

Public Disclosure Authorized

# OFFICIAL DOCUMENTS

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LOAN NUMBER 8705-LB  
CFF TF NUMBER TF0A4481

## Project Agreement

(Roads and Employment Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

Dated June 21, 2017

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**LOAN NUMBER 8705-LB  
CFF TF NUMBER TF0A4481**

**PROJECT AGREEMENT**

AGREEMENT dated June 21, 2017, entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and the COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION (variously, “Project Implementing Entity” or “CDR”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of same date between the Lebanese Republic (“Borrower”) and the Bank. The Bank and the Project Implementing Entity hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral 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 Loan Agreement or the General Conditions.

**ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity (“PIE”) declares its commitment to the objectives of the Project. To this end, the PIE shall carry out the Project in accordance with the provisions of Article V of the General Conditions, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the PIE shall otherwise agree, the PIE shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

**ARTICLE III — REPRESENTATIVE; ADDRESSES**

- 3.01. The PIE’s Representative is the President of the Council for Development and Reconstruction.

3.02. The Bank's Address is:

International Bank for Reconstruction and Development  
1818 H Street, NW  
Washington, DC 20433  
United States of America

Telex:

Facsimile:

248423(MCI) or  
64145(MCI)

1-202-477-6391

3.03. The CDR's Address is:

P.O. Box 11/3170  
Tallet Al Serail  
Beirut  
Lebanese Republic

Facsimile:

961 1 981 252

961 1 981 253

AGREED at Beirut, Lebanese Republic, as of the day and year first above written.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By


  
Authorized Representative

Name: Hafez Ghanem

Title: Regional Vice President

COUNCIL FOR DEVELOPMENT AND  
RECONSTRUCTION

By

  
Authorized Representative

Name: Nabil El Jisr

Title: President, CDR

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. Project Implementation Unit

The Project Implementing Entity (“PIE”) shall, not later than two months after the Effective Date, establish and thereafter maintain, at all times during the implementation of the Project, the Project Implementation Unit (“PIU”), to be responsible for prompt and efficient oversight (including day to day implementation, coordination and management) of activities under the Project, and shall take all actions, including the provision of funding, personnel and other resources necessary to enable said PIU to implement the Project. To this end, the PIE shall appoint, in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement, and thereafter maintain at all times during Project implementation, specialists in among others, procurement, environment and social safeguards, traffic safety, financial management, engineers, monitoring and evaluation, and administration support, to supplement existing PIU staff.

##### 2. Project Implementation Manual

- (a) The PIE shall, no later than one (1) month after the Effective Date, prepare in accordance with terms of reference acceptable to the Bank and furnish to the Bank for review, a Project implementation manual, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project’s objectives; (ii) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation; (vi) reporting; (vii) information, education and communication of Project activities; (viii) the eligibility criteria and detailed procedures for the selection, approval and management of Sub-projects under Part A of the Project; (ix) guidelines for assessing potential environmental and social impacts of the Project and designing appropriate mitigation, management, and monitoring measures in respect of said impacts; and (x) such other technical and organizational arrangements and procedures as shall be required for the Project.

- (b) The PIE shall afford the Bank a reasonable opportunity to exchange views with the PIE on said Project implementation manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the Bank (“Project Implementation Manual” or “PIM”).
- (c) The PIE shall ensure that the Project is carried out in accordance with the PIM; provided, however, that in case of any conflict between the provisions of the PIM and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail. Except as the Bank shall otherwise agree, the PIE shall not amend, abrogate or waive any provision of the PIM.

**3. Annual Work Plan and Budget**

- (a) The PIE, shall prepare and furnish to the Bank not later than March 31 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities (including Subprojects) proposed to be included in the Project during the following Fiscal Year (including Safeguard Instruments applicable to said Subprojects in accordance with the provisions of Section I.D of this Schedule), and a proposed financing plan for expenditures required for said activities, setting forth the proposed amounts and sources of financing.
- (b) Each such proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
- (c) The PIE, shall afford the Bank a reasonable opportunity to exchange views with the PIE on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the Bank (“Annual Work Plan and Budget”).
- (d) The PIE shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the Bank.

**B. Anti-Corruption**

The PIE shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**C. Safeguards**

1. The PIE shall ensure that the Project is carried out in accordance with the provisions of the Safeguards Instruments. To this end, the PIE shall:
  - (a) not later than one month after the Effective date, prepare in form and substance acceptable to the Bank, an Environmental and Social Management Framework (“ESMF”) detailing:
    - (i) the guidelines, procedures and timetables for the carrying out of environmental and social assessments under the Project;
    - (ii) the measures to be taken during the implementation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and
    - (iii) the actions needed to implement these measures, including monitoring and institutional strengthening.
  - (b) prepare, in form and substance acceptable to the Bank, and prior to the commencement of any works under said activity:
    - (i) a site specific Environmental and Social Impact Assessment (“ESIA”) if any Project activity would, pursuant to the ESMF, require the carrying out of an ESIA for such activity, and ensure that such ESIA is: (A) prepared in accordance with the requirements of the ESMF and furnished to the Bank for review and approval, and (B) disclosed in-country as required by the ESMF and approved by the Bank; or
    - (ii) a site specific Environmental and Social Management Plan (“ESMP”), if any Project activity would, pursuant to the ESMP, require the carrying out of an ESMP for such activity, and ensure that such ESMP is: (A) prepared in accordance with the ESMF and furnished to the Bank for review and approval, and (B) disclosed in-country as required by the ESMF and approved by the Bank.
  - (c) not later than one (1) month after the Effective date, prepare in form and substance acceptable to the Bank, a Resettlement Policy Framework (“RPF”) setting forth the modalities for resettlement and compensation of Affected Persons under the Project. To this end, the PIE shall ensure that the following actions are taken in a manner acceptable to the Bank: If a Resettlement Action Plan (“RAP”) would be required for any Project activity on the basis of the RPF: (i) said RAP shall be prepared in

accordance with the requirements of the RPF, furnished to the Bank for review and approval, and disclosed as required by the RPF and approved by the Bank; and (ii) no works under said activity shall be commenced until all measures required to be taken under said RAP prior to the initiation of said works have been taken, including: (A) providing funds for compensation of Affected Persons, when and if required under a RAP; (B) a report, in form and substance satisfactory to the Bank, on the status of compliance with the requirements of said RAP has been prepared and furnished to the Bank; and (C) the Bank has confirmed that the implementation of said activity may be commenced.

2. The PIE shall not amend or waive, or permit to be waived, any Safeguard Instrument, or any provision of any one thereof, without the prior written approval of the Bank.
3. The PIE shall ensure that all measures for carrying out the recommendations of the Safeguard Instruments are implemented in a timely manner.
4. Without limitation upon its other reporting obligations under the Loan Agreement, the PIE shall:
  - (a) include in the Project Reports referred to in Section II.A of Schedule 2 to the Loan Agreement adequate information on monitoring the measures defined in the Safeguard Instruments, giving details of: (i) measures taken in furtherance of such Safeguard Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and (iii) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments; and
  - (b) afford the Bank a reasonable opportunity to exchange views with the PIE on such reports.
5. Each such report referred to in paragraph 4(a) above shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

**D. Subprojects under Part A of the Project**

1. Each Subproject shall be eligible for financing upon the PIE's determination, on the basis of an appraisal conducted in accordance with the criteria, guidelines and detailed procedures set forth in the PIM, that the Subproject satisfies the eligibility criteria specified in the PIM, which criteria shall, *inter alia*, include the following:
  - (a) the Subproject shall be appraised on the basis of technical, economic, financial, environmental and social assessments and other guidelines



acceptable to the Bank (and be accompanied by appropriate Safeguards Instruments);

- (b) the Subproject and the associated Safeguards Instruments, if any, shall be approved by the Bank, unless the Bank has notified the PIE in writing that its prior approval is not required; and
  - (c) the Subproject shall be included in the Annual Work Plan and Budget.
2. Without limitation upon the provisions of paragraph 1 immediately above, the PIE shall, not later than one (1) month after the Effective Date, submit a comprehensive list of proposed Subprojects under Part A of the Project, including their cost estimates, to the Bank for approval.

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

**A. Project Reports**

1. The PIE shall monitor and evaluate the progress of the Project and prepare Project Reports for the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one calendar year, and shall be furnished to the Borrower and the Bank not later than forty-five (45) days after the end of the period covered by such report.

**B. Financial Management, Financial Reports and Audits**

1. The PIE shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the PIE, including the operations, resources and expenditures related to the Project.
2. The PIE shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the PIE. The PIE shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

3. The PIE shall engage, no later than six (6) months after the Effective Date, or such later date as the Bank may agree, an external auditor for the Project, with qualifications and experience and under terms of reference satisfactory to the Bank.

**Section III. Procurement**

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.