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LFF GRANT NUMBER TF0C3381

**Lebanon Financing Facility for Reform,  
Recovery and Reconstruction Multi-  
Donor Trust Fund  
Grant Agreement**

**(Fiscal Management Project)**

**between**

**LEBANESE REPUBLIC**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**acting as administrator of Lebanon Financing Facility for Reform, Recovery and  
Reconstruction Multi-Donor Trust Fund**

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**LEBANON FINANCING FACILITY FOR REFORM, RECOVERY AND  
RECONSTRUCTION MULTI-DONOR TRUST FUND  
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between the LEBANESE REPUBLIC (“Recipient”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”), acting as administrator of Lebanon Financing Facility for Reform, Recovery and Reconstruction Multi-Donor Trust Fund.

WHEREAS the Recipient has requested the Bank to extend a loan to assist in the financing of the Project in the amount of twenty-eight million five hundred thousand United States Dollars (US\$28,500,000) United States Dollars (the “Loan”), under the terms and conditions of a loan agreement between the Recipient and the Bank dated the same date as this Agreement (“Loan Agreement”); and funding from the Lebanon Financing Facility for Reform, Recovery and Reconstruction Multi-Donor Trust Fund was received by the Bank for purposes of providing co-financing to the Loan on terms and conditions set forth in this Agreement.

NOW THEREFORE, the Recipient and the Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard 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 Standard Conditions or in the Appendix to this Agreement.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient, through the Ministry of Finance (MOF), shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III**  
**The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed five million five hundred thousand United States Dollars (\$5,500,000) (“Grant”) to assist in financing Part 1.3(a) and Part 2.4(a) of the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV**  
**Additional Remedies**

- 4.01. The Additional Event of Suspension consists of the following, namely that the Regulatory Framework has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of the Recipient to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Recipient.

**Article V**  
**Effectiveness; Termination**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) The Grant Manual has been adopted by the Recipient under terms satisfactory to the Bank; and
  - (b) Evidence satisfactory to the Bank has been furnished to the Bank that the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized by all necessary governmental actions.

- 5.02. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety days (90) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

**Article VI**  
**Recipient's Representative; Addresses**

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister in charge of finance.
- 6.02. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's address is:

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

(b) the Recipient's Electronic Address is:

Facsimile:

+961 1 642 762

- 6.03. For purposes of Section 7.01 of the Standard 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](mailto:jcarret@worldbank.org)

AGREED as of the Signature Date.

**LEBANESE REPUBLIC**

**By**

Youssef El Khalil  
**Authorized Representative**

**Name:** Youssef El Khalil

**Title:** Minister of Finance

**Date:** 22-Jul-2024

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
acting as administrator of Lebanon Financing Facility for  
Reform, Recovery and Reconstruction Multi-Donor Trust  
Fund**

**By**

Jean-Christophe Carret  
**Authorized Representative**

**Name:** Jean-Christophe Carret

**Title:** Country Director

**Date:** 17-Jul-2024

## SCHEDULE 1

### Project Description

The objective of the Project is to support the Recipient restore the basic functions for domestic revenue mobilization and accountable allocation in the use of public resources.

The Project consists of the following parts:

#### **Part 1: stabilizing domestic revenue administration.**

Provision of support to critical revenue functions which are essential for increasing the collection of tax and non-tax revenues, including through:

- 1.1 Strengthening the Large Taxpayer Office and a taskforce for large debts through, *inter alia*,
  - (a) the provision of operational support to enhance tax compliance, including with regard to tax arrears recovery, and the implementation of a tax compliance plan;
  - (b) the provision of Training and capacity building of staff, on, *inter alia*, taxpayer education; and
  - (c) the provision of solar panels for electricity generation.
- 1.2 Restoring basic functions of Customs through, among others:
  - (a) the provision of operational support to ensure basic functioning of the customs administration in accordance with the Customs Law; and
  - (b) the provision of Training and capacity building of staff, technical assistance for supporting the preparation of a strategic plan; and
  - (c) the provision of solar panels for electricity generation.
- 1.3 Restoring revenue management ICT systems through, among others:
  - (a) carrying out maintenance and upgrading of hardware, software, and the ICT capacity of the tax and customs ICT systems; and
  - (b) integrating revenue and customs systems to enhance data sharing for critical decision making and enhancing the review functions.

#### **Part 2: Restoring fiscal controls.**

Provision of support to help re-establish critical macro fiscal planning, budgeting, payment processing and reporting pillars for allocating and utilizing resources to meet urgent fiscal control needs and set the foundation for recovery, including through:

- 2.1 Strengthening budget preparation through, among others:

- (a) operational support to achieve the timely preparation of the annual budget, underscored by a sound macro fiscal framework which supports the crisis response and recovery;
  - (b) Training and capacity building, and technical assistance to staff for, *inter alia*, the updating of the macro fiscal framework, preparation of budget ceilings, enhancing of the macro fiscal framework budgeting methodologies, preparation of a fiscal risk analysis, preparation of budget policy statement setting the foundations for gender-responsive and climate sensitive budgeting and enhancing citizen engagement; and
  - (c) provision of solar panels for electricity generation.
- 2.2 Regularizing fiscal reporting and end-year financial reporting through, *inter alia*:
- (a) operational support to regularize the generation of budget execution reports, annual financial statements, and bank reconciliations for closely monitoring budget execution and fiscal risks; and
  - (b) Provision of capacity building and Training to relevant staff engaged in fiscal reporting and provision of related IT equipment,
  - (c) provision of solar panels for electricity generation.
- 2.3 Maintaining timely processing of public payment documentation and updating pension files through, *inter alia*:
- (a) operational support for the timely review of public payment documentation, and the timely preparation, review and updates of pension files for efficient and effective payment function;
  - (b) Provision of capacity building and Training to relevant staff engaged in payment documentation and pension file updating, and provision of related IT equipment; and
  - (c) provision of solar panels for electricity generation.
- 2.4 Restoring cross-cutting Information and Communication Technology (ICT) functionalities through, *inter alia*:
- (a) supporting critical maintenance and upgrading of hardware, software, and the ICT capacity of the budget and expenditure management systems;
  - (b) provision of critical IT equipment and related software and licenses to provide cross cutting support to expenditure management;
  - (c) integrating expenditure and revenue systems to enhance data sharing for critical decision making on expenditure and revenue management; and
  - (d) supporting an ICT strategy, a business process review and a post implementation review.

**Part 3: Re-vitalizing Oversight and Accountability Institutions and procurement capacity building.**

Provision of support to help enhance (a) the role of oversight, audit and capacity of the Court of Accounts (CoA), Central Inspection (CI), the Public Procurement Authority and other selected public procurement institutions and expand their engagement with the citizens; and (b) the role of capacity building of the Institute of Finance, including through:

3.1 Increasing core functions capacity of:

- (a) the CoA through among others: (i) operational support to expedite the clearance of the backlog of statutory audits and maintain timely audits thereafter, carry out audits of automated environments and support citizen engagement activities on audit recommendations; and (ii) Training and capacity building to CoA staff,;
- (b) (i) the CI through among others operational support to carry out in-depth payroll audits; and (ii) technical assistance to carry out payroll audits and (iii) provision of solar panels for electricity generation; (c) interconnectivity of CoA and CI to carry out their audits and inspections through the establishment of connectivity platforms.

3.2 Supporting (a) the enhancement of capacity building functions of the Institute of Finance; and (b) the professionalization of public procurement practitioners through, *inter alia*, technical assistance and Training.

**Part 4: Project Management**

4.1 Project 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.

4.2 PBC verification and audit support

Providing technical assistance for the review and verification of results associated with Performance-Based Conditions, and for the support of financial audit required for Project fiduciary oversight.

**Part 5: Contingent Emergency Response**

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



**SCHEDULE 2**  
**Project Execution**

**Section I. Institutional and Other Arrangements**

**A. Institutional Arrangements.**

1. MOF

Without limitation to the provisions of Article II of the Standard Conditions, the Recipient, through the MOF, shall have the overall responsibility for the implementation of the Project.

2. Project Team

Without limitation to the provisions of Article II of the Standard Conditions, and except as the Bank shall otherwise agree, the Recipient, through MOF, shall not later than one (1) month after the Effective Date appoint staff from the MOF as part of a Project team within the MOF, with composition, resources, terms of reference and functions acceptable to the Bank (the “Project Team”), including the obligation to be responsible for the day-to-day implementation of the Project including disbursement, procurement, monitoring and evaluation, reporting, and ensuring compliance with environmental and social obligations and arrangements under the Project, until the Project Coordination Unit has been established and staffed, all as further elaborated in the Grant Manual.

**B. Grant Manual**

1. The Recipient, through MOF, shall adopt and thereafter maintain a Grant Manual, under terms satisfactory to the Bank, which shall include the rules, guidelines, standard documents and procedures for the carrying out of Part 1.3(a) and Part 2.4(a) of the Project, including *inter alia*, a detailed description of the institutional and implementation arrangements of Part 1.3(a) and Part 2.4(a) of the Project including the tasks of the Project Team; the Project accounting, auditing, reporting, financial, and disbursement procedures; the environmental and social obligations and arrangements for the Project; the indicators to be used in the monitoring and evaluation of the Project and procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; and the requirements of the Anti-Corruption Guidelines.

2. The Grant Manual may not be assigned, amended, abrogated or waived, or permitted to be assigned, amended, abrogated or waived, or any provision thereof, in a manner which, in the opinion of the Bank, may materially and adversely affect

the implementation of the Project. The Grant Manual may only be amended in consultation with, and after approval of, the Bank. In case of any conflict between the terms of the Grant Manual and those of this Agreement, the terms of this Agreement shall prevail.

**C. Annual Work Plan and Budget**

1. The Recipient, through the Project Team, shall:
  - (a) unless otherwise agreed with the Bank, prepare and furnish to the Bank not later than November 15 of each year during the implementation of the Project, starting in 2024, a proposed Annual Work Plan and Budget for the next calendar year containing: (i) all activities to be carried out under the Project during that calendar year; and (ii) a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing; and
  - (b) provide the Bank a reasonable opportunity to exchange views with the Recipient on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that the Project is implemented with due diligence during said following year, in accordance with such Annual Work Plan and Budget as shall have been approved by the Bank; and not make or allow to be made any change to the approved Annual Work Plan and Budget without the Bank's prior written approval.

**D. Environmental and Social Standards.**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient shall 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 Recipient shall 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. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall 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. The Recipient shall 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.

## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Project Reports**

The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

**Section III. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance the following Eligible Expenditures, inclusive of Taxes.

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, and consulting services, Operating Costs, Training under Part 1.3(a) and Part 2.4(a) of the Project	5,500,000	100%
<b>TOTAL AMOUNT</b>	5,500,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the Signature Date.
6. The Closing Date is June 30, 2025.

## APPENDIX

### Definitions

1. “Allowances” means the incremental costs incurred on account of the Project coordination, implementation and monitoring, directly associated with the Project implementation and salaries of Project staff, as permitted under the Recipient’s Regulatory Framework, excluding Operating Costs.
2. “Annual Work Plan and Budget” means any or all of the work plans prepared annually by the Recipient in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, as further detailed in the Project Operations Manual and as approved by the Bank.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Central Inspection” or “CI” means the Recipient’s central inspection unit established and operating within the Presidency of the Council of Ministers under Law of December 12, 1958, and the Legislative Decree No. 115 of June 12, 1959, or its legal successor.
6. “CoM” means the Recipient’s Council of Ministers or its legal successor.
7. “Court of Accounts” or “CoA” means the Recipient’s administrative court established by the Public Accounting Law of January 16, 1951, and operating to supervise the management of public funds by auditing and setting the accounts of the Government, ruling on validity and legality of its transactions, or its legal successor.
8. “Customs” means the Recipient’s customs administration, established and operating pursuant to Decree No. 4461 of December 15, 2000, or its legal successor.
9. “Eligible Beneficiary” means the Recipient’s civil servants eligible to receive an Allowance under the Project in accordance with the Regulatory Framework and the terms of the POM; and “Eligible Beneficiaries” means more than one Eligible Beneficiary.

10. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated December 22, 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 Recipient 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.
11. “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.
12. “Grant Manual” means the manual referred to in Section I.B of Schedule 2 to this Agreement, as adopted by the Recipient, describing and setting forth procedures for implementation of Part 1.3(a) and Part 2.4(a) of the Project and institutional arrangements, consistent with the provisions of this Agreement, and as the same may be amended from time to time with the prior written approval of the Bank.
13. “Grievance Mechanism” or “GM” means the grievance mechanism established, publicized, maintained and operated by the Recipient to receive and facilitate the resolution of concerns and grievances in relation to the Project, in accordance with the ESCP.
14. “Institute of Finance” means “*Institut des Finances Basil Fuleihan*”, the Recipient’s specialized autonomous public institution that contributes to capacity development in public financial management and governance through policy research, training and partnership building, established and operating under MOF pursuant to Article 49 of the Recipient’s Budget Law no. 497/2003 or its legal successor.
15. “IT” means information technology.

16. “Large Taxpayer Office” or “LTO” means the dedicated unit for administration of taxes of the largest taxpayers, established and operating pursuant to the Recipient’s Decree no. 10063 of 2003.
17. “Loan” means the Loan No 9644-LB in an amount of twenty-eight million five hundred thousand Dollars (\$28,500,000) to be provided by the International Bank for Reconstruction and Development to assist the Recipient in financing the Project.
18. “Loan Agreement” means the agreement of the same date of this Agreement between the Recipient and the International Bank for Reconstruction and Development, providing the Loan to the Recipient to assist in financing the Project, as such agreement may be amended from time-to-time. “Loan Agreement” includes all appendices, schedules and agreements supplemental to the Loan Agreement.
19. “MOF” means the Recipient’s ministry in charge of finance, or any legal successor thereto acceptable to the Bank.
20. “MTFF” means medium-term fiscal framework tool of the MOF used for medium term budgeting and fiscal planning.
21. “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 Recipient’s civil servants, meeting allowances, other sitting allowances, salary top ups and all honoraria.
22. “Oversight and Accountability Institutions” means, the Central Inspection, the Court of Accounts, Public Procurement Authority and other public procurement institutions selected for their oversight, audit, and/or inspection mandates, to be selected by the Borrower for the purposes of Part 3 of the Project with the prior approval of the Bank.
23. “Performance-Based Condition” or “PBC” means a performance-based condition referred to in the Loan Agreement; and “PBCs” means more than one PBC.

24. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
25. “Project Coordination Unit” or “PCU” means the unit within MOF in charge of the day-to-day management, implementation, monitoring and evaluation of the Project, as referred to in the Loan Agreement.
26. “Project Operations Manual” or “POM” means the manual referred to in the Loan Agreement, to be adopted by the Recipient, describing and setting forth procedures for implementation of the Project and institutional arrangements, consistent with the provisions of the Loan Agreement, and as the same may be amended from time to time with the prior written approval of the Bank.
27. “Project Team” means the unit within MOF 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 Project and as further detailed in the Grant Manual; or any successor thereto acceptable to the Bank.
28. “Project Steering Committee” means the committee established for the overall oversight of the Project, as referred to in Section I.A.3 of Schedule 2 to this Agreement and further detailed in said Project Operations Manual, or any successor thereto acceptable to the Bank.
29. “Public Procurement Authority” means the Recipient’s specialized autonomous public institution on public procurement, established and operating pursuant to the Recipient’s Public Procurement Law No. 244/2021, or its legal successor.
30. “Regulatory Framework” means the Recipient’s Law No. 112 dated December 6, 1959; decree to be issued by the Council of Ministers pursuant to Article 25 of Law No. 112 regarding the compensation and Allowances of civil servants, and any subsequent related implementing decisions, as applicable.”
31. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
32. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
33. “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.

34. "VAT" means value-added tax.
35. "Verification Agent" means an independent verification agency or agencies, satisfactory to the Bank, hired under the Project to conduct technical audit as provided under Section I.F of Schedule 2 to this Agreement.
36. "Verification Protocol" means the Recipient's protocol detailing the means by which the fulfillment of the Performance-Based Conditions will be verified under the Project, as further described in the Project Operations Manual.