

World Bank grants \$200m loan for Beirut water project

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BEIRUT: The World Bank provided a \$200 million soft loan Thursday to finance a \$370 million project to supply Beirut with clean water from Awali River.

In addition to the \$200 million from the World Bank, the Beirut and Mount Lebanon water department will provide \$140 million. The cost of land appropriation is \$30 million.

The project involves channeling Awali River through a network to the capital and Southern Suburbs, and is divided into three phases.

The first phase entails the construction of Bassri dam which will cost \$100 million.

Energy and Water Minister Jebran Bassil said the World Bank will finance \$100 million of the \$265 million dam project.

He added that this is the first time the World Bank will finance a dam project in Lebanon.

The World Bank said the project had started 15 years ago but had faces numerous obstacles, and stressed the dam would have great benefits for the residents of Beirut and its suburbs.

World Bank officials say that Bassil and Finance Minister Raya Hassan have urged the government to proceed quickly with this project since it would solve the chronic water problem in the capital.

The government is studying plans to finance and build 15 dams across Lebanon but the Finance Ministry warned these mega projects would drain the Treasury's financial resources.

Hassan and other ministers favor the idea of allowing the private sector take part in the dam projects, whether through a build-operate-transfer scheme or through a soft loan.