

CONFORMED COPY

TF023036

Japanese Grant Agreement

(Irrigation Rehabilitation and Development Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

as Administrator of Grant Funds
provided by JAPAN

and

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

Dated September 20, 1993

TF023036

JAPANESE GRANT AGREEMENT

AGREEMENT, dated September 20, 1993, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as Administrator (the Administrator) of grant funds provided by JAPAN (Japan) and the COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION (the Recipient), a public authority established and operating under the laws of the Lebanese Republic pursuant to Legislative Decree No. 5, dated January 31, 1977, as the same may be amended from time to time.

WHEREAS (A) pursuant to a letter agreement dated July 30, 1990 between Japan and the Bank and International Development Association (the Association), Japan has requested the Bank and the Association, and the Bank and the Association have agreed, to administer grant funds to be made available by Japan for the financing of certain programs and projects supported by the Bank and the Association, as the case may be, in accordance with the provisions of such letter agreement;

WHEREAS (B) Japan has agreed to make available to the Recipient a grant out of said grant funds (the Grant) to finance the cost of carrying out the technical assistance described in Schedule 2 to this Agreement (the Technical Assistance) on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 1, 1985, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
 - (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (18) and (20), 2.02 and 2.03;
 - (iii) Section 3.01;
 - (iv) Section 4.01 and the first sentence of Section 4.09;
 - (v) Article V;
 - (vi) Sections 6.01, 6.02 (a), (c), (d), (e), (f), (i) and (k), 6.03, 6.04 and 6.06;
 - (vii) Section 8.01 (b);
 - (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
 - (ix) Sections 10.01, 10.03 and 10.04; and
 - (x) Article XI.
- (b) The General Conditions shall be modified as follows:
- (i) the term "Bank," wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the International Bank for Reconstruction and Development acting as Administrator of the Grant pursuant to the letter agreement between Japan and the Bank and the Association referred to in Recital (A) of this Agreement, except that in Section 6.02, the term "Bank" shall also include the International Bank for Reconstruction and Development acting in its own capacity;
 - (ii) the term "Borrower," wherever used in the General Conditions, means the Recipient;
 - (iii) the term "Loan Agreement," wherever used in the General Conditions, means this Agreement;
 - (iv) the term "Loan," wherever used in the General Conditions, means the Grant;
 - (v) the term "Loan Account," wherever used in the General Conditions, means the Grant Account, an account opened by the Administrator on its books in the name of the Recipient to which the amount of the Grant is credited;
 - (vi) the term "Project," wherever used in the General Conditions, means the technical assistance described in Schedule 2 to this Agreement;
 - (vii) Section 4.01 shall be modified to read:

"Withdrawals from the Grant Account shall be made in yen; provided, however, that if the expenditures to be financed out of the Grant have been paid or are payable in another currency, the Administrator shall, at the request of the Recipient, purchase such currency with the proceeds of such withdrawal."
 - (viii) In Section 6.02 (b) the words "the Lebanese Republic" shall substitute the word "Guarantor"; and
 - (ix) In Section 6.02 (f) the words "the Lebanese Republic" shall substitute the words "the Borrower or the Guarantor".

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to

this Agreement have the respective meanings therein set forth; and the terms "yen" and "¥" mean the currency of Japan.

ARTICLE II

The Grant

Section 2.01. The Administrator agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the Grant in an amount of forty-five million yen (¥45,000,000).

Section 2.02. The amount of the Grant may be withdrawn from the Grant Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and the Administrator, for expenditures made (or, if the Administrator shall so agree, to be made) in respect of the reasonable cost of carrying out the Project and to be financed out of the Grant.

Section 2.03. The Closing Date shall be February 15, 1994, or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Recipient shall carry out the Project with due diligence and efficiency and in conformity with appropriate economic, financial, administrative and technical practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Recipient and the Administrator shall otherwise agree, the Recipient shall carry out the Project in accordance with the Implementation Program set forth in Schedule 3 to this Agreement.

Section 3.02. Except as the Administrator shall otherwise agree, procurement of the consultants' services required for the Project and to be financed out of the Grant shall be governed by the provisions of Schedule 4 to this Agreement.

Section 3.03. (a) The Recipient shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures of the Recipient in respect of the Project.

(b) The Recipient shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Administrator;
- (ii) furnish to the Administrator as soon as available, but in any case not later than four months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Administrator shall have reasonably requested; and
- (iii) furnish to the Administrator such other information concerning said records and accounts and the audit thereof as the Administrator shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of statements of expenditure, the Recipient shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Administrator has received the audit report for the fiscal year in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

- (iii) enable the Administrator's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

ARTICLE IV

Effectiveness; Termination

Section 4.01. This Agreement shall become effective upon its execution by the parties hereto.

Section 4.02. This Agreement shall continue in effect until the Grant has been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE V

Representation

Section 5.01. The President of the Recipient is designated as the representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 5.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Administrator:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

197688 (TRT),
248423 (RCA),
64145 (WUI) or
82987 (FTCC)

For the Recipient:

Council for Development and Reconstruction
P.O. Box 116-5351
Beirut, Lebanese Republic

Cable address:

CDR, Tallet El-Seray
Beirut, Lebanese Republic

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
as Administrator of the Grant

By /s/ Caio Koch-Weser

Regional Vice-President
Middle East and North Africa

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

By /s/ Al-Fadl Chalak

Authorized Representative

SCHEDULE 1

Withdrawal of the Grant

1. The table below sets forth the Category of items to be financed out of the Grant, the allocation of the amount of the Grant to such Category and the percentage of expenditures for items so to be financed in said Category:

Category	Amount of the Grant Allocated (Expressed in Yen)	% of Expenditures to be Financed
Consultants' Services	45,000,000	100%
Total	45,000,000	

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

SCHEDULE 2

Description of Technical Assistance

The objective of the Technical Assistance is to assist the Recipient in the preparation of a proposed Irrigation Rehabilitation and Development Project (the proposed Project).

The Technical Assistance will consist of the provision of consultants' services with a view to:

(a) Carrying out a damage assessment of the present operating condition of the irrigation systems in various parts of the territory of the Lebanese Republic.

(b) Assisting the Recipient in the preparation of tender documents for the procurement of goods and services to rehabilitate the irrigation systems under the proposed Project.

(c) Assisting the Recipient in the preparation of a proposal to be submitted to the Administrator setting out (i) the supervision needs under the irrigation systems rehabilitation component of the proposed Project; and (ii) a plan to carry out the engineering designs for the rehabilitation and modernization of existing water sources and distribution facilities and the extension of said facilities.

SCHEDULE 3

Implementation Program

The Recipient shall:

(a) Not later than September 30, 1993, prepare and furnish to the Administrator an inception report setting out the Recipient's program to carry out the Technical Assistance.

(b) Not later than November 30, 1993, prepare and furnish to the Administrator for its review and comments a draft damage assessment report and shall, after exchanging views with the Administrator, and taking into account the Administrator's comments on the draft report, furnish to the Administrator a final version of said report not later than December 31, 1993.

(c) Not later than December 31, 1993, prepare and furnish to the Administrator for its review and comments draft tender documents for the procurement of the goods and services referred to under paragraph (b) of Schedule 2 to this Agreement and shall, after exchanging views with the Administrator, and taking into account the Administrator's comments on the draft tender documents, furnish to the Administrator final versions of said documents not later than January 31, 1994.

SCHEDULE 4

Consultants' Services

Employment of Consultants

In order to assist the Recipient in carrying out the Technical Assistance, the Recipient shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Administrator. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Administrator on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

