



ALLEGED CORRUPTION

The Cases of Tripoli Landfill & Waste Water Plants



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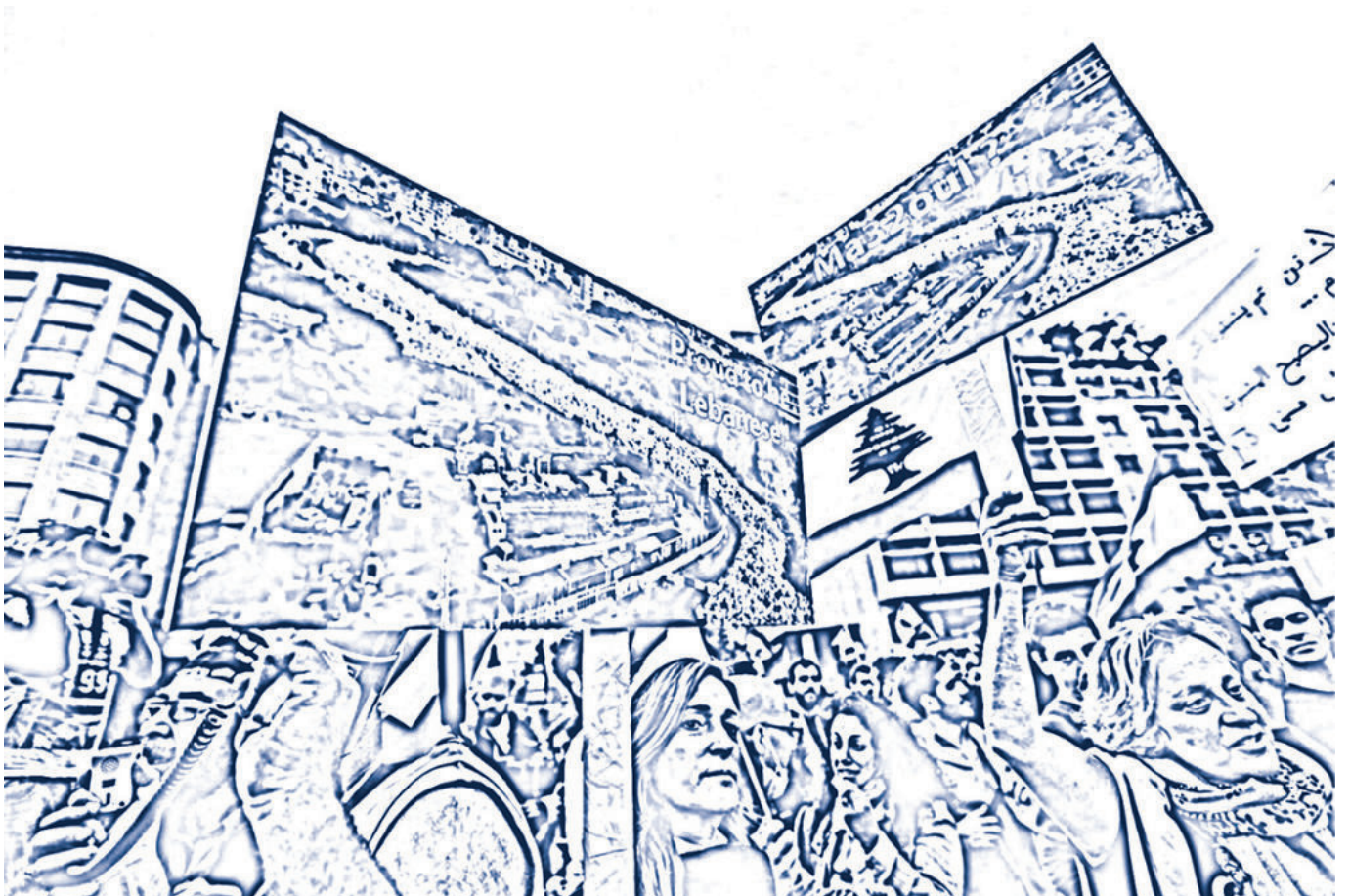


INTRODUCTION

In the last three decades, the mismanagement of the solid waste sector and the failure in treating waste water in Tripoli have had severe environmental and health consequences in addition to the financial repercussions, leading to the waste of millions of dollars. Many attribute the failure in these two vital sectors to corruption, poor governance, suspicious contracts, and the absence of accountability.

Tripoli citizens and civil society activists have been vocal in their dissatisfaction with the current situation and some even filed a lawsuit against the Council for Development and Reconstruction (CDR), Union of Fayhaa Municipalities and private companies managing the Tripoli landfill and waste water treatment plant.

Both facilities remain controversial cases, prone to corrupt practices because of the lack of **free competition, accountability, transparency and merit-based contract negotiation.**



1

TRIPOLI LANDFILL

KEY STAKEHOLDERS

Union of Fayhaa municipalities (Tripoli, El Mina, El Badawi, Al Qalamoun)	Council for Development and Reconstruction (CDR)
Lavajet	BATCO

The Tripoli Landfill serves the Union of Fayhaa municipalities comprising four cities:

Tripoli, El Mina, El Badawi, and Al Qalamoun. The residents of Tripoli have suffered for decades from pollution resulting from the first landfill, popularly known as the 'mountain of waste', which led to the emission of toxic gases due to the cessation of ventilators and their technical ineffectiveness. The mismanagement of the company contracted by the Council for Development and Reconstruction and the absence of oversight and accountability also led to seawater pollution, toxic leakage into the ground, and air pollution. Many scientific reports spoke of the catastrophic dangers of the landfill, which rose to more than 35 meters, while the maximum permissible limit was 25 meters.

Instead of holding those responsible for this file accountable, the Lebanese state, represented by the Council for Development and Reconstruction, renewed in 2018 to the same contracting company "BATCO", owned by Azour family, the construction and maintenance of a new landfill. The new landfill, which extends over an area of 60,000 square meters, is located directly behind the old landfill at the northern entrance of Tripoli, next to the port, the free economic zone, and the new vegetable market.

The total value that is publicly displayed on CDR website is USD 57,494,778 for a period that extends from 1 October 2018 to 16 December 2023.

CDR also renewed the contract of BATCO subsidiary "Lavajet" to collect waste from the cities of the Union of Al-Fayhaa Municipalities despite many reports of overpricing and violating the terms of reference.

Many reports indicate that the new landfill does not meet the minimum health conditions. There was also a decision issued by former Minister of Environment Tariq Al-Khatib, No. 4781, dated 19/10/2018, requesting the Council for Development and Reconstruction to stop working on the new landfill, because it violates the decree and does not meet the environmental conditions and laws.



The total capacity of the landfill had reached its maximum limit at the beginning of 2023, and “BATCO” informed the Council for Development and Reconstruction, in a letter addressed to it on March 6, 2023, that “we will not be able to continue our work under the current circumstances... The prices at which we operate and settlement of late payment represent a huge burden that cannot be borne any longer”. According to informed sources in the municipality of Tripoli, in a newspaper interview, this is one of the company’s methods of pressuring the Council for Development and Reconstruction in order to meet its demands, whether by renewing its contract or adding more revenues, knowing that the cost of waste collection and management charged by BATCO group is inflated. Overpricing of solid waste management has been a common practice in the contract between CDR and BATCO group and the marginalization of the four municipalities and their role has been a common practice, making the sector prone to corrupt practices.

According to members of Tripoli city council, the contracts will expire in the end of 2023 and there is concern that CDR will renew to BATCO and Lavajet through an extension and consensual contract. There are also questions regarding the activities of the supervising company (Dar Al Handasa) and their failure in reporting violations of BATCO.

WHERE DO WE STAND NOW ?

Although many reports have been released regarding the violations of the contract, no serious investigations were initiated by the concerned supervisory parties, except for a lawsuit that has been filed in 2019:

A lawsuit was filed by Muthadoun, against the president of the Al-Fayhaa Municipalities Union, CDR, BATCO, the company undertaking the implementation of the Tripoli landfill and AMB, the company that was operating the waste sorting plant in Tripoli and Dar Al Handasa, the supervisory company. Several investigation sessions have been held since 2019 in Tripoli by North Lebanon First Investigative Judge Samaranda Nassar. The main accusations are violations of environmental laws contamination of the sea, as well as the associated health and environmental risks, embezzlement and wasting of public funds. The case is still pending before courts.

The ineffective governance in this field and the absence of transparency might foster corruption and undermine trust in the system. The seemingly corrupt practices can also affect the efficiency of waste management process in Fayhaa cities, where citizens are increasingly dissatisfied with the services provided by both Lavajet and BATCO and the supervision of the four municipalities.

Moreover, in the absence of monitoring and sustainable solutions such as recycling, sorting and composting, the lifespan of the Tripoli landfill has been reduced which gives CDR and contractors with alleged political connections the opportunity to sign more lucrative and overpriced contracts to do marine work, new landfills, and other commercial projects. The companies managing solid waste in Tripoli have used social washing techniques such as sponsoring festivals and activities held by the municipalities in addition to recently providing fuel for the municipality generators and machines. Some media outlets are also used to show the efficiency of the companies and their performance.

(In early December 2023, some local newspapers have covered the story of Tripoli Mayor visiting the landfill and showing satisfaction regarding the works being done by the companies).



In a nutshell, the process in which contracts with BATCO and Lavajet were awarded, financed, and managed is not publicly known. There is suspicion that since the 1990's CDR has appointed designers and consulting firms that tailor project and works parameters to one specific bidder (BATCO and Lavajet Group).

Interviews with many city council members have revealed that city councils have no access to the contracts between the companies and CDR. How contracts are extended and renewed is also not known and according to city council members, "these are kept secrets between CDR and the companies". There is growing concern that contracts are automatically renewed without going through public procurement as the law entails.

It is essential to understand that any renewal or extension of a contract must be considered as a new contract. Therefore, it must go through the standard procedures established by the public procurement law. If the contracts with BATCO and Lavajet were renewed without following these procedures, this would be a breach of the law. One administrator has also revealed that the ministries of finance and interior have automatically cut half of the monthly revenues of El Mina municipality in October 2023 to pay BATCO and Lavajet. This has been a common practice by the government, leaving the four municipalities with scarce resources to use.

ACCESS TO INFORMATION

There is urgency in requesting the following information from CDR and the Union of Fayhaa Municipalities

A copy of the contract between CDR and BATCO group (including Lavajet)

The daily tonnage of waste collected by Lavajet and treated by BATCO

The real cost of waste collection and treatment and how the government is paying to the companies

The current capacity of the second landfill and are there plans to renew the contracts of BATCO/Lavajet? If yes, through what mechanism?

The plans of CDR and Union of Fayhaa regarding the future of the two landfills (Land reclamation)

2

TRIPOLI WASTE WATER COLLECTION AND TREATMENT PLANT

KEY STAKEHOLDERS

EIB	Council for Development and Reconstruction (CDR)	
North Water Establishment	UNICEF	Suez


CDR benefited from the European Union commitment to reduce the pollution of the Mediterranean Sea as enshrined by the Barcelona convention and secured funds from the European Investment Bank to construct coastal waste water treatment plants. French presence in this sector was dominant through the French company SUEZ, which was given a Build Operate and Transfer (BOT) contract in the early 2000's to construct the Tripoli Waste Water Collection and Treatment Plant. The French company, and the subcontractors with alleged political connections, benefited from the European funds and loans raised from CEDRE conferences.

The Tripoli Waste Water plant, the largest in terms of capacity (up to 130,000 cubic meters), was completed in 2009 before the networks were connected to it. The project which covers Tripoli coastal area, Al Qalamoun, some sections of Koura and Zghorta districts, in addition to the coastal areas of Beddaoui, Deir Amar and Minieh, incurred approximately USD 200 million in various stages of construction, but it operates only at 20% capacity. The reason is that it has not been connected to sewage networks, preventing it from functioning as intended. It requires about 60,000 cubic meters of treated water to operate, and the networks connecting the station from areas such as Koura, Dinnieh, Zghorta, and even some areas in Tripoli and the port are still under construction. The cost of these networks is around USD 120 million.

The failure to integrate the construction of the station with the networks means that it does not perform its required function and requires maintenance throughout its lifespan without achieving the intended benefit. The North Water Authority has not taken over this station as planned; it is still managed by the French company Suez that built and equipped it. *This raises questions about the amount of money that was wasted on building, maintaining, and operating a public facility since its construction in 2009 until now.*

Constructing the sewer collectors and lines has been underway for more than 10 years with no clear deadlines. Some works were delayed because of technical difficulties, illegal occupation of land, bankruptcy of the contracting company and the latest economic crisis. In addition to the European Bank for Investment that gave a loan to CDR to build the plant and the network, the Kuwait Fund for Arab Economic Development gave a 2-million-dollar loan in 2018 to complete some lines in El Mina Tripoli.

In 2021, CDR published a General Procurement Notice for the Great Tripoli Basin Waste Water Networks on their website. The project which is co-financed by the European Investment Bank has not been contracted yet and the deadline for applications has been extended 3 times, with the latest being 31 December 2023. The call is still available on CDR website.



The Lebanese Republic, through the Council for Development and Reconstruction (CDR), intends to launch a project consisting in the construction of (and/or rehabilitation of existing) wastewater sewerage collection networks and conveyors in part of Tripoli city, part of Koura district, and part of Minieh-Dannieh district, and the rehabilitation of the existing WWTP in Tripoli.

The total budget of the project is EUR 107,000,000 and will be co-financed by the European Investment Bank (EIB, EUR m 74), the Government of Lebanon own resources (EUR m 10.7), and other sources (EUR m 22.3). The purpose of the project is to construct wastewater networks in areas of the Greater Tripoli Basin the sewerage of which can be conveyed to the Tripoli WWTP, which would secure sufficient flow for the plant to operate properly, and to rehabilitate the said WWTP.

The Project consists of the following works:

1 Construction of sewerage networks including house connections in part of Tripoli city, part of Koura, and part of Minieh-Dannieh. For a total length of approximately 570 km and around 20,000 house connections

2 Rehabilitation of the Tripoli WWTP

3 Supply of maintenance equipment to the NLWE

4 Provide Technical Assistance to the NLWE

WHERE DO WE STAND NOW ?

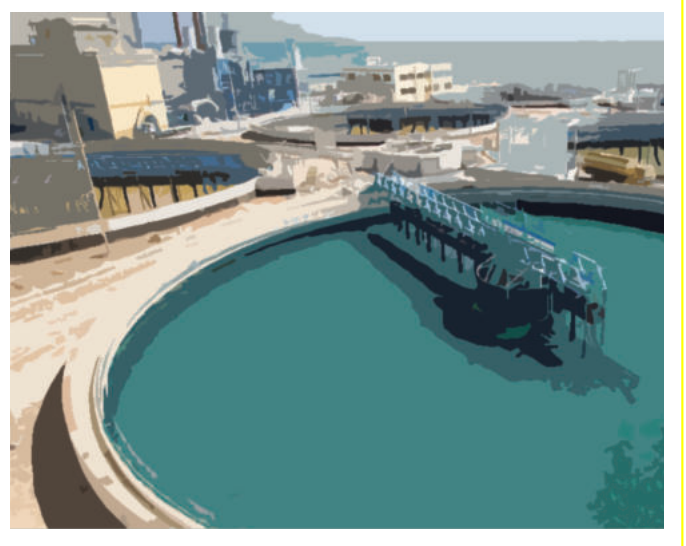
In the absence of a functioning treatment plant, the municipalities simply continue dumping untreated or partially treated wastewater into the sea and the rivers. After the Cholera outbreak in Lebanon on October 2022, the European Union signed an agreement with UNICEF in partnership with the Ministries of Energy and Water and Environment in June 2023 and announced a project that aims to bring back into operation 11 major wastewater treatment plants in various locations across Lebanon (including the one in Tripoli) over a two-year period. The EU has allocated EUR 45 million to fund this project and to support the water establishments, which are responsible for provision of water services.

During the ceremony which was held in the Grand Sérail on June 5th, 2023, Prime Minister Mikati stated:

“Today, through the signing of this agreement with UNICEF in partnership with the European Union - which has never failed to assist Lebanon in fundamental and essential matters - we hope it will be an opportunity for the Lebanese Government to take responsibility in managing and improving these facilities instead of relying on others to do so.”

However, there is concern that the North Water Authority does not have the capacity to manage the Tripoli Waste Water Plant. A source from the establishment informed us that UNICEF is currently paying SUEZ employees (some are non-Lebanese) through money transfer companies based on lists sent by the water establishment. In the absence of contracts and disclosed terms of reference, there is concern regarding the process of recruiting employees, their performance and activities. The legal status of such activities should be investigated and the role of the CDR, SUEZ, the North Water Establishment and the Ministry of Energy should be known.

Because of the ambiguity around this case and the fact that more than USD 200 million have been invested in building the networks and the plant but without efficiently using it (not more than 20% of its capacity), and since there is suspicion of corruption in this case and how foreign aid is used by the concerned parties, access to relevant information empowering citizens to hold power into account is needed at this stage.



ACCESS TO INFORMATION

Information on the following issues is needed from CDR and the North Lebanon Water Establishment

What is the legal status of Suez company regarding the management of the Plant?
A copy of their previous contracts with CDR and their current contracts (if any) are needed.

What is the role of the North Water Establishment in managing the facility and the network?

Are there any contracts between the Establishment and Suez?

Who is paying Suez employees and following what procedure?

How much waste water is currently being treated in the Plant?

A copy of the annual reports since its inauguration in 2009

Does the water establishment have the capacity to manage and operate the Waste Water Plant and the network?

How is UNICEF paying for the operations of the plant?
How and with whom are contracts signed?

What were the operation costs of the Tripoli Waste Water Plant since it was built in 2009?

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