
LOAN NUMBER 9545-LB

Loan Agreement

**(Second Additional Financing for the Lebanon Emergency Crisis and COVID-19 Response
Social Safety Net 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”).

- (A) WHEREAS under the loan agreement dated January 29, 2021, between the Borrower and the Bank (“Original Loan Agreement”), the Bank agreed to provide the Borrower with the Loan No. 9198-LB in an amount of two hundred forty-six million Dollars (USD 246,000,000), as such amount may be converted from time to time through a Currency Conversion, to assist in financing the project described in Schedule 1 to this Agreement (“Project”);
- (B) WHEREAS under a grant agreement dated May 27, 2022, between the Lebanese Republic and the Bank (the Grant Agreement), the Bank agreed to support activities related to Part 1 of the Project and described in Schedule 1 to this Agreement, by providing an additional financing in concessional terms under the Lebanon Syrian Crisis Trust Fund, in an amount not to exceed four million United States Dollars (\$4,000,000) to the Project;
- (C) the Borrower, having set this Project as a priority, has requested the Bank to provide a second additional financing in support of activities related to the Project,
- (D) the Bank has agreed, on the basis, inter alia, of the foregoing to extend to the Borrower the Additional Financing, upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, 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 Three Hundred Million United States Dollars (\$300,000,000), 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”) other than Part 4 of the 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 May 15 and November 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, through the Presidency of the Council of Ministers (“PCM”) and the Ministry of Social Affairs (“MOSA”), shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS

- 4.01. The Additional Condition of Effectiveness consist of the following, namely the Borrower, through the PCM, has signed the amendment to the Outputs Agreement with the World Food Programme (“WFP”), on terms and conditions satisfactory to the Bank.
- 4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower’s Representative is the Ministry of Finance.
- 5.02. 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

- (b) the Borrower’s Electronic Address is:

Facsimile:
+961 1 642 762

5.03. 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:

Facsimile:	Email:
1-202-477-6391	jcarret@worldbank.org

AGREED as of the Signature Date.

THE LEBANESE REPUBLIC

By Youssef El Khalil
Authorized Representative

Name: Youssef El Khalil

Title: Minister of Finance

Date: 15-Nov-2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By Jean-Christophe Carret
Authorized Representative

Name: Jean-Christophe Carret

Title: Country Director

Date: 04-Oct-2023

SCHEDULE 1

Project Description

The objective of the Project is to: (a) provide cash transfers and access to social services to extreme poor and vulnerable Lebanese populations affected by the economic and COVID-19 crises in Lebanon; and (b) in case of an Eligible Crisis or Emergency, provide immediate and effective response to such emergency or crisis.

The Project consists of the following parts:

Part 1. Provision of Cash Transfers for Basic Income Support

Supporting a Cash Transfer program to provide financing to eligible poor and/or vulnerable Lebanese households for the purpose of meeting food and non-food basic household needs.

Part 2. Provision of Top-Up Cash Transfers for Students at Risk

Supporting a Top-Up Cash Transfer program for eligible poor Lebanese households with children enrolled in public schools to assist them with school-related expenses, including, *inter alia*: (i) school registration fees, (ii) parents' council fees, (iii) transport allowance, (iv) textbooks, (v) school uniform, (vi) computer equipment and/or internet connectivity to enable remote learning and (vii) technical equipment required for vocational streams of education.

Part 3. Provision of Social Services

- 3.1** Strengthening capacity and systems of Ministry of Social Affairs (“MOSA”) and the social development centers (“SDCs”) to carry out its social development mandate by supporting: (i) training to increase MOSA and social workers’ capacity to provide individualized and integrated assistance to poor and vulnerable households; (ii) deployment of information management and integrated referral systems across SDCs; and (iii) a rapid needs assessment to ensure social services are responsive to beneficiary needs.
- 3.2.** Increasing access to social services for poor and vulnerable households through, *inter alia*, supporting MOSA and SDCs in: (a) developing an outreach strategy and communication campaign to reach the targeted community; (b) designing and providing packages of basic and specialized support social services.

Part 4. Enhanced Social Safety Nets Program Delivery

- 4.1** Providing channels for Project stakeholders to provide feedback and be informed regarding Project activities through: (a) development of a Grievance Mechanism (“GM”) within MOSA, including systems and procedures aimed at resolving complaints, queries and requests at the national and local levels; and (b) development and implementation of a communications campaign and outreach strategy for the Project.

- 4.2 Designing and implementing a monitoring and evaluation system, including post-distribution monitoring, and of reporting received through the GM, engaging Third-Party Monitoring Agent to carry out a technical audit in accordance with Section I.D(1) of Schedule 2 to this Agreement.
- 4.3 Facilitating the establishment of an integrated social registry with core functionalities for delivering social protection programs through undertaking assessments of feasibility of linkages of multiple databases, as well as the development of additional modules of software, including a digital payment administration system, carrying out database linkages to enable automated and dynamic targeting and integrated service delivery, and provision of technical assistance related to the necessary changes to the legal framework, compliance with relevant Personal Data privacy policies, technical design of the registry and IT and administrative/management systems, as well as related capacity building across ministries.
- 4.4 Carrying out the project coordination and management of activities under the Project (including, *inter alia*, procurement, financial management, statistics, Information Technology, technical and financial audits, environmental and social safeguards), maintenance of the GM system, strengthening capacity and systems of Ministry of Education and Higher Education (“MEHE”) to enhance its monitoring systems, all through the provision of consulting services, non-consulting services, Operating Costs, and acquisition of goods for the purpose, an independent evaluation of Project activities and results, and regular internal and annual external audits.

Part 5: Contingent Emergency Response Component

Providing immediate response to an Eligible Crisis or Emergency.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. *Presidency of the Council of Ministers (“PCM”) and Ministry of Social Affairs (“MOSA”)*

(a) The Borrower shall vest in the Presidency of the Council of Ministers (“PCM”) and the Ministry of Social Affairs (“MOSA”) the overall responsibility for the implementation of the Project and shall take all actions to enable them to perform their functions and obligations, in accordance with the provisions of this Agreement, and with roles and responsibilities as further detailed in the Project Operations Manual.

(b) Notwithstanding the above, MOSA shall be responsible for (i) (1) verifying Beneficiaries through households visits and administering the PMT questionnaire, (2) transmitting the results of the PMT questionnaire to the CMU, (3) overseeing registration of Beneficiaries and distribution of Cash Transfers and Top-Up Cash Transfers, (4) carrying out communication and outreach campaigns in coordination with CMU; and (5) conducting necessary follow-up; (ii) carrying out activities under Part 3 of the Project; and (iii) implementing and maintaining a GM system, all in accordance with the provisions of the Project Operations Manual.

2. *Central Management Unit (“CMU”)*

To facilitate the day to day implementation of Project activities, the Borrower shall maintain at all times during the implementation of the Project within the PCM, the Central Management Unit (“CMU”), to be responsible for prompt and efficient oversight and coordination of the implementation of activities under the Project, including *inter alia*, carrying out Project outreach and communication campaigns in coordination with MOSA and the Ministry of Education and Higher Education (“MEHE”), and managing the National Poverty Targeting Program database, all with a composition, mandate, staffing (including, *inter alia*, procurement, statistics, financial management, monitoring and evaluation, communication and social safeguards specialists) and other resources satisfactory to the Bank, all in accordance with the provisions of the Project Operations Manual.

3. *Technical Committee & Expert Advisory Group*

The Borrower shall (a) maintain at all times during the implementation of the Project a Technical Committee, chaired by the Minister of Social Affairs, and responsible for monitoring of Project progress and acting as a Secretariat for the Inter-Ministerial Committee for Aman Social Safety Net; and (b) establish by not later than four (4) months after the Effective Date, and thereafter maintain at all times during implementation of the Project, an Expert Advisory Group, consisting of academics, civil society representatives

with the relevant expertise in the area of poverty and social policy, to provide guidance to the Technical Committee.

4. *Inter-Ministerial Committee for Aman Social Safety Net*

The Borrower shall maintain at all times during the implementation of the Project, an Inter-Ministerial Committee for Aman Social Safety Net, supported by the Technical Committee, to be responsible for high-level coordination, collaboration, and transparent oversight of Borrower's social safety net programs.

5. *Fiduciary Operations Team*

The Borrower, through the PCM, shall maintain throughout the Project implementation period, with composition, mandate and resources satisfactory to the Bank, a fiduciary operations team within the CMU, to be responsible for the fiduciary aspects of the Project.

6. *World Food Programme ("WFP")*

(a) To facilitate the carrying out of Parts 1 and 2 of the Project, the Borrower, through PCM, shall carry out the Outputs Agreement with the WFP, on the terms satisfactory to the Bank, whereby WFP shall:

- (i) upon receipt of the list of Beneficiaries from the CMU, carry out initial distribution of the electronic payment tools to Beneficiaries;
- (ii) at the CMU's instruction, give direct instructions to the financial service provider(s) to provide relevant Cash Transfers and Top-Up Cash Transfers for Beneficiaries, following procedures approved by the Bank and further described in the POM;
- (iii) in coordination with MOSA and MEHE, carry out education campaign on the payment methods for Cash Transfers and Top-Up Cash Transfers among Beneficiaries;
- (iv) as needed, in coordination with MOSA, distribute periodically the selected electronic payment tools through which Cash Transfers and Top-Up Cash Transfers are redeemed;
- (v) monitor digital financial transactions;
- (vi) carry out monitoring and handling questions and complaints pertaining to Cash Transfers and Top-Up Cash Transfers; and
- (vii) in coordination with MEHE, pay the registration fees and parents' council fees to Beneficiaries.

(b) The Borrower shall, through the PCM, cause WFP to ensure that:

- (i) WFP maintains appropriate documentation of all transactions that it carries out under the Project, and upon consultations with the Borrower, WFP furnishes such documentation to the Borrower as the Borrower may reasonably request;
- (ii) prepare and furnish to the Borrower and the Bank, no later than thirty (30) days after the end of each quarter, financial report on the use of funds, including: (1) statement of cash contributions/receipts and expenditures; and (2) explanatory notes, including schedules showing breakdown of funds received, and breakdown of expenditures/ payments by components;
- (iii) give access to Project-related information and records, as needed, for the TPMA to carry out the scope of its verification/ audit as detailed in the Section I. D of this Agreement; and
- (iv) the collection, use and processing (including transfers to the Borrower or third parties) of any Personal Data collected under the Project shall be done in accordance with the domestic legislation and best international practices under terms further detailed in the POM, ensuring legitimate, appropriate and proportionate treatment of such Personal Data.

B. Project Operations Manual

1. To facilitate the implementation of the Project, the Borrower, through the CMU, shall by not later than four (4) months after the Effective Date or such later date as the Bank may agree in writing, update the POM for the Project, in form and substance acceptable to the Bank. Such POM shall include, *inter alia*, a description of:
 - i. detailed institutional arrangements;
 - ii. procurement arrangements;
 - iii. detailed financial management and disbursement arrangements, including by WFP, annual audit, TPMA verification and reporting;
 - iv. detailed description of Cash Transfer and Top-Up Cash Transfer mechanisms, including eligibility criteria, targeting mechanisms, and procedures in selecting eligible households to receive Cash Transfers under Part 1 and Top-Up Cash Transfers under Part 2 of the Project and payment mechanisms for the Cash Transfers under Part 1 and Top-Up Cash Transfers under Part 2;
 - v. personal data collection and processing practices in accordance with domestic legislation and best international practices under terms further detailed in the POM, ensuring legitimate, appropriate and proportionate treatment of such data;
 - vi. description of implementation of the Environmental and Social Framework-related requirements, as outlined in the ESCP;

- vii. the format and functioning of the Grievance Mechanism;
 - viii. reporting, monitoring and evaluation arrangements, including independent verification of eligibility of households receiving Cash Transfers and Top-Up Cash Transfers under Parts 1 and 2 of the Project;
 - ix. design and costing of the packages of social services provided under Part 3;
 - x. the Project's communication strategy; and
 - xi. an action plan with a roadmap for the effective integration of the Borrower's poverty-targeted social safety net programs and other relevant milestones related to the Borrower's national strategy for social protection.
2. The Borrower shall, through the CMU, carry out the Project in accordance with the POM; provided, however, that 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. The Borrower shall ensure that the CMU shall not assign, amend, abrogate or waive the updated 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. Cash Transfers and Top-Up Cash Transfers

1. The Borrower, through CMU, shall cause the Loan proceeds for Cash Transfers under Part 1 of the Project to be disbursed in Dollars, according to a mechanism described in the POM, and select Beneficiaries and make Cash Transfers available to eligible Beneficiaries under Part 1 of the Project in accordance with the eligibility criteria, targeting methodology, requirements and procedures acceptable to the Bank, as described in the POM, including the following:
 - (a) The value of individual Cash Transfers shall reflect the food component of a Survival Minimum Expenditure Basket, plus a flat benefit amount to account for non-food basic household expenditures, with the relevant periodic adjustments to reflect rates of inflation; and
 - (b) The maximum Cash Transfer benefit per household shall not exceed the maximum amount set out in the POM, subject to relevant periodic adjustments to reflect rates of inflation.
2. The Borrower shall, through MOSA; (a) conduct a verification exercise; (b) carry out periodic recertification of Beneficiaries under Part 1 of the Project based on a timeline, methodology and procedures satisfactory to the Bank and further described in the POM; and (c) provide a report of the verification and recertification results to the Bank upon the

Bank's request. No Beneficiary shall be eligible for a Cash Transfer prior to the verification of his/her eligibility by MOSA and confirmation of eligibility by CMU.

3. Beneficiaries under the Cash Transfer program shall be eligible to receive Top-Up Cash Transfers under Part 2 of the Project, if they meet eligibility criteria and requirements acceptable to the Bank, as described in the POM, including the following:
 - (a) Beneficiary receives Cash Transfers under Part 1 of the Project;
 - (b) Beneficiary has a child/children in the household between the age of 13 and 18 enrolled in public general education, and public technical and vocational schools; and
 - (c) Payment of a Top-Up Cash Transfer under Part 2 of the Project is conditional on Beneficiary's registration and participation, as applicable, of the child in school, and as further detailed in the POM.
 - (d) WFP pays registration fees and parents' council fees directly to Beneficiaries.

D. Third-Party Monitoring Agency (TPMA)

1. The Borrower, through the CMU, within two (2) months of the Effective Date, or such later date as the Bank may agree in writing, shall update and maintain throughout the Project, the TPMA arrangements to carry out, under terms satisfactory to the Bank, a technical audit of the Project implementation, including, *inter alia*, of: (a) Cash Transfers carried out by WFP; (b) verification and periodic recertification of the Beneficiaries identified by MOSA under Part 1 of the Project; (c) accuracy of payments of Cash Transfers and Top-Up Cash Transfers; (d) confirmation of receipt of Cash Transfers and Top-Up Cash Transfers by Beneficiaries; and (e) activities carried out by MOSA under Part 3 of the Project, including through household visits of Beneficiaries.
2. The Borrower shall, through the CMU, submit to the Bank a technical audit report on a quarterly basis, within 45 days of the end of each quarter, containing an evaluation of Project implementation carried out by the TPMA.

E. Environmental and Social Standards

1. The Borrower, through the CMU, 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 Borrower, through the CMU, 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 Borrower shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and 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. Without limitation upon the provisions of paragraph 2 above, if 60 days prior to the Closing Date, the Bank determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Borrower shall, through the CMU: (a) not later than 30 days before the Closing Date, prepare and present to the Bank, an action plan satisfactory to the Bank on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Bank.
4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Borrower shall, through the CMU, 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.
6. The Borrower shall, through the CMU, in coordination with MOSA, establish, publicize, maintain and operate an accessible GM at MOSA 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. 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, through the CMU, shall:
 - (a) prepare and furnish to the Bank for its review and approval, a Contingent Emergency Response Component Manual (“CERCM”) which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any special 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 Emergency Expenditures; (vi) application of the any relevant safeguard instruments to the Contingent Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Contingent Emergency Response Part;
 - (b) afford the Bank a reasonable opportunity to review the proposed CERCM;
 - (c) promptly adopt the CERCM for the Contingent Emergency Response Part as accepted by the Bank;
 - (d) ensure that the Contingent Emergency Response Part is carried out in accordance with the CERCM; provided, however, that in the event of any inconsistency between the provisions of the CERCM and this Agreement, the provisions of this Agreement shall prevail; and
 - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERCM without the prior written approval by the Bank.
2. The Borrower, through the CMU, shall ensure that no activities are undertaken under the Contingent Emergency Response Part, unless and until the following conditions have been met in respect of said activities:
 - (a) the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis or emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
 - (b) the Borrower has ensured the disclosure of all Environmental and Social instruments/plans required for said activities in accordance with the ESCP, the Borrower has approved all such instruments, and the Borrower has ensured the implementation of any actions which are required to be taken under said instruments.

3. Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in Part 5 of the Project shall be procured in accordance with the procurement methods and procedures set forth in the CERCM.

Section II. Project Monitoring Reporting and Evaluation/ Financial Management

A. Project Reports

The Borrower, through the CMU shall furnish to the Bank each Project Report not later than one month after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Borrower through the CMU shall ensure that such information, report or document does not include Personal Data.

B. Other Financial Management Arrangements

To facilitate the efficient management of the financial management system, upon each withdrawal of the proceeds of the Loan, the Borrower shall, through MoF, open additional budget lines (budget classification number 1-3-1-1041-14-1-3) equivalent to the amount of such withdrawal of the Loan proceeds, provided that the total amount allocated to all such budget lines during the life of the Project up until the disbursement deadline date (as defined in the World Bank Disbursement Guidelines for Projects and the additional instructions of the Bank referred to in Section IV.A.1 of Schedule 2 to this Agreement) shall not exceed the amount of the Loan. For the purposes of this Loan, said additional budget lines may be opened in the budget of a specific year up until January 31 of the following year and those contracted or not contracted are carried forward per the request of the PCM.

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) Cash Transfers, Top Up Cash Transfers, Direct Costs and Indirect Costs under Parts 1 and 2 of the Project	286,300,000	100%
(2) Goods, non-consulting services, consulting services and Operating Costs under Part 3 of the Project	12,950,000	100%
(3) Emergency Expenditures	0	
(4) Front-end Fee	750,000	Amount to be paid pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium		Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	300,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) for payments made under Category (1), unless and until the total amount under Category (1) of the withdrawal table in Section III.A of the Original Loan Agreement is fully disbursed;
 - (c) for payments made under Category (2), unless and until the total amount under Category (2) of the withdrawal table in Section III.A of the Original Loan Agreement is fully disbursed; or
 - (d) for Emergency Expenditures under Category (3), unless and until the Bank is satisfied that all of the following conditions have been met in respect of said expenditures:
 - i. the Borrower has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the Contingent Emergency Response Part in order to respond to said crisis

or emergency, and the Bank has agreed with such determination, accepted said request and notified the Borrower thereof;

- ii. the Borrower has prepared and disclosed all environmental/social documents, (including an ESCP) required for said activities, and the Borrower has ensured that any actions which are required to be taken under said documents have been implemented, all in accordance with the provisions of Sections I.F.(2)(b) of this Schedule;
- iii. the entities in charge of coordinating and implementing the Contingent Emergency Response Part, have provided sufficient evidence satisfactory to the Bank that it has adequate staff and resources for the purposes of said activities; and
- iv. the Borrower has adopted the CERCM, in form and substance acceptable to the Bank, and the provisions of the CERCM remain relevant or have been updated in accordance with the provisions of Section I.F of this Schedule so as to be appropriate for the inclusion and implementation of the activities under the Contingent Emergency Response Part.

3. The Closing Date is December 31, 2026.

Section IV. Amendment to the Original Loan Agreement

1. Section 3.02 under Article III of the Original Loan Agreement is amended to read as follows:

‘3.02 The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through the Presidency of the Council of Ministers (“PCM”) and the Ministry of Social Affairs (“MOSA”), shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.’
2. The description of the Project in Schedule 1 of the Original Loan Agreement is amended to read as the description of the Project in Schedule 1 of this Agreement.
3. Paragraphs 1 to 6 of Section I.A of Schedule 2 to the Original Loan Agreement are deleted in their entirety and replaced respectively by paragraphs 1 to 6 of Section I.A of Schedule 2 to this Agreement.
4. Notwithstanding the foregoing, all references to “Effective Date” in paragraphs 1 to 6 of Section I.A of Schedule 2 to the Original Loan Agreement, as amended, shall be deemed to refer to the Effective Date of this Agreement.
5. Paragraph 3 of Section I.C of the Schedule 2 to the Original Loan Agreement is amended to read as follows:

3. Beneficiaries under the Cash Transfer program shall be eligible to receive Top-Up Cash Transfers under Part 2 of the Project, if they meet eligibility criteria and requirements acceptable to the Bank, as described in the POM, including the following:
 - a. Beneficiary receives Cash Transfers under Part 1 of the Project;
 - b. Beneficiary has a child/children in the household between the age of 13 and 18 enrolled in public general education, and public technical and vocational schools; and
 - c. Payment of a Top-Up Cash Transfer under Part 2 of the Project is conditional on Beneficiary's registration and participation, as applicable, of the child in school, and as further detailed in the POM.
 - d. WFP pays registration fees and parents' council fees directly to Beneficiaries.'
6. Paragraph 1(e) of Section I.D of the Schedule 2 to the Original Loan Agreement is deleted and subsequent items are re-numbered (in letters) accordingly.
7. The Closing Date in Section III.B of the Schedule 2 of the Original Loan Agreement is amended to read as December 31, 2026.
8. The definition for "Grievance Redress Mechanism" in the Appendix to the Original Loan Agreement is modified to read as follows and all references to "Grievance Redress Mechanism" in the Original Loan Agreement shall be read as "Grievance Mechanism":

"GM" means the Grievance Mechanism to be established by the Borrower under Part 4.1 of the Project in accordance with the requirements of the POM and maintained pursuant to Section I.E.6 of Schedule 2 to this Agreement for the purpose of receiving and addressing any complaints related to the Project implementation.'
9. The definition of "Top-Up Cash Transfer" under paragraph 41 of the Appendix to the Original Loan Agreement is amended to read as follows:

'41. "Top-Up Cash Transfer" means an electronic transfer of funds, in the form of grants made to a Beneficiary, made or to be made under Part 2 of the Project in accordance with the provisions of the POM.'
10. All references to the "*Inter-Ministerial Committee for Social Affairs*" in the Original Loan Agreement shall be deemed to refer to the "*Inter-Ministerial Committee for Aman Social Safety Net*".

Section V. Amendment to the Grant Agreement

1. Section 2.01 under Article II of the Grant Agreement is amended to read as follows:
 - 2.01 The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through the Presidency of the Council of Ministers (“PCM”) and the Ministry of Social Affairs (“MOSA”), shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.
2. The description of the Project in Schedule 1 of the Grant Agreement is amended to read as the description of the Project in Schedule 1 of this Agreement.
3. Paragraphs 1 to 6 of Section I.A of Schedule 2 to the Grant Agreement are deleted in their entirety and replaced respectively by paragraphs 1 to 6 of Section I.A of Schedule 2 to this Agreement.

Notwithstanding the foregoing:

- (a) all references to “Borrower” shall be deemed to refer to “Recipient” in the meaning ascribed to it in 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, and in the Grant Agreement; and
 - (b) all references to “Effective Date” in paragraphs 1 to 6 of Section I.A of Schedule 2 to the Grant Agreement, as amended, shall be deemed to refer to the Effective Date of this Agreement.
4. Paragraph 3(d) of Section I.C of the Schedule 2 to the Grant Agreement is amended to read as follows:
 - (d) WFP pays registration fees and parents’ council fees directly to Beneficiaries.
5. Paragraph 1(e) of Section I.D of the Schedule 2 to the Grant Agreement is deleted and subsequent items are re-numbered (in letters) accordingly.
6. All references to the “*Inter-Ministerial Committee for Social Affairs*” in the Grant Agreement shall be deemed to refer to the “*Inter-Ministerial Committee for Aman Social Safety Net*”.

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 May 15 and November 15, Beginning November 15, 2028 through November 15, 2040__	3.85%
On May 15, 2041	3.75%

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 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.
2. “Banque du Liban” means the Central Bank of Lebanon, established by the Legislative Decree No. 13513 (August 1, 1963).
3. "Beneficiary" means a Lebanese national individual or a household meeting the eligibility criteria as set out in the Project Operations Manual to receive a Cash Transfer or a Top-Up Cash Transfer; and the term "Beneficiaries" means the plural thereof.
4. “Cash Transfer” means an electronic transfer of funds, in the form of grants on behalf of the Borrower to a Beneficiary, made or to be made under Part 1 of the Project in accordance with the provisions of the POM.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “Contingent Emergency Response Component Manual” or the acronym “CERCM” means the plan referred to in Section I.F of Schedule 2 to this Agreement, to be adopted by the Borrower for the Contingent Emergency Response Part in accordance with the provisions of said Section.
7. "Contingent Emergency Response Part" means Part 5 of the Project.
8. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
9. “Direct Costs” means the actual cost of the WFP that can be directly traced to the deliverables set forth in the Outputs Agreement.
10. “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.
11. “Emergency Expenditure” means any of the eligible expenditures set forth in the Contingency Emergency Response Component Manual in accordance with the provisions of Section I.F of Schedule 2 to this Agreement, and required for the Contingent Emergency Response Part.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 19, 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.
13. “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 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.
 14. “Expert Advisory Group” means the Borrower’s advisory body referred to in Section I.A.2 of Schedule 2 to this Agreement, or its legal successor, to be responsible for, *inter alia*, providing guidance to the Technical Committee in the areas of poverty and social policy.
 15. “Fiduciary Operations Team” or “FOT” means the unit within the PCM established pursuant to the Borrower’s Decree No. 34, dated September 2008.
 16. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 and revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022.
 17. “GM” means the Grievance Mechanism to be established by the Borrower under Part 4.1 of the Project in accordance with the requirements of the POM and maintained pursuant to Section I.E.6 of Schedule 2 to this Agreement for the purpose of receiving and addressing any complaints related to the Project implementation.
 18. “Grant Agreement” means the grant agreement signed on May 27, 2022, between the Borrower and the Bank for the Lebanon Syrian Crisis Trust Fund Grants No. TF0B8667 and TF0B8655, in an amount not to exceed four million Dollars (USD 4,000,000) for the financing of the Project.
 19. “Indirect Costs” means the indirect costs incurred by the WFP as a function and in support of the Project, which cannot be traced unequivocally to the deliverables and technical outputs of the Project.

20. “Inter-Ministerial Committee for Aman Social Safety Net” means the Borrower’s committee referred to in Section I.A.4 of Schedule 2 to this Agreement, or its legal successor, to be responsible for, *inter alia*: (i) providing strategic and policy guidance on matters relating to the Project; and (ii) coordinating inter-agency policies and roles, all in accordance with the provisions of the Project Operations Manual.
21. “Labor Management Procedures” means a summary of procedures to be followed by the Borrower in the implementation of the Project, prepared under Environmental and Social Standard 2: Labor and Working Conditions, in accordance with the ESCP, and disclosed by the Borrower.
22. “Ministry of Social Affairs” or “MOSA” means the means the Borrower’s ministry in charge of social affairs, or its successor thereof.
23. “Ministry of Education and Higher Education” or “MEHE” means the Borrower’s ministry in charge of education and higher education or its successor thereof.
24. “Ministry of Finance” or “MoF” means the Borrower’s ministry in charge of finance or its successor thereof.
25. “MoF Treasury Account” means account #36 held by the Ministry of Finance at BDL in USD to which Loan proceeds are deposited.
26. “National Poverty Targeting Program” or “NPTP” means the poverty targeted social assistance program for the poorest and most vulnerable Lebanese families, established by the Borrower’s Council of Ministers Resolution No. 118, dated 2009.
27. “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.
28. “Original Loan Agreement” means the loan agreement signed on January 29, 2021, between the Borrower and the Bank for Loan Number 9198-LB in an amount of two hundred forty-six million Dollars (USD 246,000,000) for the financing of the Project.
29. “Outputs Agreement” means the agreement dated March 11, 2022, between the Borrower and WFP to carry out activities under this Project, as amended from time to time, all in form and substance satisfactory to the Bank.

30. "PCM" means the Presidency of the Council of Ministers of the Borrower, or its successor thereof.
31. "Personal Data" means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual
32. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
33. "Project Designated Account" means the designated account of the PCM held at the Banque du Liban in USD, for purposes of receiving Loan proceeds from the MoF Treasury Account for Project implementation.
34. "Project Operations Manual" or "POM" means the manual to be prepared and updated by the Borrower pursuant to the provisions of Section I.D.1 of Schedule 2 to this Agreement, including an action plan with a roadmap for the effective integration of the Borrower's poverty-targeted social safety programs and other relevant milestones related to the Borrower's national strategy for social protection, all under terms satisfactory to the Bank.
35. "Proxy Means Testing" or "PMT" means method of targeting whereby information on household and individual characteristics correlated with welfare levels is used in a formal algorithm to approximate household welfare or need. PMT is the targeting method adopted by the NPTP.
36. "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.
37. "SDC" means social development centers of the Ministry of Social Affairs or its/their successor thereof.
38. "Survival Minimum Expenditure Basket" means a measure of minimum expenditure of food and non-food items required by a household to survive, as developed by the WFP.
39. "Technical Committee" means the Borrower's committee referred to in Section I.A.2 of Schedule 2 to this Agreement, to be responsible for supporting the work of the Inter-Ministerial Committee for Social Affairs, in composition satisfactory to the Bank.
40. "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 I.D of Schedule 2 to this Agreement.

41. “Top-Up Cash Transfer” means an electronic transfer of funds, in the form of grants made to a Beneficiary, made or to be made under Part 2 of the Project in accordance with the provisions of the POM.
42. “WFP” or “World Food Programme” means the UN Agency established in 1961 for the purpose of fighting hunger worldwide.