff restructuring study is done through the AFD' s project to support sector reform funded by a delegation of EU funds aims to support capacity building of WES and MoEW for service improvement. However, given that the financial study was undertaken before the current economic and financial crisis, the figure for tariff might need to be reconsidered in light of the development of economic situation in Lebanon during the project.

Finally, operation and maintenance of facilities and service are also challenging mainly due to the fragmentation of management roles between different stakeholders (CDR, WEs, municipalities, and private operators) in addition to high energy bill due to interrupted electricity supply. Specifically, for wastewater management, the NWSS prioritise the adoption of a shared wastewater management framework to address the issue of organisation(s) responsible for mapping the wastewater network and treatment plants and determine the financing method.

For the sludge management, the CDR undertook the feasibility study for the sustainable sludge management in the Bekaa region in 2020 as part of the Lake Qaraoun Pollution Prevention Project. The feasibility study took into consideration the sludge generated by the 13 wastewater treatment plants in the Bekaa valley at the 2040 horizon, including Zahle WWTP where the average flow rate plant inlet is estimated at 56,000 m³ per day (after the expansion of the plant by adding a 3rd processing line to the existing 2 lines). The study assessed the following three scenarios for validations:

1. Incineration of 70% and spreading in agriculture 30% of the total sludge output;
2. Disposing in a dedicated landfill 70% and spreading in agriculture 30% of the total sludge output;
3. Incineration of 70% and disposing in a dedicated landfill 30%.

As for the sludge from Zahle WWTP, the scenario 1 and 3 proposed incineration after anaerobic digestion and dewatering via centrifugation along with the sludge from two existing (Iaat, Yamouneh) and three planned (Marj, Temnine, and El Labouwe) plants. The scenario 2 proposed solar drying at Zahle after centrifugation along with Marj and Temnine plants, then disposing at the dedicated landfill.

II. STRATEGY

Objectives and Strategy

The primary objective of this project is to assist the Bekaa Water Establishment (BWE) to be able to conduct the operation and maintenance of the Zahle Wastewater Treatment Plant (WWTP) in a sustainable manner with regards to both financial and environmental aspects.

The specific objective of this project is to guarantee the treatment of wastewater in the Zahle WWTP in compliance with international standards.

To realize the sustainable operation of the Zahle WWTP by the BWE, the project will take the phased approach toward a smooth transition taking into account the current status of the plant operation as well as the national status of the wastewater and sludge management.

Direct and indirect beneficiaries

Direct Beneficiaries:

- Population (users) connected to the Zahle WWTP via the sewage network (approximately 50% of 205,000 as estimated);
- Municipalities of Zahle, Qaa El Rim, Hazzerta, Saadnayel, Taalabaya, and Fourzol;
- Ministry of Energy and Water (MoEW);
- Bekaa Water Establishment (BWE).

Indirect Beneficiaries

- Population living within the watershed of the Litani River and Qaraoun Lake;
- Lebanese Government;
- Litani River Authority;
- Municipalities of West Bekaa.

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III. RESULTS AND PARTNERSHIPS

Expected Results and Indicators

Result 1: Efficient Operation of the Zahle WWTP and Handover

In the short-term (at least 2 years), it is absolute necessary to ensure the continuity of the WWTP's operation from September 2022. For that purpose, this Output addresses the following issues:

- Legal arrangement for the transfer of the contract management of the operation of WWTP from CDR to BWE/MoEW and then to provide UNDP with the authority to operate the facility until the end of this project before it is handed back to the BWE/MoEW;
- Agreement or MoU between Donor, UNDP, and Lebanese Government to enable UNDP to operate the facility on behalf of the Lebanese Government;
- Contract the private operator for the O&M of Zahle WWTP through the UNDP's procurement processes based on competitive bidding;
- Ensure the proper sludge disposal and upgrade the sludge management for longer-term in line with the national plan. The following phased approach will be taken:
 - Short-term: Temporary storage of Sludge within the provisional on-site cells, then transferring the wet sludge to Zahle sanitary landfill, after contracting solar driers;
 - For long-term: World Bank along with the national partners, CDR and MoEW, have committed to purchasing and funding the installation of a solar drying system to dry sludge faster and then transfer the sludge to the Zahle landfill. UNDP will support in the provision of a design for the solar drying bed and will prepare the needed environmental safeguards and studies prior to its purchase to meet the World Bank and national requirements;
 - The municipality of Zahle has agreed to accepting wet sludge from the WWTP once the purchase of the solar drying system is confirmed (tender is posted online) and after it is installed, will continue to dispose the dry sludge in the Zahle solid waste facility.

During this phase, the project will also ensure the proper treatment of incoming WW to meet local and international standards and generated sludge while testing and analyzing sludge and effluent quality. In addition, the project will upgrade the facility more energy efficiently in order to reduce the operational cost. The following technical indicators will be targeted:

| Indicator | Baseline | Target |
|---------------------------------|-------------------------------|---------------------------------------|
| Quality of Effluent water | As per decision 8/1 | As per decision 8/1 for surface water |
| Average Quantity of WW (year 1) | 18,743m ³ /day | 20,000m ³ /day |
| Average Quantity of WW (year 2) | 18,743m ³ /day | 20,000m ³ /day |
| | | |
| Quantities of Sludge (year 1) | 34T/d (1.8Kg/m ³) | 36T/d (1.8Kg/m ³) |
| Quantities of Sludge (year 2) | 34T/d (1.8Kg/m ³) | 36T/d (1.8Kg/m ³) |

Important Note: The achievement of this output is conditional to the political decision and reform by the Lebanese authorities. Given that such a decision/reform is outside of the control of the UNDP, the UNDP cannot guarantee the achievement of this Output. If the Lebanese authorities do not commit the required measures, the project will be exposed to a financial risk in terms of ability to sustain the operation and maintenance of the facility and will need an additional finance to continue the operation of the Zahle WWTP once this project is completed.

In the mid-term and long-term, the management of the Zahle WWTP and its financing should be taken over by the BWE. While the transition to sustainable management of the WWTP by BWE largely depends on the national commitments toward water and wastewater sectors reforms, the project will aim at facilitating the transition. Capacity building of the BWE's staff (at least 10 BWE qualified personnel) and institutional strengthening of the BWE¹ on the technical needs in terms of operation and maintenance of the facility.

¹ BWE is in charge of recruiting/contract management of the qualified engineers and staff at the BWE for the management of Zahle WWTP.

Activities to be performed to achieve the Expected Results

The project will consist of several activities that are needed to complete the outputs and will include at least some of the following:

- The preparation of the needed technical specifications and terms of reference for the operation and maintenance of the WWTP in line with best practice after which UNDP will initiate a tendering process according to its procurement rules and regulations. This will involve an international and local posting of tendering documents (invitation to bid) for the solicitation of financial and technical offers. A detailed and thorough evaluation process will follow to select the best offeror/contractor and a due process is completed.
- A contract will then be issued and the O&M works will start with the new Contractor including the treatment and disposal of generated sludge.
- In parallel, UNDP will also hire the technical project team members based on its HR practices and as described below, to oversight and manage the Contractor and to ensure all the deliverables are up to standard. The team will also ensure adequate reporting at site level and will liaise with partners and stakeholders on site and at national level (government), in consultation with the UNDP Country Office team. In addition, the team will backstop and provide trouble shoot any technical issues on the ground and will be also oversight the capacity building activities.
- Capacity building activities:
 - o will also be undertaken to train the WE personnel and others to ensure the sustainability of operation of the WWTP and a smooth transition;
 - o If and as feasible, the project will support the Ministry of Energy and Water in policy and technical support to move forward into a sustainable financial recovery system. This may include support in the development/update/revision of key legislations for cost-recovery (tariff) and performance-based contract.
- Awareness raising activities will be conducted to the extent possible on the topic of wastewater treatment.
- Advocate the equal work opportunities (gender sensitive manner).

Resources Required to Achieve the Expected Results

UNDP was instrumental under previous programmes and projects executed on behalf of MoE and MoEW in striking the right balance between advisory services, guidance to the Project Management Unit (PMU) and effectiveness in procuring the needed contractual human resources, services, equipment and works in a timely manner. The current project has more ambitious output and outcomes than previous UNDP executed programmes as well as projects and will benefit from the same professional support from UNDP as resources have been secured to help achieve the expected results.

The project needs the following resources to deliver the expected results:

- ✓ Project Duration: The initial project duration is expected to be 2 years. However, the commitment of Lebanese authorities is prerequisite to achieve the results.
- ✓ Project staff hired as service providers for the delivery of the project.
- ✓ Private contractors for the operation and maintenance of the Zahle WWTP that will be selected competitively based on UNDP's rules and regulations.
- ✓ Capacity building and awareness raising activities.
- ✓ Indirect cost (charged as DPC in the budget): UNDP Country Office staff time for procurement, contract management, finance, coordination, IT support and security.

Partnerships

UNDP will collaborate closely with the national partners involved in this project building on earlier experience in the sector, including the MoEW, CDR, BWE, Municipality of Zahle and others while also continuing the close partnership with the World Bank that is also working on constructing the wastewater network in Zahle and the region and will also fund the installation of the solar drying system. At the same time, the UNDP will try to expand this partnership to other international and local actors that are active in the field of water sector reform such as the Agence Française pour Le Développement (AFD), the European Union (EU) and others, in full coordination with the Embassy of Italy and AICS to advocate for the needed sectoral reforms.

Risks and Mitigations Measures

A number of risks have been identified that could affect the implementation of the project and are aggregated as follows: political, financial, operational, health and social. Engaging the government at all levels could reduce these risks. As for the financial risk, maintaining close coordination with relevant institutions by making the case for implementing the project would help transfer funds in a timely manner.

On the health aspects, the ongoing pandemic (COVID-19) and its precautionary measures will be addressed by taking the necessary H&S measures, and coordinate with designated authorities to ensure exemptions are granted to the facility team during lockdowns.

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On the operational side, the unwillingness to cooperate in the project would be mitigated by showing the benefits that will accrue after the project implementation.

| Risks | Mitigations |
|---|--|
| Lack of commitments from Lebanese authorities toward water and wastewater sectors reforms and the inability to implement tariff restructuring and fee collection system (financial). | Continuous and coordinated advocacy toward the sector reform. However, if the reforms do not take place, the additional fund and the extension of the project will be necessary to continue the operation of the Zahle WWTP beyond the project duration. UNDP to coordinate with other international donors (including AFD and others) and central government (MoEW, CDR and BWE) to ensure the financing is secured for the long-term operation of the facility. |
| Failure to get permits for sustainable sludge treatment system. | Ensure that the short-term measure covers the contractual period and may be extended beyond that. Liaise closely between MoEW/BWE as owners of the facility and MoE and/or relevant ministries to receive required permits. |
| Industrial area feeding its wastewater into network and/or increase in chemical contamination of the wastewater inflow. | Report to designated ministries, and urge industries to conduct required pre-treatments. |
| Bekaa Water Establishment still does not have the financial nor human resources to operate the facility upon completion of projects. Not enough qualified staff at BWE available to be trained for the operation of the facility | Make prior arrangements with MoEW to ensure that a public entity will manage the operation after completion of project. |
| Increase in electric blackouts and/or increase in electricity tariffs. | Account for these issues in the budgeting as contingency measures. Should blackouts be more than 50% of the time, the project budget would not be sufficient to cover the full O&M of the facility and would need to be reported to the Steering Committee/Project Board to find solutions. |
| Increase in quantities of wastewater | The facility is currently operating at half its capacity. Accordingly, the facility can work at full capacity with two lines. |
| Wastewater will receive more than the maximum capacity of the plant. | If seasonal peaks they can be accommodated. However, if they annual daily average are to exceed the capacity, then notify MoEW and CDR to stop the expansion of networks. |
| Failing to import spare parts in a timely manner. | Ensure that key spare parts are always available on site in excess quantities. |
| Legal challenges in handing over the WWTP to the BWE. | Initiate discussions from the start of the project on the handover of the facility at the end of the project. |
| Contextual Risks | |
| Political instability and security situation in the country can slow down or stop the project activities. | Revision of project timeline and activities will be undertaken to ensure that project activities continue to the extent possible. Coordination with UN Security Department will be undertaken continuously. |
| Financial crisis facing Lebanon, including the capital control by the banks. | UNDP is taking measures to adjust contractual payment terms to contractors to try to overcome the financial challenges faced at the national level as a result of capital control measures. Furthermore, given that payments from UNDP are considered "fresh financing" to the country, more flexibility is provided by the banks to the Contractors. Risk of very high offer received for O&M to compensate for the crisis is also probably. Bidding documents should be as clear as possible and rebidding will be possible if prices received are over-budget. |
| COVID-19 pandemic including risk of delays due to lockdowns on site. | Ensure the provision of personal protective equipment (PPE) for the workers and other preventive measures at the sites and abiding by national preventive guidelines. |
| Social unrest could lead to challenges in accessing sites and completing the works on time | Coordination with UN Department of Safety and Security to determine best ways to access sites and to continue |

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| | delivering without taking (or exposing anyone to) unnecessary risks. |
| Municipality of Zahle stops/refuses to receive the sludge (either in the interim until during the tendering process for the solar dryer or after the dryer is installed) or requests higher than originally agreed upon tipping fee. | Liaise closely with Zahle Municipality to ensure it will accept sludge disposal in its landfill. Re-negotiate with all partners to overcome this situation and to find viable solution for sludge. |
| Handing over from CDR to BWE/MoEW not occurring. | An agreement should be entered into between CDR and BWE/MoEW where each party undertakes its responsibility for the handing over of the plant. Written authorisation from the Government of Lebanon to allow UNDP to temporarily operate and maintain the WWTP for the duration of the project with funding from Italy. |

Stakeholder Engagement

The project aims to ensure the sustainability of Zahle WWTP by systematically engaging relevant stakeholders, especially BWE and ensure providing them with the related capacity building to ensure strategic sustainability. In addition, other key stakeholders are to be involved and coordinated with such as MoEW, in order to develop cost recovery schemes that would ensure financial sustainability thereafter of the WWTP.

Beneficiaries: The direct beneficiary will be the BWE, the MoEW, and the Bekaa area and most importantly the population living within the watershed of the Litani River and Qaraoun Lake, corresponding to almost 1 million inhabitants in terms of preventing risks of pollution and restoring the river quality. The intervention will indirectly benefit the country as a whole.

The project will also coordinate with line ministries, CDR or any other authorities as needed in order to ensure access to any available data, or to facilitate the collection of such data.

The list of stakeholders includes but is not limited to:

- Bekaa Water Establishment (BWE)
- Ministry of Energy and Water (MoEW)
- Council of Development and Reconstruction (CDR)
- Ministry of Environment (MoE)
- Municipality of Zahle
- Agence Française pour Le Développement (AFD)

Knowledge

The project will produce the reports in accordance with UNDP's programming policies and procedures. In addition, knowledge, good practices and lessons will be captured and shared with other organizations working on the relevant sectors through the existing LCRP and/or 3RF coordination mechanisms. There will also be events organised around the inauguration of projects which will specifically target high-level participation and ensure the activities are widely reported by the main media outlets. Finally, the project activities and results will continuously be reported and reflected on the UNDP Lebanon website social media platforms such as Facebook, Twitter etc. This will be the responsibility of communication officers based on the projects and working in coordination with the UNDP Country Office Communications team.

Sustainability and Scaling Up

The project shall coordinate with MoEW and BWE and advocate proper legislations and reforms related to cost recovery mechanisms that would enhance the financial capacity the Water Establishments in general and of BWE in specific to enable them to operate and maintain WWTP and provide BWE's personnel with the required capacity building and training to perform the required tasks. Already current legislations especially law 77/2018 assigns the water establishments the responsibility of operating and managing WWTP as well as proposing the tariff, however, water establishment lack the required funding and qualified personnel. These issues are also recognized in the update NWSS, which proposed the set of action plans as described in the Section I.

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IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

The project uses a portfolio management approach to improve cost-effectiveness and efficiency by leveraging activities and other interventions with the Waste Management Project team in UNDP. For any balance at the end of the project, the country office will consult with the Embassy of Italy and AICS.

Project Management

The project will be managed in accordance with standard UNDP procedures as Direct Implementation (DIM) modality. UNDP will ensure high-quality technical and financial implementation of the project and will be responsible for monitoring and ensuring proper use of all funds to assigned activities, timely reporting of implementation progress as well as undertaking of mandatory and non-mandatory evaluations for each of their respective components. All services for the procurement of works, goods and services, the recruitment of personnel, financial transactions, auditing and reporting will be carried out in compliance with UNDP procedures, rules and regulations for support to national implementation. The audit of the DIM project is made through the regular external (UN Board of Auditors) or internal audits (audits managed by UNDP's Office of Audit and Investigation).

The project management unit (PMU) will remain based in the offices in Beirut and will be responsible for day-to-day management of project documentation and monitoring and provision of policy and technical advice. The PMU will also seek technical services to be carried out by UN agencies and, international NGOs as well as individual consultants and/or consulting firms. The work will be integrated within and managed by the on-going Energy and Environment Portfolio, which currently runs over 20 projects in the field of energy and environment.

Visibility and Communication

UNDP will ensure that the Government of Lebanon and the project Donor will receive the maximum visibility possible in line with the visibility guidance documents and in coordination with the Donor.

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V. RESULTS FRAMEWORK

| Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework: Outcome 3.1 Environmental Governance Improved | | | | | | | | | |
|--|---|-----------------------------|--------------------------|------|---|--------------------------|-------------------------|---------------------------|--|
| Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: Output 4.2 National and Environmental Management Strengthened, Indicator 4.2.2 No. of solid waste, water and wastewater management initiatives implemented (Baseline 2, Target 10) | | | | | | | | | |
| Applicable Output(s) from the UNDP Strategic Plan: 1.4.1 Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains | | | | | | | | | |
| Project title and Atlas Project Number: "Operation of the Zahle Wastewater Treatment Facility" | | | | | | | | | |
| EXPECTED OUTPUTS | OUTPUT INDICATORS | DATA SOURCE | BASELINE | | TARGETS (by frequency of data collection) | | | | DATA COLLECTION METHODS & RISKS |
| | | | Value | Year | Year 2022 | Year 2023 | Year 2024 | Total | |
| Output 1 <i>Efficient operation of WWTP and handover</i> | 1.1 <i>Average Quantity of WW treated</i> | BWE, Zahle WWTP | 6,850,000 m ³ | 2021 | 2,433,333 m ³ | 7,300,000 m ³ | 4,866,667m ³ | 14,600,000 m ³ | <i>Site visits, technical reports from the contractors</i> |
| | 1.2 <i>Average quantity of Sludge treated</i> | UNDP, Zahle SWF, Zahle WWTP | 12,500 T | 2021 | 4,350 T | 13,000 T | 8,650 T | 26,000 T | <i>Site visits, technical reports from the contractors</i> |
| | 1.3 <i>Number of the BWE staff trained</i> | UNDP, BWE, Zahle WWTP | 0 | 2021 | 0 | 0 | 10 – 13 | 10 – 13 | <i>PMU/consultant</i> |
| | 1.4 <i>Handing over the facility</i> | UNDP, BWE, MoEW, Zahle WWTP | 0 | 2021 | 0 | 0 | 1 | 1 | <i>PMU/consultant</i> |

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VI. INDICATIVE LOGFRAME MATRIX

| Expected results | Description | Verifiable and objective indicators | Means of verification | Assumptions |
|---|---|--|--|---|
| General objective | Assist the Bekaa Water Establishment (BWE) to be able to conduct the operation and maintenance of the Zahle Wastewater Treatment Plant (WWTP) in a sustainable manner | Zahle Wastewater Treatment Plant Operational | Monthly reports prepared by Contractor and feedback from BWE. | The Government of Lebanon remains committed to its strategic targets and commitments. The changes/rotations in the personnel of the BWE do not affect project implementation |
| Specific objective | Treatment of wastewater in the Zahle WWTP in compliance with international standards. | Average Quantity of WW treated Average quantity of Sludge treated Handing over the facility Number of BME staff training Quality of Effluent water | Monthly reports, Laboratory tests (in-house and third party), Feedback from various stakeholders | Commitments from Lebanese Authorities (Municipality of Zahle, BWE, MoEW, MoE, etc...) |
| Output 1: Efficient operation of WWTP and handover | Operation of Zahle wastewater treatment plant for a minimum of 2 years | <ul style="list-style-type: none"> • Project team in place • Procurement process for operator completed • O&M contract issued • Number of trainings/awareness raising activities conducted • Tons of sludge properly disposed | Monthly reports Feedback from various stakeholders. | Political stability and commitments from Various stakeholders |
| Activities in relation to Output 1 | <ul style="list-style-type: none"> • Setting up and hiring the project team • Preparing needed technical specifications and terms of reference for the operation and maintenance of the WWTP • Issuance of an operation & maintenance contract for the WWTP • Capacity Building and Training • Awareness activities • Advocating the equal work opportunities | | | |

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VII. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

Monitoring Plan

| Monitoring Activity | Purpose | Frequency | Expected Action |
|---|---|---|--|
| Track results progress | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | Quarterly, or in the frequency required for each indicator | Slower than expected progress will be addressed by project management. |
| Monitor and Manage Risk | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. |
| Learn | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | At least annually | Relevant lessons are captured by the project team and used to inform management decisions. |
| Annual Project Quality Assurance | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. |
| Review and Make Course Corrections | Internal review of data and evidence from all monitoring actions to inform decision making. | At least annually | Performance data, risks, lessons and quality will be discussed by the Steering Committee/Project board and used to make course corrections. |
| Project Report | A progress report will be presented to the donor consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period. | Quarterly and Annually and at the end of the project (final report) | |
| Project Review (Steering Committee/Project Board) | The project board/steering committee will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Steering Committee/Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | At least annually | Any concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. Additional stakeholders such as the municipality of Zahle or other concerned parties will be invited to the meeting by the Steering Committee/project board as needed. |
| Technical Committee | A project Technical Committee will be set up which will include the technical focal points from UNDP project, AICS and the BWE or MoEW. The technical committee will follow-up on the project results and challenges. | Once every quarter or as needed | The Technical Committee will raise any challenges that need to be flagged to the Steering Committee/Project Board through the Project Manager. |

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VIII. MULTI-YEAR WORK PLAN

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | Planned Budget by Year (Euro) | | | RESPONSIBLE PARTY | PLANNED BUDGET | PLANNED BUDGET |
|---------------------------------------|---|-------------------------------|-------------------|-------------------|-------------------|---------------------|--------------------|
| | | Y1 (Q3 2022) | Y2 (Q1 - Q4 2023) | Y3 (Q1 - Q3 2024) | | Total Amount (Euro) | Total Amount (USD) |
| Output 1: | Operations and Management (including tipping fee) | 344,084 | 1,376,336 | 1,032,252 | UNDP | 2,752,672 | 3,082,993 |
| - | Civil Engineer | 15,090 | 60,358 | 45,269 | UNDP | 120,717 | 135,203 |
| - | Project Coordinator | 18,347 | 73,389 | 55,042 | UNDP | 146,778 | 164,392 |
| - | Assistant (part-time) | 5,658 | 22,631 | 16,973 | UNDP | 45,262 | 50,693 |
| - | Running costs [1] | 6,928 | 27,711 | 20,783 | UNDP | 55,421 | 62,072 |
| - | Contingency | 58,929 | 235,714 | 176,786 | UNDP | 471,429 | 528,000 |
| - | Subtotal | 449,035 | 1,796,139 | 1,347,104 | | 3,592,279 | 4,023,352 |
| Direct Project Cost (DPC) | | | | | | 74,755 | 83,726 |
| Subtotal (Programmable Budget) | | | | | | 3,667,034 | 4,107,078 |
| GMS (8% of Programme Budget) | | | | | | 293,363 | 328,566 |
| Total Budget without levy | | | | | | 3,960,396 | 4,435,644 |
| 1% UN Coordination Levy | | | | | | 39,604 | 44,356 |
| Total Budget with levy | | | | | | 4,000,000 | 4,480,000 |

| | | | |
|-----|---|---------------|--|
| [1] | Running costs breakdown | 2 years | |
| | Laptops | 4,464 | |
| | Fuel for car or car rental | 8,929 | |
| | Third party lab tests or expert for specific technical analysis | 13,393 | |
| | Awareness raising material | 4,464 | |
| | Stationery | 1,786 | |
| | Legal expert (to support policy for MoEW) | 22,386 | |
| | Total: | 55,421 | |

Exchange rate
1.1200
0.8929

14.11

**Zahle WWTP Project
Work Plan**

| Year | 2022 | | | | | | | | | | | | 2023 | | | | | | | | | | | | 2024 | | | | | | | | | | | |
|--|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|
| | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D |
| UNDP and AICS Coordination with Stakeholders | ■ | ■ | ■ | ■ | ■ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agreement AICS/UNDP for 2 additional years of O&M | | | | | | ■ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNDP preparation of Tender Documents for O&M | | | | ■ | ■ | ■ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International bidding process - online (UNDP) | | | | | | ■ | ■ | ■ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| UNDP & AICS following up on Handing over procedures with Government | | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Recruitment of Project Team (UNDP) | | | | | | ■ | ■ | ■ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Two additional years of O&M including technical assistance (UNDP) | | | | | | | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Recruitment of BWE Staff (BWE/MoEW) | | | | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | | | | | | | | | | | | | | | | | | | | | | | | |
| Training of BWE Staff | | | | | | | | | | | | | | | ■ | | | ■ | | ■ | | ■ | | ■ | | | ■ | | | ■ | | ■ | | ■ | | ■ |
| Handing over of Facility to BWE/MoEW | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Technical Committee Meeting | | | | | | | | | ■ | | ■ | | | | | | ■ | | ■ | | ■ | | ■ | | | | | ■ | | ■ | | ■ | | ■ | | |
| Steering Committee / Project Board Meeting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Support to MoEW | | | | | | | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| Reporting | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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IX. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The Project will be executed under the UNDP Direct Implementation Modality (DIM), whereby UNDP will act as the executing and implementing agency. The UNDP will monitor the progress towards intended results, and will ensure high-quality managerial, technical and financial implementation of the project, and will be responsible for monitoring and ensuring proper use of administrated funds to the assigned activities, timely reporting of implementation progress as well as undertaking of mandatory and non-mandatory evaluations for each of their respective components. Furthermore, the procurement of goods and services and the recruitment of personnel shall be provided in accordance with UNDP guidelines, procedures and regulations.

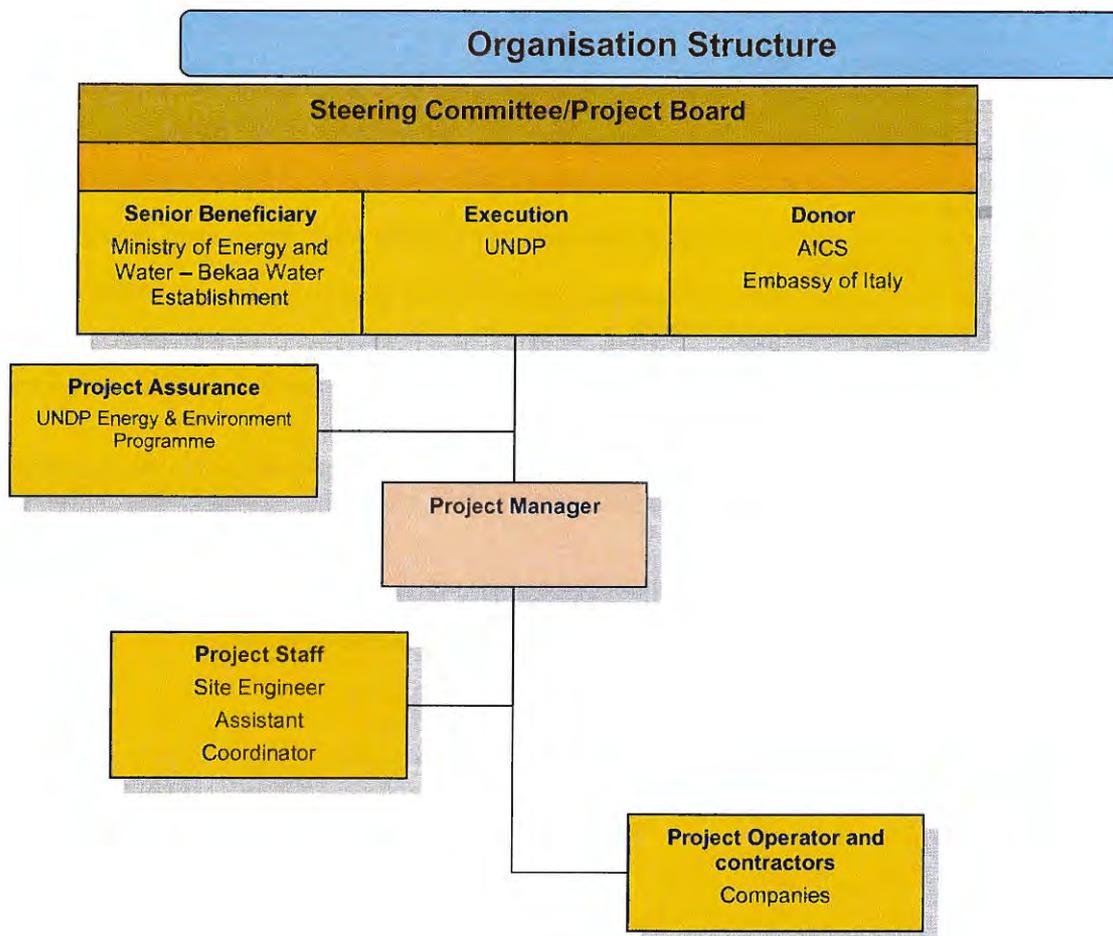
The UNDP country office will provide the following support services, covered by Direct Project Cost (DPC), for the activities of the programme/project:

- i. Payments, disbursements and other financial transactions;
- ii. Recruitment of staff, project personnel, and consultants;
- iii. Procurement of services and equipment, including disposal;
- iv. Organization of training activities, conferences, and workshops, including fellowships;
- v. Travel including visa requests, ticketing, and travel arrangements;
- vi. Shipment, customs clearance, vehicle registration, and accreditation;
- vii. Security management service and Malicious Acts Insurance Policy;
- viii. External access to ATLAS for project managers and other staff, Payroll management services and Medical Clearance Services for all staff.

The UNDP country office will also provide the following general oversight and management services. GMS is recovered with a flat rate of 8% for contributions from donors. GMS cover the following services:

- i. General oversight and monitoring, including participation in project reviews;
- ii. Briefing and de-briefing of project staff and consultants;
- iii. Resource management and reporting;
- iv. Thematic and technical backstopping.

The audit of DIM projects is made through the regular external (UN Board of Auditors) or internal audits (audits managed by UNDP's Office of Audit and Investigations).



The **Project Board/Steering Committee's** role is as follows:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Review project performance based on monitoring, evaluation and reporting, including standard quality assurance checks, etc.;
- Address any high-level project issues as raised by the project manager and project assurance;
- Provide guidance on emerging and/or pressing project risks and agree on possible mitigation and management actions to address specific risks (including ensuring compliance with UNDP's Social and Environmental Standards, Fraud/corruption, Sexual Exploitation and Abuse and Sexual Harassment);
- Agree or decide on project manager's tolerances as required, within the parameters set by UNDP) and the donor, and provide direction and decisions for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP and the donor;
- Agree or decide on a project suspension or cancellation or extension, if required;
- Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Ensure coordination between the various donors and government-funded projects and programmes;
- Report to relevant inter-ministerial bodies or higher-level oversight bodies;
- Ensure coordination with multiple government agencies and their participation in project activities;

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- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
- Act as an informal consultation mechanism for stakeholders.

The **Technical Committee's** role will be as follows:

- Review the project progress and challenges at the technical level in terms of following up on the project activities;
- Overcome technical challenges or impediments that might be experienced on the ground during the project implementation;
- Coordinate with stakeholder and technical partners to overcome any challenges and to support the smooth implementation of the projects;
- Provide insight and feedback on any issues in the sector related to the project;
- Liaise at the technical level with all donors and actors working in the sector that are relevant to the project and that can be of support.

Project assurance will be provided by the UNDP Energy and Environment Programme. Its responsibility is to provide objective and independent project oversight and monitoring functions while ensuring that appropriate management milestones are met.

The **project management team** will be established and will coordinate with the various stakeholders. It will consist of Project Manager, a Project Coordinator, a site Engineer, and a project assistant. Furthermore, the project will include having professional companies to operate and maintain the facility.



X. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Lebanon and UNDP, signed in 1986. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner".

This project will be implemented by UNDP ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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XI. RISK MANAGEMENT

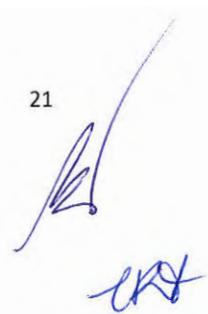
1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS).
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]² [UNDP funds received pursuant to the Project Document]³ are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse ("SEA") and sexual harassment ("SH") allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - a. Consistent with the Article III of the SBAA *[for the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
 - c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
 - d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
 - e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

² To be used where UNDP is the Implementing Partner

³ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.
Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
- h. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.
Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.
Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.
- i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- k. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

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2. UNDP will adhere to the following requirements:

a. Allegations of SEA

(i) UNDP will promptly report all allegations of SEA credible enough to warrant an investigation through the Secretary-General's reporting mechanism (the "Report").

(ii) When UNDP reports an allegation of SEA to, or becomes aware of an allegation reported through, the Report that is (i) directly related to the activities funded by this arrangement or, (ii) would have a significant impact on the partnership between UNDP and the Donor, UNDP will promptly notify, addressing the Italian Development Agency's Central Committee for equal opportunities, the promotion of workers' well-being and against discrimination at cug@aics.gov.it, coping dgcs5@esteri.it, of the report made and the relevant arrangement number, if applicable and provide information containing the level of detail that the UNDP is aware of.

(iii) Upon request from the Donor, UNDP agrees to provide further available relevant information UNDP is aware of for allegations notified under paragraph 2a (ii) including about subsequent measures taken by UNDP, unless disclosure of such information would be inconsistent with UNDP's regulations, rules, policies and procedures concerning disclosure of information.

b. Allegations of SH

(i) UNDP will report allegations of sexual harassment and measures taken through existing reporting mechanisms.

(ii) Where UNDP has determined that the allegations would have a significant impact on the partnership between UNDP and the Donor, UNDP will promptly notify, addressing the Italian Development Agency's Central Committee for equal opportunities, the promotion of workers' well-being and against discrimination at cug@aics.gov.it, coping dgcs5@esteri.it and provide information containing the level of detail of the existing reporting mechanisms.

(iii) Upon request from the Donor, UNDP agrees to provide further available relevant information, that UNDP is aware of unless disclosure of such information would be inconsistent with UNDP's regulations, rules, policies and procedures concerning disclosure of information.

3. It is understood and accepted that UNDP's arrangement to report on SEA and SH will be performed in accordance with the UNDP's regulations, rules, policies and procedures, including its rules on confidentiality, and is subject to not compromising the safety, security, privacy and due process rights of any concerned persons.

4. When UNDP becomes aware of reasonable suspicions, complaints or reports of SEA or SH by its personnel, UNDP will, as appropriate under its regulations, rules, policies, and procedures, take reasonable, swift and appropriate action to stop harm occurring, investigate and report to relevant authorities (for potential criminal matters), as appropriate and when safe to do so, after considering the wishes of the victim/survivor.

5. The Donor or any of its duly authorized representatives may, in accordance with agreed mutually accepted terms of reference, carry out reviews or evaluations or other assessment measures to verify UNDP's zero tolerance for SEA and SH, provided that such measures are consistent with the single audit principle governing the UN, if applicable. UNDP will fully cooperate within the scope of the terms of reference with any such reasonable requests by the Donor or any of its duly authorized representatives or agents to carry out such measures.

6. Any information or documentation provided in accordance with these provisions will be treated by the Donor with utmost discretion in order to ensure, *inter alia*, the probity of any investigation, protect sensitive information, ensure the safety and security of persons and respect the due process rights of all involved. The Donor will presume information/documentation to be confidential, deliberative, and investigatory and will ensure that information/documentation provided to the Donor will be available solely to those who strictly require access to such information/documentation. Any disclosure of such information/documentation beyond such personnel will require notification and consultation with the Recipient. The Donor will obtain the express written authorization of the Recipient before disclosing any such information/documentation in a judicial proceeding or to the public, unless disclosure is otherwise required by law applicable to the Donor and is not subject

to the Recipient's privileges and immunities under international and/or national law (such as information/documentation constituting UN archives).

7. Unless the regulations, rules, policies, and procedures applicable to UNDP are amended at an earlier stage, and/or there are other substantive changes to any of the referenced policies, processes or mechanisms, the above provisions are subject to possible review two years after the date of the Donors' mutual decision on their text with the Recipient. Any changes to the above provisions that may be mutually decided following such a review will take effect at least four years after the date of the Donors' mutual decision on the present text with the Recipient, until which time the above provisions will continue to apply.



M. H.

