

# Treasury releases funds to firm building power plants

Differences remain over construction of facility near Deir Ammar: Nazarian

BEIRUT: Energy Minister Arthur Nazarian said Friday that the Finance Ministry has released the funds to a Danish firm building a 270 MW plant but admitted that differences remained over the construction of the 540 MW plant near Deir Ammar.

"The Danish company BWSC dropped the idea of going to Paris Club to complain about the delay in financing the project after it received another payment from the Finance Ministry recently. The company has proceeded with the construction of the 270 MW plants. We expect the completion of the plant at the end of this year hopefully," the minister told The Daily Star.

In September 2014, the Danish company suspended all work on the two electricity projects, which would have provided a maximum capacity of 272 megawatts, after the Finance Ministry withheld payments under the pretext that the contract was altered, a representative of the firm told The Daily Star at that time.

The \$348 million contract to build the new power plants in Jiyeh and Zouk Mikael was signed by former Energy Minister Gebran Bassil and the Danish-German consortium in February 2013.

Nazarian Thursday accused the Finance Ministry of distorting facts about contracts awarded to a Danish company and a German firm to build power plants in Lebanon.

The statement argued that the Finance Ministry refused to provide the remaining funds for the construction of two plants that were supposed to be built by Danish company BWSC and German firm Man Diesel, under the pretext that the contracts had been altered. This prompted the Danish firm to seek

international arbitration from the Paris Club group.

Nazarian explained that sharp differences still remain with the Finance Ministry over the construction of the \$400 million power plants in Deir Ammar.

The construction of the plant, the biggest such plant in Lebanon, was halted last year after the Finance Ministry discovered serious breaches in the original contract.

A source at the Finance Ministry told The Daily Star that Finance Minister Ali Hasan Khalil intends to hold a news conference Wednesday to reveal new documents that sug-

gest serious violations in the contracts with the Energy Ministry.

The source added that Khalil has enough proof to suspend the construction of work in Deir Ammar.

Commenting on the planned news conference, Nazarian insisted that his ministry has nothing to hide and all the contracts had received the approval of the Cabinet.

"I am curious what Minister Khalil will say during this news conference. Maybe he has new documents I am not aware of. But I can assure that I didn't sign anything new since I took office and all the contracts were signed by the former

energy minister," Nazarian said.

He added that apparently the contract for the construction of the power plants were exempted from the value added tax, caused a problem with the Finance Ministry, Nazarian said.

The minister suggested that Khalil's campaign against his ministry was politically motivated.

Nazarian said that the Lebanese government may renew the contract with the Turkish firm Karadeniz Holding that operates two electricity barges in Lebanon. The contract with the Turkish firm will expire in less than one year.

## Green drive IPT to transform into sustainable eco-friendly stations



Energy and Water Minister Arthur Nazarian signed Friday at Le Royal Hotel a memorandum of understanding with Fransabank, IPT and Phoenix Energy aimed at transforming IPT stations into green and sustainable stations.