

Date 01-Oct-2024

H.E. Nasser Yassin
Minister of Environment
Ministry of Environment
Azariah Bld Floor 7-8
Beirut
Lebanese Republic

Re: GEF Grant No. TF0C5743
Lebanese Republic Community-based Wildfire Risk Management
in Lebanon's Vulnerable Landscapes Project
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of the Lebanese Republic ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("Bank"), acting as implementing agency of the Global Environment Facility (GEF), proposes to extend to the Recipient a grant in an amount not to exceed three million four hundred fifty eight thousand United States Dollars (USD 3,458,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This 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 (as defined in the Annex to this Agreement), the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,
**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT
ASSOCIATION (acting as Implementing Agency of the Global Environment Facility)**

Jean-Christophe Carret

Jean-Christophe Carret
Country Director for Lebanon
Middle East and North Africa Region

AGREED:
LEBANESE REPUBLIC

By Nasser Yassin
Authorized Representative
Name Nasser Yassin
Title Dr
Date 18-oct-2024

Enclosures:

- (1) “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
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017

Copy to:

H.E. Youssef Khalil
Minister of Finance
Ministry of Finance
Riad El-Solh Square
Beirut, Lebanese Republic
Email: minister@finance.gov.lb

H.E. Nasser Yassin
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**GEF Grant No. TF0C5743
ANNEX****Article I
Standard Conditions; Definitions**

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Section:

- (a) “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.
- (b) “Annual Work Plan and Budget” means each annual plan referred to in Section 2.03. C of this Annex.
- (c) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
- (d) “Direct Costs” means the actual cost of the Project Implementing Entity that can be directly traced to the deliverables set forth in the Output Agreement.
- (e) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated July 30, 2024, 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.
- (f) “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.

- (g) “Indirect Costs” means the indirect costs incurred by the Project Implementing Entity as a function and in support of the Project, which cannot be traced unequivocally to the deliverables and technical outputs of the Project.
- (h) “Output Agreement” means the agreement between the Recipient and the Project Implementing Agency to carry out activities under this Project, all in form and substance satisfactory to the Bank, as the same may be amended from time to time with the agreement of the Bank.
- (i) “MoE” or “Ministry of Environment” means the Recipient’s ministry responsible for environment or any successor thereto.
- (j) “Operating Costs” means the reasonable costs for the incremental expenses incurred by the PMU on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, and incremental salaries of contractual staff for the Project, but excluding salaries, consulting services, fees, honoraria, bonuses, and any other salary supplements of officials of the Recipient’s civil service.
- (k) “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.
- (l) “POM” or “Project Operations Manual” means the manual prepared and adopted for the overall implementation of the Project, in accordance with the provisions of Section I.B of this Annex, as amended from time to time with the prior approval of the Bank.
- (m) “PMU” or “Project Management Unit” means the management unit for the Reduction of Unintentional POPs through Waste Management in a Circular Economy Project (GEF TF0B9180, dated December 20, 2022), to be maintained by the Recipient in accordance with Section 2.3. A. 2. of this Annex.
- (n) “Project Implementing Entity” means UNOPS or any other UN Agency subject to prior approval of the Bank with which the Recipient, through MoE, shall enter into the Output Agreement under Section I.2 of Schedule 2 to this Agreement, for the implementation of Part 2 of the Project.
- (o) “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.
- (p) “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.
- (q) “Training” means the reasonable costs, as shall have been approved by the Bank in each Annual Work Plan and Budget, for training conducted under the Project, including tuition, travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training

materials, and other costs directly related to training preparation and implementation (but excluding goods and consulting services).

- (r) “UNOPS” means the United Nations Office for Project Services, a subsidiary organ of the United Nations.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to improve sustainable forest landscape management in selected fire hotspots in the Recipient’s territory for reduced wildfire risks. The Project consists of the following parts:

Part 1: Support for an enabling environment for wildfire management

Carrying out a program of activities aimed at avoiding, reducing and reversing land degradation at the national, regional, and local levels, through:

- (a) development of the action plan for the national forest fire strategy;
- (b) development of a mechanism for monitoring and reporting on deforestation and forest degradation and training on voluntary carbon market and certification;
- (c) development of a forest fire academy, including forensics and advancing research on forest fires and their management in the Recipient’s territory;
- (d) provision of technical support to the emergency fund for the national forest fire;
- (e) development and update of regional fire management plans and review of local forest management plans in targeted areas;
- (f) support for awareness creation campaigns ahead of each fire season;
- (g) provision of technical forestry support, including silvicultural treatment plans for high-risk areas and wildfire management;
- (h) capacity support for forest guards and first responders on environmental and social risks in the forestry sector and fire management;
- (i) provision of equipment for setting up of joint operations centers for fire response at local level;
- (j) capacity building for gender inclusion into forestry and forest fire management; and
- (k) carrying out of an annual municipality stakeholder forum for sharing good practices and lessons learned with municipalities.

Part 2: Investments in improved forest and fire management

Provision of (i) support for fire prevention infrastructure and firefighting equipment and tools for first responders and relevant infrastructure, and (ii) support community-based forest management, through:

- (a) carrying out a biodiversity assessment to identify priority areas for protection and risk management;
- (b) identification of benefitting municipalities, group establishment & capacity support for municipal land management groups;
- (c) setting up a communication system for surveillance, alert, early detection, and prompt response to wildfires (national and local levels) to support to first responder teams and local civil defense centers;

- (d) outreach and capacity support to private landowners, and development of incentive systems to manage privately owned forests;
- (e) provision of equipment and tools for first responders and purchase of vehicles;
- (f) building watchtowers;
- (g) carrying out post-fire restoration such as assessment, planting, maintenance (slope stabilization including planting and caring for trees on public lands; seedlings; hardware); and
- (h) technical assistance to support small SMEs of low-cost local production of equipment, tools, and protection gear.

Part 3: Gender responsive Project Management, Monitoring and Evaluation; Knowledge Management and Learning

- (a) Supporting the Recipient in the areas of Project management, coordination, supervision, fiduciary aspects, financial management, procurement, audits, communication and outreach, environmental and social safeguards, monitoring and evaluation, technical assistance, capacity building and operation of the implementation arrangement established for the coordination and supervision of the Project activities.
- (b) Developing and implementing a plan for strategic communication and outreach, including awareness raising programs among stakeholders of the Project.
- (c) Supporting knowledge generation and learning with a view to maximizing the Project impact and sustainability.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. ***Institutional and Other Arrangements.***

A. Institutional Arrangements.

1. MoE

- (a) The Recipient, through the MoE, shall maintain overall responsibility for the implementation of the Project and shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, technical, Environmental and Social Standards and practices, and shall promptly provide the funds, facilities, services, and other resources required for the Project.
- (b) The Recipient, through MoE, shall maintain throughout the implementation of the Project, the Project Management Unit (“PMU”) with adequate staff including a financial specialist, a technical specialist, an environmental and social specialist, a procurement specialist, a monitoring and evaluation specialist, a knowledge management specialist, a dedicated financial officer, and a technical auditor, as further detailed in the Project Operation Manual. The PMU shall be responsible for the overall planning, day-to-day management, and implementation of the Project activities.

- (c) The Recipient through MoE shall, no later than ninety (90) days after the Signature Date, establish and thereafter maintain throughout Project implementation a committee, chaired by the Minister for Environment and composed of representatives of the Recipient's entities and institutions participating in the implementation, monitoring and evaluation of the Project, including representatives from line ministries, including Ministry of Agriculture, the Ministry of Interior, and the Disaster Risk Management Unit in the Prime Minister's office. The committee shall, *inter alia*, advise on strategic issues related to the implementation of the Project, shall approve the Annual Work Plan and Budget, and shall be responsible for providing overall policy guidance on the Project ("Project Steering Committee").

2. Output Agreement

- (a) To facilitate the carrying out of Part 2 of the Project in part, the Recipient, through MoE, shall enter into, and thereafter maintain throughout implementation of the Project, an Output Agreement with the Project Implementing Entity no later than three (3) months after the Effective Date, on the terms satisfactory to the Bank, whereby the Project Implementing Entity shall carry out activities related to Part 2 of the Project.
- (b) As part of the Output Agreement, the Recipient, through MoE, shall cause the Project Implementing Entity to ensure that:
- (i) the Project Implementing Entity maintain in a separate account ("Grant Control Account") a complete, true and faithful record of all the advances received from, and transaction done with, the proceeds of the Grant and of all the expenditures paid from such advances;
 - (ii) the Project Implementing Entity maintain appropriate documentation of all transactions that it carries out under the Project, until at least the later of: (A) one (1) year after the Bank has received the interim unaudited financial reports covering the period during which the last withdrawal from the Grant Control Account was made; and (B) two (2) years after the Closing Date; and upon consultations with the Recipient, the Project Implementing Entity furnishes such documentation to the Recipient as the Recipient may reasonably request;
 - (iii) the Project Implementing Entity prepare and furnishes to the Recipient and the Bank, no later than thirty (30) days after the end of each quarter, financial report on the use of funds, including: (A) statement of cash contributions/receipts and expenditures; and (B) explanatory notes, including schedules showing breakdown of funds received, and breakdown of expenditures/ payments by components;
 - (iv) the Project Implementing Entity give access to Project-related information and records, as needed, for the Bank to carry out the scope of its verification/ audit as detailed in the Section II of this Agreement;
 - (v) the Project Implementing Entity do not transfer or channel any of the proceeds of the Grant to public officials or employees employed by any

government entities of the Recipient, nor procure any items from them or their immediate family members;

- (c) the Project Implementing Entity shall carry out its activities under the Output Agreement in accordance with the requirements of the POM, and the Environmental and Social Standards including the ESCP, in a manner acceptable to the Bank; and
- (d) The Recipient, through MoE, shall exercise its rights under the Output Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Output Agreement or any of their provisions.

B. Project Operations Manual

1. No later than one (1) month after the Signature Date, the Recipient shall prepare, and thereafter adopt, in accordance with terms of reference acceptable to the Bank, an operations manual for the Project, containing, *inter alia*, detailed arrangements and procedures for: (a) implementation arrangements; (b) administrative, financial management, accounting, and disbursement mechanisms, procedures and protocols; (c) procurement; (d) environmental and social aspects; (e) monitoring and evaluation; and (f) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation.
2. The Recipient shall afford the Bank a reasonable opportunity to review such manual and shall thereafter adopt said manual as shall have been approved by the Bank (“Project Operations Manual” or “POM”).
3. The Recipient shall carry out the Project in accordance with the POM and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual, or any provision thereof, without the prior written consent of the Bank.
4. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the POM, and those of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plan and Budget

The Recipient shall: (a) not later than November 30 of each calendar year during Project implementation, prepare and furnish to the Bank, a program of Project activities under the Project (“Annual Work Plan and Budget”) acceptable to the Bank for implementation in the following calendar year, including: (i) a detailed timetable for the sequencing and implementation of said activities; and (ii) the types of Eligible Expenditures required for such activities, a financing plan and a budget; and (b) thereafter carry out each said Annual Work and Budget Program In accordance with its terms and in a manner acceptable to the Bank.

2.04. Environmental and Social Standards

- (a) The Recipient, through the MoE shall, and shall cause the Project Implementing Entity, to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon Section (a) above, the Recipient, through the MoE, shall and shall cause the Project Implementing Entity, 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 Recipient shall, and shall cause the Project Implementing Entity to ensure that:
 - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
 - (iii) 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
 - (iv) 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.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
 - (i) 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*: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (ii) 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.
- (e) The Recipient shall, and shall cause the Project Implementing Entity 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.

- (f) The Recipient shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors to: (i) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (ii) 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.

2.05. ***Project Monitoring, Reporting and Evaluation.*** The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after each calendar quarter, covering the calendar quarter.

Article III Withdrawal of Grant Proceeds

3.01. ***Eligible Expenditures.*** 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 Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services and consulting services, Direct Costs and Indirect Costs under Part 2 of the Project	2,565,000	100%
(2) Goods, non-consulting services, consulting services, Training and Operating Costs under Parts 1 and 3 of the Project	893,000	100%
TOTAL AMOUNT	3,458,000	

3.02. ***Withdrawal Conditions.*** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

- (a) for payments made prior to the date of this Agreement.
- (b) for payments under Category (1) of the Project until the Recipient signs the Output Agreement with the Project Implementing Entity on terms satisfactory to the Bank.

3.03. **Withdrawal Period.** The Closing Date is July 31, 2028.

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

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Recipient's minister responsible for environment.

4.02. **Recipient's Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's Address is:

Date _____

H.E. Nasser Yassin
Minister of Environment
Ministry of Environment
Azarieh Bld Floor 7-8
Beirut
Lebanese Republic; and

(b) the Recipient's Electronic Address is:

E-mail:

nasser.yassin@gmail.com

5.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391