

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8443-LB

Loan Agreement

(Water Supply Augmentation Project)

between

LEBANESE REPUBLIC

and

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

Dated January 21, 2015

LOAN NUMBER 8443-LB

LOAN AGREEMENT

AGREEMENT dated January 21, 2015, between LEBANESE REPUBLIC ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank").

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to this Agreement ("Project"), has requested the Bank to assist in the financing of the Project;

(B) the Islamic Development Bank ("IsDB") proposes to provide to the Borrower a loan (the "IsDB Loan") in an amount equivalent to US\$128,000,000 to finance Parts 1(b) and 2(d)(i) of the Project on the terms and conditions set forth in an agreement to be entered into between the Borrower and IsDB (the "IsDB Loan Agreement");

WHEREAS the Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend the Loan to the Borrower upon the terms and conditions set forth in this Agreement; and

NOW THEREFORE the parties hereto 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 four hundred seventy four million Dollars (US\$474,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the 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 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.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. 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.
- 2.07. (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 objective 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 Events of Suspension consist of the following, namely that:
 - (a) 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.
 - (b)
 - (i) Subject to subparagraph (ii) of this paragraph:
 - (A) the right of the Borrower to withdraw the proceeds of the IsDB Loan made to the Borrower for the financing of Parts 1(b) and 2(d)(i) of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor, or
 - (B) the IsDB Loan shall have become due and payable prior to the agreed maturity thereof.
 - (ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Bank that:
 - (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and
 - (B) adequate funds for

financing Parts 1(b) and 2(d)(i) of the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

- 4.02. IsDB Loan deadline for the effectiveness of the IsDB Loan Agreement is September 30, 2016, or a later date as may be agreed to by the Bank.
- 4.03. The Additional Event of Acceleration consists of the following, namely that any event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following, namely that:
 - (a) The Subsidiary Agreement has been executed on behalf of the Borrower and the Project Implementing Entity.
 - (b) The Environmental and Social Panel of Experts has been established under terms of reference acceptable to the Bank.
- 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:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

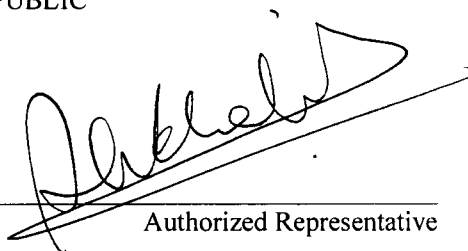
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1-202-477-6391

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

LEBANESE REPUBLIC

By

A handwritten signature in dark ink, appearing to read 'Ali Hassan Khalil', is written over a horizontal line.

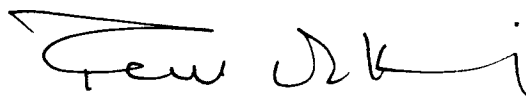
Authorized Representative

Name: Ali Hassan Khalil

Title: Minister of Finance

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

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Authorized Representative

Name: Ferid Belhaj

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to increase the volume of water available to the Greater Beirut and Mount Lebanon area.

The Project consists of following parts.

Part 1: Construction and Construction Supervision of the Bisri Dam and Associated Infrastructure

- (a) Supporting construction and construction supervision of the Bisri Dam and the associated access road.
- (b) Supporting construction and construction supervision of the conveyor pipelines to the existing Joun reservoir and the associated access road; two (2) hydropower plants, generating 0.2 megawatt (MW) and 10 MW respectively; and expansion of the Quardaniyeh water treatment plant.

Part 2: Sustainability of Service Delivery

- (a) Strengthening the capacity of MOEW, CDR and BMLWE on the operation and maintenance of dams through provision of technical assistance.
- (b) Strengthening the capacity of MOEW and BMLWE on management of water resources within the Beirut Mount Lebanon area, through provision of technical assistance.
- (c) Developing and implementing an awareness raising program to prepare for eventual volumetric metering of water supply.
- (d) Implementing environmental mitigation measures set out in the ESMP, including: (i) the construction of sewage networks in the upstream catchment villages; and (ii) other environmental and social mitigation measures set out in the ESMP.

Part 3: Project Management and Quality Assurance

- (a) Strengthening the capacity of the Project Management Unit (PMU) to implement the Project.
- (b) Supporting the work of the Dam Safety Panel of Experts and independent Environment and Social Panel of Experts.

- (c) Supporting the social and environmental safeguards supervision.

Part 4: Land Acquisition and Resettlement Compensation

- (a) Implementing the Resettlement Action Plan, including, *inter alia*, providing Land Acquisitions and Resettlement Compensations to the Displaced Persons.
- (b) Supporting livelihood rehabilitation and benefit sharing activities.
- (c) Monitoring and evaluating the implementation of the Resettlement Action Plan.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. 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 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.

B. Anti-Corruption

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

C. Other Undertakings

1. The Borrower shall, by December 31, 2016, through MOEW enter into operation and maintenance arrangements with BMLWE for the Bisri Dam through which MOEW assigns operation and maintenance of the Bisri Dam to BMLWE to be undertaken through its own financial resources, according to the Dam Safety Plans and under the supervision of MOEW.
2. The Borrower shall cause CDR, in coordination with MOEW and BMLWE, by June 30, 2018, to submit an operation and maintenance plan for the Bisri Dam, including, *inter alia*, staff and budget needs for operation and maintenance of the Bisri Dam, dam safety compliance measures and description of contractual arrangements with public or private entities for the operation and maintenance of the Bisri Dam, to the Bank for review and comments; thereafter finalize said plan taking into account the Bank's comments thereon, if any; and thereafter implement said plan during the operation and maintenance of the Bisri Dam.
3. The Borrower, after being notified by the Project Implementing Entity of receipt of the Loan proceeds, shall, through MOF, open additional budget lines (budget classification number 2-3-1-344-227-9-4), provided that the total amount allocated to such budget lines during the life of the Project up until the Disbursement Deadline Date (as defined in the Disbursement Guidelines 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.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall cause CDR 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 calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.
2. Without limitation on the provisions in paragraph A.1 of this Section II above, the Borrower shall cause CDR to:
 - (a) conduct the first interim review for the Project, and thereafter prepare, under terms of reference satisfactory to the Bank, and furnish to the Borrower and the Bank by June 30, 2018, or such later date as the Bank and the Borrower may agree on, an interim report on the progress achieved in the carrying out of the Project during the period preceding such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date;
 - (b) review with the Bank by July 31, 2018, or such later date as the Bank shall request, the first interim report referred to in sub-paragraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter;
 - (c) conduct the second interim review for the Project, and thereafter prepare, under terms of reference satisfactory to the Bank, and furnish to the Borrower and the Bank by June 30, 2021, or such later date as the Bank and the Borrower may agree on, a second interim report on the progress achieved in the carrying out of the Project during the period preceding such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
 - (d) review with the Bank by July 31, 2021, or such later date as the Bank shall request, the second interim report referred to in sub-paragraph (c) above, and, thereafter, take all measures required to ensure the efficient

completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter.

3. For purposes of Section 5.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall cause CDR 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 CDR 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 CDR to have its 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 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) National Competitive Bidding, subject to the Bank's procurement procedures and using the Bank's standard bidding documents, acceptable and cleared by the Bank
(b) Shopping
(c) Direct Contracting

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 table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) Selection Based on Consultants' Qualifications
(b) Single-Source Selection of consulting firms
(c) Selection under a Fixed Budget
(d) Least Cost Selection

(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(f) 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
(1) Works, Goods and non-consulting services, Consultants' services and Training and Incremental Operating Costs (excluding Parts 1(b) and 2(d)(i) of the Project)	317,815,000	100%
(2) Land Acquisition and Resettlement Compensations	155,000,000	100%
(3) Front-end Fee	1,185,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.07(c) of this Agreement
TOTAL AMOUNT	474,000,000	

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 \$94,800,000 may be made for payments made prior to this date but on or after September 30, 2014 for Eligible Expenditures under Categories (1) and (2).
2. The Closing Date is June 30, 2024.

SCHEDULE 3

Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each March 15 and September 15, the first installment to be payable on the 7th Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the 40th Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-thirty fourth ($1/34$) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.
2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after September 15, 2044, the Borrower shall also pay on such date the aggregate amount of all such installments.
3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount 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.

APPENDIX

Section I. Definitions

1. “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.
2. “Bisri Dam” means the Bisri water supply dam and reservoir.
3. “BMLWE” means the Beirut Mount Lebanon Water Establishment, a public authority established and operating pursuant to the Law No. 221 (2000) dated May 29, 2000, and Law No. 377 (2001) dated December 14, 2001, or any successor thereto.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “CDR” means Borrower’s Council for Development and Reconstruction, a public authority established and operating pursuant to the Legislative Decree No. 5, dated January 31, 1977, and Law No. 295 dated April 3, 2001, or any successor thereto.
6. “Construction Supervision and Quality Assurance Plan” means the plan, dated August 12, 2014, acceptable to the Bank, adopted by CDR, which sets forth measures, including organization, staffing levels, procedures, equipment, and supervision qualifications, for supervision and quality assurance of the construction of the Bisri Dam, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.
7. “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 and revised in July 2014.
8. “Dam Safety Panel of Experts” means the panel of experts established by CDR referred to in paragraph D.6 of Section I of the Schedule to the Project Agreement.
9. “Dam Safety Plans” means, collectively, the: (a) Construction Supervision and Quality Assurance Plan; (b) Emergency Preparedness Plan; (c) Instrumentation Plan; and (d) Operation and Maintenance Plan.
10. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts

caused by: (i) the involuntary taking of land resulting in: (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 such person must move to another location; or (ii) the involuntary restriction to access legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

11. “Emergency Preparedness Plan” means the plan, acceptable to the Bank, to be prepared by CDR pursuant to paragraph D.6(j) of Section I of the Schedule to the Project Agreement, which sets forth measures, including clear statements on the responsibility for dam operations decision making and related emergency communications, maps outlining inundation levels for various emergency conditions, flood warning system characteristics, and procedures for evaluating threatened areas and mobilizing emergency forces and equipment, in the event dam failure is considered imminent, or when expected operational flow release threatens downstream life, property, or economic operations that depend on river flow levels relating to the Bisri Dam, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.
12. “Environmental and Social Management Plan” or “ESMP” means the plan, dated May 2014, acceptable to the Bank, adopted by CDR, which sets forth the specific actions, measures and policies designed to maximize the benefit of the Project, as well as eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, along with administrative and monitoring arrangements to ensure the implementation of said actions, measures and policies, as said ESMP may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.
13. “Environmental and Social Panel of Experts” or “ESPE” means the independent panel of experts to be established by CDR pursuant to the provisions of Section 5.01(b) of this Agreement and referred to in paragraph D.5 of Section I of the Schedule to the Project Agreement.
14. “ESIA” means Environmental and Social Impact Assessments, dated May 2014, describing the environmental and social assessment process, outcomes and the mitigations measures; as such assessments may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
15. “ESIA for GBWSP” means the Borrower’s environmental and social impact assessment, in form and substance satisfactory to the Bank, dated August 6, 2010, prepared for the Greater Beirut Water Supply Project financed by the Bank, including, *inter alia*: (i) the identification and assessment of potential environmental and social impacts of the expansion of Quardaniyeh water treatment plant; (ii) an evaluation of alternative measures; and (iii) an

environmental and social management plan, detailing the appropriate mitigation, monitoring, institutional and management measures required for the expansion of Quardaniyeh water treatment plant to eliminate adverse environmental and social impacts, offsetting such impacts, or reducing them to acceptable levels.

16. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012.
17. “Incremental Operating Costs” means expenditures under the Project incurred by the PMU in relation to the maintenance of vehicles and equipment, fuel, utility charges, office supplies, office support, communications, local transport costs, but excluding salaries of officials of the Borrower and Project Implementing Entity.
18. “Instrumentation Plan” means the plan, acceptable to the Bank, to be prepared by CDR pursuant to paragraph D.6(h) of Section I of the Schedule to the Project Agreement, which sets forth detailed measures for the installation of instruments to monitor and record the behavior of and the hydro-meteorological, structural, and seismic factors relating to the Bisri dam, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.
19. “Land Acquisition & Resettlement Compensations” means the compensations and other assistance to be paid to Displaced Persons pursuant to the RAP, as agreed with the Bank, on account of: (i) the taking of their land and/or their compulsory relocation or loss of shelter; (ii) their loss of assets or access to assets in connection with the above-referred land takings/relocations; (iii) the loss of income sources or means of livelihood, whether or not such person must move to another location; or (iv) the involuntary restriction or access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
20. “MOEW” means the Borrower’s Ministry of Energy and Water in charge of the water sector and any successor thereto.
21. “Operation and Maintenance Plan” means the operation and maintenance plan to be prepared by CDR, in coordination with MOEW and BMLWE, pursuant to paragraph D.6(i) of Section I of the Schedule to the Project Agreement setting forth the organizational structure, staffing, technical expertise, and training required; equipment and facilities needed to operate and maintain the Bisri Dam; the operations and maintenance procedures; and arrangements for funding such operation and maintenance, including long-term maintenance and safety inspections, including changes in the Bisri Dam’s infrastructure or the nature of the impounded material that may be expected over a period of years.

22. "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 and revised July 2014.
23. "Procurement Plan" means the Borrower's procurement plan for the Project, dated August 11, 2014, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
24. "Project Implementation Manual" or "PIM" mean the manual, satisfactory to the Bank, dated August 12, 2014 and referred to in paragraph A.2 of Section I of the Schedule to the Project Agreement, as the same may be amended from time to time with the prior agreement of the Bank.
25. "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 Law No. 295 dated April 3, 2001, or any successor thereto.
26. "Project Implementing Entity's Legislation" means Legislative Decree No. 5, dated January 31, 1977, and Law No. 295 dated April 3, 2001.
27. "Project Management Unit" or "PMU" means the unit referred to in paragraph A.1 of Section I of the Schedule to the Project Agreement.
28. "Resettlement Action Plan" or "RAP" means the resettlement action plan, dated June 2, 2014, acceptable to the Bank, adopted by CDR, which plan: (i) identifies the Displaced Persons on account of implementation of the Project, (ii) sets forth the Displaced Persons' entitlement schedules, and the terms and conditions for providing them with resettlement assistance and/or compensation; and (iii) outlines the procedures to be applied in the identification, assessment and mitigation of potential Project related social impacts, including the protocols for consultation, processing of complaints and redressal of grievances, monitoring and reporting task; as such plans may be revised, updated or supplemented, from time to time, with the prior written concurrence of the Bank.
29. "Subsidiary Agreement" means the agreement referred to in Section I.A of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity.
30. "Training" means 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.