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DOCUMENTS

LOAN NUMBER 8886-LB

Project Agreement

(Additional Loan for Greater Beirut Water Supply Project)

between

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

and

BEIRUT MOUNT LEBANON WATER ESTABLISHMENT

Dated May 31 **, 2019**

LOAN NUMBER 8886-LB

PROJECT AGREEMENT

AGREEMENT dated May 31, 2019, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and BEIRUT MOUNT LEBANON WATER ESTABLISHMENT ("Project Implementing Entity") ("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 declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out its Respective Part of the Project as further described in Section I.A.1 of the Schedule to this Agreement, 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 its Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III - REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity's Representative is its Chairman and Director General.

3.02. The Bank's Address is:

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

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. The Project Implementing Entity's Address is:

Beirut Mount Lebanon Water Establishment
Badaro
Sami el Soleh Street
Chedrawi Building
Beirut
Lebanese Republic

Telephone:
+961 1 396 063:

Facsimile:
+961 1 385 111

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

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By _____
Authorized Representative

Name: Saroj Kumar Jha

Title: Country Director

BEIRUT MOUNT LEBANON WATER
ESTABLISHMENT

By _____
Authorized Representative

Name: Jean Gebran

Title: Chairman and Managing Director

SCHEDULE

Execution of the Project Implementing Entity's Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity, through its PMU, shall be responsible for: (a) implementation of Parts 1(b), 2 and 3 of the Project; (b) procurement of contracts under Parts 1(b), 2 and 3 of the Project; (c) financial management under Parts 1 (b), 2 and 3 of the Project; (d) monitoring and reporting on the Project, and overall project coordination, under the supervision of MOEW; and (e) and the Resettlement Action Plan and the ESMP, as further described and specified in the PIM.

2. The Project Implementing Entity shall carry out its Respective Parts of the Project, through the PMU, in accordance with the PIM, the BMLWE Subsidiary Agreement, and the Procurement Plan and shall not amend, suspend, abrogate, repeal or waive any provision of the PIM, the BMLWE Subsidiary Agreement, or the Procurement Plan, without prior approval of the Bank.

3. The Project Implementing Entity shall exercise its rights under the BMLWE Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.

B. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Performance Agreement

1. The Project Implementing Entity shall select and enter into a Performance Agreement with the PBC Service Provider, with terms of reference, experience and qualifications acceptable to the Bank, which shall be responsible for executing the performance and outputs based contract under Part 3(e) of the Project. The terms of the Performance Agreement shall be acceptable to the Bank, and shall include, *inter alia:*

    (a) The Project Implementing Entity's obligation to pay the PBC Service Provider, upon a verified achievement of the performance indicators, at the values established in the Performance Agreement, as verified by an electro-mechanical engineer employed by the BMLWE;

(b) PBC Service Provider's obligation to deliver services aimed at overall water loss reduction, in accordance with the criteria further described in the Performance Agreement; and

(c) The Project Implementing Entity's right to suspend or terminate the Performance Agreement upon the PBC Service Provider's failure to perform any of its obligations under the Performance Agreement.

D. Safeguards

1. The Project Implementing Entity shall ensure that the PMU carries out its Respective Parts of the Project in accordance with the ESMP and the Resettlement Action Plan and shall not amend, suspend, abrogate, repeal or waive any provision of the ESMP and the Resettlement Action Plan without prior approval of the Bank.

2. The Project Implementing Entity shall carry out the supervision of implementation and compliance with the ESMP and the Resettlement Action Plan in a manner acceptable to the Bank.

3. The Project Implementing Entity shall ensure that the PMU: (i) maintains throughout the period of implementation of the Project, a grievance redress mechanism, satisfactory to the Bank, for the management of complaints related to the Project; and (ii) ensures that adequate measures, satisfactory to the Bank, are put in place to ensure that all aspects of Project implementation are carried out in an inclusive, non-discriminatory and participatory manner.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of 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 quarter, and shall be furnished to the Borrower, through the PMU, not later than 45 days after the end of the period covered by such report for incorporation and forwarding by the Borrower, through the PMU to the Bank of the overall Project Report.

2. The Project Implementing Entity shall provide to the Borrower not later than three (3) months for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.