

Public Disclosure Authorized

OFFICIAL DOCUMENTS

LOAN NUMBER 8637-LB

Loan Agreement

(Lake Qaraoun Pollution Prevention Project)

between

LEBANESE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 2, 2016

LOAN NUMBER 8637-LB

LOAN AGREEMENT

AGREEMENT dated September 2, 2016, between LEBANESE REPUBLIC (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). 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) 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of fifty-five million Dollars (US\$55,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
- 2.06. The Payment Dates are April 15 and October 15 in each year.

- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in provisions of Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity, in accordance with the provisions of Article V of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely, that the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been executed on behalf of the Borrower and the Project Implementing Entity.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Borrower and the Project Implementing Entity and is legally binding upon the Borrower and the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date one hundred and eighty (180) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is the Minister of Finance
- 6.02. The Borrower's Address is:

Ministry of Finance
Riad El-Solh Square
Beirut
Lebanese Republic

Facsimile:
+961 1 642 762

- 6.03. The Bank's Address is:

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.

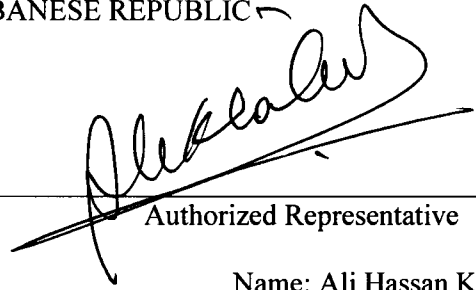
Telex:
248423(MCI) or
64145(MCI)

Facsimile:
1-202-477-6391

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

LEBANESE REPUBLIC

By



A handwritten signature in black ink, appearing to read 'Ali Hassan Khalil', is written over a horizontal line. The signature is stylized and cursive.


Authorized Representative

Name: Ali Hassan Khalil

Title: Minister of Finance

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



A handwritten signature in black ink, appearing to read 'Ferid Belhaj', is written over a horizontal line. The signature is stylized and cursive.

Authorized Representative

Name: Ferid Belhaj

Title: Country Director

SCHEDULE 1

Project Description

The objectives of the Project are to reduce the quantity of untreated municipal sewage discharged into the Litani River and to improve pollution management around Qaraoun Lake.

The Project consists of the following parts:

Part A. Improvement of Municipal Sewage Collection

1. Supporting the expansion and rehabilitation of the sewerage network in selected villages in the vicinity of the city of Zahlé to connect to the Zahlé Wastewater Treatment Plant.
2. Supporting the expansion of the sewerage network in selected villages in the vicinity of the city of Anjar to connect to the Anjar Wastewater Treatment Plant.
3. Supporting the expansion of the sewerage network in selected villages in the vicinity of the city of Aitanit to connect to the Aitanit Wastewater Treatment Plant.
4. Providing technical assistance for: (i) design and supervision of activities under Part A of the Project; (ii) preparation of safeguards instruments, if needed, for activities under Part A of the Project; and (iii) supervision of implementation of Safeguards Instruments under Part A of the Project.

Part B. Promotion of Good Agricultural Practices (Including Integrated Pest Management)

Carrying out a program of activities to promote the use of sustainable production systems among farmers in the upper Litani basin in the Borrower's territory through: (i) conducting an assessment of current agricultural practices and developing a program for good agricultural practices, including integrated pest management ("GAP Program"); (ii) training key stakeholders on the GAP Program; (iii) implementing the GAP Program at the farm level; and (iv) monitoring and evaluating the implementation of the GAP Program.

Part C. Solid Waste Management, Water Quality Monitoring, Capacity Building, and Project Management

1. Providing technical assistance to the Ministry of Environment to carry out technical, environmental and social studies for: (a) the establishment of sorting and landfilling facilities; and (b) rehabilitation and closure of selected dump sites.
2. Providing technical assistance to the Litani River Authority to improve the water quality monitoring network and water resources modeling, and raise awareness on the cleaning-up of the Litani River.

3. Strengthening the capacity of the Beqaa Water Establishment for improving governance, institutional administration, human resources management, customer relations, operation and maintenance, and financial management.
4. Strengthening the capacity of the Ministry of Energy and Water to perform its oversight function on the wastewater sector, including, *inter alia*, monitoring the implementation of the National Wastewater Strategy and updating it, if needed.
5. Establishing the Project Management Unit and strengthening its capacity for Project management, coordination, monitoring and evaluation, including, *inter alia*, financial and procurement managements, environmental and social safeguard compliance, reporting and auditing.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Qaraoun Committee

The Borrower shall maintain, throughout the implementation of the Project, the Qaraoun Committee, with a composition, mandate, and resources satisfactory to the Bank.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity under a Subsidiary Agreement to be entered into between the Borrower and the Project Implementing Entity under terms and conditions approved by the Bank.
2. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

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

D. Safeguards

1. The Borrower shall cause the Project Implementing Entity to carry out the Project in accordance with the Safeguard Instruments and the provisions of Section I.D of the Schedule to the Project Agreement.
2. The Borrower shall ensure that the Project Implementing Entity does not amend, suspend, abrogate, repeal or waive any of the Safeguards Instruments, or any provision of any said Instruments, without the prior approval of the Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the

Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank and the Participating Agencies, 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 Borrower shall cause the Project Implementing Entity to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause the Project Implementing Entity to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall cause the Project Implementing Entity to have the Financial Statements for the Project audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; (b) Direct Contracting; and (c) National Competitive Bidding, subject to the Bank's procurement procedures and using the Bank's standard bidding documents, acceptable and cleared by the Bank.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Selection under a Fixed Budget; (b) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Single-source Selection of consulting firms; (e) Selection of United Nations' agencies; (f) Procedures set forth in the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs	54,862,500	100%
(2) Front-end Fee	137,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	\$55,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$11,000,000 may be made for payments made prior to this date but on or after July 1, 2016, for Eligible Expenditures under Category (1).

2. The Closing Date is June 30, 2023.

SCHEDULE 3

Amortization Schedule

1. 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”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each April 15 and October 15 Beginning October 15, 2022 through April 15, 2029	6.67%
On October 15, 2029	6.62%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. “Affected Persons” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, suffers adverse impacts on his or her livelihood; and “Affected Persons” means more than one Affected Person.
2. “Aitanit Wastewater Treatment Plant” means a wastewater treatment plant constructed in the vicinity of the city of Aitanit.
3. “Anjar Wastewater Treatment Plant” means the Anjar, MajdelAnjar and Qabb Elias wastewater treatment plant to be constructed in the vicinity of the city of Anjar.
4. “Anti-Corruption Guidelines” means 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.
5. “Beqaa Water Establishment” or “BWE” means the Borrower’s Beqaa Water Establishment, a public authority established and operating pursuant to the Law No. 221 (2000) dated May 29, 2000 and Decree No. 8122 dated July 3, 2002 of the Borrower, or any successor thereto.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “Council for Development and Reconstruction” or “CDR” means the Borrower’s public authority established and operating pursuant to the Legislative Decree No. 5 dated January 31, 1977, and the Law No. 295 dated April 3, 2001 of the Borrower, or any successor thereto.
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
9. “Council of Ministers” means the Borrower’s council of ministers.
10. “Environmental and Social Management Framework” or “ESMF” means the environmental and social management framework disclosed on February 11, 2015 in the Borrower’s territory, and on February 12, 2015 in the Bank’s InfoShop, adopted by the Borrower and acceptable to the Bank, setting forth the modalities for environmental and social screening, and outlining environmental and social implementation, mitigation and

monitoring measures and procedures, including procedures and guidelines for integrated pest management, and the preparation and implementation of EMPs, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any schedules to such document.

11. “Environmental Management Plans” or “EMPs” means, collectively, (i) the EMP prepared for the Zahlé sewerage network, disclosed on February 11, 2015 in the Borrower’s territory, and on February 12, 2015 in the Bank’s InfoShop; and (ii) EMPs to be prepared for other Project activities pursuant to the requirements of the ESMF, in each case identifying and assessing the potential environmental impacts of a proposed Project activity, evaluating alternatives, and setting forth appropriate mitigation, monitoring and institutional measures designed to mitigate the potential adverse environmental impacts of a proposed Project activity, offset them, reduce them to acceptable levels, or enhance positive impacts, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any schedules to such document; and “Environmental Management Plan” or “EMP” means any of such plans.
12. “GAP Program” means a program for good agricultural practices, including integrated pest management, to be developed under Part B of the Project.
13. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
14. “Land Acquisition Plan” or “LAP” means the land acquisition plan for the expansion of the sewerage network to connect to the Zahlé Wastewater Treatment Plant, disclosed on March 13, 2015 in the Borrower’s territory, and on March 18, 2015 in the Bank’s InfoShop, describing the compensation and other resettlement assistance to be provided, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any schedules to such document.
15. “Litani River Authority” or “LRA” means the Borrower’s Litani River Authority, a public authority established and operating pursuant to the Borrower’s relevant laws and regulations, or any successor thereto.
16. “Ministry of Energy and Water” means the Borrower’s ministry responsible for energy and water, or any successor thereto.
17. “MOA” means the Borrower’s Ministry of Agriculture, or any successor thereto.
18. “MOE” means the Borrower’s Ministry of Environment, or any successor thereto.
19. “MoEW” means the Borrower’s Ministry of Energy and Water, or any successor thereto.

20. “National Wastewater Strategy” means the Borrower’s national wastewater strategy endorsed by the Council of Ministers in 2012.
21. “Operating Costs” means incremental costs incurred on account of the Project coordination, implementation and monitoring, including expenditures for vehicle operation and maintenance, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Project-related travel, including per diem and accommodation, but excluding salaries of the Borrower’s civil servants, and other miscellaneous costs directly associated with the Project implementation.
22. “Participating Agencies” means, collectively, MoEW, MOE, MOA, LRA, and BWE.
23. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
24. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated May 20, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
25. “Project Agreement” means the agreement entered into by the Bank and the Project Implementing Entity on the same date as this Agreement for the implementation of the Project.
26. “Project Implementing Entity” means the Borrower’s Council for Development and Reconstruction (“CDR”), a public authority established and operating pursuant to the Legislative Decree No. 5 dated January 31, 1977, and the Law No. 295 dated April 3, 2001, or any successor thereto.
27. “Project Implementing Entity’s Legislation” means the Legislative Decree No. 5 dated January 31, 1977, and the Law No. 295 dated April 3, 2001 of the Borrower.
28. “Project Management Unit” means the project management unit referred to in Section I.A of the Schedule to the Project Agreement.
29. “Qaraoun Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement, established by Decision No. 102/2012, dated June 25, 2012, of the Presidency of the Council of Ministers; and re-established by the Borrower’s Council of Minister’s Decision 32 of May 9, 2014.
30. “Resettlement Policy Framework” or “RPF” means the resettlement policy framework disclosed on February 11, 2015 in the Borrower’s territory, and on February 12, 2015 in the Bank’s InfoShop, adopted by the Borrower and acceptable to Bank, containing guidelines, procedures, and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Affected Persons, and for the preparation and

implementation of RAPs, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes all schedules to such document.

31. “Resettlement Action Plan” or “RAP” means, for a given Project activity, the resettlement action plan for said activity, to be prepared by the Project Implementing Entity in accordance with the RPF, and describing the compensation and other resettlement assistance to be provided, consultation to be conducted with Affected Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any schedules to such document; and “Resettlement Action Plans” or “RAPs” means more than one such plan.
32. “Safeguard Instruments” means the ESMF, the RPF, the EMPs, the LAP, and RAPs; and “Safeguard Instrument” means any one of such instruments.
33. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity.
34. “Training” means expenditures associated with Project related study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.
35. “Zahlé Wastewater Treatment Plant” means a wastewater treatment plant under construction in the vicinity of the city of Zahlé.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan

Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”

3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”
7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.