



LOAN NUMBER 9576-LB

Loan Agreement

(Green, Agri-food Transformation for Economic Recovery Project)

between

THE LEBANESE REPUBLIC

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**



LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between THE LEBANESE REPUBLIC (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of two hundred million Dollars (\$200,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the Council for Development and Reconstruction (“CDR” or “Project Implementing Entity”), in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

- 3.02. Without limitation to the provision of Section 3.01 of this Agreement, and for purposes of carrying out Parts 1.2 and 2.1 of the Project, the Borrower shall cause CDR to enter into a separate agreement with Kafalat (acting as mandatary on behalf of the Borrower) and Green Plan, respectively, as provided in Sections I.C and I.D of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following:
- (a) the Kafalat Establishing Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of Kafalat to perform any of its obligations under its Respective Part of the Project.
 - (b) The CDR Establishing Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of CDR to perform any of its obligations under its Respective Part of the Project.
 - (c) The Green Plan Establishing Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of Green Plan to perform any of its obligations under its Respective Part of the Project.
- 4.02. The Additional Events of Acceleration consist of the following, namely that any of the events specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Borrower has entered into the CDR Subsidiary Agreement with the Council for Development and Reconstruction; and the CDR Subsidiary Agreement has been executed and delivered, and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled;
 - (b) The Borrower has caused CDR to enter into the Kafalat Subsidiary Agreement with Kafalat; and the Kafalat Subsidiary Agreement has been executed and delivered, and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled;
 - (c) The Borrower has caused CDR to enter into the Green Plan Subsidiary Agreement with Green Plan; and the Green Plan Subsidiary Agreement has been executed and delivered, and all conditions precedent to its effectiveness or to the right of Green Plan to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled;

- (d) The Borrower shall in accordance with Section 9.02 of the General Condition submit a legal opinion confirming on behalf of the Borrower and the Project Implementing Entity that the Loan Agreement has been duly authorized by, and executed and delivered on behalf of, such parties and is legally binding upon such parties in accordance with its terms, including the confirmation that execution and delivery of the (i) Kafalat Subsidiary Agreement and (ii) Green Plan Subsidiary Agreement have been duly authorized or ratified by all necessary actions and are legally binding upon the Borrower, CDR, Kafalat and Green Plan, as applicable, in accordance with their terms; and (iii) accordingly Kafalat and Green Plan are legally mandated to respectively implement Part 1.2 and Part 2.1 of the Project on behalf of the Borrower;
- (e) The Borrower has established the Project Coordination Unit (PCU), and has recruited or appointed a senior finance officer, a senior procurement officer and a finance officer to the PCU, with terms of reference, qualifications, and experience (including the allocation of appropriate resources) in accordance with the provisions of the POM and satisfactory to the Bank; and
- (f) The Borrower has adopted the Project Operations Manual, in form and substance satisfactory to the Bank.

5.02. The Effectiveness Deadline is the date one hundred and eighty (180) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is its ministry responsible for finance.

6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Ministry of Finance
Riad El-Solh Square
Beirut
Lebanese Republic; and

(b) the Borrower's Electronic Address is:

E-mail:

6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

E-mail: jcarret@worldbank.org

AGREED as of the Signature Date.

THE LEBANESE REPUBLIC

By

Youssef El Khalil

Authorized Representative

Name: Youssef El khali1

Title: Minister of Finance

Date: 08-May-2024

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

Jean-Christophe Carret

Authorized Representative

Name: Jean-Christophe Carret

Title: Country Director

Date: 15-Apr-2024

SCHEDULE 1

Project Description

The objective of the Project is to improve the resilience of farmers and Small and Medium Enterprises (SMEs) in the Lebanese agri-food sector.

The Project consists of the following parts:

Part 1: Climate Smart Investments in Agri-food Value Chains

Providing access to finance to strengthen the resilience of farmers and Small and Medium Enterprises (SMEs) operating in the agri-food value chains through:

1.1 Development of climate smart value chains by:

- (a) supporting communication campaigns to improve participation of small and medium-size agricultural crop and livestock producers to cooperatives and farmers' associations;
- (b) providing training on business management and governance and technical assistance to selected Eligible Beneficiaries for the preparation and implementation of climate-informed business plans; and
- (c) providing climate smart Matching Grants to Eligible Beneficiaries for the implementation of selected climate informed business plans.

1.2 Support to agrifood SMEs by:

- (a) providing SME Loans to eligible Small and Medium Enterprises (Eligible SMEs); and
- (b) providing technical assistance and IT systems to strengthen Kafalat's lending capacity.

Part 2: Climate-Smart Infrastructure and Services for Agri-food Sector Development

Providing support to restore service delivery, build operational capacity and ensure the sustainability of public infrastructure underpinning the agri-food sector through:

2.1 Supporting investment proposals for demand-driven agricultural sub-projects to improve rural community infrastructure by:

- (a) providing technical assistance to Green Plan, unions of municipalities, individual municipalities and associated stakeholders to conduct feasibility studies, prepare engineering designs, and carry out environmental and social impact assessments of proposed priority investments in public rural infrastructure development and public services;
- (b) carrying out capacity building of relevant Hilllake Associations responsible for the operation and management of hill-lakes; and
- (c) financing of water storage including small and medium-size hill lakes, small community-/farmer-led irrigation networks; rehabilitation of community infrastructure, including *inter alia*, rural feeders roads.

2.2. Restoring access to and protecting improved services and infrastructure assets underpinning agricultural competitiveness by:

- (a) Providing financial assistance for the rehabilitation and modernization of: (i) public irrigation schemes, (ii) wastewater management, (iii) solid waste management, and (iv) farmers's markets; and
- (b) Providing technical assistance to, among others, the MOEW, MOE, Water Establishments, Litani River Authority and local authorities for the rehabilitation and modernization of public irrigation schemes, wastewater treatment plants and solid waste management facilities.

Part 3: Improving the Enabling Environment and Restoring Support Services for Agri-food Sector Development

Providing support to restore and strengthen the capacity of sector institutions to support the agri-food sector transformation through:

3.1 Promoting improved access to climate-smart agriculture practices, data, and knowledge by:

- (a) conducting a food system diagnostic and analysis, including agricultural and industrial censuses, and other thematic agricultural surveys;
- (b) carrying out the development of a land productivity map and evidence-based land use decision tool;
- (c) digitalizing MoA's agricultural services and supporting operation and maintenance, process and communication, including digitalization of extension services and support to the farmers registry;
- (d) carrying out capacity building on the delivery of extension services, including Training on biological pest control and integrated control to decrease the use of chemicals and pesticides;
- (e) provision of technical assistance and training to selected agricultural smallholders on climate smart practices; and
- (f) providing support to strengthening the institutional and legal framework of the agricultural sector.

3.2 Strengthening food safety and security by:

- (a) providing technical assistance on (i) harmonizing national food safety requirements with international standards; (ii) establishing an implementation framework on good and climate smart agricultural practices in line with, among others, good agricultural practices , good manufacturing practices, good hygienic practices, food safety management systems based on the Hazard Analysis and Critical Control Points (HACCP); and (iii) designing and implementing residue and contaminant monitoring programs for food of animal origin;
- (b) providing technical assistance on (i) the development of a sanitary and phytosanitary (SPS)e-certification system for the digitalization of, *inter alia*, import, export and veterinary health certificates, industrial licenses for agricultural and agrifood facilities, field crop registration certificates; and (ii) development of a registration and administration system for food business operators, including exporters;

- (c) carrying out capacity building of the food safety inspection agency and of food testing laboratories on food safety control including supporting the rehabilitation and/or upgrade, operation and maintenance of selected laboratories;
- (d) carrying out livestock vaccination campaigns;
- (e) performing surveillance mechanisms for selected, priority pests and diseases of crops; and
- (f) supporting seeds multiplication capacity.

3.3 Improving agri-food export promotion and marketing systems by:

- (a) supporting the Borrower's promotion of agri-food national sector and participation to international agri-food fairs/exhibitions (including setting up of a Lebanon pavilion, logistics and registration fees), and
- (b) technical assistance for facilitating access to information on, inter alia, export processes, quality requirements, trial shipments, transportation options including through the upgrade of MOET's LEBTRADE platform.

Part 4: Project and Knowledge Management

Supporting Project management and coordination; monitoring and evaluation; compliance with the environmental and social standards; capacity building on gender sensitization for Project implementation purposes; fiduciary administration, internal controls, and audits; third-party monitoring, communication and outreach, and the establishment and maintenance of a Grievance Mechanism (GM) and a citizen's engagement mechanism.

Part 5: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. *Ministry of Agriculture (“MoA”), Ministry of Economy and Trade (“MoET”), Ministry of Energy and Water (“MoEW”) and Ministry of Environment (“MOE”) (the “Ministries”)*

The Borrower shall vest in the Ministries the overall responsibility for the oversight of the Project in accordance with the provisions of this Agreement, and the POM.

2. *Council for Development and Reconstruction (“CDR”)*
 - (a) The Borrower shall vest in the Council for Development and Reconstruction (“CDR”), the overall responsibility for the implementation of the Project, and shall cause CDR to take all actions, including the provision of funding, personnel, and other necessary resources, to enable the Borrower’s ministries involved in the Project and the Project Implementing Entities to perform their functions and obligations, in accordance with the provisions of this Agreement, the CDR Subsidiary Agreement, Kafalat Subsidiary Agreement, Green Plan Subsidiary Agreement and the POM.
 - (b) To facilitate the carrying out of the Project, the Borrower, through the MOF, shall make the proceeds of the Loan available to the CDR under a subsidiary agreement between the Borrower and CDR, under terms and conditions approved by the Bank (“CDR Subsidiary Agreement”), which shall include, *inter alia*, the following:
 - (i) the terms to make the proceeds of the Loan available to CDR;
 - (ii) the obligation of CDR to maintain, throughout Project implementation adequate staffing and personnel for the implementation of the Project, as further detailed in the POM;
 - (iii) the mandate under which CDR will enter into subsidiary agreements with Kafalat, acting as mandatary on behalf of the Borrower, and Green Plan respectively, all on terms satisfactory to the Bank.
 - (iv) the obligation of CDR to carry out its Respective Parts of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, engineering, managerial, financial management, environmental, social and technical standards and practices, including but not limited to Anti-Corruption Guidelines, Procurement Regulations, Social and Environmental Standards, and provide promptly as needed, the facilities, services and other resources required for the implementation of its Respective Parts of the Project;

- (v) the obligation of CDR to keep the Borrower and the Bank informed with regard to the progress of the Project, and the performance of its obligations under CDR Subsidiary Agreement; and (ii) carry out the requirements under Section II of this Schedule;
 - (vi) the obligation of CDR to promptly inform the Borrower and the Bank of any condition which interferes or threatens to interfere with the progress of its Respective Parts of the Project;
 - (vii) the obligation of CDR to: (i) maintain a procurement and financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to Respective Parts of the Project; and (ii) at the request of the Borrower or the Bank, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower and the Bank; and
 - (viii) the right of the Borrower to take remedial actions against CDR, in case CDR shall have failed to comply with any of its obligations under the CDR Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Loan transferred to CDR pursuant to the CDR Subsidiary Agreement (as the case may be).
- (c) The Borrower shall exercise its rights under the CDR Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the CDR Subsidiary Agreement or any of its provisions.

3. *Project Coordination Unit (PCU)*

The Borrower shall cause CDR to maintain within CDR, throughout the Project implementation period, a Project coordination unit; with composition, mandate and resources satisfactory to the Bank (“the PCU”), and as further detailed in the Project Operations Manual, including the obligation to:

- (a) maintain competent staff in adequate numbers all with adequate experience, qualification and terms of reference acceptable to the Bank; and
- (b) be responsible for day-to-day coordination of the Project activities, including: (i) carrying out Project financial management and procurement activities; (ii) monitoring and evaluation, including the preparation of Project progress reports and monitoring and evaluation reports; (iii) ensuring compliance with the

Environmental and Social Commitment Plan (“ESCP”) and environmental and social standards for Project activities; and (iv) coordinating with other stakeholders, including, *inter alia*, the Project Implementing Entities.

4. *Steering Committee*

The Borrower shall, no later than two (2) months after the Effective Date, or such later date as agreed by the Bank, establish and maintain throughout Project implementation, a steering committee, with terms of reference, composition, roles and responsibilities acceptable to the Bank and defined in the Project Operations Manual (“Steering Committee”), to provide, *inter alia*, overall strategic guidance and Project oversight, approve the Annual Work Plan and Budget, review implementation and evaluation reports, and resolve inter-ministerial issues, as applicable.

B. Project Operations Manual

1. To facilitate the implementation of the Project, the Borrower shall cause CDR to carry out the Project and cause the Project to be carried out in accordance with the POM in form and substance acceptable to the Bank. Such POM shall include, *inter alia*, a description of:

- (a) detailed institutional arrangements;
- (b) procurement arrangements;
- (c) detailed financial management and disbursement arrangements, including by Kafalat, CDR and Green Plan, annual audit, TPMA verification and reporting;
- (d) detailed description of mechanisms of transfer of Matching Grants to Eligible Beneficiaries under Part 1.1(c) of the Project, and SME Loans to Eligible SMEs under Part 1.2(a) of the Project, , including eligibility criteria, targeting mechanisms, and procedures in selecting Eligible Beneficiaries under Part 1.1(c), and Eligible SMEs under Part 1.2(a), respectively, and payment mechanisms for the Matching Grants, and SME Loans respectively;
- (e) personal data collection and processing practices in accordance with best international practice and domestic legislation, ensuring legitimate, appropriate and proportionate treatment of such data;
- (f) description of implementation of the Environmental and Social Framework-related requirements, as outlined in the ESCP;
- (g) the format and functioning of the Grievance Mechanism;
- (h) reporting, monitoring and evaluation arrangements, including independent verification of eligibility of beneficiaries of Matching Grants and SME Loans, , respectively;
- (i) the SME Lending Manual once adopted by Kafalat; and
- (j) the Project’s communication strategy.

2. in case of any conflict between the provisions of the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. Without limitation to the provisions of paragraph 2 above, and except as the Bank shall otherwise agree, the Borrower shall ensure that the CDR shall not assign, amend, abrogate or waive the POM or any provision of thereof if, in the opinion of the Bank, such

assignment, amendment, abrogation or waiver will materially and adversely affect the implementation of the Project. Any amendments to the said POM shall be made with the prior agreement of the Bank.

C. Kafalat- Part 1.2 of the Project.

1. To facilitate the implementation of Part 1.2 of the Project by Kafalat, acting as a mandatary on behalf of the Borrower, the Borrower shall cause CDR to make part of the proceeds of the Loan available to Kafalat, under a subsidiary agreement to be entered with Kafalat (the “Kafalat Subsidiary Agreement”), under terms satisfactory to the Bank and as further set out in the POM.
2. The Borrower shall cause CDR to exercise its rights under the Kafalat Subsidiary Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, Borrower shall not assign, amend, abrogate or waive the Kafalat Subsidiary Agreement or any of its provisions.
3. By not later than twelve (12) months after the Effective Date, or such later date to be agreed by the Bank, the Borrower, through CDR, shall cause Kafalat to complete the first phase of Kafalat Technical Assistance and to establish an IT system under terms satisfactory to the Bank.
4. The Borrower, through CDR, shall cause Kafalat to maintain throughout the Implementation of the Project, a project management unit within Kafalat in a form and with functions, staffing, resources, terms of reference and qualifications satisfactory to the Bank (Kafalat PMU) responsible for the day-to-day implementation (including financial management, procurement, technical assistance, and environmental and social aspects) of Part 1.2 of the Project, with functions, responsibilities and sufficient resources acceptable to the Bank.

D. Green Plan – Part 2.1 of the Project

1. The Borrower shall cause CDR to make part of the proceeds of the Loan available to Green Plan, under a subsidiary agreement to be entered with Green Plan (the “Green Plan Subsidiary Agreement”) for the implementation of its Respective Parts of the Project, all in form and substance satisfactory to the Bank, and with terms and conditions further set out in the POM.
2. The Green Plan Subsidiary Agreement shall include, *inter alia*, the following:
 - (a) the terms to make part of the proceeds of the Loan available to Green Plan;
 - (b) the obligation of Green Plan to maintain, throughout Project implementation, adequate staffing and personnel for the implementation of the Project, as further detailed in the Project Operations Manual;

- (c) the obligation of Green Plan to carry out its Respective Parts of the Project with due diligence and efficiency, in conformity with appropriate administrative, economic, engineering, managerial, procurement, financial management, environmental, social and technical standards and practices, including but not limited to Anti-Corruption Guidelines, Procurement Regulations, Social and Environmental Standards, and provide promptly as needed, the facilities, services and other resources required for the implementation of its Respective Parts of the Project;
 - (d) the obligation of Green Plan to keep CDR, the Borrower, and the Bank informed with regard to the progress of the Project, and the performance of its obligations under Green Plan Subsidiary Agreement; and (ii) carry out the requirements under Section II of this Schedule;
 - (e) the obligation of Green Plan to promptly inform the Borrower, CDR and the Bank of any condition which interferes or threatens to interfere with the progress of its Respective Parts of the Project;
 - (f) the obligation of Green Plan to: (i) maintain a procurement and financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to Respective Parts of the Project; and (iii) at the request of the Borrower, CDR or the Bank, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower and the Bank; and
 - (g) the right of the Borrower to take remedial actions against Green Plan, in case Green Plan shall have failed to comply with any of its obligations under the Green Plan Subsidiary Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Loan transferred to Green Plan pursuant to the Green Plan Subsidiary Agreement (as the case may be).
3. The Borrower shall cause CDR to exercise its rights and carry out its obligations under the Green Plan Subsidiary Agreement in such a manner as to protect the interests of the Borrower and the Bank in order to accomplish the purposes of the Project. Except as the Bank shall otherwise agree, the Borrower shall not amend, assign, abrogate, suspend, terminate, waive or fail to enforce the Green Plan Subsidiary Agreement or any of its provisions.
4. By not later than (3) months after the Effective Date, or such later date to be agreed by the Bank, the Borrower, through CDR, shall cause Green Plan to establish and thereafter maintain throughout the Implementation of the Project, a project management unit within Green Plan in a form and with functions, staffing, resources, terms of reference and qualifications satisfactory to the Bank (Green Plan PMU) responsible for the day-to-day

implementation (including financial management, procurement, technical assistance, and environmental and social aspects) of Part 2.1 of the Project, with functions, responsibilities and sufficient resources acceptable to the Bank.

E. Matching Grants under Part 1.1(c) of the Project.

1. To facilitate the implementation of Part 1.1(c) of the Project, the Borrower shall cause CDR to extend Matching Grants to Eligible Beneficiaries in accordance with eligibility criteria and under terms and conditions acceptable to the Bank and described in the POM.
2. Each Matching Grant shall be extended pursuant to an agreement (each a “Matching Grant Agreement”) to be entered into between CDR and the relevant Beneficiary, on the basis of model template agreements included in the POM, which shall, *inter alia*, include the following provisions:
 - (a) the Eligible Beneficiary shall carry out the Subproject with due diligence and efficiency in accordance with appropriate administrative, financial, technical, engineering and environmental standards, acceptable to the Bank, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Borrower, the Project Operations Manual and the ESCP;
 - (b) the Beneficiary shall provide, promptly as needed, the resources required for the purpose, if any; in respect of any Subproject, the Beneficiary shall procure the goods, works, non-consulting services and consulting services to be financed out of the Matching Grant in accordance with Commercial Practices and use such goods, works, non-consulting services and consulting services exclusively for the carrying out of the Subproject concerned;
 - (c) the Eligible Beneficiary shall maintain policies and procedures, adequate to enable the Borrower to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the activities carried out under the Subproject and the achievement of its objectives;
 - (d) the Eligible Beneficiary shall: (i) maintain a financial management system as per minimum requirements and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the activities carried out under the Project; and (ii) submit the financial statements to CDR based on the provisions of the matching grants agreement as as detailed in the POM;
 - (e) the Eligible Beneficiary shall enable the Borrower, CDR and the Bank to inspect the activities carried out under the Subproject, its operation and any relevant records and documents and prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank, shall reasonably request relating to the foregoing; and

- (f) CDR shall have the right to suspend or terminate the right of the Eligible Beneficiary to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Eligible Beneficiary's failure to perform any of its obligations under the Matching Grant Agreement.
- 3. The Borrower shall exercise its rights and carry out its obligations under each Matching Grant Agreement in such manner as to protect the interests of the Borrower, CDR and the Bank and to accomplish the purposes of the Financing. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any of the Matching Grant Agreements or any of their provisions.

F. Environmental and Social Standards.

- 1. *Environmental and Social Standards.* The Borrower shall, and shall cause the Project Implementing Entity as well as Kafalat and Green Plan ("Partner Entities") to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- 2. *Environmental and Social Commitment Plan.* Without limitation upon paragraph 1 above, the Borrower shall, and shall cause the Project Implementing Entity and Partner Entities to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower shall, and shall cause the Project Implementing Entity and Partner Entities to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. *Inconsistencies with the ESCP.* In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. *Monitoring and Reporting.* The Borrower shall, and shall cause the Project Implementing Entity and Partner Entities to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments

referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. *Grievance mechanism.* Not later than one (1) month after the Effective Date, or such later date to be agreed with the Bank, the Borrower shall, and shall cause the Project Implementing Entity and Partner Entities to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
6. *Civil works.* The Borrower shall, and shall cause the Project Implementing Entity and Partner Entities to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

G. Annual Work Plan and Budget

1. The Borrower shall, by not later than four (4) months after the Effective Date, and thereafter on an annual basis, by not later than January 31 each year, prepare and furnish to the Bank an annual work plan and budget (“Annual Work Plan and Budget”) for the Project for the subsequent year, said Annual Work Plan and Budget of such scope and detail as the Bank shall have reasonably requested.
2. The Borrower shall afford the Bank a reasonable opportunity to review such Annual Investment Plan and Budget, and thereafter, the Borrower shall carry out and cause Project Implementing Entity to carry out the Annual Work Plan and Budget as shall have been approved by the Bank. Only the activities included in the Annual Work Plan and Budget shall be eligible for financing.
3. The Annual Work Plan and Budget may be revised by the Borrower as required during Project implementation subject to the Bank’s prior written approval.

H. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Borrower shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Bank.
2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.
3. The Borrower shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall furnish to the Bank each Project Report not later than [one month] after the end of each [calendar semester], covering the [calendar semester].

B. Third-Party Monitoring Agency (TPMA)

1. By no later than sixty (60) days after the Effective Date, or such later date as agreed by the Bank, the Borrower shall cause the Project Implementing Entity to engage, and thereafter maintain, throughout the period of Project implementation, Third-Party Monitoring Agencies (“TPMAs”), with qualifications and experience and under terms of reference acceptable to the Bank, to carry out, under terms satisfactory to the Bank, a technical audit of the Project implementation, including, *inter alia*, of:
 - (a) verification of the beneficiaries for Matching Grants identified under Part 1.1(c) of the Project,
 - (b) accuracy of payments and confirmation of receipt of Matching Grants by beneficiaries;
 - (c) verification of Eligible SMEs for SME Loans under Part 1.2(a) of the Project;
 - (d) accuracy of payments and confirmation of receipt of SME Loans by Eligible SMEs; and
 - (e) other activities carried out by the Borrower and the Project Implementing Entities for the implementation of the Project.
2. The Borrower shall, through the PCU, submit to the Bank a technical audit report on a quarterly basis, within thirty (30) days of the end of each quarter, containing an evaluation of Project implementation carried out by the TPMA.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
----------	---	--

(1) CDR: Goods, works, non-consulting services, consulting services for the Project, and Operating Costs (other than Parts 1.2 and 2.1 of the Project)	102,000,000	100%
(2) CDR: Matching Grants under Part 1.1(c) of the Project	18,500,000	100%
(3) Kafalat: SME Loans under Part 1.2 of the Project	47,600,000	100%
(4) Kafalat: Goods, works, non-consulting services, consulting services, and Operating Costs for Part 1.2 of the Project	3,400,000	100%
(5) Green Plan: Goods, works, non-consulting services, consulting services, and Operating Costs for Part 2.1 of the Project	28,000,000	100%
(6) Emergency Expenditures under Part 5 of the Project	0	100%
(7) Front-end Fee	500,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(8) Interest Rate Cap or Interest Rate Collar premium	0	Amount payable pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	200,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) for payments under Category (2), unless and until the Bank has received evidence that at least two Matching Grant Agreements for Matching Grants have been signed; all in form and substance satisfactory to the Bank;

- (c) for payments under Categories (3), and (4) unless and until all of the following conditions have been met in respect of said expenditures: Kafalat has established a PMU in a form and with functions, staffing, resources, terms of reference and qualifications satisfactory to the Bank, including, a credit manager, a credit officer, a procurement specialist, a financial management officer, an accountant, and a senior management representative with overall accountability for environmental and social performance of sub-projects (Kafalat PMU);
- (d) for payments under Category (3) unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) Kafalat developed and adopted the Kafalat Lending Manual, in form and substance acceptable to the Bank; and
 - (ii) Kafalat has approved the first five (5) SME Loans with the respective Eligible SMEs, in form and substance satisfactory to the Bank.
- (e) for Emergency Expenditures under Category (6), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (6); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.

2. The Closing Date is December 31, 2028.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each April 15 and October 15 Beginning October 15, 2028 through October 15, 2046	2.63%
On April 15, 2047	2.69%

APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” means any of the work plans prepared annually by the Borrower in accordance with the provisions of Section I.G of Schedule 2 to this Agreement, as further detailed in the Project Operations Manual and as approved by the Bank.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Council for Development and Reconstruction” or “CDR” means each a public authority established and operating pursuant to the CDR Enabling Legislation, or any successor thereto acceptable to the Bank.
5. “CDR Establishing Legislation” means the Legislative Decree No. 5 dated January 31, 1977, and the Law No. 295 dated April 3, 2001, of the Lebanese Republic, and their respective amendments acceptable to the Bank.
6. “CERC Manual” means the manual referred to in Section I.F of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank, and which is an integral part of the Project Operations Manual.
7. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
8. “CDR Subsidiary Agreement” means the agreement between the Borrower and CDR, as referred to in Section I.A.2 of Schedule 2 to this Agreement and as further detailed in the Project Operations Manual, as the same may be amended from time to time with the prior written approval of the Bank.
9. “Designated Accounts” means the designated accounts opened by CDR, Kafalat, and Green Plan, respectively, at the Borrower’s central bank *Banque du Liban* for the purposes of the Project, into which amounts withdrawn from the Loan will be deposited, in accordance with the provisions of the General Conditions and the Disbursement Guidelines.
10. “Eligible Beneficiary” means a farmer organization or individual farmer, whose investment proposal was selected to receive a Matching Grant under Part 1.1(c) of the Project, in accordance with the terms of the POM; and “Eligible Beneficiaries” means more than one Eligible Beneficiary.

11. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
12. “Eligible SMEs” means small and medium enterprises selected to receive a SME Loan under Part 1.2(a) of the Project in accordance with the criteria set forth in the POM.
13. “Emergency Action Plan” means the plan referred to in Section I.F of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
14. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.F.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
15. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated June 1, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
16. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
17. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022), with the modifications set forth in Section II of this Appendix.
18. “Green Plan” means the government body established under the MoA pursuant to the Green Plan Establishing Legislation to study and execute land rehabilitation and development projects in the territory of the Borrower, or any successor thereto acceptable to the Bank.

19. “Green Plan Establishing Legislation” means Decree No. 13335, dated July 10, 1963, and regulated under Decrees No. 13786, 13785 and 13789 dated September 9, 1963 of the Lebanese Republic, and their respective amendments acceptable to the Bank.
20. “Green Plan PMU” means the implementation unit within Green Plan in charge of the day-to-day management, implementation, monitoring and evaluation of Part 2.1 the Project, as referred to in Section I.D.4 of Schedule 2 to this Agreement and as further detailed in the Project Operations Manual.
21. “Green Plan Subsidiary Agreement” means the agreement between CDR and Green Plan, as referred to in Section I.A.5 of Schedule 2 to this Agreement and as further detailed in the Project Operations Manual, as the same may be amended from time to time with the prior written approval of the Bank.
22. “Grievance Mechanism” means the grievance mechanism established, publicized, maintained and operated by the Borrower to receive and facilitate the resolution of concerns and grievances in relation to the Project, in accordance with the ESCP.
23. “Hazard Analysis and Critical Control Points” or “HACCP” means the management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.
24. “IT” means information technology.
25. “Kafalat” means Kafalat S.A.L., a joint stock company established in 1999 based on the Borrower’s Law No. 24 authorizing the National Deposit Guarantee Institution to participate in a Lebanese Joint Stock Corporation pursuant to the Borrower’s Code of Commerce with Registration number 75000, incorporated and operating as a financial institution under the Borrower’s laws (Central Bank decision No 7136 and related Laws and Regulations) with registration number 27, established under the Kafalat Establishing Legislation.
26. “Kafalat Establishing Legislation” means Central Bank decisions No 7136, 7403 and 7482, and Kafalat’s by-laws dated April 28, 1999 of the Lebanese Republic, and their respective amendments acceptable to the Bank.
27. “Kafalat Lending Manual” means the lending manual to be developed by Kafalat which sets the on-lending terms of SME Loans, in accordance with the provisions of this Agreement and of the POM.
28. “Kafalat PMU” means means the implementation unit within Kafalat in charge of the day-to-day management, implementation, monitoring and evaluation of Part 1.2 the Project, as referred to in Section I.E.5 of Schedule 2 to this Agreement and as further detailed in the Project Operations Manual.

29. “Kafalat Subsidiary Agreement” means the agreement between CDR and Kafalat, as referred to in Section I.D of Schedule 2 to this Agreement and as further detailed in the Project Operations Manual, as the same may be amended from time to time with the prior written approval of the Bank.
30. “Kafalat Technical Assistance” means the training and capacity building program to be provided to Kafalat in order for Kafalat to engage in SME Loans, particularly in the agrifood sector, in terms and conditions satisfactory to the Bank and as further provided in the Project Operations Manual.
31. “LEBTRADE” means the online platform developed by MoET under the project “Strengthening Exports of Fruits and Vegetables from Lebanon to European and Regional Markets” funded by the Kingdom of the Netherlands, or any successor platform thereto.
32. “Litani River Authority” means the Borrower’s Litani River Authority, a public authority established and operating pursuant to the Borrower’s law dated August 14, 1954 amended on December 30, 1955 and relevant regulations, or any successor thereto acceptable to the Bank.
33. “Matching Grant” means the matching grant referred to in Section I. C.1(a) of Schedule 2 to this Agreement to be extended to a Beneficiary, in accordance with the POM.
34. “Matching Grant Agreement” means the agreement for the provision of Matching Grants referred to in Section I.C.2 of Schedule 2 to this Agreement.
35. “Ministry of Finance” means the Borrower’s Ministry of Finance or any successor thereto.
36. “MoA” means the Borrower’s Ministry of Agriculture or any successor thereto.
37. “MoE” means the Borrower’s ministry of environment or any successor thereto.
38. “MoET” means the Borrower’s ministry of economy and trade, or any successor thereto.
39. “MoEW” means the Borrower’s ministry of energy and water or any successor thereto.
40. “Operating Costs” means incremental costs incurred on account of the Project coordination, implementation and monitoring, including expenditures for vehicle operation and maintenance, audit fees, legal fees (as required), maintenance of equipment, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Project-related travel, including per diem and accommodation, and other miscellaneous costs directly associated with the Project implementation and salaries of Project staff, but excluding salaries of the Borrower’s civil servants, meeting allowances, other sitting allowances, salary top ups and all honoraria.

41. “Partner Entities” means together, Kafalat and Green Plan.
42. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
43. “PCU” or “Project Coordination Unit” means the coordination unit within CDR in charge of the day-to-day management, implementation, monitoring and evaluation of the Project, as referred to in Section I.A.2 of Schedule 2 to this Agreement and as further detailed in the Project Operations Manual.
44. “Project Implementing Entities” means collectively, (i) CDR, with whom the Borrower shall enter into the CDR Subsidiary Agreement, for the implementation of the Project, (ii) Kafalat, with whom the Borrower shall cause CDR to enter into a Kafalat Subsidiary Agreement to implement Kafalat’s Respective Parts of the Project, and (iii) Green Plan, with whom the Borrower shall cause CDR to enter into the Green Plan Subsidiary Agreement to implement Green Plan’s Respective Parts of the Project.
45. “Project Operations Manual” or “POM” means the operations manual to be adopted by the Borrower and the Project Implementing Entities pursuant to section 5.01 of this Agreement, and referred to in Section I.C of Schedule 2 to this Agreement, satisfactory to the Bank, describing and setting forth procedures for implementation of the Project and institutional arrangements, consistent with the provisions of this Agreement, as the same may be amended from time to time with the prior agreement of the Bank.
46. “Respective Parts of the Project” means:
- for CDR, Part 1.1, Part 2.2, Part 3 and Part 4 of the Project;
 - for Kafalat, Part 1.2 of the Project; and
 - for Green Plan, Part 2.1 of the Project.
47. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
48. “SME Loans” means the Loans referred to in Section I.B of Schedule 2 to this Agreement to be extended to Eligible SMEs, in accordance with the terms and conditions of this Agreement and the POM.
49. “Steering Committee” means the committee established for the overall oversight of the Project, as referred to in Section I.A.2 of Schedule 2 to this Agreement and further detailed in said Project Operations Manual, or any successor thereto acceptable to the Bank.
50. “STEP” means Systematic Tracking of Exchanges in Procurement, an online system that helps the World Bank and Borrowers plan, record, and track key stages of the procurement process and contract management under Investment Project Financing (IPF) projects.

51. “Third-Party Monitoring Agency” or “TPMA” means an independent verification agency or agencies, satisfactory to the Bank, hired under the Project to conduct technical audit as provided under Section II.B of Schedule 2 to this Agreement.
52. “Training” means Project related study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, reasonable and necessary local and international travel by participants in training activities, reasonable lodging and accommodation, subsistence and local and international per diem of trainees and trainers, registration, tuition and facilitators’ fees, translation and interpretation, and other training related miscellaneous costs, all based on budgets acceptable to the Bank.
53. “Water Establishments” means together, the regional water establishments in North, South, Beka’a and Beirut, and the legal successors thereof, responsible for, inter alia: (i) the implementation, operation, maintenance and renovation of potable water supply, irrigation and wastewater according to the general master plan and as per the instructions of MoEW; (ii) setting water tariffs for potable water supply and irrigation, taking into account socio-economic conditions; and (iii) quality control of potable water and water for irrigation; as established pursuant to the Water Law No. 221 of the Borrower, or any such establishment acceptable to the Bank.