

Evaluation Summary

Mid-term Evaluation of the Technical Assistance Program in Support to Reforms in the Water, Sanitation, and Energy Sectors in Lebanon

Country : Lebanon

Sector : Water and Sanitation

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Date of the evaluation : December 2024

Key data on AFD's support

Project number : CLB1105

Amount : EUR 12,700,000 on EU funds

Disbursement rate: 92%

Signature of financing agreement : 19 December 2019

Completion date : 31 August 2025

Total duration : 66 months

Context

Lebanon faces critical challenges in its water and wastewater sector, characterized by underutilized water resources, aging infrastructure, and incomplete institutional and legal governance frameworks. Of the estimated 2.7 billion m³ of annual water potential, only 1.5 billion m³ is utilized, with half of the rainwater unexploited and around 45% of non-revenue water. Financial and operational constraints are exacerbated by a lack of adequate tariff policies, insufficient maintenance programmes, and limited technical capacity in the four Regional Water Establishments (RWEs). Since 2020, Lebanon's compounded crises, including a financial collapse and the COVID-19 pandemic, have worsened these challenges, decreasing the billing collection rate and straining the financial viability of water services. The Programme, funded by the EU and implemented by AFD, aims to address these systemic issues through institutional reforms, improved infrastructure, and strengthened sectoral coordination, transitioning from an investment-based to a service-based approach.

Actors and operating method

The Ministry of Energy and Water (MoEW), the four RWEs and the international donors are key actors in this Technical Assistance (TA) Programme. AFD serves as the implementing partner, coordinating efforts through its Beirut office and HQ in Paris. The Programme employs a flexible implementation strategy, adapting to Lebanon's volatile context.



Objectives

The overall objective of the project is to strengthen the Lebanese actors in their respective functions as service providers (RWEs) and supervision (MoEW) as well as to support the institutional dialogue. The specific objectives are: 1. Support the implementation of priority reforms of the water and sanitation sector and build capacity of RWEs; 2. Support the maturation of infrastructure projects; and, 3. Strengthen institutional dialogue and sector coordination.

Expected outputs

- Implementing provisions of Water Law are drafted and validated
- MoEW control and regulation capacities are strengthened
- Economic sustainability of service is strengthened at national level
- A strategy tool and MoEW planning is completed and partially implemented
- Operating capacity of RWEs are strengthened
- Service rates are updated
- A RWE performance framework is put in place
- Regional planning tools are strengthened
- An interpretation of the infrastructure projects is defined and shared by stakeholders
- The infrastructure projects are revisited and prioritization is shared by stakeholders
- Sectoral coordination is reinforced
- Sectoral communication is strengthened

Performance assessment

Relevance: The intervention strategy is highly relevant, addressing critical gaps in governance, infrastructure, and institutional capacity. The intervention strategy of the Programme aligns closely with Lebanon's urgent needs for governance, infrastructure, and institutional reforms in the water sector. Designed across three pillars with 36 activities, the programme strengthens the legal framework, institutional setup, and technical capacities of stakeholders, particularly the MoEW and the four RWEs. The Programme's flexible approach enabled it to address urgent needs, including the development of a recovery plan and reshuffling the National Water Sector Strategy (NWSS).

Effectiveness: Progress has been achieved in policy drafting, recovery planning, and initial digital transformations. However, delays in application decrees and institutional restructuring limit effectiveness. The Programme has demonstrated effectiveness in enhancing technical capabilities within RWEs through seconded engineers. Achievements include improved data management via studies in GIS and SCADA systems and successful tariff simulations. Additionally, structured dialogues among stakeholders have advanced efforts in solarization, Non-Revenue Water (NRW) reduction, and energy management.

Efficiency: The Logical Framework Matrix (LFM) provides a coherent intervention structure, but weak indicators hinder accurate progress measurements. The Programme's implementation structure, comprising the AFD Beirut team, Long Term Technical Assistance contractors, and stakeholders, efficiently integrates national counterparts into decision-making processes. While the Programme's adaptive approach has enabled it to address emergencies, initial delays due to coordination challenges and staff changes have affected the timely completion of activities. Key achievements include developing operational frameworks, drafting long-term strategies, and improving the legal framework. However, the original work plan was overly optimistic, with several planned activities remaining unimplemented.

Impact: The Programme's long-term impact (LTI) depends on the political will to implement key deliverables. Significant strides have been made in drafting a Water Code, preparing the decrees for the implementation of the new water law, and clarifying roles between RWEs and municipalities, which, if adopted, could enhance service delivery and institutional governance. The revision of tariffs and integration of financial recovery strategies into the NWSS represent major governance milestones. However, the Programme's impact on infrastructure and digital transformation relies on further activities and resource allocation.

Sustainability : Sustainability remains a concern due to Lebanon's ongoing crises, which have strained RWEs' technical and financial capacities. Despite these challenges, the Programme has built a solid foundation through capacity-building initiatives, enhancing planning, administrative, and financial capabilities within RWEs. Measures such as tariff revisions and recovery plans aim to improve the financial viability of RWEs in the medium term.

Added value of AFD's contribution

1. Longstanding Engagement in Lebanon's Water Sector: AFD's extensive experience in Lebanon's water sector, spanning decades, positions it as a trusted and credible partner. This continuity has allowed AFD to establish strong relationships with key stakeholders, including the MoEW, the four RWEs, and the international donors.

2. Technical and Strategic Expertise: AFD's dual focus on technical improvements and strategic sectoral alignment enhances its contribution.

3. Coordination and Dialogue: AFD plays a important role in fostering collaboration and harmonizing efforts among stakeholders through structured platforms like task forces and donor coordination meetings.

4. Flexibility and Adaptability: In response to Lebanon's volatile socio-economic and political environment, AFD has demonstrated flexibility by adapting the Water Reform Programme (WRP) action plan to address urgent needs, such as recovery planning and institutional reforms.

5. Focus on Sustainability: AFD's efforts to enhance the technical and administrative capacities of RWEs lay the groundwork for sustainable water sector reforms.

6. Transparency and Accountability: AFD's emphasis on transparency in governance has strengthened its role as a trusted advisor. Its alignment with national recovery and governance priorities has amplified its impact, ensuring coherence in interventions and fostering ownership among stakeholders.

Conclusions & lessons learnt

Conclusions

The Programme intervention strategy is highly relevant, addressing critical water sector issues by targeting the legislative framework, institutional capacity, and operational efficiency of the MoEW and the RWEs. This includes sector policies, feasibility studies, and performance improvements for the RWEs.

Establishing the AFD team at the Beirut AFD office facilitated coordination with public entities, donors, and NGOs, leveraging AFD's strategic expertise and longstanding involvement in Lebanon's water sector.

A flexible approach allowed the Programme to adapt to urgent stakeholder needs, such as preparing recovery plans, reshuffling the NWSS, and advancing digital transformation for RWEs. However, delays in implementing planned activities due to Lebanon's compounded crises highlight challenges in achieving the programme's outputs within the expected timeline. An extension of the Programme's implementation period must be proposed to complete all activities and achieve the intended outputs.

The LFM provides a sound intervention structure but suffers from weak monitoring indicators, reducing its ability to measure the programme's impact on project objectives.

Delays caused by staff turnover, incomplete data, and coordination challenges during the first years of implementation slowed progress. Despite these setbacks, efforts in recent years have partially compensated for lost time.

The lack of an exit strategy and a sustainability plan raise concerns about the long-term viability of the Programme outcomes, although certain tools and frameworks (e.g., the recovery plan and NWSS) have established a solid foundation.

Lessons Learned

Coordination and Stakeholder Engagement: Establishing an AFD presence in Beirut and maintaining active dialogue with stakeholders has proven essential for effective coordination and ownership of reforms.

Flexibility in Planning: Adapting the action plan to urgent needs ensured the Programme's relevance and highlighted the importance of realistic work plans and contingency measures to address unforeseen challenges.

Monitoring and Evaluation: Strengthening the LFM with precise, results-oriented indicators is critical for tracking progress and measuring impact effectively.

Sustainability and Exit Strategy: Developing a clear exit strategy and a sustainability plan, including private sector engagement through PPPs, is essential for ensuring continued benefits after the Programme completion.

Resource Alignment: Enhancing the alignment of donor priorities and ensuring sufficient funding for extended timelines can mitigate delays and foster long-term success.