



STATEMENT OF FACTS:

In the light of the ongoing waste collection and disposal crisis currently faced by the Municipalities of Beirut and Mount Lebanon, we would like to provide the general public and interested parties with the following clarifications:

1. All aspects related to the effective, efficient and responsible municipal waste management collection, treatment and disposal in the areas covered by our Lebanese operations have been, and still continue to be, our priority since 1994, as per the terms of our contracts with the Lebanese state.
2. Under our Municipal Waste Contracts signed with the Council of Development and Reconstruction of Lebanon, Sukleen/Sukomi was responsible for:
 - a) Street cleaning and waste collection
 - b) Sorting, recycling and treatment of the collected waste
 - c) Landfilling the residual waste

It was the responsibility of the Government to provide:

- d) Required land for landfill sites
- e) Required land for treatment plants

Details of the conditions of our contract are available from the Council of Development and Reconstruction www.cdr.gov.lb/. The contract was won through an international competitive tendering process that was fully regulated and arbitrated by the Lebanese Government.

On a number of occasions, the Government issued a continuation of our contract thus extending the works whilst they assessed the most appropriate long-term waste treatment options. Each extension was subject to a six-month termination clause.

3. Sukleen/Sukomi's ambition had always been to ensure that 100% of the organic waste collected goes for composting. We have been campaigning, without success, since 1998 to have the Government provide us with more land, as per the contracts, to build additional composting and sorting plants.



4. Our price per tonne consists of specific rates relative to the waste service provided in the contract. These services cover several activities including curbside collection, haulage, sorting, baling, treatment, disposal, sweeping as well as the logistics and engineering assets. Any comparison to other municipal contracts needs to be made against a similar activity and on a like for like basis.
5. Our commitment and obligation to serve the capital, Beirut, and Mount Lebanon to international standards has been unwavering. We can only express our sincerest sympathy for the communities suffering from the escalation of uncollected municipal waste. This was caused by the absence of any landfill site since the closure of the landfill at Naameh. This closure prevented our trucks from accessing the site, thereby forcing the waste to accumulate in the streets once our trucks and storage facilities reached capacity.

Today we can only serve municipalities that have provided alternative temporary storage space for baled waste. The management of these sites is the responsibility of the municipality and our role in this instance is solely the haulage to the site.

6. Notwithstanding the formal expiry of our Municipal Solid Waste Contracts on the 17th of July 2015, we have been instructed by the Government, in the absence of any other solution, to continue the street cleaning and waste collection services for the transition period and until the new contractors are in place. Due to closure of Naameh landfill, these services, where possible, are restricted to emergency measures only and are not in line with our usual practices as carried out in our previous contract.
7. Ever since the inception of our municipal waste collection services in Beirut and Mount Lebanon in 1994, we have recognized and advised that Naameh Landfill would reach its maximum storage capacity and that additional options would be necessary. To this end, on numerous occasions, we have provided the Government and concerned authorities with a series of potential solutions to address the growing issue related to the disposal of municipal waste.



8. Sukleen/Sukomi has decided not to participate in the recent Waste Management tenders for Lebanon due to the following considerations.
 - a. The current bid conditions state that the bidders will secure and provide new landfill locations on behalf of the Lebanese Government with the approval of the surrounding community. The fundamental issue with this proposal is that we don't believe that we can secure locations which will be acceptable to the local communities and secondly, and related to this point, we are not in a position to protect or defend any site, which is the duty of the authority.
 - b. The pre-requisite diversion from landfill and recycling rates required by the tender can only be achieved with a complete re-configuration of the existing composting and sorting plants, building additional facilities and completing the requisite environmental impact assessment studies. This cannot be achieved as indicated by the tender within six months due to the volume of work needed. It would require a minimum of one year to implement and be subject to the same issue as sourcing the landfill in terms of public consent and logistics.
 - c. The method of collection which has been in place for the last twenty years, and is also stipulated in the new tender, is based around the collection of bins from streets and curbsides. Today, with the continuing urbanization, population growth and the increase in vehicular traffic this operating model is no longer appropriate and requires a modern, progressive approach and methodology.

We would like to confirm to our employees, partners and the Lebanese people that we will continue serving the country, despite the end of our contract, as required by the Government and until the incoming contractors commence. This commitment is in line with more than 20 years of service and achievements during which our devoted staff served Lebanon with outstanding pride, dedication and professionalism, thus ensuring a smooth transition process.