

مرسوم رقم ١٦٨٠

إحالة مشروع قانون إلى مجلس النواب يرمي إلى طلب الموافقة على إبرام

اتفاقية قرض واتفاقية التعديل على اتفاقية القرض

بين الجمهورية اللبنانية والبنك الدولي للإنشاء والتعمير

لتنفيذ مشروع الإدارة المالية

Fiscal Management Project

إنّ رئيسَ الجمهوريّة

بناءً على الدستور

بناءً على اقتراح وزير المالية،

وبعد موافقة مجلس الوزراء بتاريخ ٢٠٢٥/١٠/٩

يرسم ما يأتي:

المادة الأولى: يحال إلى مجلس النواب مشروع القانون المرفق الرامي الى طلب الموافقة على إبرام

اتفاقية قرض البنك الدولي بقيمة /28.5/ مليون دولار أميركي لمشروع الإدارة المالية

Fiscal Management Project الموقعة بتاريخ 2024/09/27 واتفاقية التعديل

على اتفاقية القرض الموقعة بتاريخ 2025/07/08 .

المادة الثانية: إن رئيس مجلس الوزراء مكلف بتنفيذ أحكام هذا المرسوم.

بعدد في ٣٠ تشرين الأول ٢٠٢٥

الامضاء: جوزاف عون

صدر عن رئيس الجمهورية

رئيس مجلس الوزراء

الامضاء: نواف سلام

رئيس مجلس الوزراء

الامضاء: نواف سلام

وزير المالية

الامضاء: ياسين جابر

وزير الخارجية والمغتربين

الامضاء: يوسف رجي



## مشروع قانون

طلب الموافقة على إبرام اتفاقية قرض واتفاقية التعديل على اتفاقية القرض بين الجمهورية اللبنانية  
والبنك الدولي للإنشاء والتعمير

لتنفيذ مشروع الادارة المالية

Fiscal Management Project

المادة الأولى: الموافقة على إبرام اتفاقية قرض بقيمة /28.5/ فقط خمسة وعشرون مليون دولار أميركي  
الموقعة بتاريخ 2024/09/27 واتفاقية التعديل على اتفاقية القرض الموقعة بتاريخ 2025/07/08  
لتنفيذ مشروع الادارة المالية - Fiscal Management Project - المرفقتين ربطاً.

المادة الثانية: لا تعطى أي مساهمة جديدة للمشروع ما لم يتم تقديم كشف من قبل المشروع بالمبالغ  
التي أنفقت من المساهمة السابقة وكيفية إنفاق اللاحقة إلى ديوان المحاسبة.

المادة الثالثة: عند انتهاء المشروع يعاد إلى حساب الخزينة رصيد المبالغ المسحوبة من القرض والتي  
لم يتم إنفاقها.

المادة الرابعة: يعمل بهذا القانون فور نشره في الجريدة الرسمية.



## الاسباب الموجبة لتنفيذ مشروع الادارة المالية

### Fiscal Management Project

يهدف المشروع إلى دعم المقترض في استعادة المهام الأساسية لتعبئة الإيرادات المحلية وتخصيص الموارد العامة واستخدامها بشكل خاضع للمساءلة. إن قيمة مشروع الإدارة المالية تبلغ ٣٤ مليون دولار اميركي ممولة من اتفاقية هبة بقيمة ٥,٥ مليون دولار اميركي بموجب المرسوم رقم ١٣٧٠٢ تاريخ ٢٠٢٤/٠٨/٠١ واتفاقية قرض بقيمة ٢٨,٥ مليون دولار اميركي موقعة بتاريخ ٢٠٢٤/٠٩/٢٧

يتألف المشروع من الأجزاء التالية:

الجزء ١: تأمين استقرار إدارة الإيرادات المحلية عبر توفير الدعم لوظائف الإيرادات الهامة التي تُعتبر ضرورية لزيادة تحصيل الإيرادات الضريبية وغير الضريبية من خلال ٣ مكونات فرعية:

- ١,١ - تعزيز دائرة كبار المكلفين ووحدة كبار المدينين بهدف تعزيز الامتثال الضريبي
- ١,٢ - استعادة الوظائف الأساسية للجمارك لضمان الأداء الأساسي لإدارة الجمارك وفقا لقانون الجمارك
- ١,٣ - إعادة تأهيل وتحديث نظم تكنولوجيا المعلومات والاتصالات لإدارة الإيرادات، وذلك من خلال، على سبيل المثال لا الحصر، تطوير نظام متكامل لإدارة الضرائب (ITAS) ودمج نظم الإيرادات والجمارك بهدف تعزيز تبادل البيانات لدعم اتخاذ القرارات الجوهرية والحاسمة وتعزيز وظائف الرقابة والتدقيق

الجزء ٢: استعادة الضوابط المالية.

الهدف من هذا المكون إعادة وضع ركائز التخطيط المالي الكلي، الموازنة، آلية الدفع وإعداد التقارير للتمكن من تخصيص واستخدام الموارد من أجل تلبية الحاجة الطارئة لتفعيل الضوابط المالية ولوضع أسس التعافي، من خلال ٤ مكونات فرعية:

- ٢,١ - تقديم المساعدة الفنية لضمان إعداد الموازنة السنوية في الوقت المناسب، يعززه إطار مالي سليم على مستوى الاقتصاد الكلي يدعم الاستجابة للالتزامات والتعافي منها؛
- ٢,٢ - تنظيم رفع التقارير المالية - لنهاية السنة المالية عن طريق، على سبيل المثال لا الحصر تقديم المساعدة الفنية من أجل انتظام إعداد التقارير عن تنفيذ الموازنة والبيانات المالية السنوية والتسويات المصرفية من أجل رصد تنفيذ الموازنة والمخاطر المالية عن كثب؛ وضع الأسس لإطار عمل خاص بحساب الخزينة الموحد (TSA) بغرض تحسين إدارة السيولة وتوفير معلومات آنية حول تنفيذ الموازنة (بما في ذلك الإيرادات والنفقات)؛
- ٢,٣ - بعد التعديل تترك فارغة

- ٢,٤ - إعادة تأهيل الوظائف المشتركة في مجال تكنولوجيا المعلومات والاتصالات عن طريق، على سبيل المثال لا الحصر، دعم الصيانة الحرجة وتطوير الأجهزة والبرمجيات وتحديث تكنولوجيا المعلومات والاتصالات في أنظمة إدارة الموازنة والنفقات؛ دمج أنظمة النفقات والإيرادات لتعزيز تشارك البيانات



من أجل اتخاذ القرارات الحاسمة في ما يتعلق بإدارة النفقات والإيرادات؛ تطوير وتنفيذ نظام متكامل لإدارة المعلومات المالية (IFMIS) حديث.

الجزء ٣: إعادة تنشيط مؤسسات الرقابة والمساءلة وبناء القدرات في مجال الشراء.

الهدف من هذا المكون توفير الدعم للمساهمة في تعزيز (أ) دور الرقابة والتدقيق والقدرة لدى ديوان المحاسبة والتفتيش المركزي وهيئة الشراء العام وغيرها من مؤسسات الشراء العام المختارة وتوسيع انخراطها مع المواطنين؛ و(ب) دور المعهد المالي في بناء القدرات، من خلال مكونان فرعيان:

٣،١ - زيادة قدرة الوظائف الجوهرية:

لديوان المحاسبة عن طريق الدعم التشغيلي للإسراع في إنهاء عمليات التدقيق القانونية المتراكمة والحفاظ في ما بعد على إجراء عمليات التدقيق في أوانها، وتدريب موظفي ديوان المحاسبة وبناء قدراتهم، والتفتيش المركزي عن طريق الدعم التشغيلي لإجراء عمليات تدقيق معمقة في جداول الرواتب؛ والمساعدة الفنية لإجراء عمليات التدقيق في جداول الرواتب،

من خلال الترابط بين ديوان المحاسبة والتفتيش المركزي لإجراء عمليات التدقيق والرقابة لديهما عبر إنشاء منصات اتصال،

ومن خلال تقديم المساعدة الفنية، والتدريب، وتطوير منصات تعليم إلكتروني ووحدات تدريب رقمية لتعزيز قدرات ومهارات موظفي الخدمة المدنية في مجالي إدارة المالية العامة والشراء العام.

٣،٢ - تعزيز وظائف بناء القدرات لدى المعهد المالي، ودعم احتراف العاملين في مجال الشراء العام عبر المساعدة الفنية والتدريب على سبيل المثال لا الحصر.

٣،٣ - توفير ألواح الطاقة الشمسية لتوليد الكهرباء.

الجزء ٤: إدارة المشروع.

٤،١ - إدارة المشروع

دعم إدارة وتنسيق المشروع؛ الرصد والتقييم؛ الامتثال للمعايير البيئية والاجتماعية؛ بناء القدرات في ما يتعلق بمراعاة النوع الاجتماعي لأغراض مرتبطة بتنفيذ المشروع؛ الإدارة الائتمانية والرقابة الداخلية وعمليات التدقيق؛ طرف ثالث للرصد والتواصل والتوعية؛ ووضع آلية تظلم وآلية لإشراك المواطنين والمحافظة عليهما.

٤،٢ - التحقق من الشروط القائمة على الأداء ودعم التدقيق

توفير المساعدة الفنية لمراجعة النتائج المرتبطة بالشروط القائمة على الأداء والتحقق منها، كما تدعم التدقيق المالي المطلوب من أجل الرقابة الائتمانية على المشروع.

الجزء ٥: الاستجابة لحالات الطوارئ المحتملة.

توفير الاستجابة الفورية لأزمة أو حالة طوارئ مؤهلة، حسب الحاجة.





**The World Bank**  
INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION  
Jean-Christophe Carret  
Country Director, Middle East Department  
Middle East & North Africa Region

Bouric House, 5<sup>th</sup> Floor  
Abdallah Bayhum Street  
Marfaa 119, Solidere  
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Beirut, Lebanon

Tel.: (961-1) 963 300  
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Email: [jcarret@worldbank.org](mailto:jcarret@worldbank.org)

February 20, 2024

H.E. Youssef El Khalil  
Minister of Finance  
Ministry of Finance  
Beirut, Lebanon  
(Transmission by email: [ykhalil@finance.gov.lb](mailto:ykhalil@finance.gov.lb))

***Subject: Lebanon Fiscal Management Project  
Notification of Board Approval***

Excellency,

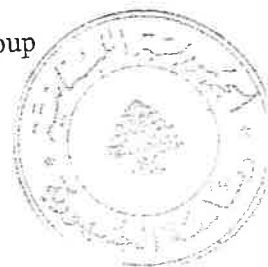
We are pleased to inform you that the Board of Executive Directors of the International Bank for Reconstruction and Development and the International Development Association (the Bank) has approved on February 14, 2024, a loan in the amount of twenty eight million and five hundred thousand United States Dollars (US\$28,500,000), in addition to a grant from the Lebanon Financing Facility (LFF) for five million and five hundred thousand United States Dollars (US\$5,500,000) for the Lebanon Fiscal Management Project. The development objective of the Fiscal Management Project is to restore the basic functions for domestic revenue mobilization and accountable allocation and use of public resources.

We look forward to an early signing of the Loan Agreement and Grant Agreement, and swift ratification of the loan by the Lebanese Parliament.

Sincerely yours,

Jean-Christophe Carret  
Country Director, Middle East Department  
Middle East and North Africa Region

cc: Mr. Abdulaziz Ebrahim Al Mulla, Executive Director, World Bank Group  
Ms. Wafaa Charafeddine, Advisor to the Executive Director, World Bank Group





## The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

Jean-Christophe Carret  
Division Director, Middle East Department  
Middle East & North Africa Region

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Email: [jcarret@worldbank.org](mailto:jcarret@worldbank.org)

Date: June 17, 2025

H.E. Yassine Jaber  
Minister of Finance  
Ministry of Finance  
Rue de L'Etoile  
Parallèle à Riad Solh  
Beirut  
Lebanese Republic

**Re: Fiscal Management Project  
(Loan No. 9644-LB)  
Amendment to the Loan Agreement**

Excellency:

We refer to the Loan Agreement between the Lebanese Republic (the Borrower) and the International Bank for Reconstruction and Development (the Bank) dated September 27, 2024 (the Loan Agreement) for the above-mentioned Project. Please note that the capitalized terms used in this letter (Amendment Letter) and not otherwise defined herein have the meaning ascribed to them in the Loan Agreement.

We also refer to your letter dated February 26, 2025, requesting specific amendments to the Loan Agreement. We are pleased to inform you that the Bank accedes to your request and proposes, through this Amendment Letter, to amend the Loan Agreement as follows:

1. Section 2.01 under Article II to the Loan Agreement is hereby amended to read as follows:  
  
"2.01. The Bank agrees to lend to the Borrower the amount of twenty-eight million and five hundred thousand Dollars (\$28,500,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing Part 1.1, Part 1.2, Part 1.3(b), Part 1.3(c), Part 2.1, Part 2.2, Part 2.4 (b), Part 2.4 (c), Part 2.4 (d), Part 2.4 (e), Part 3, Part 4 and Part 5 of the project described in Schedule 1 to this Agreement ("Project")."
2. Article IV in the Loan Agreement is hereby deleted. Consequently, the remaining Articles are renumbered to keep the numerical order.
3. The word "and" at the end of paragraph 1.2(a) under Part 1 of Schedule 1 to the Loan Agreement is hereby deleted.
4. Paragraph 1.3 under Part 1 of Schedule 1 to the Loan Agreement is hereby amended to read as follows:

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"1.3 Restoring and modernizing revenue management ICT systems through, among others:

- (a) carrying out maintenance and upgrading of hardware, software, and the ICT capacity of the tax and customs ICT systems;
- (b) integrating revenue and customs systems to enhance data sharing for critical decision making and enhancing the review functions; and
- (c) developing an integrated tax administration system (ITAS)."

5. Paragraph 2.1 under Part 2 of Schedule 1 to the Loan Agreement is hereby amended to read as follows:

"2.1 Strengthening budget preparation through, among others:

- (a) technical assistance to achieve the timely preparation of the annual budget, underscored by a sound macro fiscal framework which supports the crisis response and recovery;
- (b) Training and capacity building, and technical assistance to staff for, *inter alia*, the review of the Budget Classification and Chart of Accounts (BC-CoA), the updating of the macro fiscal framework, preparation of budget ceilings, enhancing of the macro fiscal framework budgeting methodologies, preparation of a fiscal risk analysis, preparation of budget policy statement setting the foundations for gender-responsive and climate sensitive budgeting and enhancing citizen engagement; and
- (c) provision of solar panels for electricity generation."

6. Paragraph 2.2(a) under Part 2 of Schedule 1 to the Loan Agreement is hereby amended to read as follows:

"(a) technical assistance to: (i) regularize the generation of budget execution reports, annual financial statements, and bank reconciliations for closely monitoring budget execution and fiscal risks; and (ii) lay the foundation of a treasury single account (TSA) framework to improve liquidity management and availability of real-time information on budget execution (including revenues and expenditures);"

7. Paragraph 2.3 under Part 2 of Schedule 1 to the Loan Agreement is hereby deleted and left "*intentionally blank*".

8. Paragraph 2.4 under Part 2 of Schedule 1 to the Loan Agreement is hereby amended to read as follows:

"2.4 Restoring cross-cutting Information and Communication Technology (ICT) functionalities through, *inter alia*:

- (a) supporting critical maintenance and upgrading of hardware, software, and the ICT capacity of the budget and expenditure management systems;
- (b) provision of critical IT equipment and related software and licenses to provide cross cutting support to expenditure management;
- (c) integrating expenditure and revenue systems to enhance data sharing for critical decision making on expenditure and revenue management;
- (d) supporting an ICT strategy, a business process reengineering, and a post implementation review; and



- (e) developing and implementing a modern integrated financial management system (IFMIS).

9. Part 3 under Schedule 1 to the Loan Agreement is hereby amended to read as follows:

**"Part 3: Re-vitalizing Oversight and Accountability Institutions and public financial management and procurement capacity building.**

Provision of support to help enhance (a) the role of oversight, audit and capacity of the Court of Accounts (CoA), Central Inspection (CI), the Public Procurement Authority and other selected public procurement institutions and expand their engagement with the citizens; and (b) the role of capacity building of the Institute of Finance, and Training of the Recipient's civil servants, including through:

3.1 Increasing core functions capacity of:

- (a) the CoA through among others: (i) operational support and technical assistance to expedite the clearance of the backlog of statutory audits and maintain timely audits thereafter, carry out audits of automated environments and support citizen engagement activities on audit recommendations; and (ii) Training and capacity building to CoA staff;
- (b) (i) the CI through among others operational support to carry out in-depth payroll audits; and (ii) technical assistance to carry out payroll audits and (iii) provision of solar panels for electricity generation; (c) interconnectivity of CoA and CI to carry out their audits and inspections through the establishment of connectivity platforms; and
- (c) technical assistance, Training and development of e-learning platforms and e-modules to build the capacity and skills of civil servants on public financial management and public procurement.

3.2 Supporting (a) the enhancement of capacity building functions of the Institute of Finance; and (b) the professionalization of public procurement practitioners through, *inter alia*, technical assistance and Training.

3.3 Provision of solar panels for electricity generation."

10. Paragraph 1(c) under Section I.B of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

- "(c) detailed description of mechanisms of the Eligible Expenditures Program under the Project for PBCs, including the modalities for the verification of achievements of PBCs;"

11. Paragraph 1 under Section I.F of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

- "1. For purposes of implementing PBC#1 to PBC#4 under Parts 1.1(a), 1.2(a), 2.1(a), 2.2(a), 3.1 (a)(i) and 3.1(b)(i) of the Project, the Borrower shall engage an independent verification agency by no later than three (3) months after the Effective Date, or such later date as agreed with the Bank, with such qualifications

and experience as determined in the Verification Protocol and acceptable to the Bank ("Verification Agent")."

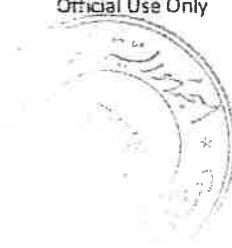
12. The table in Section III.A of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

| Category                                                                                                                                                                                                | Amount of the Loan Allocated<br>(expressed in USD) | Percentage of Expenditures to be financed<br>(inclusive of Taxes)                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Eligible Expenditures Program under Parts 1.1(a), 1.2(a), 2.1(a), 2.2(a), 2.3(a) and 3.1 (a)(i) of the Project                                                                                      | 5,000,000                                          | 100% of each PBC Amount set out in Schedule 4 (or such lesser percentage as represents the total Eligible Expenditures paid by the Borrower under the Eligible Expenditures Program as of the date of withdrawal) |
| (2) Goods, works, non-consulting services, consulting services, Operating Costs, and Training under the Project (except for expenditures under Category (1) and Parts 1.3(a) and 2.4(a) of the Project) | 23,428,750                                         | 100%                                                                                                                                                                                                              |
| (3) Front-end Fee                                                                                                                                                                                       | 71,250                                             | 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 4.05 (c) of the General Conditions                                                                                                                                                 |
| (5) Emergency Expenditures under Part 5 of the Project                                                                                                                                                  | 0                                                  | 100%                                                                                                                                                                                                              |
| <b>TOTAL AMOUNT</b>                                                                                                                                                                                     | <b>28,500,000</b>                                  |                                                                                                                                                                                                                   |

13. Paragraph 1(a) under Section III.B of under Schedule 2 to the Loan Agreement is hereby amended to read as follows:

- "(a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$2,000,000 may be made for payments made prior to this date but on or after July 1, 2024, for Eligible Expenditures; or"

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14. Paragraph 1(b) under Section III.B of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

- “(b) for payments under Category (1) unless the Bank has received satisfactory evidence that (i) the PBCs set forth in Schedule 4 to this Agreement for which payment is requested have been met and verified in accordance with the Verification Protocol and the POM to be verified by the Verification Agent; and (ii) payments for the Eligible Expenditures Program have been made in accordance and in compliance with the procedures set forth in the POM.”

15. Section III.B.6 of Schedule 2 to the Loan Agreement is hereby amended to read as follows:

- “6. The Closing Date is December 31, 2028.”

16. Schedule 4 to the Loan Agreement is hereby deleted and replaced to read as set forth in the attachment to this Amendment Letter.

17. The definitions included in paragraphs 1, 13, and 39 are hereby deleted from the Appendix to the Loan Agreement, and, as a result, the definitions are renumbered accordingly.

18. The definition included in paragraph 15 in the Appendix to the Loan Agreement is hereby amended to read as follows:

- “15. “Eligible Expenditures Program” means the Goods, works, non-consulting services, and consulting services, Operating Costs, Training incurred by the Borrower for the implementation of the Project.”

19. The following definitions are hereby added to the Appendix to the Loan Agreement in alphabetical order; and, as a result, the remaining definitions are renumbered accordingly, as follows:

““BC-CoA” means Budget Classification and Chart of Accounts.””

““IFMIS” means integrated public financial management information system.”

““ITAS” means integrated tax administration system.”

““TSA” means treasury single account.”

All other provisions of the Loan Agreement, except as amended through this Amendment Letter, shall remain in full force and effect.

Please confirm your agreement with the foregoing amendments, on behalf of the Borrower, by signing and dating this Amendment Letter in the space provided below. This Amendment Letter shall be executed in two counterparts, each of which shall be an original and one of which shall be returned to us.

The provisions set forth in this Amendment Letter shall become effective upon receipt by the Bank of satisfactory evidence that the following conditions have been satisfied:

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- (i) receipt of one fully executed original of this Amendment Letter;
- (ii) the Project Operations Manual has been updated and adopted by the Borrower, through MOF, in a manner satisfactory to the Bank; and
- (iii) the conditions of Effectiveness as noted in Article IV of the Loan Agreement have been fulfilled.

Yours sincerely,

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

*Jean-Christophe Carret*

Jean-Christophe Carret  
Division Director, Middle East Department  
Middle East & North Africa Region

AGREED:  
**LEBANESE REPUBLIC**

By Yassine Jaber *[Signature]*  
Authorized Representative

Name: Yassine Jaber

Title: Minister of Finance

Date: 08-Jul-2025



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Attachment**"SCHEDULE 4****Performance-Based Conditions under the Project**

The following table specifies the Performance-Based Conditions (PBCs) and the allocation of the amounts of the Loan to each PBC under Category (1):

| Performance Based Conditions                                                                 | Description of achievement 6 months following Effective Date | Description of achievement 12 months following Effective Date                                                        | Description of achievement 18 months following Effective Date                                                        | Description of achievement 24 months following Effective Date                                                        | Description of achievement 36 months following Effective Date                                                        | Description of achievement 48 months following Effective Date                                                        |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
|                                                                                              | Amount of financing (in USD)                                 | Amount of financing (in USD)                                                                                         | Amount of financing (in USD)                                                                                         | Amount of financing (in USD)                                                                                         | Amount of financing (in USD)                                                                                         | Amount of financing (in USD)                                                                                         |
| <b>1a. (i) Increase in the timely filing of tax declarations by large taxpayers</b>          | New Eligibility Criteria adopted by the MOF                  | VAT and Income Tax LTO(s) have identified large taxpayers using the new criteria for review of declarations          | At least 30 % of the identified large taxpayers timely file declarations and pay taxes; and                          | At least 40 % of the identified large taxpayers timely file declarations and pay taxes; and                          | At least 60 % of the identified large taxpayers timely file declarations and pay taxes; and                          | At least 75 % of the identified large taxpayers timely file declarations and pay taxes; and                          |
| 250,000                                                                                      | 50,000                                                       | 50,000                                                                                                               | 25,000                                                                                                               | 25,000                                                                                                               | 50,000                                                                                                               | 50,000                                                                                                               |
| <b>1a. (ii) Increase in the number of audits of large tax payers (of Income Tax and VAT)</b> |                                                              | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. |
| 250,000                                                                                      | 50,000                                                       | 50,000                                                                                                               | 25,000                                                                                                               | 25,000                                                                                                               | 50,000                                                                                                               | 50,000                                                                                                               |



Official Use Only

|                                                                                                            |                                                                                                              |                                                                                                          |                                                                                                          |                                                                                                                     |                                                                                                           |                                                                                                                |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| 1b. Increase in the number of risk-based desk and premise post clearance audits for Port of Beirut customs | Risked based selection system approved by the competent authority and adopted by the MOF for implementation. | At least 20 risk-based post clearance audits of customs clearances through Port of Beirut are conducted. | At least 30 risk-based post clearance audits for customs clearances through Port of Beirut are conducted | At least 35 cases of risk-based post clearance audits for customs clearances through Port of Beirut are conducted . | At least 40 risk-based post clearance audits for customs clearances through Port of Beirut are conducted. | At least 45 risk-based post clearance audits for customs clearances through Port of Beirut port are conducted. |
| 500,000                                                                                                    | 100,000                                                                                                      | 100,000                                                                                                  | 50,000                                                                                                   | 50,000                                                                                                              | 100,000                                                                                                   | 100,000                                                                                                        |
| 2.(i) Timely submission of the Budget to the Council of Ministers                                          | (a) Updated MTF for 3 years submitted                                                                        | (a) Completed FY+1 budget consultations by within 7 months of the relevant FY                            | (a) Updated MTF for 3 years                                                                              | (a) Completed FY+1 budget consultations within 7 months of the relevant FY                                          | (a) Updated MTF for 3 years                                                                               | (b) Completed FY+1 budget consultations within 7 months of the relevant FY                                     |
| 750,000                                                                                                    | 100,000                                                                                                      | 100,000                                                                                                  | 100,000                                                                                                  | 150,000                                                                                                             | 150,000                                                                                                   | 150,000                                                                                                        |
| 2.(ii)                                                                                                     | (b) Issued budget call circulars within 4 months of the relevant FY                                          | (b)Finalized draft FY +1) budget by within 8 months of the relevant FY                                   | (b)Issued budget call circulars with indicative ceilings within 4 months of the relevant FY              | (b)Finalized draft FY +1 budget by within 8 months of the relevant FY                                               | (c) Issued budget call circulars with indicative ceilings within 4 months of the relevant FY              | (c) Finalized draft FY +1 budget by within 8 months of the relevant FY                                         |
| 750,000                                                                                                    | 100,000                                                                                                      | 100,000                                                                                                  | 100,000                                                                                                  | 150,000                                                                                                             | 150,000                                                                                                   | 150,000                                                                                                        |
| 2.(iii)                                                                                                    |                                                                                                              | (c)Submission of 2027 budget to CoM within 8 months of the relevant FY                                   |                                                                                                          | (c)Submission of 2028 budget to CoM within 8 months of the relevant FY                                              | (e)Submission of 2029 budget to CoM within 8 months of the relevant FY                                    |                                                                                                                |
| 500,000                                                                                                    |                                                                                                              | 100,000                                                                                                  |                                                                                                          | 200,000                                                                                                             | 200,000                                                                                                   |                                                                                                                |



|                                            |                                                                            |                                                                                                            |                                                                                                 |                                                                                                           |                                                                                                  |                                                                                                    |
|--------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| 3a.(i) Timely audit report published       | (a) final accounts 2021 finalized by MOF;                                  | (a) final accounts 2022 finalized by MOF                                                                   | (a) final accounts 2023 finalized by MOF                                                        | (a) Final accounts 2024 finalized by MOF                                                                  | (a) Final accounts 2025-2026 finalized by MOF                                                    | (a) Final accounts 2027 finalized by MOF                                                           |
| 150,000                                    | 25,000                                                                     | 25,000                                                                                                     | 25,000                                                                                          | 25,000                                                                                                    | 25,000                                                                                           | 25,000                                                                                             |
| 3a.(ii)                                    | (b) Clearance of backlog: Audit reports 2005-2006                          | (b) Clearance of backlog: Audit reports 2007-2008                                                          | (b) Clearance of backlog: Audit reports 2009-2010                                               | (b) Clearance of backlog: Audit reports 2011-2012                                                         | (b) Clearance of backlog: Audit reports 2013-2016                                                | (b) Clearance of backlog: Audit reports 2017-2018                                                  |
| 100,000                                    | 20,000                                                                     | 20,000                                                                                                     | 15,000                                                                                          | 15,000                                                                                                    | 15,000                                                                                           | 15,000                                                                                             |
| 3a.(iii)                                   | (c) Audit report 2021 published                                            | (c) Audit report 2022 published                                                                            | (c) Audit report 2023 published                                                                 | (c) Audit report 2024 published                                                                           | (c) Audit report 2025-2026 published                                                             | (c) Audit report 2027 published                                                                    |
| 150,000                                    | 25,000                                                                     | 25,000                                                                                                     | 25,000                                                                                          | 25,000                                                                                                    | 25,000                                                                                           | 25,000                                                                                             |
| 3a.(iv)                                    | (d) Reporting on the status of recommendations from previous audit reports | (d) Reporting on the status of recommendations from previous audit reports                                 | (d)- Reporting on the status of recommendations from previous audit reports                     | (d)- Reporting on the status of recommendations from previous audit reports                               | (d) Reporting on the status of recommendations from previous audit reports                       | (d) Reporting on the status of recommendations from previous audit reports                         |
| 100,000                                    | 20,000                                                                     | 20,000                                                                                                     | 15,000                                                                                          | 15,000                                                                                                    | 15,000                                                                                           | 15,000                                                                                             |
| 3b.(i) Fiscal Performance Report published | Fiscal Performance Report of 2022 finalized                                | (a) The first 6 months Fiscal Performance Report for current FY is published within 60 days end of period; | (a) Year-end Fiscal performance Report of previous FY is published within 60 days end of period | (a) The first 6 months Fiscal Performance Report for current FY is published within 60 days end of period | (a) Year-end Fiscal performance Report of previous FY is published within 45 days                | Quarter 2 and 3 Fiscal Performance Report for current FY is published within 20 days end of period |
| 350,000                                    | 100,000                                                                    | 50,000                                                                                                     | 50,000                                                                                          | 50,000                                                                                                    | 50,000                                                                                           | 50,000                                                                                             |
| 3b.(ii)                                    |                                                                            | (b) Fiscal Performance Report of the first 6 months of 2025 finalized                                      | (b) Fiscal Performance Report of the last 6 months of 2026 finalized                            |                                                                                                           | (b) Quarter 1 Fiscal Performance Report for current FY is published within 45 days end of period |                                                                                                    |
| 150,000                                    | 0                                                                          | 50,000                                                                                                     | 50,000                                                                                          |                                                                                                           | 50,000                                                                                           |                                                                                                    |
|                                            |                                                                            |                                                                                                            |                                                                                                 |                                                                                                           |                                                                                                  |                                                                                                    |
| 5.(i) Regular Payroll Audits completed     | Preparation of audit plan                                                  | (a) payroll audits of Lebanon civilian public                                                              | (a) payroll audits of Lebanon civilian public                                                   | (a) payroll audits of Lebanon civilian public administration                                              | (a) payroll audits of Lebanon civilian public administration                                     | (a) payroll audits of Lebanon civilian public administration                                       |



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LOAN NUMBER 9644-LB

# Loan Agreement

(Fiscal Management Project)

between

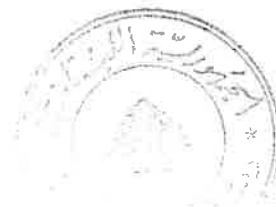
LEBANESE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

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LOAN NUMBER 9644-LB

## LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between the LEBANESE REPUBLIC ("Borrower") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank").

WHEREAS the Borrower and the Bank, in its capacity as the administrator of the Lebanon Financing Facility for Reform, Recovery and Reconstruction Multi-Donor Trust Fund (No. TF0C3381) intend to enter into a grant agreement for the purpose of providing a grant in an amount not to exceed five million five hundred thousand United States Dollars (\$5,500,000) ("LFF Grant") to the Recipient to assist in financing the Project, dated the same date as this Agreement ("LFF Grant Agreement"); and funding from the Lebanon Financing Facility for Reform, Recovery and Reconstruction Multi-Donor Trust Fund was received by the Bank for purposes of providing co-financing to the Loan on terms and conditions set forth in the LFF Grant Agreement.

NOW THEREFORE, 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) apply to and form 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 the amount of twenty-eight million and five hundred thousand Dollars (\$28,500,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing Part 1.1, Part 1.2, Part 1.3(b), Part 2.1, Part 2.2, Part 2.3, Part 2.4 (b), Part 2.4 (c), Part 2.4 (d), Part 3, Part 4 and Part 5 of 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 III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.



- 2.06. The Payment Dates are June 15 and December 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

### **ARTICLE III — PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through the Ministry of Finance (MOF), shall carry out the Project in accordance with the provisions of Article V of the General Conditions and 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 Regulatory Framework has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to perform any of its obligations under this 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 and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The LFF Grant Agreement has been executed and delivered and all conditions precedent to the effectiveness of said agreement have been fulfilled;
  - (b) The Project Coordination Unit has been formally established within the MoF under terms satisfactory to the Bank; and
  - (c) The Project Operations Manual has been prepared and adopted by the Borrower, through the MoF, under terms satisfactory to the Bank.
- 5.02. The Effectiveness Deadline is the date one hundred and eighty days (180) days after the Signature Date.
- 5.03. For purposes of Section 9.05 (b) of the General Conditions, the date on which the obligations of the Borrower under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative is its minister in charge of finance.

6.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Finance  
Riad El-Solh Square  
Beirut  
Lebanese Republic; and

(b) the Borrower's Electronic Address is:

Facsimile:  
+961 1 642 762

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6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

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

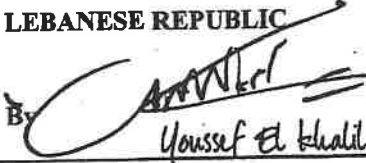
(b) the Bank's Electronic Address is:

E-mail:  
jcarret@worldbank.org



AGREED as of the Signature Date.

**LEBANESE REPUBLIC**

By 

Youssef El Khalil

**Authorized Representative**

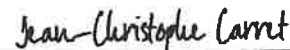
**Name:** Youssef El Khalil

**Title:** Minister of Finance

**Date:** 27-Sep-2024

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By



**Authorized Representative**

**Name:** Jean-Christophe Carret

**Title:** Country Director

**Date:** 15-Jul-2024



## SCHEDULE 1

### Project Description

The objective of the Project is to support the Borrower restore the basic functions for domestic revenue mobilization and accountable allocation and use of public resources.

The Project consists of the following parts:

#### Part 1: stabilizing domestic revenue administration.

Provision of support to critical revenue functions which are essential for increasing the collection of tax and non-tax revenues, including through:

- 1.1 Strengthening the Large Taxpayer Office and a taskforce for large debts through, *inter alia*,
  - (a) the provision of operational support to enhance tax compliance, including with regard to tax arrears recovery, and the implementation of a tax compliance plan;
  - (b) the provision of Training and capacity building of staff, on, *inter alia*, taxpayer education; and
  - (c) the provision of solar panels for electricity generation.
- 1.2 Restoring basic functions of Customs through, among others:
  - (a) the provision of operational support to ensure basic functioning of the customs administration in accordance with the Customs Law; and
  - (b) the provision of Training and capacity building of staff, technical assistance for supporting the preparation of a strategic plan; and
  - (c) the provision of solar panels for electricity generation.
- 1.3 Restoring revenue management ICT systems through, among others:
  - (a) carrying out maintenance and upgrading of hardware, software, and the ICT capacity of the tax and customs ICT systems; and
  - (b) integrating revenue and customs systems to enhance data sharing for critical decision making and enhancing the review functions.

#### Part 2: Restoring fiscal controls.

Provision of support to help re-establish critical macro fiscal planning, budgeting, payment processing and reporting pillars for allocating and utilizing resources to meet urgent fiscal control needs and set the foundation for recovery, including through:

- 2.1 Strengthening budget preparation through, among others:
  - (a) operational support to achieve the timely preparation of the annual budget, underscored by a sound macro fiscal framework which supports the crisis response and recovery;
  - (b) Training and capacity building, and technical assistance to staff for, *inter alia*, the updating of the macro fiscal framework, preparation of budget ceilings, enhancing of the macro fiscal framework budgeting methodologies, preparation of a fiscal



- 2.2 Regularizing fiscal reporting and end-year financial reporting through, inter alia:
- (a) operational support to regularize the generation of budget execution reports, annual financial statements, and bank reconciliations for closely monitoring budget execution and fiscal risks; and
  - (b) Provision of capacity building and Training to relevant staff engaged in fiscal reporting and provision of related IT equipment,
  - (c) provision of solar panels for electricity generation.

- files through, *inter alia*:
- (a) operational support for the timely review of public payment documentation, and the timely preparation, review and updates of pension files for efficient and effective payment function;
  - (b) Provision of capacity building and Training to relevant staff engaged in public payment documentation and pension file updating, and provision of related IT equipment; and
  - (c) provision of solar panels for electricity generation.

- (a) supporting critical maintenance and upgrading of hardware, software, and the ICT capacity of the budget and expenditure management systems;
- (b) provision of critical IT equipment and related software and licenses to provide cross cutting support to expenditure management;
- (c) integrating expenditure and revenue systems to enhance data sharing for critical decision making on expenditure and revenue management; and
- (d) supporting an ICT strategy, a business process review and a post implementation review.

Provision of support to help enhance (a) the role of oversight, audit and capacity of the Court of Accounts (CoA), Central Inspection (CI), the Public Procurement Authority and other selected public procurement institutions and expand their engagement with the citizens; and (b) the role of capacity building of the Institute of Finance, including through:

- (a) the CoA through among others: (i) operational support to expedite the clearance of the backlog of statutory audits and maintain timely audits thereafter, carry out



- audits of automated environments and support citizen engagement activities on audit recommendations; and (ii) Training and capacity building to CoA staff;
- (b) (i) the CI through among others operational support to carry out in-depth payroll audits; and (ii) technical assistance to carry out payroll audits and (iii) provision of solar panels for electricity generation; (c) interconnectivity of CoA and CI to carry out their audits and inspections through the establishment of connectivity platforms.
- 3.2 Supporting (a) the enhancement of capacity building functions of the Institute of Finance; and (b) the professionalization of public procurement practitioners through, *inter alia*, technical assistance and Training.

#### **Part 4: Project Management**

##### **4.1 Project management**

Supporting Project management and coordination; monitoring and evaluation; compliance with the environmental and social standards; capacity building on gender sensitization for Project implementation purposes; fiduciary administration, internal controls, and audits; third-party monitoring, communication and outreach, and the establishment and maintenance of a Grievance Mechanism (GM) and a citizen's engagement mechanism.

##### **4.2 PBC verification and audit support**

Providing technical assistance for the review and verification of results associated with Performance-Based Conditions, and for the support of financial audit required for Project fiduciary oversight.

#### **Part 5: Contingent Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

##### 1. MOF

Without limitation to the provisions of Article V of the General Conditions, the Borrower, through the MOF, shall have the overall responsibility for the implementation of the Project.

##### 2. Project Coordination Unit

Without limitation to the provisions of Article V of the General Conditions, and except as the Bank shall otherwise agree, the Borrower, through MOF, shall maintain at all times throughout the implementation of the Project, a Project Coordination Unit ("PCU"), within the MOF, with composition, resources, terms of reference and functions acceptable to the Bank, and as further detailed in the Project Operations Manual, including the obligation to:

- (a) be responsible for the day-to-day implementation of the Project including disbursement, procurement, monitoring and evaluation, reporting, and ensuring compliance with environmental and social obligations and arrangements under the Project, as further elaborated in the POM.
- (b) not later than two (2) months after the Effective Date, or such later date as agreed by the Bank, recruit and thereafter maintain throughout Project implementation, the core staff of the PCU, including, *inter alia*, a Project coordinator, a financial officer, a procurement officer, and an environmental and social specialist, all with adequate experience, qualifications, and terms of reference acceptable to the Bank.

##### 3. Project Steering Committee

The Borrower shall, no later than three (3) months after the Effective Date, or such later date as agreed by the Bank, establish and maintain throughout Project implementation, a steering committee, chaired by the Minister of Finance, with terms of reference, composition, roles and responsibilities acceptable to the Bank and defined in the Project Operations Manual ("Project Steering Committee"), to provide, *inter alia*, overall strategic guidance and Project oversight, approve the Annual Work Plan and Budget, and review implementation and evaluation reports, as applicable.



| and<br>published           |         | administratio<br>n staff and<br>teachers<br>completed as<br>per the last 6<br>month audit<br>plan ; | administratio<br>n staff and<br>teachers<br>completed as<br>per the last 6<br>month audit<br>plan ; | staff and<br>teachers<br>completed as<br>per the last 6<br>month audit<br>plan ;                  | staff and<br>teachers<br>completed as<br>per the last 6<br>month audit<br>plan ;                  | staff and<br>teachers<br>completed as<br>per the last 6<br>month audit<br>plan ;                  |
|----------------------------|---------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 575,000                    | 150,000 | 75,000                                                                                              | 75,000                                                                                              | 75,000                                                                                            | 100,000                                                                                           | 100,000                                                                                           |
| 5.(ii)                     |         | (b) an<br>aggregate<br>level payroll<br>audit report<br>published for<br>the relevant<br>6 months   | (b) an<br>aggregate<br>level payroll<br>audit report<br>published for<br>the relevant 6<br>months   | (b) an<br>aggregate<br>level payroll<br>audit report<br>published for<br>the relevant 6<br>months | (b) an<br>aggregate<br>level payroll<br>audit report<br>published for<br>the relevant 6<br>months | (b) an<br>aggregate<br>level payroll<br>audit report<br>published for<br>the relevant 6<br>months |
| 425,000                    |         | 75,000                                                                                              | 75,000                                                                                              | 75,000                                                                                            | 100,000                                                                                           | 100,000                                                                                           |
| <b>TOTAL:</b><br>5,000,000 | 740,000 | 840,000                                                                                             | 630,000                                                                                             | 880,000                                                                                           | 1,080,000                                                                                         | 830,000                                                                                           |



**B. Project Operations Manual**

1. The Borrower, through MOF shall maintain a Project Operations Manual (POM), under terms satisfactory to the Bank, which shall include the rules, guidelines, standard documents and procedures for the carrying out of the Project, including *inter alia* the following:
  - (a) a detailed description of the institutional and implementation arrangements of the Project;
  - (b) the Project accounting, auditing, reporting, financial, and disbursement procedures; the environmental and social obligations and arrangements for the Project; the indicators to be used in the monitoring and evaluation of the Project and procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports;
  - (c) detailed description of mechanisms of transfer of Allowances to Eligible Beneficiaries as part of the Eligible Expenditures Program under the Project for PBCs; including eligibility criteria, targeting mechanisms, and procedures in selecting Eligible Beneficiaries, in accordance with the Regulatory Framework;
  - (d) the Grant Manual;
  - (e) the Verification Protocol; and
  - (f) the requirements of the Anti-Corruption Guidelines.
2. The POM may not be assigned, amended, abrogated or waived, or permitted to be assigned, amended, abrogated or waived, or any provision thereof, in a manner which, in the opinion of the Bank, may materially and adversely affect the implementation of the Project. The POM may only be amended in consultation with, and after approval of, the Bank. In case of any conflict between the terms of the POM and those of this Agreement, the terms of this Agreement shall prevail.

**C. Annual Work Plan and Budget**

1. The Borrower, through the PCU, shall:
  - (a) unless otherwise agreed with the Bank, prepare and furnish to the Bank not later than November 15 of each year during the implementation of the Project, starting in 2024, a proposed Annual Work Plan and Budget for the next calendar year containing: (i) all activities to be carried out under the Project during that calendar year; and (ii) a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing; and
  - (b) provide the Bank a reasonable opportunity to exchange views with the Borrower on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that the Project is implemented with due diligence during said following year, in

accordance with such Annual Work Plan and Budget as shall have been approved by the Bank; and not make or allow to be made any change to the approved Annual Work Plan and Budget without the Bank's prior written approval.

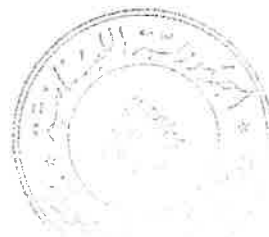
**D. Environmental and Social Standards.**

1. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Borrower shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
6. The Borrower shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**E. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project ("Contingent Emergency Response Part"), the Borrower shall ensure that:
  - (a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
  - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived ~~without the~~ prior written approval by the Bank.



2. The Borrower shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to the Bank.
3. The Borrower shall ensure that:
  - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**F. Verification of Achievement of PBCs**

1. For purposes of implementing PBC#1 to PBC#5 under Parts 1.1(a), 1.2(a), 2.1(a), 2.2(a), 2.3(a), 3.1 (a)(i) and 3.1(b)(i) of the Project, the Borrower shall engage an independent verification agency by no later than three (3) months after the Effective Date, or such later date as agreed with the Bank, with such qualifications and experience as determined in the Verification Protocol and acceptable to the Bank ("Verification Agent").
2. The Borrower shall cause the Verification Agent to carry out a verification process for the achievement of PBCs which are set forth in the table in Schedule 4 to this Agreement, and furnish to the Bank, not later than sixty (60) days after the verification of compliance of said PBCs, reports on the results of said verification of compliance process of such scope and in such detail as the Bank shall reasonably request.

**Section II. Project Monitoring Reporting and Evaluation / Financial Management**

**A. Project Reports**

The Borrower shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

**B. Other Financial Management Arrangements**

- (a) To facilitate the efficient management of the financial management system, upon each withdrawal of the proceeds of the Loan, the Borrower shall, through MoF, open additional budget lines (budget classification number 1-8-2-123-14-1-3 equivalent to the amount of such withdrawal of the Loan proceeds, provided that the total amount allocated to all such budget lines during the life of the Project up until the disbursement deadline date (as



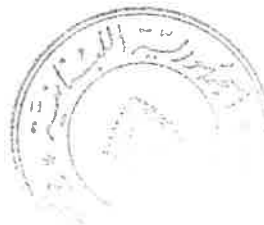
defined in the World Bank Disbursement Guidelines for Projects) shall not exceed the amount of the Loan. For the purposes of this Loan, said additional budget lines may be opened in the budget of a specific year up until January 31 of the following year and those contracted or not contracted are carried forward per the request of the MoF.

### **Section III. Withdrawal of Loan Proceeds**

#### **A. General.**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

| <b>Category</b>                                                                                                                                                                                         | <b>Amount of the Loan Allocated<br/>(expressed in USD)</b> | <b>Percentage of Expenditures to be financed<br/>(inclusive of Taxes)</b>                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Eligible Expenditures Program under Parts 1.1(a), 1.2(a), 2.1(a), 2.2(a), 2.3(a), 3.1 (a)(i) and 3.1(b)(i) of the Project                                                                           | 12,300,000                                                 | 100% of each PBC Amount set out in Schedule 4 (or such lesser percentage as represents the total Eligible Expenditures paid by the Borrower under the Eligible Expenditures Program as of the date of withdrawal) |
| (2) Goods, works, non-consulting services, and consulting services, Operating Costs, Training under the Project (except for expenditures under Category (1) and Parts 1.3(a) and 2.4(a) of the Project) | 16,128,750                                                 | 100%                                                                                                                                                                                                              |
| (3) Front-end Fee                                                                                                                                                                                       | 71,250                                                     | 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 4.05 (c) of the General Conditions                                                                                                                                                 |



|                                                        |            |      |
|--------------------------------------------------------|------------|------|
| (5) Emergency Expenditures under Part 5 of the Project | 0          | 100% |
| TOTAL AMOUNT                                           | 28,500,000 |      |

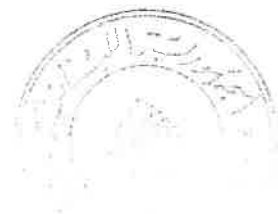
**B. Withdrawal Conditions; Withdrawal Period.**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$2,000,000 may be made for payments made prior to this date but on or after November 1, 2023, for Eligible Expenditures; or
  - (b) for payments under Category (1) unless the Bank has received satisfactory evidence that (i) the PBCs set forth in Schedule 4 to this Agreement for which payment is requested have been met and verified in accordance with the Verification Protocol and the POM to be verified by the Verification Agent; (ii) payments for the Eligible Expenditures Program have been made in accordance and in compliance with the procedures set forth in the POM; and (iii) the Borrower has adopted as part of the Regulatory Framework, a decree based on Article 25 of Law No. 112 of the Borrower, setting forth, *inter alia*, the eligibility criteria, governance arrangements, processing requirements and limit for Allowances throughout the Project period, in form and substance satisfactory to the Bank.
  - (c) for Emergency Expenditures under Category (5), unless and until all of the following conditions have been met in respect of said expenditures:
    - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (5); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
    - (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. Notwithstanding the provisions of Part A of this Section, payments under Category (1) shall not exceed the maximum amounts allocated to the respective PBC(s) as provided in Schedule 4 to this Agreement.
3. Notwithstanding the provisions of Paragraphs 1 and 2 of this Part B, the Borrower may withdraw the amount, as may be stipulated in the DFIL, as an advance under Category (1), provided, however, that if the PBCs in the opinion of the Bank, are not achieved (or only partially achieved) by the PBC Achievement Due Date, the Borrower shall refund such advance (or portion of such advance as determined by the Bank in accordance with the provisions of Paragraph (4) of this Part B) to the Bank promptly upon notice thereof by the



Bank. Except as the Bank may otherwise determine, the Bank shall cancel all so amounts refunded.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Part B, if the Bank shall determine, based on the evidence provided by the Borrower under paragraph 3 of this Part B, that any PBC(s) have not been achieved or have been partially achieved by the end of the year during which such PBC(s) were scheduled to be met in accordance with Schedule 4 to this Agreement, the Bank may in its sole discretion, by notice to the Borrower:
  - (a) withhold in whole or in part the amount of the Loan allocated to such PBCs;
  - (b) disburse in whole or in part the amount of the Loan allocated to such PBC(s) at any later time when such PBC(s) are met; and/or
  - (c) reallocate in whole or in part any amount of the Loan allocated to such PBC(s) to other PBC(s) under Category (1) or to other Categories.
5. Notwithstanding the foregoing, if the Bank determines, at any time, that any portion of the amounts disbursed by the Borrower under Category (1) was made for payment of expenditures that are not eligible, or not in compliance with the provisions of the POM, the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower.
6. The Closing Date is March 31, 2027.



### SCHEDULE 3

#### Commitment-Linked Amortization Repayment Schedule

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").

#### Level Principal Repayments<sup>1</sup>

| Principal Payment Date                                                              | Installment Share |
|-------------------------------------------------------------------------------------|-------------------|
| On each June 15 and December 15<br>Beginning June 15, 2029<br>through June 15, 2047 | 2.63%             |
| On December 15, 2047                                                                | 2.69%             |

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<sup>1</sup> The determination of the principal amounts of the Loan repayable on each Principal Payment Date is made in accordance with Section 3.03 of the General Conditions.



## SCHEDULE 4

### Performance-Based Conditions under the Project

The following table specifies the Performance-Based Conditions (PBCs) and the allocation of the amounts of the Loan to each PBC under Category (1):

| Performance Based Conditions                                                            | Description of achievement 6 months following Effective Date<br><br>Amount of financing (in USD) | Description of achievement 12 months following Effective Date<br><br>Amount of financing (in USD)                    | Description of achievement 18 months following Effective Date<br><br>Amount of financing (in USD)                    | Description of achievement 24 months following Effective Date<br><br>Amount of financing (in USD)                    | Description of achievement 30 months following Effective Date<br><br>Amount of financing (in USD)                    | Description of achievement 36 months following Effective Date<br><br>Amount of financing (in USD)                    |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| 1a. (i)<br>Increase in the timely filing of tax declarations by large taxpayers         | New Eligibility Criteria adopted by the MOF                                                      | VAT and Income Tax LTO (s) have identified large taxpayers using the new criteria for review of declarations         | At least 20 % of the identified large taxpayers timely file declarations and pay taxes; and                          | At least 40 % of the identified large taxpayers timely file declarations and pay taxes; and                          | At least 60 % of the identified large taxpayers timely file declarations and pay taxes; and                          | At least 75 % of the identified large taxpayers timely file declarations and pay taxes; and                          |
| 2,662,000                                                                               | 750,000                                                                                          | 393,000                                                                                                              | 375,000                                                                                                              | 394,000                                                                                                              | 375,000                                                                                                              | 375,000                                                                                                              |
| 1a. (ii)<br>Increase in the number of audits of large taxpayers (of Income Tax and VAT) |                                                                                                  | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. | Number of large taxpayers audited are at least 3% of all large taxpayers falling under the New Eligibility Criteria. |
| 1,913,000                                                                               | 0                                                                                                | 394,000                                                                                                              | 375,000                                                                                                              | 394,000                                                                                                              | 375,000                                                                                                              | 375,000                                                                                                              |

|                                                                                                                   |                                                                                                            |                                                                                                          |                                                                                                          |                                                                                                                     |                                                                                                           |                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>1b. Increase in the number of risk-based desk and premise post clearance audits for Port of Beirut customs</b> | Risk based selection system approved by the competent authority and adopted by the MOF for implementation. | At least 25 risk-based post clearance audits of customs clearances through Port of Beirut are conducted. | At least 30 risk-based post clearance audits for customs clearances through Port of Beirut are conducted | At least 35 cases of risk-based post clearance audits for customs clearances through Port of Beirut are conducted . | At least 40 risk-based post clearance audits for customs clearances through Port of Beirut are conducted. | At least 45 risk-based post clearance audits for customs clearances through Port of Beirut port are conducted. |
| <b>976,000</b>                                                                                                    | <b>150,000</b>                                                                                             | <b>188,000</b>                                                                                           | <b>150,000</b>                                                                                           | <b>188,000</b>                                                                                                      | <b>150,000</b>                                                                                            | <b>150,000</b>                                                                                                 |
| <b>2.(i) Timely submission of the Budget to the Council of Ministers</b>                                          | (a) Updated MTFF for 3 years submitted                                                                     | (a) Completed FY+1 budget consultations by within 7 months of the relevant FY                            | (a) Updated MTFF for 3 years                                                                             | (a) Completed FY+1 budget consultations within 7 months of the relevant FY                                          | (a) Updated MTFF for 3 years                                                                              | a) Completed FY+1 budget consultations within 7 months of the relevant FY                                      |
| <b>625,000</b>                                                                                                    | <b>114,000</b>                                                                                             | <b>95,000</b>                                                                                            | <b>114,000</b>                                                                                           | <b>95,000</b>                                                                                                       | <b>116,000</b>                                                                                            | <b>91,000</b>                                                                                                  |
| <b>2.(ii)</b>                                                                                                     | (b) Issued budget call circulars within 4 months of the relevant FY                                        | (b)Finalized draft FY +1) budget by within 8 months of the relevant FY                                   | (b)Issued budget call circulars with indicative ceilings within 4 months of the relevant FY              | (b)Finalized draft FY +1 budget by within 8 months of the relevant FY                                               | (b) Issued budget call circulars with indicative ceilings within 4 months of the relevant FY              | (b)Finalize draft FY+1 budget by within 8 months of the relevant FY                                            |
| <b>626,000</b>                                                                                                    | <b>114,000</b>                                                                                             | <b>95,000</b>                                                                                            | <b>114,000</b>                                                                                           | <b>95,000</b>                                                                                                       | <b>117,000</b>                                                                                            | <b>91,000</b>                                                                                                  |
| <b>2.(iii)</b>                                                                                                    |                                                                                                            | (c)Submission of FY+1 budget to CoM within 9 months of the relevant FY                                   |                                                                                                          | (c)Submission of FY+1 budget to CoM within 9 months of the relevant FY                                              |                                                                                                           | (c)Submission of FY+1 budget to CoM by within 9 months of the relevant FY                                      |
| <b>142,000</b>                                                                                                    | <b>0</b>                                                                                                   | <b>48,000</b>                                                                                            | <b>0</b>                                                                                                 | <b>48,000</b>                                                                                                       | <b>0</b>                                                                                                  | <b>46,000</b>                                                                                                  |



|                                                   |                                                   |                                                                                                            |                                                                                                 |                                                                                                           |                                                                                                  |                                                                                                    |
|---------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>3a.(i) Timely audit report published</b>       | (a) final accounts 2020 finalized by MOF;         | (a) final accounts 2021 finalized by MOF                                                                   | (a) final accounts 2022 finalized by MOF                                                        | (a) Final accounts 2023 finalized by MOF                                                                  | (a) Final accounts 2024 finalized by MOF                                                         | (a) Final accounts 2025 finalized by MOF                                                           |
| <b>788,000</b>                                    | 131,000                                           | 131,000                                                                                                    | 132,000                                                                                         | 131,000                                                                                                   | 131,000                                                                                          | 132,000                                                                                            |
| <b>3a.(ii)</b>                                    | (b) Clearance of backlog: Audit reports 2002-2004 | (b) Clearance of backlog: Audit reports 2005-2006                                                          | (b) Clearance of backlog: Audit reports 2007-2008                                               | (b) Clearance of backlog: Audit reports 2009-2011                                                         | (b) Clearance of backlog: Audit reports 2012-2013                                                | (b) Clearance of backlog: Audit reports 2014-2016                                                  |
| <b>425,000</b>                                    | 197,000                                           | 46,000                                                                                                     | 45,000                                                                                          | 46,000                                                                                                    | 46,000                                                                                           | 45,000                                                                                             |
| <b>3a.(iii)</b>                                   |                                                   | (c) Audit report 2020 published                                                                            | (c) Audit report 2021 published                                                                 | (c) Audit report 2022 published                                                                           | (c) Audit report 2023 published                                                                  | (c) Audit report 2024 published                                                                    |
| <b>300,000</b>                                    | 0                                                 | 60,000                                                                                                     | 60,000                                                                                          | 60,000                                                                                                    | 60,000                                                                                           | 60,000                                                                                             |
| <b>3a.(iv)</b>                                    |                                                   | (d) Reporting on the status of recommendations. from previous audit reports                                | (d)- Reporting on the status of recommendations. from previous audit reports                    | (d)- Reporting on the status of recommendations. from previous audit reports                              | (d) Reporting on the status of recommendations. from previous audit reports                      | (d) Reporting on the status of recommendations. from previous audit reports                        |
| <b>330,000</b>                                    | 0                                                 | 68,000                                                                                                     | 63,000                                                                                          | 68,000                                                                                                    | 68,000                                                                                           | 63,000                                                                                             |
| <b>3b.(i) Fiscal Performance Report published</b> | Fiscal Performance Report of 2022 finalized       | (a) The first 6 months Fiscal Performance Report for current FY is published within 60 days end of period; | (a) Year-end Fiscal performance Report of previous FY is published within 45 days end of period | (a) The first 6 months Fiscal Performance Report for current FY is published within 60 days end of period | (a) Year-end Fiscal performance Report of previous FY is published within 45 days                | Quarter 2 and 3 Fiscal Performance Report for current FY is published within 45 days end of period |
| <b>750,800</b>                                    | 292,600                                           | 64,000                                                                                                     | 72,200                                                                                          | 129,000                                                                                                   | 64,000                                                                                           | 129,000                                                                                            |
| <b>3b.(ii)</b>                                    |                                                   | (b) Fiscal Performance Report of the first 6 months of 2023 finalized                                      | (b) Fiscal Performance Report of the last 6 months of 2023 finalized                            |                                                                                                           | (b) Quarter 1 Fiscal Performance Report for current FY is published within 45 days end of period |                                                                                                    |
| <b>202,200</b>                                    | 0                                                 | 65,000                                                                                                     | 72,200                                                                                          | 0                                                                                                         | 65,000                                                                                           | 0                                                                                                  |

|                                                                                                                                     |                                                                           |                                                                                                                                          |                                                                                                                                          |                                                                                                                                          |                                                                                                                                          |                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 4.(i) System-generated reports show reduced time for reviews of Payment documents for third parties and pension payments<br>624,000 | (a) Reduced Time taken for supplier payments to 60 days<br>102,000        | (a) Reduced Time taken for supplier payments to 60 days<br>108,000                                                                       | (a) Reduced Time taken for supplier payments to 45 days<br>102,000                                                                       | (a) Reduced Time taken for supplier payments to 45 days<br>108,000                                                                       | (a) Reduced Time taken for supplier payments to 60 days<br>102,000                                                                       | (a) Reduced Time taken for supplier payments to 60 days<br>102,000                                                                       |
| 4.(ii)<br>608,000                                                                                                                   | (b) Pension files completed within 5 months<br>99,000                     | (b) Pension files completed within 5 months<br>106,000                                                                                   | (b) Pension files completed within 4 months<br>99,000                                                                                    | (b) Pension files completed within 4 months<br>106,000                                                                                   | (b) Pension files completed within 3 months<br>99,000                                                                                    | (b) Pension files completed within 3 months<br>99,000                                                                                    |
| 4.(iii)<br>608,000                                                                                                                  | (c) Processing changes in pension beneficiaries within 4 months<br>99,000 | (c) Processing changes in pension beneficiaries within 4 months<br>106,000                                                               | (c) Processing changes in pension beneficiaries within 3 months<br>99,000                                                                | (c) Processing changes in pension beneficiaries within 3 months<br>106,000                                                               | (c) Processing changes in pension beneficiaries within 2 months<br>99,000                                                                | (c) Processing changes in pension beneficiaries within 2 months<br>99,000                                                                |
| 5.(i) Regular Payroll Audits completed and published<br>476,000                                                                     | Preparation of audit plan<br>110,000                                      | (a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;<br>84,000 | (a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;<br>66,000 | (a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;<br>84,000 | (a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;<br>66,000 | (a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;<br>66,000 |
| 5.(ii)<br>244,000                                                                                                                   | 0                                                                         | (b) an aggregate level payroll audit report published for the relevant 6 months<br>56,000                                                | (b) an aggregate level payroll audit report published for the relevant 6 months<br>44,000                                                | (b) an aggregate level payroll audit report published for the relevant 6 months<br>56,000                                                | (b) an aggregate level payroll audit report published for the relevant 6 months<br>44,000                                                | (b) an aggregate level payroll audit report published for the relevant 6 months<br>44,000                                                |
| <b>TOTAL:<br/>12,300,000</b>                                                                                                        | 2,158,600                                                                 | 2,107,000                                                                                                                                | 1,982,400                                                                                                                                | 2,108,000                                                                                                                                | 1,977,000                                                                                                                                | 1,967,000                                                                                                                                |



## APPENDIX

### Definitions

1. "Allowances" means the incremental costs incurred by the Borrower in the implementation of Parts 1.1(a), 1.2(a), 2.1(a), 2.2(a), 2.3(a), 3.1 (a)(i) and 3.1(b)(i) of the Project by the Eligible Beneficiaries, as permitted under the Borrower's Regulatory Framework, excluding Operating Costs and civil servant salaries.
2. "Annual Work Plan and Budget" means any or all of the work plans prepared annually by the Borrower in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, as further detailed in the Project Operations Manual and as approved by the Bank.
3. "Anti-Corruption Guidelines" means, for purposes of paragraph 6 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
4. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. "CERC Manual" means the manual referred to in Section I.E of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank, and which is an integral part of the Project Operations Manual.
6. "Central Inspection" or "CI" means the Borrower's central inspection unit established and operating within the Presidency of the Council of Ministers under Law of December 12, 1958, and the Legislative Decree No. 115 of June 12, 1959, or its legal successor.
7. "CoM" means the Borrower's Council of Ministers or its legal successor.
8. "Contingent Emergency Response Part" means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
9. "Court of Accounts" or "CoA" means the Borrower's administrative court established by the Public Accounting Law of January 16, 1951, and operating to supervise the management of public funds by auditing and setting the accounts of the Government, ruling on validity and legality of its transactions, or its legal successor.
10. "Customs" means the Borrower's customs administration, established and operating pursuant to Decree No. 4461 of December 15, 2000, or its legal successor.



11. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.E of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
12. "Emergency Action Plan" means the plan referred to in Section I.E, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
13. "Eligible Beneficiary" means the Borrower's civil servants eligible to receive an Allowance under the Project in accordance with the Regulatory Framework and the terms of the POM; and "Eligible Beneficiaries" means more than one Eligible Beneficiary.
14. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
15. "Eligible Expenditures Program" means the Goods, works, non-consulting services, and consulting services, Allowances for Eligible Beneficiaries, Operating Costs, Training incurred by the Borrower for the implementation of Parts 1.1(a), 1.2(a), 2.1(a), 2.2(a), 2.3(a), 3.1 (a)(i) and 3.1(b)(i) of the Project.
16. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated December 22, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
17. "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard 8: Cultural Heritage"; (ix) "Environmental and Social Standard 9: Financial Intermediaries"; (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Bank.
18. "Fiscal Performance Report" means the monthly comparative report on total revenues and expenditure (on a cash basis) published by the Ministry of Finance.

19. "Fiscal Year" or "FY" means the Borrower's fiscal year, running from January 1 to the next following December 31.
20. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing", dated December 14, 2018 (Last revised on July 15, 2023).
21. "Grant Manual" means the manual adopted by the Borrower, describing and setting forth procedures for implementation of Part 1.3(a) and Part 2.4(a) of the Project and institutional arrangements, consistent with the provisions of the LFF Grant Agreement, and as the same may be amended from time to time with the prior written approval of the Bank.
22. "Grievance Mechanism" or "GM" means the grievance mechanism established, publicized, maintained and operated by the Borrower to receive and facilitate the resolution of concerns and grievances in relation to the Project, in accordance with the ESCP.
23. "Institute of Finance" means "*Institut des Finances Basil Fuleihan*", the Borrower's, specialized autonomous public institution that contributes to capacity development in public financial management and governance through policy research, training and partnership building, established and operating under MOF pursuant to Article 49 of the Borrower's Budget Law no. 497/2003 or its legal successor.
24. "IT" means information technology.
25. "Large Taxpayer Office" or "LTO" means the dedicated unit for administration of taxes of the largest taxpayers, established and operating pursuant to the Borrower's Decree no. 10063 of 2003.
26. "LFF Grant" means the Grant No. TF0C3381 in an amount not to exceed five million five hundred thousand United States Dollars (\$5,500,000) to be provided by the Bank in its capacity as the administrator of the Lebanon Financing Facility for Reform, Recovery and Reconstruction Multi-Donor Trust Fund, to assist the Borrower in financing the Project.
27. "LFF Grant Agreement" means the agreement of the same date of this Agreement, between the Borrower and the Bank in its capacity as the administrator of the Lebanon Financing Facility for Reform, Recovery and Reconstruction Multi-Donor Trust Fund for the LFF Grant to assist in financing the Project. "LFF Grant Agreement" includes all appendices, schedules and agreements supplemental to the LFF Grant Agreement.
28. "MOF" means the Borrower's ministry in charge of finance, or any legal successor thereto acceptable to the Bank.

29. "MTFF" means medium-term fiscal framework tool of the MOF used for medium term budgeting and fiscal planning.
30. "New Eligibility Criteria" means the eligibility criteria for taxpayers falling under the Large Taxpayers Office to be established to include only the largest taxpayers by revenue threshold across tax types, including VAT, corporate income tax (CIT) and pay as you earn (PAYE) for the purposes of PBC#3.
31. "Operating Costs" means incremental costs incurred on account of the Project coordination, implementation and monitoring, including expenditures for vehicle operation and maintenance, audit fees, legal fees (as required), maintenance of equipment, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Project-related travel, including per diem and accommodation, and other miscellaneous costs directly associated with the Project implementation and salaries of Project staff, but excluding salaries of the Borrower's civil servants, meeting allowances, other sitting allowances, salary top ups and all honoraria.
32. "Oversight and Accountability Institutions" means, the Central Inspection, the Court of Accounts, Public Procurement Authority and other public procurement institutions selected for their oversight, audit, and/or inspection mandates, to be selected by the Borrower for the purposes of Part 3 of the Project with the prior approval of the Bank.
33. "Performance-Based Condition" or "PBC" means a performance-based condition referred to in Schedule 4 to this Agreement; and "PBCs" means more than one PBC.
34. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated September 2023.
35. "Project Coordination Unit" or "PCU" means the unit within MOF in charge of the day-to-day management, implementation, monitoring and evaluation of the Project, as referred to in Section I.A.2 of Schedule 2 to this Agreement and as further detailed in the Project Operations Manual; or any successor thereto acceptable to the Bank.
36. "Project Operations Manual" or "POM" means the manual referred to in Section I.B of Schedule 2 to this Agreement, adopted by the Borrower, describing and setting forth procedures for implementation of the Project and institutional arrangements, consistent with the provisions of this Agreement, and as the same may be amended from time to time with the prior written approval of the Bank.
37. "Project Steering Committee" means the committee established for the overall oversight of the Project, as referred to in Section I.A.3 of Schedule 2 to this Agreement and further detailed in said Project Operations Manual, or any successor thereto acceptable to the Bank.

38. "Public Procurement Authority" means the Borrower's specialized autonomous public institution on public procurement, established and operating pursuant to the Borrower's Public Procurement Law No. 244/2021, or its legal successor.
39. "Regulatory Framework" means the Borrower's Law No. 112 dated December 6, 1959; decree to be issued by the Council of Ministers pursuant to Article 25 of Law No. 112 regarding the compensation and Allowances of civil servants, as referred to in paragraph 1 of Section III.B of Schedule 2 to this Agreement, and any subsequent related implementing decisions, as applicable."
40. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.
41. "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, reasonable and necessary local and international travel by participants in training activities, reasonable lodging and accommodation, subsistence and local and international per diem of trainees and trainers, registration, tuition and facilitators' fees, translation and interpretation, and other training related miscellaneous costs, all based on budgets acceptable to the Bank.
42. "VAT" means value-added tax.
43. "Verification Agent" means an independent verification agency or agencies, satisfactory to the Bank, hired under the Project to conduct technical audit as provided under Section I.F of Schedule 2 to this Agreement.
44. "Verification Protocol" means the Recipient's protocol detailing the means by which the fulfillment of the Performance-Based Conditions will be verified under the Project, as further described in the Project Operations Manual.



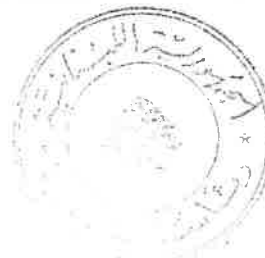
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**AGREED MINUTES OF NEGOTIATIONS BETWEEN  
THE LEBANESE REPUBLIC  
AND  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)  
REGARDING PROPOSED FINANCING FOR THE LEBANON: FISCAL MANAGEMENT  
PROJECT**

**December 22, 2023 – January 3, 2024**

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1. **Introduction:** Technical Discussions followed by Negotiations related to the proposed financing ("Financing") from the International Bank for Reconstruction and Development ("IBRD" or "World Bank") in the amount of twenty eight million five hundred thousand United States Dollars (US\$ 28,500,000) and the Lebanese Financing Facility for Reform, Recovery and Reconstruction Multi Donor Trust Fund ("LFF") in the amount of five million five hundred thousand United States Dollars (US\$ 5,500,000) to the Lebanese Republic for the Lebanon: *Fiscal Management Project* (P181155) (the Project) were held virtually through Teams videoconference and in-person in Beirut between December 21 and December 22, 2023. The list of participants to the negotiations representing the Borrower (the "Borrower Delegation") and representing IBRD (the "IBRD Delegation") is attached as Annex 1 to these Minutes (collectively the Borrower Delegation and the IBRD Delegation are referred to as the "Parties"). These Minutes record the key agreements and conclusions reached during the negotiations.
2. **Authority to Negotiate:** The Borrower Delegation provided a letter to the IBRD Delegation, dated December 19, 2023, signed by His Excellency Minister of Finance, indicating the members of the Borrower Delegation authorized to participate in the negotiations and appointing His Excellency Mr. Youssef El Khalil (Minister of Finance), as the head of the Borrower Delegation.
3. **Documents Discussed:** The Parties reviewed and agreed on the negotiated draft versions of the following: (i) the Project Appraisal Document; (ii) the draft Loan Agreement (LA), (iii) the draft LFF Grant Agreement; (iii) the draft Disbursement and Financing Information Letter, (iv) the Environmental and Social Commitment Plan (ESCP), and (v) the Procurement Plan. The proposed corrections and edits were directly incorporated into the documents, and the draft Loan and Grant Agreements was agreed upon after a thorough discussion (Annex 2).
4. **Project Development Objective and Components:** The Project Development Objective (PDO) was slightly amended by replacing 'government of Lebanon' with "Lebanese Republic". Accordingly, the PDO of the Project is "to support the Lebanese Republic restore the basic functions of domestic revenue mobilization and accountable allocation in the use of public resources."
5. The Project design and components were reviewed, and no major modifications were identified. Considering the currently expected date of presentation for Board of Executive Directors' approval on February 14, 2024, the periods for PBCs reflected in the PAD have been adjusted. It was discussed that for the non-PBC intermediate indicator on 'reduced bank accounts outside of the main account 36', the baseline will be determined within 2 months of Project implementation and



recorded in the ISR. The Project Appraisal Document (Annex 7) describes the detailed Project design and components.

6. **Implementation Arrangements:** Key features of the implementing arrangements were agreed as:  
(a) a Steering Committee comprising of heads of relevant agencies and directorates chaired by the Minister of Finance or a person nominated by the Minister; (b) A Project Coordination Unit (PCU) will monitor and facilitate day to day project implementation activities and liaise with and report progress to the World Bank task team; (c) an interim Project team will be appointed by the MOF until the PCU is established and staffed under the Loan Agreement; (c) the agencies and departments involved in Project activities will be involved in the procurement decision making, managing consultants and implementing Project activities in their respective areas; (d) an independent verification agent will verify the achievement of the Performance Based Conditions; (e) external auditor will audit the project financial statements and the payment of staff allowances; and (f) a Project Operations Manual, including a Grant Manual, will describe the work flow procedures and the internal controls of the Project.
7. **Regulatory Framework:** The Parties clarified that MoF will immediately inform the World Bank of any proposed modification to the Regulatory Framework in accordance with Section 5.10 of the General Conditions and Section 2.10 of the Standard Conditions. In this regard, without prejudice to the World Bank's right to exercise any legal remedies in accordance with Article IV of the Loan Agreement and the General Conditions as well as Article IV the LFF Grant Agreement and the Standard Conditions, respectively, if in the opinion of the World Bank, any such modification will affect materially and adversely the Borrower's ability to perform any of its obligations under the Loan Agreement and/or LFF Grant Agreement, the World Bank intends to consult with the Borrower in line with Section 5.10 of the General Conditions and Section 2.10 of the Standard Conditions.
8. The following clarifications were agreed upon by the parties:
9. Section 5.01(b) of the Loan Agreement: 'Establishment' of a PCU means issuing a decision by the Minister of Finance describing the mandate, the composition, and the resources available for said PCU, as well as a timeline for the recruitment of the staff of the PCU that is aligned with the terms of the Loan Agreement;
10. Section 5.01(a) of the Loan Agreement: "The LFF Grant Agreement has been executed and delivered and all conditions precedent to the effectiveness of said agreement" means that the LFF Grant Agreement shall be duly signed by the parties, and all related conditions of effectiveness shall be fulfilled;
11. Manuals: Considering that the LFF Grant Agreement is subject to the approval by the Cabinet of Ministers, while the Loan Agreement is subject to the ratification by the Parliament, the Delegations discussed that the LFF Grant may become available before the IBRD Loan. As such, in order to ensure timely implementation of the LFF Grant, a separate grant manual will be prepared for the LFF Grant as an effectiveness condition to the LFF Grant Agreement, under terms and conditions satisfactory to the Bank. Said Grant Manual will be incorporated in due course into the Project Operations Manual (POM). The POM is set as an effectiveness condition to the Loan Agreement.
12. The term "Allowances" is defined in the Appendix, including in the definition of the term "Eligible Expenditures Program" for PBCs.
13. **Closing Date:** It was agreed to set the Project's Closing Date to March 31, 2027.



14. Opinions as Effectiveness Conditions.

15. **Loan Agreement:** The Delegations discussed that, considering the caretaker status of the Government, the Bank will require a legal opinion from the Borrower as a condition of effectiveness pursuant to Article 9.02(a) of the General Conditions, showing that the Loan Agreement has been duly authorized or ratified by, and executed and delivered on its behalf of the Borrower and is legally binding upon it in accordance with its terms.
16. **LFF Grant Agreement:** As part of the evidence to be furnished pursuant to Section 5.01(b), on effectiveness, there shall be furnished to the Bank an opinion satisfactory to the Bank showing that, on behalf of the Recipient, this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
17. The Government Delegation informed the Bank Delegation that the counsel from the Ministry of Justice will provide in due course both legal opinions for the Project to become effective.
18. **Disbursement and Financial Information Letter (DFIL):** The DFIL, covering both the IBRD Loan and the LFF Grant, was discussed and agreed between the Parties. The Parties clarified that the Designated Account mentioned in the DFIL will be held at the Borrower's Central Bank, in USD. Disbursements will follow the guidelines and the modalities specified in the Loan and Grant Agreements and in the Disbursement and Financial Information Letters. The advance to the DA will be based on a six-month expenditure forecast. The LFF Grant will use only the direct payment method. The documentation of eligible expenditures will be based on Interim Financial Reports (IFR). Details about disbursement methods are available in the DFIL. The negotiated version of the DFIL, incorporating all the changes, is attached in Annex 3 to these minutes.
19. **Financial Management:** The Borrower, through the Project Team/PCU (as applicable), shall prepare and furnish to the Bank, not later than forty-five (45) days after the end of each calendar quarter, consolidated interim unaudited financial reports ("IFR") for the Project covering the quarter. Each audit of the consolidated Financial Statements shall cover the period of one fiscal year of the Project, commencing with the first year in which the first withdrawal was made. The audited consolidated Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period. The PCU will recruit an Independent Verification Agent and an external auditor with Terms of Reference acceptable to the Bank to review and validate Project activities. Details of the approach, methodologies and terms of references will be elaborated in the POM. It was agreed that the Loan funds will be channeled from the World Bank to the MOF Treasury Account at the Central Bank, and then in turn transferred by the MOF to the Project Designated Account in the Central Bank in USD. The option of direct payment will be available as stated in the DFIL. The reimbursement option is available for the Loan Agreement.
20. **Loan's terms, charge, and amortization schedule:** The proposed 28.5 million USD variable spread loan will be repaid in line with Borrower repayment terms in loan choice worksheet (LCW) dated December 21, 2023 with a total maturity of 24 years, including a grace period of 5 years, repayment dates of June 15 and December 15 for commitment linked, level repayments with front-end fees financed out of loan proceeds, with the option of financing caps and collars. The amortization schedule is based on an estimated WBG Board approval date of February 14, 2024. Should the Board date change, the amortization schedule may be affected, and will be updated and shared with the Borrower accordingly. The Closing Date is confirmed as March 31, 2027. The signed Loan Choice Worksheet (LCW) and the discussed and agreed amortization schedule are both attached to these minutes (Annex 4 and Annex 5, respectively).



21. **Procurement:** The IBRD Delegation clarified that procurement will be carried out in accordance with the World Bank Procurement Regulations for Investment Project Financing, dated September 2023, the Procurement Plan approved by IBRD and the procurement procedures to be outlined in the POM. The Project Procurement Strategy for Development (PPSD) and Procurement Plan will be cleared by IBRD prior to launching any procurement process. Both documents will be updated as needed throughout Project implementation, with IBRD prior approval. The initial procurement plan dated December 2023 is attached to the minutes of negotiations (Annex 8).
22. **Environmental and Social Framework (ESF):** The Parties agreed on the ESCP, dated December 22, 2023 (Annex 6). The IBRD Delegation noted that the implementation of the document is part of the obligations to be fulfilled under the Loan Agreement and the LFF Grant Agreement, and contains mandatory requirements for the Borrower.
23. **Access to Information:** Pursuant to the World Bank Policy on Access to Information, IBRD will disclose the Project Appraisal Document, the related legal agreements and other information related to the operation and the legal agreements, including any supplemental letters. The Borrower's Delegation confirmed that the Bank may publicly release this Project Appraisal Document upon the approval of the operation by the Bank's Executive Directors. The agreed version is attached to these Minutes as Annex 7.
24. **Project Reports** will cover only the LFF Grant Agreement until the Loan Agreement becomes effective.
25. **Signing of the Legal Agreements.** The Bank Delegation reminds that as of July 1, 2023, the Bank migrated to the use of electronic signatures (e-Signatures) as a default modality for signing all IBRD/IDA financing agreements concluded with the Bank where both Bank and Borrower are expected to sign electronically via DocuSign. If the Lebanese Republic is unable to use e-Signatures only, it can use the 'dual modality' where (i) both parties will first sign fully electronically in DocuSign; and thereafter (ii) Borrower prints out the fully e-signed agreement as needed and countersigns manually, in wet ink, next to their electronic signature. The Borrower Delegation indicated the Lebanese Republic's readiness to electronically sign the Loan Agreement by using the 'dual modality' above, after the approval of the Project by the Bank's Board of Executive Directors and Senior Management (RVP), as applicable.
26. **Next Steps.** Upon the signing of these Minutes, the Borrower's Delegation has confirmed that no further action is necessary from the Borrower to authorize the submission of the Project to the World Bank Board of Executive Directors for consideration. The proposed Project is expected to be presented to the Board on February 14, 2024. The notice of approval will be communicated to the Borrower and the MOF will request authorization of the Council of Ministers to sign the Loan Agreement and the LFF Grant Agreement. Upon approval, the Borrower Delegation and the Bank Delegation will arrange for the signing of the Loan Agreement and the LFF Grant Agreement between the Borrower and the IBRD using the modality described in the paragraph above of these Minutes.



| On behalf of the Lebanese Republic                                                         | On behalf of the International Bank for Reconstruction and Development |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <i>Youssef El Khalil</i>                                                                   | <i>Jiwanka B. Wickramasinghe</i>                                       |
| H.E. Youssef El Khalil<br>Minister of Finance<br>Ministry of Finance<br>Head of Delegation | Head of Delegation                                                     |
| Signed on: 09-Jan-2024                                                                     | Signed on: 03-Jan-2024                                                 |

#### ATTACHMENTS

- Annex 1: List of Participants
- Annex 2a: Negotiated Draft of the Loan Agreement
- Annex 2b: Negotiated Draft of the LFF Grant Agreement
- Annex 3: Negotiated Draft of the Disbursement and Financial Information Letter
- Annex 4: Loan Choice Worksheet
- Annex 5: Amortization schedule
- Annex 6: Negotiated ESCP
- Annex 7: Project Appraisal Document
- Annex 8: Procurement Plan





## The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

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التاريخ: ١٧ حزيران/يونيو ٢٠٢٥

معالي السيد ياسين جابر  
وزير المالية  
وزارة المالية  
شارع ساحة النجمة  
الموازي لساحة رياض الصلح  
بيروت  
الجمهورية اللبنانية

الموضوع: مشروع الإدارة المالية  
(القرض رقم 9644-LB)  
تعديل على اتفاقية القرض

معالي الوزير ياسين جابر المحترم،

بالإشارة إلى اتفاقية القرض الموقعة بتاريخ ٢٧ أيلول/سبتمبر ٢٠٢٤ بين الجمهورية اللبنانية ("المقترض") والبنك الدولي للإنشاء والتعمير ("البنك")، والخاصة بالمشروع المشار إليه أعلاه ("اتفاقية القرض")، يُرجى أخذ العلم بأن المصطلحات الواردة في هذه الرسالة ("رسالة التعديل") والمكتوبة بأحرف كبيرة دون تعريف صريح، تُفسّر وفق المعاني المعتمدة لها في اتفاقية القرض.

كما نشير إلى رسالتكم المؤرخة في ٢٦ شباط/فبراير ٢٠٢٥، والمتضمنة طلب تعديل بعض الأحكام في اتفاقية القرض. ويسرّ البنك أن يُبلغكم بموافقة على طلبكم، ويقترح، بموجب هذه الرسالة ("رسالة التعديل")، تعديل اتفاقية القرض وفقاً لما يلي:

١. يُعدل نص البند ٢،٠١ من المادة الثانية (٢) من اتفاقية القرض ليصبح كما يلي:

" ٢،٠١ يوافق البنك على إقراض المقترض مبلغاً قدره ثمانية وعشرون مليوناً وخمسمائة ألف دولار أميركي (٢٨,٥٠٠,٠٠٠ دولار أميركي)، ويجوز تحويل هذا المبلغ من وقت إلى آخر من خلال تحويل العملة ("القرض")، وذلك للمساهمة في تمويل الجزء ١،١، الجزء ١،٢، الجزء ١،٣ (ب)، الجزء ١،٣ (ج)، الجزء ٢،١، الجزء ٢،٢، الجزء ٢،٤ (ب)، الجزء ٢،٤ (ج)، الجزء ٢،٤ (د)، الجزء ٢،٤ (هـ)، الجزء ٣، الجزء ٤، والجزء ٥ من المشروع المبين في الجدول رقم ١ من هذه الاتفاقية ("المشروع")."

٢. تُحذف المادة الرابعة من اتفاقية القرض بموجب هذا التعديل، ويُعاد ترقيم المواد المتبقية بما يحافظ على الترتيب التسلسلي للأرقام.

٣. تُحذف كلمة "و" الواردة في نهاية الفقرة ١،٢ (أ) ضمن الجزء الأول من الجدول رقم ١ من اتفاقية القرض.

٤. تُعدل الفقرة ١،٣ من الجزء الأول من الجدول رقم ١ من اتفاقية القرض، ويُستعاض عنها بالنص التالي:

" ١،٣ إعادة تأهيل وتحديث نظم تكنولوجيا المعلومات والاتصالات لإدارة الإيرادات، وذلك من خلال ما يلي، من بين أمور أخرى:



للاستخدام الرسمي فقط

- (أ) تنفيذ أعمال الصيانة وتحديث الأجهزة والبرمجيات وتعزيز القدرة التقنية لأنظمة تكنولوجيا المعلومات والاتصالات الخاصة بالضرائب والجمارك؛  
(ب) دمج نظم الإيرادات والجمارك بهدف تعزيز تبادل البيانات لدعم اتخاذ القرارات الجوهريّة والحاسمة وتعزيز وظائف الرقابة والتدقيق؛ و  
(ج) تطوير نظام متكامل لإدارة الضرائب (ITAS).

٥. تُعدل الفقرة ٢,١ من الجزء الثاني من الجدول رقم ١ من اتفاقية القرض، ويُستعاض عنها بالنص التالي:

- "٢,١ تعزيز إعداد الموازنة العامة من خلال، من بين أمور أخرى:  
(أ) تقديم المساعدة الفنية لضمان إعداد الموازنة السنوية في الوقت المناسب، على أساس إطار مالي-اقتصادي كلي سليم يدعم الاستجابة للأزمة والتعافي منها؛  
(ب) تنفيذ برامج تدريب وبناء قدرات، إلى جانب تقديم المساعدة الفنية للكوادر المختصة بشأن، من جملة أمور، مراجعة تصنيف الموازنة ودليل الحسابات (BC-CoA)، وتحديث الإطار المالي-الاقتصادي الكلي، وإعداد السقوف المالية للموازنة، وتعزيز منهجيات إعداد الموازنة المرتكزة إلى الإطار المالي الكلي، وإعداد تحليل لمخاطر المالية العامة، وصياغة بيان سياسة الموازنة الذي يضع أسسًا لموازنة تراعي البعدين الجندي والمناخي، وتعزيز مشاركة المواطنين؛ و  
(ج) توفير ألواح الطاقة الشمسية لتوليد الكهرباء."

٦. تُعدل الفقرة ٢,٢ (أ) من الجزء الثاني من الجدول رقم ١ من اتفاقية القرض، ويُستعاض عنها بالنص التالي:  
"٢,٢ (أ) تقديم المساعدة الفنية من أجل: (١) انتظام إعداد تقارير تنفيذ الموازنة، والبيانات المالية السنوية، وعمليات المطابقة المصرفية، بهدف المتابعة الدقيقة لتنفيذ الموازنة ومخاطر المالية العامة؛ و(٢) وضع الأسس لإطار عمل خاص بحساب الخزينة الموحد (TSA) بغرض تحسين إدارة السيولة وتوفير معلومات آنية حول تنفيذ الموازنة (بما في ذلك الإيرادات والنفقات)؛"

٧. تُحذف الفقرة ٢,٣ من الجزء الثاني من الجدول رقم ١ من اتفاقية القرض، ويُترك مكانها "فارغًا عمدًا".

٨. تُعدل الفقرة ٢,٤ من الجزء الثاني من الجدول رقم ١ من اتفاقية القرض، ويُستعاض عنها بالنص التالي:  
"٢,٤ إعادة تأهيل الوظائف المشتركة في مجال تكنولوجيا المعلومات والاتصالات، وذلك من خلال، من بين أمور أخرى:

- (أ) دعم أعمال الصيانة الأساسية وتحديث الأجهزة والبرمجيات، وتعزيز القدرات التقنية لأنظمة تكنولوجيا المعلومات والاتصالات الخاصة بإدارة الموازنة والنفقات؛  
(ب) توفير معدات تكنولوجيا معلومات أساسية، إلى جانب البرمجيات والتراخيص المرتبطة بها، بهدف تقديم دعم مشترك لإدارة النفقات؛  
(ج) دمج أنظمة الإنفاق والإيرادات لتعزيز تبادل البيانات بما يدعم اتخاذ قرارات استراتيجية وحاسمة في مجال إدارة الإنفاق والإيرادات؛  
(د) دعم إعداد استراتيجية لتكنولوجيا المعلومات والاتصالات، وإعادة هندسة العمليات التشغيلية، وتنفيذ مراجعة ما بعد التطبيق؛ و  
(هـ) تطوير وتنفيذ نظام متكامل لإدارة المعلومات المالية (IFMIS) حديث."

٩. يُعدل الجزء الثالث من الجدول رقم ١ من اتفاقية القرض، ويُستعاض عنه بالنص التالي:  
"الجزء الثالث: إعادة تفعيل مؤسسات الرقابة والمساءلة، وبناء القدرات في إدارة المالية العامة والشراء العام  
تقديم الدعم لتعزيز: (أ) دور وقدرات كل من ديوان المحاسبة، والتفتيش المركزي، وهيئة الشراء العام، وبعض الجهات المختارة المعنية بالشراء العام، وتوسيع نطاق تواصلها مع المواطنين؛ و(ب) دور معهد باسل فليحان المالي والاقتصادي في بناء القدرات، وتدريب موظفي الخدمة المدنية لدى المقرض، وذلك من خلال:  
٣,١ تعزيز القدرات الأساسية لـ:

- (أ) ديوان المحاسبة، عبر، من جملة أمور: (١) الدعم التشغيلي والمساعدة الفنية للإسراع في معالجة التراكمات في مهام التدقيق القانوني وضمان إجراء التدقيقات الدورية في الوقت المناسب و بانتظام،



وتنفيذ عمليات تدقيق على البيانات المؤتمنة، ودعم الأنشطة المتعلقة إشراك المواطنين في متابعة تنفيذ توصيات التدقيق؛ (٢) التدريب وبناء القدرات لفريق عمل ديوان المحاسبة؛  
(ب) التفيتش المركزي، عبر، من جملة أمور: (١) الدعم التشغيلي لتنفيذ عمليات تدقيق معمقة على الرواتب والأجور؛ (٢) المساعدة الفنية لتنفيذ عمليات تدقيق على الرواتب والأجور؛ (٣) توفير ألواح شمسية لتوليد الطاقة الكهربائية؛  
(ج) ربط ديوان المحاسبة والتفتيش المركزي إلكترونياً لتمكينهما من تنفيذ عمليات التدقيق والتفتيش من خلال إنشاء منصات تواصل وربط؛  
(د) تقديم المساعدة الفنية، والتدريب، وتطوير منصات تعليم إلكتروني ووحدات تدريب رقمية لتعزيز قدرات ومهارات موظفي الخدمة المدنية في مجالي إدارة المالية العامة والشراء العام.  
٣,٢ دعم (أ) تعزيز دور معهد باسل فليحان المالي والاقتصادي في بناء القدرات؛ و(ب) إضفاء الطابع المهني على موظفي الشراء العام، وذلك عبر، من جملة أمور، تقديم المساعدة الفنية وتنفيذ برامج تدريبية متخصصة.  
٣,٣ توفير ألواح الطاقة الشمسية لتوليد الكهرباء.

١٠. تُعدل الفقرة ١ (ج) من القسم ١. ب من الجدول رقم ٢ من اتفاقية القرض، ويُستعاض عنها بالنص التالي:  
"(ج) وصف تفصيلي لآليات برنامج النفقات المستحقة ضمن المشروع والمتعلقة بالشروط القائمة على الأداء (PBCs)، بما في ذلك منهجيات التحقق من تحقيق تلك الشروط؛"

١١. تُعدل الفقرة ١ من القسم ١. و من الجدول رقم ٢ من اتفاقية القرض ويُستعاض عنها بالنص التالي:  
"١. لأغراض تنفيذ الشروط القائمة على الأداء رقم ١ إلى ٤، ضمن الأجزاء ١,١ (أ)، ١,٢ (أ)، ٢,١ (أ)، ٢,٢ (أ)، ٣,١ (أ)، ٣,١ (ب) (١) من المشروع، يتعين على المقترض التعاقد مع جهة تحقق مستقلة، في موعد لا يتجاوز ثلاثة (٣) أشهر من تاريخ النفاذ، أو في تاريخ لاحق يتم الاتفاق عليه مع البنك، على أن تتمتع هذه الجهة بالمؤهلات والخبرة كما هو محدد في بروتوكول التحقق ومقبولة لدى البنك ("جهة التحقق")."

١٢. يُعدل الجدول الوارد في القسم ١.٣ من الجدول رقم ٢ من اتفاقية القرض، ويُستعاض عنه بالنص التالي:

| الفئة                                                                                                       | المبالغ المخصصة من القرض (بالدولار الأميركي) | نسبة النفقات التي سيتم تمويلها (بما في ذلك الضرائب)                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (١) برنامج النفقات المستحقة ضمن الأجزاء ١,١ (أ)، ١,٢ (أ)، ٢,١ (أ)، ٢,٢ (أ)، ٣,١ (أ)، ٣,١ (ب) (١) من المشروع | ٥,٠٠٠,٠٠٠                                    | ١٠٠% من مبلغ كل شرط قائم على الأداء كما هو مبين في الجدول رقم ٤ (أو النسبة المئوية الأدنى التي تمثل إجمالي النفقات المستحقة التي سندها المقترض بموجب برنامج النفقات المستحقة حتى تاريخ السحب). |



|            |                                                                                                                                                                                                   |                                                                                                        |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| ٢٣,٤٢٨,٧٥٠ | (٢) السلع، والأشغال، والخدمات غير الاستشارية، والخدمات الاستشارية، والتكاليف التشغيلية، والتدريب المتعلق بالمشروع (باستثناء النفقات المدرجة ضمن الفئة (١) والأجزاء ١,٣ (أ) و ٢,٤ (أ) من المشروع). | %١٠٠                                                                                                   |
| ٧١,٢٥٠     | (٣) الرسم الابتدائي                                                                                                                                                                               | المبلغ المستحق الدفع وفقاً للمادة ٢,٠٣ من هذه الاتفاقية، وذلك عملاً بالمادة ٢,٠٧ (ب) من الشروط العامة. |
| .          | (٤) علاوة سقف معدل الفائدة او علاوة نطاق معدل الفائدة                                                                                                                                             | المبلغ المستحق وفقاً للمادة ٤,٠٥ (ج) من الشروط العامة.                                                 |
| .          | (٥) نفقات الطوارئ بموجب الجزء ٥ من المشروع                                                                                                                                                        | %١٠٠                                                                                                   |
| ٢٨,٥٠٠,٠٠٠ | المبلغ الإجمالي                                                                                                                                                                                   |                                                                                                        |

١٣. تُعدل الفقرة ١ (أ) من القسم ٣.ب من الجدول رقم ٢ من اتفاقية القرض، ويُستعاض عنها بالنص التالي:  
 "(أ) عن المدفوعات التي تمت قبل تاريخ التوقيع، مع الاستثناء الذي يجيز سحب مبلغ إجمالي لا يتجاوز ٢,٠٠٠,٠٠٠ دولار أميركي مقابل مدفوعات تمت قبل هذا التاريخ ولكن بتاريخ ١ تموز/يوليو ٢٠٢٤ أو بعده، وذلك عن النفقات المستحقة؛ أو"

١٤. تُعدل الفقرة ١ (ب) من القسم ٣.ب من الجدول رقم ٢ من اتفاقية القرض، ويُستعاض عنها بالنص التالي:  
 "(ب) عن المدفوعات المدرجة ضمن الفئة (١)، ما لم يكن البنك قد تسلم أدلة مرضية تفيد بما يلي: (١) أن الشروط القائمة على الأداء المحددة في الجدول رقم ٤ من هذه الاتفاقية، والتي يُطلب السداد على أساسها، قد تم تحقيقها والتحقق منها وفقاً لبروتوكول التحقق ودليل عمليات المشروع، من قبل جهة التحقق المستقلة؛ و (٢) أن المدفوعات بموجب برنامج النفقات المستحقة قد تم تنفيذها وفقاً للإجراءات المنصوص عليها في دليل عمليات المشروع وبما يتماشى معها."

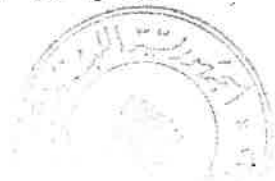
١٥. يُعدل القسم ٣.ب.٦ من الجدول رقم ٢ من اتفاقية القرض، ويُستعاض عنه بالنص التالي:

"٦. يكون تاريخ الإقفال هو ٣١ كانون الأول/ديسمبر ٢٠٢٨."

١٦. يُلغى الجدول رقم ٤ من اتفاقية القرض، ويُستعاض عنه بالنص الوارد في الملحق المرفق في "رسالة التعديل" هذه.

١٧. تُحذف التعريفات الواردة في الفقرات ١ و ١٣ و ٣٩ من الملحق التابع لاتفاقية القرض، ويُعاد ترقيم التعريفات تبعاً لذلك

١٨. يُعدل التعريف الوارد في الفقرة ١٥ من الملحق التابع لاتفاقية القرض، ويُستعاض عنه بالنص التالي:



"١٥. يُقصد بتعبير 'برنامج النفقات المستحقة' السلع، والأشغال، والخدمات غير الاستشارية، والخدمات الاستشارية، والتكاليف التشغيلية، والتدريب، التي يتكبدها المقرض في سياق تنفيذ المشروع."

١٩. تُضاف التعريفات التالية إلى الملحق التابع لاتفاقية القرض بحسب الترتيب الأبجدي، ويُعاد ترقيم التعريفات المتبقية تبعاً لذلك، على النحو التالي:

"BC-CoA: يُقصد به تصنيف الموازنة ودليل الحسابات."  
"IFMIS: يُقصد به النظام المتكامل لإدارة المعلومات المالية."  
"ITAS: يُقصد به النظام المتكامل لإدارة الضرائب."  
"TSA: يُقصد به حساب الخزينة الموحد."

تبقى جميع أحكام اتفاقية القرض الأخرى، باستثناء ما تم تعديله بموجب رسالة التعديل هذه، سارية المفعول وناظرة بكامل آثارها القانونية.

نرجو منكم، بصفتكم ممثلاً عن المقرض، تأكيد موافقتكم على التعديلات الواردة أعلاه، وذلك من خلال التوقيع والتأريخ في المكان المخصص أدناه. وتوقع رسالة التعديل هذه على نسختين أصليتين، يُعتبر كل منهما أصلاً، على أن تتم إعادة نسخة واحدة منها إلى البنك بعد توقيعها.

تدخل أحكام رسالة التعديل هذه حيز التنفيذ فور استلام البنك دليلاً مرضياً يفيد تحقق الشروط التالية:

١. استلام نسخة أصلية واحدة موقعة حسب الأصول من رسالة التعديل هذه؛
٢. قيام المقرض، من خلال وزارة المالية، بتحديث دليل عمليات المشروع واعتماده بطريقة مقبولة للبنك؛ و
٣. استيفاء شروط النفاذ المنصوص عليها في المادة الرابعة من اتفاقية القرض.

وتفضلوا بقبول فائق الاحترام والتقدير،

البنك الدولي للإنشاء والتعمير

جان كريستوف كاريه

المدير الإقليمي  
لبنان، الأردن، سوريا، إيران والعراق  
إدارة الشرق الأوسط وشمال أفريقيا

تم التصديق على ما تقدم:  
الجمهورية اللبنانية

بواسطة:

الممثل المفوض

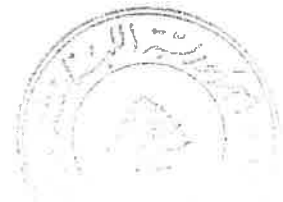
الاسم: نيسين جابر  
الصفة: وزير المالية  
التاريخ: ٨ تموز/يوليو ٢٠٢٥





|                                                              |                                                                                                    |         |                                                                                                                   |        |                                                                                                                   |        |                                                                                                                |        |                                                                                                                 |        |                                                                                                                 |        |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------|-------------------------------------------------------------------------------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------|--------|----------------------------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------|--------|
| ١.٣. (١) نشر<br>تقرير مراجعة<br>الحسابات في<br>الوقت المناسب | (أ) انتهاء وزارة<br>المالية من العمل<br>على الحسابات<br>الختامية للسنة<br>المالية ٢٠٢١             | ٢٥,٠٠٠  | (أ) انتهاء وزارة<br>المالية من العمل<br>على الحسابات<br>الختامية للسنة<br>المالية ٢٠٢٢                            | ٢٥,٠٠٠ | (أ) انتهاء وزارة<br>المالية من العمل<br>على الحسابات<br>الختامية للسنة<br>المالية ٢٠٢٣                            | ٢٥,٠٠٠ | (أ) انتهاء وزارة<br>المالية من العمل<br>على الحسابات<br>الختامية للسنة<br>المالية ٢٠٢٤                         | ٢٥,٠٠٠ | (أ) انتهاء وزارة<br>المالية من العمل<br>على الحسابات<br>الختامية للسنة<br>المالية ٢٠٢٥                          | ٢٥,٠٠٠ | (أ) انتهاء وزارة<br>المالية من العمل<br>على الحسابات<br>الختامية للسنة<br>المالية ٢٠٢٦                          | ٢٥,٠٠٠ |
| ١.٣. (٢)                                                     | (ب) إنجاز<br>الأعمال المترجمة<br>والمؤجلة: تقارير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠٠٥-٢٠٠٦ | ٢٠,٠٠٠  | (ب) إنجاز<br>الأعمال المترجمة<br>والمؤجلة: تقارير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠٠٨-٢٠٠٩                | ٢٠,٠٠٠ | (ب) إنجاز<br>الأعمال المترجمة<br>والمؤجلة: تقارير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠١٠-٢٠١١                | ٢٠,٠٠٠ | (ب) إنجاز<br>الأعمال المترجمة<br>والمؤجلة: تقارير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠١١-٢٠١٢             | ٢٠,٠٠٠ | (ب) إنجاز<br>الأعمال المترجمة<br>والمؤجلة: تقارير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠١٣-٢٠١٤              | ٢٠,٠٠٠ | (ب) إنجاز<br>الأعمال المترجمة<br>والمؤجلة: تقارير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠١٤-٢٠١٥              | ٢٠,٠٠٠ |
| ١.٣. (٣)                                                     | (ج) نشر تقرير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠٢١                                          | ٢٥,٠٠٠  | (ج) نشر تقرير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠٢٢                                                         | ٢٥,٠٠٠ | (ج) نشر تقرير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠٢٣                                                         | ٢٥,٠٠٠ | (ج) نشر تقرير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠٢٤                                                      | ٢٥,٠٠٠ | (ج) نشر تقرير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠٢٥                                                       | ٢٥,٠٠٠ | (ج) نشر تقرير<br>مراجعة الحسابات<br>للسنة المالية<br>٢٠٢٦                                                       | ٢٥,٠٠٠ |
| ١.٣. (٤)                                                     | (د) الإبلاغ عن<br>حالة التوصيات<br>الواردة في تقارير<br>المراجعة السابقة                           | ٢٠,٠٠٠  | (د) الإبلاغ عن<br>حالة التوصيات<br>الواردة في تقارير<br>المراجعة السابقة                                          | ٢٠,٠٠٠ | (د) الإبلاغ عن<br>حالة التوصيات<br>الواردة في تقارير<br>المراجعة السابقة                                          | ٢٠,٠٠٠ | (د) الإبلاغ عن<br>حالة التوصيات<br>الواردة في تقارير<br>المراجعة السابقة                                       | ٢٠,٠٠٠ | (د) الإبلاغ عن<br>حالة التوصيات<br>الواردة في تقارير<br>المراجعة السابقة                                        | ٢٠,٠٠٠ | (د) الإبلاغ عن<br>حالة التوصيات<br>الواردة في تقارير<br>المراجعة السابقة                                        | ٢٠,٠٠٠ |
| ٣. ب. (١) نشر<br>تقرير الأداء<br>المالي                      | الانتهاء من تقرير<br>الأداء المالي لعام<br>٢٠٢٢                                                    | ١٠٠,٠٠٠ | (أ) يتم نشر<br>تقرير الأداء<br>المالي لأول<br>٦ أشهر للسنة<br>المالية الحالية<br>خلال ٦٠ يوماً<br>من نهاية الفترة | ٥٠,٠٠٠ | (أ) يتم نشر<br>تقرير الأداء<br>المالي لأول<br>٦ أشهر للسنة<br>المالية الحالية<br>خلال ٦٠ يوماً<br>من نهاية الفترة | ٥٠,٠٠٠ | (أ) يتم نشر تقرير<br>الأداء المالي لأول<br>٦ أشهر للسنة<br>المالية الحالية<br>خلال ٦٠ يوماً من<br>نهاية الفترة | ٥٠,٠٠٠ | (أ) يتم نشر تقرير<br>الأداء المالي لنهاية<br>العام للسنة المالية<br>السابقة خلال ٤٥<br>يوماً من نهاية<br>الفترة | ٥٠,٠٠٠ | (أ) يتم نشر تقرير<br>الأداء المالي لنهاية<br>العام للسنة المالية<br>السابقة خلال ٤٥<br>يوماً من نهاية<br>الفترة | ٥٠,٠٠٠ |
| ٣. ب. (٢)                                                    | (ب) الانتهاء من<br>تقرير الأداء المالي<br>لأشهر الستة<br>الأولى من عام<br>٢٠٢٥                     | ٥٠,٠٠٠  | (ب) الانتهاء من<br>تقرير الأداء المالي<br>لأشهر الستة<br>الأولى من عام<br>٢٠٢٦                                    | ٥٠,٠٠٠ | (ب) الانتهاء من<br>تقرير الأداء المالي<br>لأشهر الستة<br>الأولى من عام<br>٢٠٢٦                                    | ٥٠,٠٠٠ | (ب) الانتهاء من<br>تقرير الأداء المالي<br>لأشهر الستة<br>الأولى من عام<br>٢٠٢٦                                 | ٥٠,٠٠٠ | (ب) يتم نشر<br>تقرير الأداء المالي<br>لأشهر الستة<br>الأولى من عام<br>٢٠٢٥                                      | ٥٠,٠٠٠ | (ب) يتم نشر<br>تقرير الأداء المالي<br>لأشهر الستة<br>الأولى من عام<br>٢٠٢٥                                      | ٥٠,٠٠٠ |
|                                                              |                                                                                                    |         |                                                                                                                   |        |                                                                                                                   |        |                                                                                                                |        |                                                                                                                 |        |                                                                                                                 |        |

| ٥. (١) الانتهاء<br>من عمليات<br>التدقيق الدورية<br>للرواتب ونشرها | إعداد خطة التدقيق | (أ) استكمال<br>عمليات تدقيق<br>ومراجعة<br>كشوفات رواتب<br>موظفي الإدارة<br>العامة المدنية<br>والأساتذة في<br>لبنان وفقًا<br>لخطة تدقيق<br>الأسهر الستة<br>الآخيرة | (أ) استكمال<br>عمليات تدقيق<br>ومراجعة<br>كشوفات رواتب<br>موظفي الإدارة<br>العامة المدنية<br>والأساتذة في<br>لبنان وفقًا<br>لخطة تدقيق<br>الأسهر الستة<br>الآخيرة | (أ) استكمال<br>عمليات تدقيق<br>ومراجعة<br>كشوفات رواتب<br>موظفي الإدارة<br>العامة المدنية<br>والأساتذة في<br>لبنان وفقًا<br>لخطة تدقيق<br>الأسهر الستة<br>الآخيرة | (أ) استكمال<br>عمليات تدقيق<br>ومراجعة<br>كشوفات رواتب<br>موظفي الإدارة<br>العامة المدنية<br>والأساتذة في<br>لبنان وفقًا<br>لخطة تدقيق<br>الأسهر الستة<br>الآخيرة |
|-------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ٥٧٥,٠٠٠                                                           | ١٥٠,٠٠٠           | ٧٥,٠٠٠                                                                                                                                                            | ٧٥,٠٠٠                                                                                                                                                            | ٧٥,٠٠٠                                                                                                                                                            | ١٠٠,٠٠٠                                                                                                                                                           |
| ٥. (٢)                                                            |                   | (ب) نشر تقرير<br>المراجعة<br>الإجمالية<br>لكشوفات<br>الرواتب للأشهر<br>الستة ذات الصلة                                                                            | (ب) نشر تقرير<br>المراجعة<br>الإجمالية<br>لكشوفات<br>الرواتب للأشهر<br>الستة ذات الصلة                                                                            | (ب) نشر تقرير<br>المراجعة<br>الإجمالية<br>لكشوفات<br>الرواتب للأشهر<br>الستة ذات الصلة                                                                            | (ب) نشر تقرير<br>المراجعة<br>الإجمالية<br>لكشوفات<br>الرواتب للأشهر<br>الستة ذات الصلة                                                                            |
| ٤٢٥,٠٠٠                                                           |                   | ٧٥,٠٠٠                                                                                                                                                            | ٧٥,٠٠٠                                                                                                                                                            | ٧٥,٠٠٠                                                                                                                                                            | ١٠٠,٠٠٠                                                                                                                                                           |
| المجموع:                                                          |                   | ٨٨٠,٠٠٠                                                                                                                                                           | ٦٣٠,٠٠٠                                                                                                                                                           | ٨٤٠,٠٠٠                                                                                                                                                           | ٨٣٠,٠٠٠                                                                                                                                                           |
| ٥,٠٠٠,٠٠٠                                                         | ٧٤٠,٠٠٠           | ١,٠٨٠,٠٠٠                                                                                                                                                         |                                                                                                                                                                   |                                                                                                                                                                   |                                                                                                                                                                   |



ترجمة للاسترشاد غير رسمية للنص الإنكليزي الأصلي الملزم قانوناً

القرض رقم: 9644-LB

## اتفاقية قرض

(مشروع الإدارة المالية)

بين

الجمهورية اللبنانية

و

البنك الدولي للإنشاء والتعمير



## اتفاقية القرض

اتفاقية مؤرخة في تاريخ التوقيع بين الجمهورية اللبنانية ("المقرض") والبنك الدولي للإنشاء والتعمير ("البنك").

حيث أن المقرض والبنك، بصفته مدير الصندوق الائتماني المخصص للبنان المتعدد المانحين ضمن إطار الإصلاح والتعافي وإعادة الإعمار (رقم TF0C3381) ينوي الدخول في اتفاقية منحة بهدف توفير منحة بقيمة لا تتجاوز خمسة ملايين وخمسمئة ألف دولار أميركي (\$٥,٥٠٠,٠٠٠) ("منحة الصندوق الائتماني المخصص للبنان") للمستلم من أجل المساعدة في تمويل المشروع، مؤرخة بتاريخ هذه الاتفاقية عيناها (اتفاقية منحة الصندوق الائتماني المخصص للبنان)؛ وتلقي البنك التمويل من الصندوق الائتماني المخصص للبنان المتعدد المانحين ضمن إطار الإصلاح والتعافي وإعادة الإعمار لأغراض توفير تمويل مشترك للقرض وفقاً للشروط والأحكام المحددة في اتفاقية منحة الصندوق الائتماني المخصص للبنان.

اتفق المقرض والبنك بموجبه على ما يلي:

### المادة I - الشروط العامة؛ التعريفات

١,٠١. تنطبق الشروط العامة (كما هي محددة في ملحق هذه الاتفاقية) على الاتفاقية الراهنة وتشكل جزءاً منها.

١,٠٢. ما لم يتطلب السياق خلاف ذلك، تحمل المصطلحات في هذه الاتفاقية المعاني المنسوبة إليها في الشروط العامة أو ملحق هذه الاتفاقية.

### المادة II - القرض

٢,٠١. يوافق البنك على تقديم قرض للمقرض بقيمة ثمانية وعشرين مليوناً وخمسمئة ألف دولار أميركي (٢٨,٥٠٠,٠٠٠ دولار أميركي)، حيث قد يتم تحويل هذا المبلغ من وقت لآخر من خلال تحويل العملة ("القرض")، للمساعدة على تمويل الجزء ١,١، والجزء ١,٢، والجزء ١,٣ (ب)، والجزء ٢,١، والجزء ٢,٢، والجزء ٢,٣، والجزء ٢,٤ (ب)، والجزء ٢,٤ (ج)، والجزء ٢,٤ (د)، والجزء ٣، والجزء ٤، والجزء ٥ من المشروع المفصل في الجدول ١ من هذه الاتفاقية ("المشروع").



٢,٠٢. يمكن للمقترض سحب متحصلات القرض وفقاً للقسم ٣ من الجدول ٢ في هذه الاتفاقية.

٢,٠٣. يشكل رسم المقدم ربع الواحد بالمئة (٠,٢٥%) من قيمة القرض.

٢,٠٤. يشكل رسم الالتزام ربع الواحد بالمئة (٠,٢٥%) في السنة من رصيد القرض غير المسحوب.

٢,٠٥. تشكل الفائدة السعر المرجعي زائد الهامش المتغير أو سعر مماثل كما قد ينطبق بعد عملية تحويل العملة؛ تخضع للقسم ٣,٠٢ (هـ) من الشروط العامة.

٢,٠٦. تاريخا السداد هما ١٥ حزيران/يونيو و ١٥ كانون الأول/ديسمبر في كل عام.

٢,٠٧. يجب أن يتم سداد أصل المبلغ من القرض وفقاً للجدول ٣ من هذه الاتفاقية.

### المادة III - المشروع

٣,٠١. يعلن المقترض التزامه بأهداف المشروع. ولهذه الغاية، على المقترض أن ينفذ المشروع، عبر وزارة المالية، وفقاً لأحكام المادة ٥ من الشروط العامة والجدول ٢ من هذه الاتفاقية.

### المادة IV - سبل الانتصاف من البنك

٤,٠١. يتألف الحدث الإضافي للتعليق مما يلي، أي أن الإطار التنظيمي قد تم تعديله أو تعليقه أو إلغاؤه أو التنازل عنه بحيث يؤثر بشكل مادي أو سلبي، في رأي البنك، على قدرة المقترض على أداء أي من التزاماته بموجب هذه الاتفاقية.



٤,٠٢. يتألف الحدث الإضافي للتسريع من الآتي، أي حدوث الحالة المحددة في القسم ٤,٠١ من هذه الاتفاقية واستمرارها لمدة ستين (٦٠) يوماً بعد تقديم إشعار بالحالة من قبل البنك إلى المقترض.

#### المادة ٧ - التفعيل؛ الإنهاء

٥,٠١. تتألف الشروط الإضافية للتفعيل من الآتي:

- (أ) تم تنفيذ اتفاقية منحة الصندوق الائتماني المخصص للبنان وتسليمها، كما تمت تلبية كافة الشروط السابقة لتفعيل الاتفاقية المذكورة ؛
- (ب) تم تأسيس وحدة تنسيق المشروع بصورة رسمية داخل وزارة المالية في ظل شروط مُرضية بالنسبة إلى البنك؛ و
- (ج) تم إعداد دليل عمليات المشروع واعتماده من قبل المقترض من خلال وزارة المالية، وفقاً لشروط مُرضية بالنسبة إلى البنك.

٥,٠٢. الموعد النهائي لنفاذ العقد هو مئة وثمانين يوماً (١٨٠) بعد تاريخ التوقيع.

٥,٠٣. لأغراض القسم ٩,٠٥ (ب) من الشروط العامة، التاريخ الذي تنتهي فيه التزامات المقترض بموجب هذه الاتفاقية (بخلاف تلك التي تنص على التزامات الدفع) هو عشرين (٢٠) سنة بعد تاريخ التوقيع.

#### المادة ٧١ - الممثلون؛ العناوين

٦,٠١. الممثل عن المقترض هو الوزير المسؤول عن المالية.

٦,٠٢. لأغراض القسم ١٠,٠١ من الشروط العامة:

(أ) عنوان المقترض هو:

وزارة المالية



ساحة رياض الصلح

بيروت

الجمهورية اللبنانية؛ و

(ب) العنوان الالكتروني للمقترض هو:

البريد الالكتروني:

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٦,٠٣. لأغراض القسم ١٠,٠١ من الشروط العامة:

(a) عنوان البنك هو:

البنك الدولي للإنشاء والتعمير

شارع 1818H، نورث ويست

العاصمة واشنطن ٢٠٤٣٣

الولايات المتحدة الأمريكية؛ و

(ب) العنوان الالكتروني للبنك هو:

البريد الالكتروني:

jcarret@worldbank.org

أُبرمت الاتفاقية اعتباراً من تاريخ التوقيع.



الجمهورية اللبنانية

من قبل

\_\_\_\_\_

الممثل المفوض

الاسم:

\_\_\_\_\_

العنوان:

\_\_\_\_\_

التاريخ:

\_\_\_\_\_

البنك الدولي للإنشاء والتعمير

من قبل

\_\_\_\_\_

الممثل المفوض

الاسم:

\_\_\_\_\_

العنوان:

\_\_\_\_\_

التاريخ:

\_\_\_\_\_



## الجدول ١

### وصف المشروع

يهدف المشروع إلى دعم المقترض في استعادة المهام الأساسية لتعبئة الإيرادات المحلية وتخصيص الموارد العامة واستخدامها بشكل خاضع للمساءلة.

يتألف المشروع من الأجزاء الآتية:

#### الجزء ١: تأمين استقرار إدارة الإيرادات المحلية.

توفير الدعم لوظائف الإيرادات الهامة التي تُعتبر ضرورية لزيادة تحصيل الإيرادات الضريبية وغير الضريبية، بما في ذلك عن طريق:

١,١ تعزيز دائرة كبار المكلفين وفريق عمل للديون الكبيرة، عن طريق، على سبيل المثال لا الحصر،  
(أ) توفير الدعم التشغيلي لتعزيز الامتثال الضريبي، بما في ذلك استرداد المتأخرات الضريبية وتطبيق خطة الامتثال الضريبي؛

(ب) توفير التدريب وبناء قدرات الموظفين في ما يتعلق بثقافة المكلفين على سبيل المثال لا الحصر؛ و

(ت) توفير الألواح الشمسية لتوليد الكهرباء.

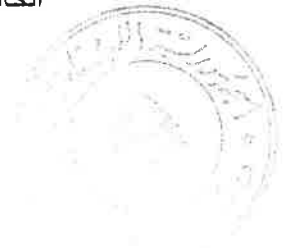
١,٢ استعادة الوظائف الأساسية للجمارك عن طريق، على سبيل المثال لا الحصر:  
(أ) توفير الدعم التشغيلي لضمان التسيير الأساسي لإدارة الجمارك بما يتوافق مع قانون الجمارك؛  
و

(ب) توفير التدريب وبناء قدرات الموظفين، كما المساعدة الفنية لدعم إعداد خطة استراتيجية؛ و  
(ت) توفير الألواح الشمسية لتوليد الكهرباء.

١,٣ استعادة أنظمة تكنولوجيا المعلومات والاتصالات لإدارة الإيرادات عن طريق، على سبيل المثال لا الحصر:

(أ) إجراء أعمال الصيانة والتحديث للأجهزة والبرمجيات وقدرات تكنولوجيا المعلومات والاتصالات لأنظمة تكنولوجيا المعلومات والاتصالات الضريبية والجمركية؛ و

(ب) إيجاد تكامل بين أنظمة الإيرادات والجمارك لتعزيز تشارك البيانات من أجل اتخاذ القرارات الحاسمة وتعزيز وظائف المراجعة.



## الجزء ٢: استعادة الرقابة المالية.

توفير الدعم للمساعدة في إعادة وضع ركائز التخطيط المالي الكلي الحاسمة وتحديد الموازنة ومعالجة المدفوعات وإعداد التقارير لتخصيص الموارد واستخدامها من أجل تلبية حاجات الرقابة المالية الطارئة ووضع أسس التعافي، بما في ذلك:

### ٢,١ تعزيز إعداد الموازنة عن طريق، على سبيل المثال لا الحصر:

- أ) الدعم التشغيلي لتحقيق إعداد الموازنة السنوية في أوانه، يعززه إطار مالي سليم على مستوى الاقتصاد الكلي يدعم الاستجابة للأزمة والتعافي منها؛
- ب) التدريب وبناء القدرات والمساعدة الفنية للموظفين من أجل تحديث الإطار المالي الكلي، وإعداد سقوف الموازنة، وتعزيز منهجيات إعداد الموازنة للإطار المالي الكلي، وإعداد تحليل للمخاطر المالية، وإعداد بيان سياسة الموازنة الذي يضع الأسس لموازنة تستجيب للنوع الاجتماعي وتراعي المناخ، فضلاً عن تعزيز إشراك المواطنين؛ و
- ت) توفير الألواح الشمسية لتوليد الكهرباء.

### ٢,٢ تنظيم رفع التقارير المالية والتقارير المالية في نهاية العام عن طريق، على سبيل المثال لا الحصر:

- أ) الدعم التشغيلي لتنظيم إعداد التقارير عن تنفيذ الموازنة والبيانات المالية السنوية والتسويات المصرفية من أجل رصد تنفيذ الموازنة والمخاطر المالية عن كتب؛ و
- ب) توفير بناء القدرات والتدريب للموظفين ذوي الصلة المشاركين في رفع التقارير المالية، وتوفير معدات تكنولوجيا المعلومات ذات الصلة؛
- ت) توفير الألواح الشمسية لتوليد الكهرباء.

### ٢,٣ الحفاظ على معالجة وثائق المدفوعات العامة في أوانها وتحديث ملفات التقاعد عن طريق، على سبيل المثال لا الحصر:

- أ) الدعم التشغيلي لمراجعة وثائق المدفوعات العامة في أوانها وإعداد ملفات التقاعد ومراجعتها وتحديثها في الوقت المناسب حتى تكون وظيفة الدفع أكثر فعالية؛
- ب) توفير بناء القدرات والتدريب للموظفين المعنيين المشاركين في توثيق المدفوعات العامة وتحديث ملفات التقاعد، كما توفير معدات تكنولوجيا المعلومات ذات الصلة؛ و



ت) توفير الألواح الشمسية لتوليد الكهرباء :

٢,٣ استعادة وظائف تكنولوجيا المعلومات والاتصالات العامة عن طريق، على سبيل المثال لا الحصر:  
أ) دعم الصيانة الحرجة وتطوير الأجهزة والبرمجيات وقدرات تكنولوجيا المعلومات والاتصالات في أنظمة إدارة الموازنة والنفقات؛

ب) توفير معدات تكنولوجيا المعلومات الحساسة والبرمجيات والتراخيص ذات الصلة من أجل تأمين الدعم الشامل لإدارة النفقات؛

ت) دمج أنظمة النفقات والإيرادات لتعزيز تشارك البيانات من أجل اتخاذ القرارات الحاسمة في ما يتعلق بإدارة النفقات والإيرادات؛ و

ث) دعم استراتيجية تكنولوجيا المعلومات والاتصالات ومراجعة لإجراءات العمل ومراجعة ما بعد التنفيذ.

الجزء ٣: إعادة تنشيط مؤسسات الرقابة والمساءلة وبناء القدرات في مجال الشراء .

توفير الدعم للمساهمة في تعزيز (أ) دور الرقابة والتدقيق والقدرة لدى ديوان المحاسبة والتفتيش المركزي وهيئة الشراء العام وغيرها من مؤسسات الشراء العام المختارة وتوسيع انخراطها مع المواطنين؛ و(ب) دور بناء قدرات المعهد المالي، من خلال:

٣,١ زيادة قدرة الوظائف الجوهرية لـ:

أ) ديوان المحاسبة عن طريق: (i) الدعم التشغيلي للإسراع في إنهاء عمليات التدقيق القانونية المتراكمة والحفاظ في ما بعد على إجراء عمليات التدقيق في أوانها، كما إجراء عمليات التدقيق في بيئات آلية ودعم أنشطة إشراك المواطنين بخصوص توصيات التدقيق؛ و(ii) تدريب موظفي ديوان المحاسبة وبناء قدراتهم؛  
ب) التفتيش المركزي عن طريق (i) الدعم التشغيلي لإجراء عمليات تدقيق معمقة في جداول الرواتب؛ و(ii) المساعدة الفنية لإجراء عمليات التدقيق في جداول الرواتب و(iii) توفير الألواح الشمسية لتوليد الكهرباء؛  
ت) الترابط بين ديوان المحاسبة والتفتيش المركزي لإجراء عمليات التدقيق والرقابة لديهما عبر إنشاء منصات اتصال.

٣,٢ دعم (أ) تعزيز وظائف بناء القدرات لدى المعهد المالي؛ و(ب) احتراف العاملين في مجال الشراء العام عبر المساعدة الفنية والتدريب على سبيل المثال لا الحصر.



#### الجزء ٤ : إدارة المشروع.

##### ٤,١ إدارة المشروع

دعم إدارة وتنسيق المشروع؛ الرصد والتقييم؛ الامتثال للمعايير البيئية والاجتماعية؛ بناء القدرات في ما يتعلق بمراعاة النوع الاجتماعي لأغراض مرتبطة بتنفيذ المشروع؛ الإدارة الائتمانية والرقابة الداخلية وعمليات التدقيق؛ طرف ثالث للرصد والتواصل والتوعية؛ ووضع آلية تظلم وآلية لإشراك المواطنين والمحافظة عليهما.

##### ٤,٢ التحقق من الشروط القائمة على الأداء ودعم التدقيق

توفير المساعدة الفنية لمراجعة النتائج المرتبطة بالشروط القائمة على الأداء والتحقق منها، كما لدعم التدقيق المالي المطلوب من أجل الرقابة الائتمانية على المشروع.

#### الجزء ٥ : الاستجابة لحالات الطوارئ المحتملة.

توفير الاستجابة الفورية لأزمة أو حالة طوارئ مؤهلة، حسب الحاجة.

## الجدول ٢

### تنفيذ المشروع

#### القسم ١ .الترتيبات التنفيذية

##### A. الترتيبات المؤسسية.

##### ١. وزارة المالية

مع مراعاة أحكام المادة ٥ من الشروط العامة، يتحمل المقترض، بواسطة وزارة المالية، المسؤولية الكاملة عن تنفيذ المشروع.

##### ٢. وحدة تنسيق المشروع

مع مراعاة أحكام المادة ٥ من الشروط العامة، باستثناء إذا وافق البنك على خلاف ذلك، على المقترض، من خلال وزارة المالية، الحفاظ في جميع الأوقات خلال تنفيذ المشروع على وحدة لتنسيق المشروع



ضمن وزارة المالية، بتركيبة وموارد وشروط مرجعية ووظائف مقبولة من البنك، كما هو موضح أكثر في دليل عمليات المشروع، بما في ذلك الالتزام بـ:

(a) مسؤولية التنفيذ اليومي للمشروع، بما في ذلك تحرير الدفعات والشراء والرصد والتقييم ورفع التقارير وضمان الامتثال للموجبات والترتيبات البيئية والاجتماعية في إطار المشروع، كما هو موضح أكثر في دليل عمليات المشروع.

(b) تعيين ومن ثم الحفاظ على فريق العمل النواة لوحدة تنسيق المشروع طوال فترة تنفيذ المشروع، بما في ذلك وعلى سبيل المثال لا الحصر، منسق للمشروع، ومدير مالي، ومدير مشتريات، ومتخصص بيئي واجتماعي، في موعد لا يتجاوز شهرين (٢) بعد تاريخ السريان أو أي تاريخ لاحق يوافق عليه البنك، على أن يتمتع جميعهم بخبرة ومؤهلات وشروط مرجعية تكون مقبولة من البنك.

### ٣. اللجنة التوجيهية للمشروع

على المقترض، في موعد لا يتجاوز ثلاثة (٣) أشهر بعد تاريخ السريان أو أي تاريخ لاحق يوافق عليه البنك، تأسيس لجنة توجيهية طوال فترة تنفيذ المشروع والحفاظ عليها، يرأسها وزير المالية بشروط مرجعية وتركيبة وأدوار ومسؤوليات مقبولة من البنك ومحددة في دليل عمليات المشروع ("اللجنة التوجيهية للمشروع")، لتوفير، على سبيل المثال لا الحصر، توجيه استراتيجي عام وإشراف على المشروع، والموافقة على خطة العمل والميزانية السنوية، ومراجعة تقارير التنفيذ والتقييم، حسب الاقتضاء.

### B. دليل عمليات المشروع

١. على المقترض، ومن خلال وزارة المالية، الحفاظ على دليل لعمليات المشروع وفقاً لشروط مرضية للبنك يتضمن قواعد وإرشادات ووثائق وإجراءات معيارية لتنفيذ المشروع، بما في ذلك، على سبيل المثال لا الحصر، الآتي:

(أ) وصفاً مفصلاً لترتيبات المشروع المؤسسية والتنفيذية؛  
(ب) إجراءات المشروع المتعلقة بالمحاسبة والتدقيق ورفع التقارير والشؤون المالية وتحرير الدفعات؛  
الموجبات والترتيبات البيئية والاجتماعية الخاصة بالمشروع؛ المؤشرات المستخدمة في رصد المشروع وتقييمه والإجراءات المتعلقة برصد المشروع والإشراف عليه وتقييمه، بما في ذلك شكل تقارير المشروع ومضمونها؛



ت) وصفاً مفصلاً لآليات تحويل المخصصات إلى المستفيدين المؤهلين كجزء من برنامج الإنفاق المؤهل في إطار مشروع الشروط القائمة على الأداء؛ بما في ذلك معايير الأهلية وآليات الاستهداف وإجراءات اختيار المستفيدين المؤهلين، بما يتوافق مع الإطار التنظيمي؛

ث) دليل المنحة؛

ج) بروتوكول التحقق؛ و

ح) المبادئ التوجيهية لمكافحة الفساد.

٢. لا يجوز التخلي عن دليل عمليات المشروع أو تعديله أو إلغاؤه أو التنازل عنه أو السماح بالتخلي عنه أو تعديله أو إلغاؤه أو التنازل عنه بموجب أي حكم على نحو، في رأي البنك، قد يؤثر مادياً وسلبياً على تنفيذ المشروع. تجدر الإشارة إلى أنه لا يجوز تعديل دليل عمليات المشروع إلا بالتشاور مع البنك وبعد موافقته. أما في حال حصول أي تضارب بين شروط دليل عمليات المشروع وشروط الاتفاقية الراهنة، فيجب أن تسري شروط هذه الاتفاقية.

### C. خطة العمل والميزانية السنوية

١. على المقترض، ومن خلال وحدة تنسيق المشروع، أن:

أ) ما لم يتم الاتفاق مع البنك على خلاف ذلك، يعدّ للبنك ويقدم له، في موعد لا يتجاوز ١٥ تشرين الثاني/نوفمبر من كل عام أثناء تنفيذ المشروع، ابتداءً من ٢٠٢٤، خطة عمل وميزانية سنوية مقترحة للسنة التقويمية التالية تتضمن: (i) الأنشطة كافة التي سيتم تنفيذها خلال تلك السنة التقويمية؛ و(ii) خطة تمويل مقترحة للنفقات المطلوبة لأنشطة مماثلة، تطرح المبالغ المقترحة ومصادر التمويل؛ و

ب) يوفر للبنك فرصة معقولة لتبادل الآراء مع المقترض بشأن كل خطة عمل وميزانية سنوية مقترحة مماثلة، كما عليه أن يضمن بعدئذٍ تنفيذ المشروع مع العناية الواجبة خلال العام اللاحق المذكور، بما يتوافق مع خطة عمل وميزانية سنوية مماثلة وبحسب ما يوافق عليه البنك؛ على ألا يجري أو يُسمح بإجراء أي تغيير في خطة العمل والميزانية السنوية الموافق عليها بدون موافقة البنك الخطية المسبقة.

### D. المعايير البيئية والاجتماعية

١. على المقترض أن يضمن تنفيذ المشروع بما يتوافق مع المعايير البيئية والاجتماعية، على نحو يكون مقبولاً من البنك.



٢. مع مراعاة الفقرة ١ أعلاه، على المقرض أن يضمن تنفيذ المشروع بما يتوافق مع خطة الالتزام البيئي والاجتماعي، على نحو يكون مقبولاً من البنك. ولهذه الغاية، على المقرض أن يضمن أن: (أ) التدابير والإجراءات المحددة في خطة الالتزام البيئي والاجتماعي مطبقة مع العناية الواجبة وبفعالية، كما هو منصوص عليه في الخطة؛

(ب) أموالاً كافية متوفرة لتغطية تكاليف تطبيق خطة الالتزام البيئي والاجتماعي؛ (ت) السياسات والإجراءات محافظ عليها، وأن موظفين كفؤين ومن ذوي الخبرة بأعداد مناسبة حاضرون لتطبيق خطة الالتزام البيئي والاجتماعي كما هو منصوص عليه في الخطة؛ و (ث) خطة الالتزام البيئي والاجتماعي، أو أي بند منها، لا تخضع للتعديل أو الإبطال أو التعليق أو التنازل، ما لم يوافق البنك على خلاف ذلك خطياً، كما هو محدد في الخطة، فضلاً عن ضمان الإفصاح عن الخطة المراجعة على الفور بعد ذلك.

٣. في حال حصول أي تناقضات بين خطة الالتزام البيئي والاجتماعي وأحكام هذه الاتفاقية، تسري أحكام هذه الاتفاقية.

٤. على المقرض أن يضمن أن:

(أ) التدابير الضرورية كافة متخذة لجمع المعلومات وتجميعها وتزويد البنك بها، من خلال تقارير منتظمة، على أن تحدد الوتيرة في خطة الالتزام البيئي والاجتماعي، وعلى نحو فوري في تقرير منفصل أو تقارير منفصلة، بطلب من البنك، عن حالة الامتثال للخطة وللأدوات البيئية والاجتماعية المشار إليها فيها، على أن تكون التقارير المماثلة كافة مقبولة من البنك من حيث الشكل والمضمون، فتحدد، على سبيل المثال لا الحصر: (i) حالة التطبيق لخطة الالتزام البيئي والاجتماعي؛ (ii) الظروف، إن وجدت، التي تعيق أو تهدد بإعاقة تطبيق الخطة؛ و (iii) التدابير التصحيحية والوقائية المتخذة أو المطلوب اتخاذها لمواجهة ظروف مماثلة؛ و

(ب) البنك يبلغ فوراً بأي حدث أو حادثة مرتبطة بالمشروع أو لديها تأثير عليه، ومن المرجح أن يكون لديها تأثير سلبي خطير على البيئة أو المجتمعات المتأثرة أو عموم الناس أو العمال، وذلك بما يتوافق مع خطة الالتزام البيئي والاجتماعي والأدوات البيئية والاجتماعية المشار إليها والمعايير البيئية والاجتماعية.

٥. على المقرض وضع آلية تظلم يسهل الوصول إليها والإعلان عنها وحفظها وتفعيلها، لتلقي وتسهيل حل المخاوف والمظالم التي تواجه الأشخاص المتأثرين بالمشروع، واتخاذ الخطوات

الضرورة والملائمة كافة لحل أو تسهيل حل مخاوف ومظالم مماثلة، على نحو يكون مقبولاً من البنك.

٦. على المفترض ضمان أن تتضمن وثائق وعقود العطاءات للأعمال المدنية كافة في إطار المشروع التزام المقاولين والمقاولين الفرعيين والهيئات المشرفة ب: (أ) الامتثال لجوانب خطة الالتزام البيئي والاجتماعي ذات الصلة كما للأدوات البيئية والاجتماعية المشار إليها؛ و(ب) اعتماد وإنفاذ قواعد السلوك التي ينبغي توفيرها وتوقيعها من قبل العمال كافة، على أن تفصل التدابير لمواجهة المخاطر البيئية والاجتماعية والصحية كما مخاطر السلامة، بالإضافة إلى مخاطر الاستغلال والانتهاك والتحرش الجنسي والعنف ضد الأطفال، أي كل ما ينطبق على أعمال مدنية مماثلة تم التكليف بها أو تنفيذها بموجب العقود المذكورة.

#### E. الاستجابة لحالات الطوارئ المحتملة

١. بهدف تأمين التنفيذ الملائم لأنشطة الاستجابة لحالات الطوارئ المحتملة بموجب الجزء ٥ من المشروع

("جزء الاستجابة لحالات الطوارئ المحتملة")، على المفترض أن يضمن:

(أ) أن يتم إعداد دليل ("دليل مكون الاستجابة في حالات الطوارئ المحتملة") واعتماده في الشكل والمضمون ويكون مقبولاً من البنك، فيطرح ترتيبات تنفيذية مفصلة لجزء الاستجابة لحالات الطوارئ المحتملة، بما في ذلك: (i) أي هياكل أو ترتيبات مؤسسية لتتسق جزء الاستجابة لحالات الطوارئ المحتملة وتنفيذه؛ (ii) أنشطة محددة قد يتم تضمينها في جزء الاستجابة لحالات الطوارئ المحتملة، ونفقات مؤهلة مطلوبة بموجبه ("نفقات طارئة")، وأي إجراءات لتضمين مماثل؛ (iii) ترتيبات الإدارة المالية لجزء الاستجابة لحالات الطوارئ المحتملة؛ (iv) أساليب وإجراءات الشراء لجزء الاستجابة لحالات الطوارئ المحتملة؛ (v) الوثائق المطلوبة لسحوبات المبالغ المالية من أجل تمويل النفقات الطارئة؛ (vi) توصيف التقييم البيئي والاجتماعي وترتيبات الإدارة بالنسبة إلى جزء الاستجابة لحالات الطوارئ المحتملة؛ و(vii) نموذج لخطة عمل الطوارئ؛

(ب) أن تكون خطة عمل الطوارئ معدة ومعتمدة في الشكل والمضمون ومقبولة من قبل البنك؛

(ت) أن يتم تنفيذ جزء الاستجابة لحالات الطوارئ بما يتوافق مع دليل مكون الاستجابة في حالات الطوارئ المحتملة وخطة عمل الطوارئ؛ بشرط أنه في حال ظهور أي تباينات بين أحكام دليل



مكون الاستجابة في حالات الطوارئ المحتملة أو خطة عمل الطوارئ وهذه الاتفاقية، تسري أحكام هذه الاتفاقية؛ و

(ث) لا يجوز تعديل أو تعليق أو إلغاء أو نقض أو التنازل عن دليل مكون الاستجابة في حالات الطوارئ المحتملة أو خطة عمل الطوارئ بدون موافقة البنك الخطية المسبقة.

٢. على المقترض أن يضمن أن الهياكل والترتيبات المشار إليها في دليل مكون الاستجابة في حالات الطوارئ المحتملة محفوظة طوال مدة تنفيذ جزء الاستجابة في حالات الطوارئ المحتملة، بوجود فريق عمل كفوء وموارد مرضية للبنك.

٣. على المقترض أن يضمن أن:

(أ) الأدوات البيئية والاجتماعية المطلوبة لجزء الاستجابة في حالات الطوارئ المحتملة معدة ومكتشف عنها ومعتمدة بما يتوافق مع دليل مكون الاستجابة في حالات الطوارئ المحتملة وخطة الالتزام البيئي والاجتماعي، ومقبولة من البنك من حيث الشكل والمضمون؛ و

(ب) جزء الاستجابة في حالات الطوارئ المحتملة منقذ وفقاً للأدوات البيئية والاجتماعية على نحو مقبول من البنك.

٤. يجب ألا يتم تنفيذ الأنشطة المتعلقة بجزء الاستجابة في حالات الطوارئ المحتملة إلا بعد حدوث أزمة أو حالة طارئة مؤهلة.

#### F. التحقق من إنجاز الشروط القائمة على الأداء

١. لأغراض تنفيذ الشرط القائم على الأداء رقم ١ حتى الشرط القائم على الأداء رقم ٥ ضمن الأجزاء 1.1(a) و 1.2(a) و 2.1(a) و 2.2(a) و 2.3(a) و 3.1(a)(i) و 3.1(b)(i) من المشروع، على المقترض إشراك هيئة تحقق مستقلة في موعد لا يتجاوز ثلاثة (٣) أشهر بعد تاريخ السريان، أو في أي تاريخ لاحق يتم الاتفاق عليه مع البنك، مع التأكيد على المواصفات والخبرات المحددة في بروتوكول التحقق وتكون مقبولة من البنك ("وكيل تحقق").

٢. على المقترض أن يطلب من وكيل التحقق إجراء عملية تحقق من إتمام الشروط القائمة على الأداء والمحددة في القائمة في الجدول ٤ من هذه الاتفاقية، كما يقدم للبنك، في موعد لا يتجاوز ستين (٦٠) يوماً بعد التحقق من الامتثال للشروط القائمة على الأداء المذكورة، تقارير عن نتائج عملية الامتثال بمثل هذا النطاق وبمثل هذه التفاصيل. كما يطلب البنك بصورة معقولة.

#### القسم II. رصد المشروع وتقديم التقارير عنه وتقييمه / الإدارة المالية

##### A. التقارير عن المشروع



يتعين على المقترض تزويد البنك بكل تقرير عن المشروع في موعد لا يتجاوز خمسة وأربعين (٤٥) يوماً بعد انتهاء كل فصل تقويمي، على أن يغطي الفصل التقويمي.

#### B. ترتيبات أخرى للإدارة المالية

أ) لتسهيل الإدارة الفعالة لنظام الإدارة المالية، عند كل سحب لحصيلة القرض، على المقترض، ومن خلال وزارة المالية، فتح بنود ميزانية إضافية (رقم تصنيف الميزانية ٣-١-١٤-١٢٣-٢-٨-١) توازي قيمة السحب المماثل لمحاصلات القرض، شرط ألا يتجاوز المبلغ الكلي المخصص لكافة بنود الميزانية خلال دورة حياة المشروع حتى الموعد النهائي لتحرير الدفعات (كما هو محدد في مبادئ البنك الدولي التوجيهية لتحرير الدفعات من أجل المشاريع) قيمة القرض. لأغراض هذا القرض، يمكن فتح بنود الميزانية الإضافية المذكورة في ميزانية سنة معينة حتى ٣١ كانون الثاني/يناير من السنة التالية، على أن يتم المضي قدماً بتلك المتعاقد عليها وغير المتعاقد عليها بناءً على طلب وزارة المالية.

### القسم III. سحب ومتحصلات القرض

#### A. عام

مع مراعاة أحكام المادة ٢ من الشروط العامة ووفقاً لخطاب الدفعات المنصرفة والمعلومات المالية، يمكن للمقترض سحب متحصلات القرض لـ: (أ) تمويل نفقات مؤهلة؛ و(ب) التسديد؛ (إ) الرسم المقدم و(ii) سقف سعر الفائدة أو علاوة الطوق على سعر الفائدة؛ بقيمة المبلغ المخصص وإذا كان قابلاً للتطبيق، وصولاً إلى النسبة المحددة مقابل كل فئة في القائمة الآتية:

| الفئة                                                                                                      | مبلغ القرض المخصص (معبراً عنه بالدولار الأميركي) | نسبة النفقات التي سيتم تمويلها (شاملة الضرائب)                                                                                 |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| (١) برنامج النفقات المؤهلة ضمن الأجزاء<br>(a) ١، ١، (a) ١، ٢،<br>(a) ٢، ١، (a) ٢، ٢،<br>(a) ٢، ٣، (i) ٣، ١ | ١٢,٣٠٠,٠٠٠                                       | ١٠٠% من كل مبلغ مخصص لشرط قائم على الأداء محدد في الجدول ٤ (أو نسبة مئوية أقل تمثل إجمالي النفقات المؤهلة يسندها المقترض بموجب |

| و(i)(b) ٣,١ من<br>المشروع                                                                                                                                                                                      |            | برنامج النفقات المؤهلة اعتباراً<br>من تاريخ السحب                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------------|
| (٢) السلع، والأعمال،<br>والخدمات غير<br>الاستشارية، والخدمات<br>الاستشارية، وتكاليف<br>التشغيل، والتدريب في<br>إطار المشروع<br>(باستثناء النفقات تحت<br>الفئة (١) والجزئين<br>(a) ١,٣ و (a) ٢,٤ من<br>المشروع) | ١٦,١٢٨,٧٥٠ | %١٠٠                                                                                                    |
| (٣) الرسم المقدم                                                                                                                                                                                               | ٧١,٢٥٠     | المبلغ المستحق وفقاً للقسم<br>٢,٠٣ من هذه الاتفاقية بما<br>يتوافق مع القسم (b) ٢,٠٧<br>من الشروط العامة |
| (٤) سقف سعر الفائدة أو<br>علاوة الطوق على<br>سعر الفائدة                                                                                                                                                       | .          | المبلغ المستحق وفقاً للقسم<br>(c) ٤,٠٥ من الشروط العامة                                                 |
| (٥) النفقات الطارئة في<br>إطار الجزء ٥ من<br>المشروع                                                                                                                                                           | .          | %١٠٠                                                                                                    |
| المبلغ الإجمالي                                                                                                                                                                                                | ٢٨,٥٠٠,٠٠٠ |                                                                                                         |

B. شروط السحب؛ فترة السحب

١. بصرف النظر عن أحكام الجزء A أعلاه، لا يجوز السحب:



(a) للمدفوعات التي أجريت قبل تاريخ التوقيع، غير أنه يمكن إجراء سحبات بمبلغ إجمالي لا يتجاوز \$٢,٠٠٠,٠٠٠ للمدفوعات التي أجريت قبل هذا التاريخ لكن في ١ تشرين الثاني/نوفمبر ٢٠٢٣ أو بعده بالنسبة إلى النفقات المؤهلة؛ أو

(b) للمدفوعات في إطار الفئة (١) إلا إذا تسلّم البنك أدلة مُرضية تفيد بأن (i) الشروط القائمة على الأداء المحددة في الجدول ٤ من هذه الاتفاقية التي يُطلب الدفع على أساسها قد استوفيت وتم التحقق منها بما يتوافق مع بروتوكول التحقق ودليل عمليات المشروع فيتم التأكد منها من قبل وكيل التحقق؛ (ii) المدفوعات لبرنامج النفقات المؤهلة قد أجريت وفقاً وامتثالاً للإجراءات المحددة في دليل عمليات المشروع؛ و (iii) المقترض قد اعتمد كجزء من الإطار التنظيمي مرسوماً بناءً على المادة ٢٥ من القانون رقم ١١٢ لدى المقترض، ما يحدد، على سبيل المثال لا الحصر، معايير الأهلية وترتيبات الحوكمة ومتطلبات المعالجة وحداً أقصى للمخصصات طوال فترة المشروع، ما يُعتبر مُرضياً بالنسبة إلى البنك من حيث الشكل والمضمون.

(c) للنفقات الطارئة في إطار الفئة (٥)، ما لم وحتى يتم استيفاء الشروط الآتية كافة في ما يتعلق بالنفقات المذكورة:

(i) (A) أكد المقترض حصول أزمة أو حالة طارئة مؤهلة، وقدم إلى البنك طلباً لسحب مبالغ من القرض في إطار الفئة (٥)؛ و (B) وافق البنك على توصيف مماثل وقَبِل الطلب المذكور وأبلغ المقترض بموجبه؛ و

(ii) اعتمد المقترض دليل مكون الاستجابة في حالات الطوارئ المحتملة وخطة عمل الطوارئ، بحيث يكون مقبولاً من المنظمة شكلاً ومضموناً.

٢. بصرف النظر عن أحكام الجزء A من هذا القسم، يجب ألا تتجاوز المدفوعات في إطار الفئة (١) المبالغ القصوى المخصصة للشروط القائمة على الأداء المتوافقة كما هو منصوص عليه في الجدول ٤ من هذه الاتفاقية.

٣. بصرف النظر عن أحكام الفقرتين ١ و ٢ من هذا الجزء B، يمكن للمقترض أن يسحب المبلغ، كما منصوص عليه في خطاب الصرف والمعلومات المالية، كسلفة في إطار الفئة (١)، لكن إذا اعتبر البنك أن الشروط القائمة على الأداء لم تتحقق (أو تحققت جزئياً وحسب) بالنسبة إلى موعد إتمام الشروط القائمة على الأداء، يتعين على المقترض إعادة السلفة (أو حصة من السلفة كما يحددها البنك وفقاً لأحكام الفقرة (٤) من هذا الجزء B) إلى البنك فور إشعاره بذلك من قبل البنك. باستثناء ما إذا قرر البنك خلاف ذلك، يقوم البنك عندئذٍ بإلغاء المبالغ المستردة كافة.



٤. بصرف النظر عن أحكام الفقرتين ١ و ٢ من هذا الجزء B، إذا وجد البنك، بناءً على الأدلة التي يوفرها المقرض في إطار الفقرة ٣ من هذا الجزء B، أنّ أي شروط قائمة على الأداء لم تُنجز أو أنجزت جزئياً بحلول نهاية العام الذي كان من المقرض أن تُنفذ هذه الشروط فيه وفقاً للجدول ٤ من هذه الاتفاقية، يجوز للبنك وفقاً لتقديره وحده، عن طريق إشعار للمقرض:

(أ) أن يحجز كلياً أو جزئياً مبلغ القرض المخصص لشروط قائمة على الأداء مماثلة؛  
(ب) أن يصرف كلياً أو جزئياً مبلغ القرض المخصص لشروط قائمة على الأداء مماثلة في أي وقت لاحق حين يتم الوفاء بالشروط المماثلة؛ و/أو

(ت) أن يعيد تخصيص، كلياً أو جزئياً، أي مبلغ من القرض مخصص لشروط قائمة على الأداء مماثلة لشروط أخرى قائمة على الأداء في إطار الفئة (١) أو أي فئات أخرى.

٥. على الرغم مما سبق، إذا وجد البنك، في أي وقت، أنّ أي حصة من المبالغ المصروفة من قبل المقرض في إطار الفئة (١) قد استُخدمت لتسديد نفقات غير مؤهلة أو لا تتوافق مع أحكام دليل عمليات المشروع، يتعين على المقرض وبصورة فورية إعادة أي مبالغ مماثلة إلى البنك حسبما يحدده البنك بإشعار للمقرض.

٦. تاريخ الإغلاق هو ٣١ آذار/مارس ٢٠٢٧.



### الجدول ٣

#### جدول استهلاك الدين المرتبط بالالتزام

تحدد القائمة الآتية مواعيد سداد القرض الأساسية والنسبة المئوية من إجمالي أصل قيمة القرض على أن يتم الدفع في كل موعد سداد أساسي ("حصة القسط").

#### السداد بدفعات أساسية ثابتة<sup>١</sup>

| حصة القسط | موعد السداد الأساسي                                                                                          |
|-----------|--------------------------------------------------------------------------------------------------------------|
| ٢,٦٣%     | في كل ١٥ حزيران/يونيو و ١٥ كانون الأول/ديسمبر<br>ابتداءً من ١٥ حزيران/يونيو ٢٠٢٩ حتى ١٥<br>حزيران/يونيو ٢٠٤٧ |
| ٢,٦٩%     | في ١٥ كانون الأول/ديسمبر ٢٠٤٧                                                                                |

<sup>١</sup> يتم تحديد مبالغ القرض الأساسية التي يتوجب تسديدها عند كل موعد سداد أساسي وفقاً للقسم ٣,٠٣ من الشروط العامة.



## الجدول ٤

### الشروط القائمة على الأداء في إطار المشروع

تحدد القائمة الآتية الشروط القائمة على الأداء ومبالغ القرض المخصصة لكل شرط قائم على الأداء في إطار الفئة (١):

[illegible]

|                                                                                                                 |                                                                                                                                        |                                                                                                                                   |                                                                                                                                   |                                                                                                                                   |           |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------|
| للكبار المكلفين<br>(على ضريبة<br>الدخل والضريبة<br>على القيمة<br>المضافة)                                       | للتدقيق بشكل<br>على ٣%<br>الأقل من كبار<br>المكلفين كافة<br>المندرجين<br>ضمن معايير<br>الأهلية الجديدة<br>٣٧٥,٠٠٠                      | للتدقيق بشكل<br>على ٣%<br>الأقل من كبار<br>المكلفين كافة<br>المندرجين<br>ضمن معايير<br>الأهلية الجديدة<br>٣٩٤,٠٠٠                 | للتدقيق بشكل<br>على ٣%<br>الأقل من كبار<br>المكلفين كافة<br>المندرجين<br>ضمن معايير<br>الأهلية الجديدة<br>٣٧٥,٠٠٠                 | للتدقيق بشكل<br>على ٣%<br>الأقل من كبار<br>المكلفين كافة<br>المندرجين<br>ضمن معايير<br>الأهلية الجديدة<br>٣٩٤,٠٠٠                 | ١,٩١٣,٠٠٠ |
| (b) ١ زيادة في<br>عدد عمليات<br>التدقيق ما بعد<br>التخليص<br>القائمة على<br>المخاطر<br>للجمارك في<br>مرفأ بيروت | نظام اختيار<br>على أساس<br>المخاطر تمت<br>الموافقة عليه<br>من قبل<br>السلطة<br>المختصة<br>واعتمدته وزارة<br>المالية للتنفيذ<br>١٥٠,٠٠٠ | إجراء على<br>الأقل ٢٥<br>عملية تدقيق<br>ما بعد<br>التخليص قائمة<br>على المخاطر<br>للتخليص<br>الجمركي عبر<br>مرفأ بيروت<br>١٨٨,٠٠٠ | إجراء على<br>الأقل ٣٠<br>عملية تدقيق<br>ما بعد<br>التخليص قائمة<br>على المخاطر<br>للتخليص<br>الجمركي عبر<br>مرفأ بيروت<br>١٥٠,٠٠٠ | إجراء على<br>الأقل ٣٥<br>عملية تدقيق<br>ما بعد<br>التخليص قائمة<br>على المخاطر<br>للتخليص<br>الجمركي عبر<br>مرفأ بيروت<br>١٨٨,٠٠٠ | ٩٧٦,٠٠٠   |
| (i) ٢. تقديم<br>موازنة مجلس<br>الوزراء في<br>أوانها                                                             | (a) تقديم إطار<br>مالي متوسط<br>الأجل محدث<br>٣ أعوام<br>١١٤,٠٠٠                                                                       | (a) تقديم إطار<br>مالي متوسط<br>الأجل محدث<br>٣ أعوام<br>١١٤,٠٠٠                                                                  | (a) تقديم إطار<br>مالي متوسط<br>الأجل محدث<br>٣ أعوام<br>١١٤,٠٠٠                                                                  | (a) تقديم إطار<br>مالي متوسط<br>الأجل محدث<br>٣ أعوام<br>١١٤,٠٠٠                                                                  | ٦٢٥,٠٠٠   |
|                                                                                                                 | (a) إتمام<br>مشاورات<br>الموازنة لسنة<br>مالية +١ في<br>غضون ٧<br>أشهر من<br>السنة المالية<br>ذات الصلة<br>٩١,٠٠٠                      | (a) إتمام<br>مشاورات<br>الموازنة لسنة<br>مالية +١ في<br>غضون ٧<br>أشهر من<br>السنة المالية<br>ذات الصلة<br>٩٥,٠٠٠                 | (a) إتمام<br>مشاورات<br>الموازنة لسنة<br>مالية +١ في<br>غضون ٧<br>أشهر من<br>السنة المالية<br>ذات الصلة<br>٩٥,٠٠٠                 | (a) إتمام<br>مشاورات<br>الموازنة لسنة<br>مالية +١ في<br>غضون ٧<br>أشهر من<br>السنة المالية<br>ذات الصلة<br>٩٥,٠٠٠                 |           |

|                                            |                                                                                                          |                                                                                                          |                                                                                                               |                                                                                                          |                                                                                                          |         |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------|
| ٢.(ii)                                     | (b)إصدار<br>تعاميم لإعداد<br>الموازنة في<br>غضون ٤<br>أشهر من<br>السنة المالية<br>ذات الصلة              | (b)إنجاز<br>مسودة موازنة<br>سنة مالية +١<br>في غضون ٨<br>أشهر من<br>السنة المالية<br>ذات الصلة           | (b)إصدار<br>تعاميم لإعداد<br>الموازنة مع<br>سقف إرشادية<br>في غضون ٤<br>أشهر من<br>السنة المالية<br>ذات الصلة | (b)إنجاز<br>مسودة موازنة<br>سنة مالية +١<br>في غضون ٨<br>أشهر من<br>السنة المالية<br>ذات الصلة           | (b)إصدار<br>تعاميم لإعداد<br>الموازنة في<br>غضون ٤<br>أشهر من<br>السنة المالية<br>ذات الصلة              | ٦٢٦,٠٠٠ |
| ٢.(iii)                                    | (C)تقديم<br>موازنة سنة<br>٢٠٢٥ إلى<br>مجلس الوزراء<br>في غضون ٩<br>أشهر من<br>السنة المالية<br>ذات الصلة | (C)تقديم<br>موازنة سنة<br>٢٠٢٦ إلى<br>مجلس الوزراء<br>في غضون ٩<br>أشهر من<br>السنة المالية<br>ذات الصلة | (C)تقديم<br>موازنة سنة<br>٢٠٢٦ إلى<br>مجلس الوزراء<br>في غضون ٩<br>أشهر من<br>السنة المالية<br>ذات الصلة      | (C)تقديم<br>موازنة سنة<br>٢٠٢٥ إلى<br>مجلس الوزراء<br>في غضون ٩<br>أشهر من<br>السنة المالية<br>ذات الصلة | (C)تقديم<br>موازنة سنة<br>٢٠٢٧ إلى<br>مجلس الوزراء<br>في غضون ٩<br>أشهر من<br>السنة المالية<br>ذات الصلة | ١٤٢,٠٠٠ |
| 3a.(i)<br>نشر<br>تقرير التدقيق<br>في أوانه | (a)الحسابات<br>النهائية<br>٢٠٢٠<br>أنجزتها وزارة<br>المالية                                              | (a)الحسابات<br>النهائية<br>٢٠٢١<br>أنجزتها وزارة<br>المالية                                              | (a)الحسابات<br>النهائية<br>٢٠٢٢<br>أنجزتها وزارة<br>المالية                                                   | (a)الحسابات<br>النهائية<br>٢٠٢٣<br>أنجزتها وزارة<br>المالية                                              | (a)الحسابات<br>النهائية<br>٢٠٢٤<br>أنجزتها وزارة<br>المالية                                              | ٧٨٨,٠٠٠ |
| 3a.(ii)                                    | (b)تخليص<br>التراكمات:<br>تقارير التدقيق<br>-٢٠٠٤<br>٢٠٠٢<br>١٩٧,٠٠٠                                     | (b)تخليص<br>التراكمات:<br>تقارير التدقيق<br>-٢٠٠٦<br>٢٠٠٥<br>٤٦,٠٠٠                                      | (b)تخليص<br>التراكمات:<br>تقارير التدقيق<br>-٢٠٠٨<br>٢٠٠٧<br>٤٥,٠٠٠                                           | (b)تخليص<br>التراكمات:<br>تقارير التدقيق<br>-٢٠١١<br>٢٠٠٩<br>٤٦,٠٠٠                                      | (b)تخليص<br>التراكمات:<br>تقارير التدقيق<br>-٢٠١٣<br>٢٠١٢<br>٤٦,٠٠٠                                      | ٤٢٥,٠٠٠ |

|                                          |                                                                 |                                                                                                                   |                                                                                                                   |                                                                                                                   |                                                                                                                   |         |
|------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------|
| 3a.(iii)                                 | (C) نشر تقرير التدقيق<br>٢٠٢٠<br>٦٠,٠٠٠                         | (C) نشر تقرير التدقيق<br>٢٠٢١<br>٦٠,٠٠٠                                                                           | (C) نشر تقرير التدقيق<br>٢٠٢٢<br>٦٠,٠٠٠                                                                           | (C) نشر تقرير التدقيق<br>٢٠٢٣<br>٦٠,٠٠٠                                                                           | (C) نشر تقرير التدقيق<br>٢٠٢٤<br>٦٠,٠٠٠                                                                           | ٣٠٠,٠٠٠ |
| 3a.(iv)                                  | (d) تقارير عن وضع التوصيات من تقارير تدقيق سابقة<br>٦٨,٠٠٠      | (d) تقارير عن وضع التوصيات من تقارير تدقيق سابقة<br>٦٨,٠٠٠                                                        | (d) تقارير عن وضع التوصيات من تقارير تدقيق سابقة<br>٦٨,٠٠٠                                                        | (d) تقارير عن وضع التوصيات من تقارير تدقيق سابقة<br>٦٨,٠٠٠                                                        | (d) تقارير عن وضع التوصيات من تقارير تدقيق سابقة<br>٦٨,٠٠٠                                                        | ٣٣٠,٠٠٠ |
| 3b.(i) نشر تقرير الأداء المالي           | إنجاز تقرير الأداء المالي<br>٢٠٢٢<br>٢٩٢,٦٠٠                    | (a) نشر تقرير الأداء المالي<br>لأشهر ٦ الأولى من السنة المالية الحالية<br>خلال ٤٥ يوماً من نهاية الفترة<br>٦٤,٠٠٠ | (a) نشر تقرير الأداء المالي<br>لأشهر ٦ الأولى من السنة المالية الحالية<br>خلال ٤٥ يوماً من نهاية الفترة<br>٦٤,٠٠٠ | (a) نشر تقرير الأداء المالي<br>لأشهر ٦ الأولى من السنة المالية الحالية<br>خلال ٤٥ يوماً من نهاية الفترة<br>٦٤,٠٠٠ | (a) نشر تقرير الأداء المالي<br>لأشهر ٦ الأولى من السنة المالية الحالية<br>خلال ٤٥ يوماً من نهاية الفترة<br>٦٤,٠٠٠ | ٧٥٠,٨٠٠ |
| 3b.(ii)                                  | (b) إنجاز تقرير الأداء المالي للأشهر ٦ الأولى من ٢٠٢٣<br>٦٥,٠٠٠ | (b) نشر تقرير الأداء المالي للأشهر ٦ الأولى من السنة المالية الحالية في غضون ٤٥ يوماً من نهاية الفترة<br>٦٥,٠٠٠   | (b) إنجاز تقرير الأداء المالي للأشهر ٦ الأخيرة من ٢٠٢٣<br>٧٢,٢٠٠                                                  | (b) إنجاز تقرير الأداء المالي للأشهر ٦ الأولى من ٢٠٢٣<br>٧٢,٢٠٠                                                   | (b) إنجاز تقرير الأداء المالي للأشهر ٦ الأولى من ٢٠٢٣<br>٧٢,٢٠٠                                                   | ٢٠٢,٢٠٠ |
| ٤.(i) إظهار التقارير التي تنتجها الأنظمة | (a) تخفيض الوقت المطلوب                                         | (a) تخفيض الوقت المتعصب                                                                                           | (a) تخفيض الوقت المطلوب                                                                                           | (a) تخفيض الوقت المطلوب                                                                                           | (a) تخفيض الوقت المطلوب                                                                                           |         |

|                                                                                                 |                                                                              |                                                                                                           |                                                                                                           |                                                                                                           |                                                                                                           |                                                                                                           |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| وفقاً أقل في مراجعات وثائق الدفع بالنسبة إلى الأطراف الثالثة ومدفوعات الرواتب التقاعدية ٦٢٤,٠٠٠ | لمدفوعات الموردین إلى ٦٠ يوماً ١٠٢,٠٠٠                                       | لمدفوعات الموردین إلى ٦٠ يوماً ١٠٢,٠٠٠                                                                    | لمدفوعات الموردین إلى ٤٥ يوماً ١٠٨,٠٠٠                                                                    | لمدفوعات الموردین إلى ٤٥ يوماً ١٠٢,٠٠٠                                                                    | لمدفوعات الموردین إلى ٦٠ يوماً ١٠٨,٠٠٠                                                                    | ١٠٢,٠٠٠                                                                                                   |
| ٤.(ii)                                                                                          | (b)إنجاز ملفات التقاعد في غضون ٥ أشهر ٩٩,٠٠٠                                 | (b)إنجاز ملفات التقاعد في غضون ٥ أشهر ٩٩,٠٠٠                                                              | (b)إنجاز ملفات التقاعد في غضون ٤ أشهر ٩٩,٠٠٠                                                              | (b)إنجاز ملفات التقاعد في غضون ٤ أشهر ٩٩,٠٠٠                                                              | (b)إنجاز ملفات التقاعد في غضون ٥ أشهر ١٠٦,٠٠٠                                                             | ٦٠٨,٠٠٠                                                                                                   |
| ٤.(iii)                                                                                         | (c)معالجة التغييرات في ما يتعلق بالمستفيدين من التقاعد في غضون ٤ أشهر ٩٩,٠٠٠ | (c)معالجة التغييرات في ما يتعلق بالمستفيدين من التقاعد في غضون ٤ أشهر ٩٩,٠٠٠                              | (c)معالجة التغييرات في ما يتعلق بالمستفيدين من التقاعد في غضون ٣ أشهر ٩٩,٠٠٠                              | (c)معالجة التغييرات في ما يتعلق بالمستفيدين من التقاعد في غضون ٣ أشهر ٩٩,٠٠٠                              | (c)معالجة التغييرات في ما يتعلق بالمستفيدين من التقاعد في غضون ٤ أشهر ١٠٦,٠٠٠                             | ٦٠٨,٠٠٠                                                                                                   |
| ٥.(i) إنجاز عمليات التدقيق العادية في جداول الرواتب ونشرها                                      | إعداد خطة تدقيق                                                              | (a)عمليات التدقيق في جداول رواتب موظفي الإدارة العامة المدنية والمدرسين في لبنان أنجزت وفقاً لخطة التدقيق | (a)عمليات التدقيق في جداول رواتب موظفي الإدارة العامة المدنية والمدرسين في لبنان أنجزت وفقاً لخطة التدقيق | (a)عمليات التدقيق في جداول رواتب موظفي الإدارة العامة المدنية والمدرسين في لبنان أنجزت وفقاً لخطة التدقيق | (a)عمليات التدقيق في جداول رواتب موظفي الإدارة العامة المدنية والمدرسين في لبنان أنجزت وفقاً لخطة التدقيق | (a)عمليات التدقيق في جداول رواتب موظفي الإدارة العامة المدنية والمدرسين في لبنان أنجزت وفقاً لخطة التدقيق |

|                                                                                                               |                                                                                                               |                                                                                                               |                                                                                                               |                                                                                                               |           |                        |
|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------|------------------------|
| للأشهر الـ<br>الأخيرة<br>٦٦,٠٠٠                                                                               | للأشهر الـ<br>الأخيرة<br>٦٦,٠٠٠                                                                               | للأشهر الـ<br>الأخيرة<br>٨٤,٠٠٠                                                                               | للأشهر الـ<br>الأخيرة<br>٦٦,٠٠٠                                                                               | للأشهر الـ<br>الأخيرة<br>٨٤,٠٠٠                                                                               | ١١٠,٠٠٠   | ٤٧٦,٠٠٠                |
| (b) نشر تقرير<br>تدقيق في<br>جداول الرواتب<br>على المستوى<br>الإجمالي عن<br>الأشهر الـ<br>ذات الصلة<br>٤٤,٠٠٠ | (b) نشر تقرير<br>تدقيق في<br>جداول الرواتب<br>على المستوى<br>الإجمالي عن<br>الأشهر الـ<br>ذات الصلة<br>٤٤,٠٠٠ | (b) نشر تقرير<br>تدقيق في<br>جداول الرواتب<br>على المستوى<br>الإجمالي عن<br>الأشهر الـ<br>ذات الصلة<br>٥٦,٠٠٠ | (b) نشر تقرير<br>تدقيق في<br>جداول الرواتب<br>على المستوى<br>الإجمالي عن<br>الأشهر الـ<br>ذات الصلة<br>٤٤,٠٠٠ | (b) نشر تقرير<br>تدقيق في<br>جداول الرواتب<br>على المستوى<br>الإجمالي عن<br>الأشهر الـ<br>ذات الصلة<br>٥٦,٠٠٠ | .         | ٥.(ii)<br><br>٢٤٤,٠٠٠  |
| ١,٩٦٧,٠٠٠                                                                                                     | ١,٩٧٧,٠٠٠                                                                                                     | ٢,١٠٨,٠٠٠                                                                                                     | ١,٩٨٢,٤٠٠                                                                                                     | ٢,١٠٧,٠٠٠                                                                                                     | ٢,١٥٨,٦٠٠ | المجموع:<br>١٢,٣٠٠,٠٠٠ |



## الملحق

### التعريفات

١. "المخصصات" تعني التكاليف التدريجية التي يتكبدها المقترض أثناء تنفيذ الأجزاء (a) ١،١، و (a) ١،٢، و (a) ٢،١، و (a) ٢،٢، و (a) ٢،٣، و (i) (a) ٣،١، و (i) (b) ٣،١ من المشروع من قبل المستفيدين المؤهلين، حسبما يسمح به الإطار التنظيمي للمقترض، ولا تشمل التكاليف التشغيلية ورواتب الموظفين الحكوميين.
٢. "خطة العمل والميزانية السنوية" تعني أي خطة عمل أو خطط العمل كافة التي يعدها المقترض سنوياً وفقاً لأحكام القسم I.C من الجدول ٢ في هذه الاتفاقية، كما هي مفصلة على نحو إضافي في دليل عمليات المشروع وحسب ما وافق عليها البنك.
٣. "المبادئ التوجيهية لمكافحة الفساد" تعني، لأغراض الفقرة ٦ من ملحق الشروط العامة، "المبادئ التوجيهية لمنع الاحتيال والفساد ومكافحتها في المشاريع الممولة بقروض من البنك الدولي للإنشاء والتعمير وباعتمادات ومِنَح المؤسسة الدولية للتنمية"، بتاريخ ١٥ تشرين الأول/أكتوبر ٢٠٠٦ وتمت مراجعتها في كانون الثاني/يناير ٢٠١١ واعتباراً من ١ تموز/يوليو ٢٠١٦.
٤. "الفئة" تعني فئة محددة في القائمة في القسم III.A من الجدول ٢ في هذه الاتفاقية.
٥. "دليل مكون الاستجابة في حالات الطوارئ المحتملة" يعني الدليل المشار إليه في القسم I.E من الجدول ٢ في هذه الاتفاقية، ويمكن تحديث دليل مماثل من وقت لآخر بموافقة البنك، وهو يشكل جزءاً لا يتجزأ من دليل عمليات المشروع.
٦. "التفتيش المركزي" يعني وحدة التفتيش المركزي لدى المقترض التي تأسست وتعمل ضمن رئاسة مجلس الوزراء بموجب القانون الصادر في ١٢ كانون الأول/ديسمبر ١٩٥٨ والمرسوم التشريعي رقم ١١٥ الصادر بتاريخ ١٢ حزيران/يونيو ١٩٥٩، أو خلفه القانوني.
٧. "مجلس الوزراء" يعني مجلس الوزراء لدى المقترض أو خلفه القانوني.
٨. "جزء الاستجابة لحالات الطوارئ المحتملة" يعني أي نشاط أو أنشطة يتم إجراؤه/إجراؤها في إطار الجزء ٥ من المشروع للاستجابة لأزمة أو حالة طارئة مؤهلة.

٩. "ديوان المحاسبة" يعني الديوان الإداري لدى المقترض الذي تأسس بموجب قانون المحاسبة العامة الصادر في ١٦ كانون الثاني/يناير ١٩٥١، ويعمل في الإشراف على إدارة المال العام من خلال التدقيق وإعداد حسابات الحكومة، فيحكم في صحة وقانونية معاملاتها، أو خلفه القانوني.

١٠. "الجمارك" تعني إدارة الجمارك لدى المقترض، وقد تأسست وتعمل بموجب المرسوم رقم ٤٤٦١ الصادر بتاريخ ١٥ كانون الأول/ديسمبر ٢٠٠٠، أو خلفها القانوني.

١١. "النفقات الطارئة" تعني أيًا من النفقات المؤهلة المحددة في دليل مكون الاستجابة في حالات الطوارئ المحتملة المشار إليه في القسم I.E من الجدول ٢ في هذه الاتفاقية، والمطلوبة من أجل جزء الاستجابة لحالات الطوارئ المحتملة.

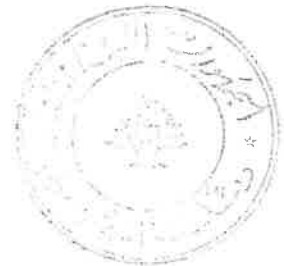
١٢. "خطة عمل الطوارئ" تعني الخطة المشار إليها في القسم I.E، التي تفصل الأنشطة والميزانية وخطة التنفيذ وترتيبات الرصد والتقييم من أجل الاستجابة للأزمة أو الحالة الطارئة المؤهلة.

١٣. "المستفيد المؤهل" يعني الموظفين الحكوميين لدى المقترض المؤهلين لتلقي مخصص في ظل المشروع بما يتوافق مع الإطار التنظيمي وشروط دليل عمليات المشروع؛ تجدر الإشارة إلى أن "المستفيدين المؤهلين" تعني أكثر من مستفيد مؤهل.

١٤. "الأزمة أو الحالة الطارئة المؤهلة" تعني حادثة تسببت أو على وشك أن تتسبب بتأثير سلبي خطير اقتصادي و/أو اجتماعي على المقترض، وتكون مرتبطة بأزمة أو كارثة طبيعية أو من صنع الإنسان.

١٥. "برنامج النفقات المؤهلة" يعني السلع والأعمال والخدمات غير الاستشارية والخدمات الاستشارية والمخصصات للمستفيدين المؤهلين والتكاليف التشغيلية والتدريب التي يتكبدها المقترض لتنفيذ الأجزاء (a) ١،١، و(a) ١،٢، و(a) ٢،١، و(a) ٢،٢، و(a) ٢،٣، و(a) ٣،١، و(i) ٣،١(b) من المشروع.

١٦. "خطة الالتزام البيئي والاجتماعي" تعني خطة الالتزام البيئي والاجتماعي من أجل المشروع، صادرة بتاريخ ٢٢ كانون الأول/ديسمبر ٢٠٢٣، وقد يتم تعديلها من وقت لآخر بموجب الأحكام، وهي تحدد التدابير والإجراءات المادية التي يجب أن يتخذها المقترض أو تجعله يتخذها لمواجهة مخاطر وتأثيرات المشروع البيئية والاجتماعية المحتملة، بما في ذلك الأطر الزمنية للإجراءات والتدابير،



والترتيبات المؤسسية والتوظيفية والتدريبية وتلك المتعلقة بالرصد والإبلاغ، بالإضافة إلى أي أدوات بيئية واجتماعية يجب إعدادها بموجبه.

١٧. "المعايير البيئية والاجتماعية" تعني جماعياً: (i) "المعيار البيئي والاجتماعي ١: تقييم وإدارة المخاطر البيئية والاجتماعية والآثار المترتبة عليها"؛ (ii) "المعيار البيئي والاجتماعي ٢: العمالة وظروف العمل"؛ (iii) "المعيار البيئي والاجتماعي ٣: الكفاءة في استخدام الموارد ومنع التلوث وإدارته"؛ (iv) "المعيار البيئي والاجتماعي ٤: الصحة والسلامة المجتمعية"؛ (v) "المعيار البيئي والاجتماعي ٥: الاستحواذ على الأراضي والقيود المفروضة على استخدام الأراضي وإعادة التوطين القسرية"؛ (vi) "المعيار البيئي والاجتماعي ٦: حفظ التنوع البيولوجي والإدارة المستدامة للموارد الطبيعية الحية"؛ (vii) "المعيار البيئي والاجتماعي ٧: الشعوب الأصلية/المجتمعات المحلية التقليدية المحرومة في أفريقيا جنوب الصحراء"؛ (viii) "المعيار البيئي والاجتماعي ٨: التراث الثقافي"؛ (ix) "المعيار البيئي والاجتماعي ٩: الوسطاء الماليون"؛ (x) "المعيار البيئي والاجتماعي ١٠: مشاركة أصحاب المصلحة والإفصاح عن المعلومات"؛ وقد دخلت حيز التنفيذ في ١ تشرين الأول/أكتوبر ٢٠١٨، كما نشرها البنك.

١٨. "تقرير الأداء المالي" يعني التقرير المقارن الشهري عن إجمالي الإيرادات والنفقات (على أساس نقدي) الذي تنشره وزارة المالية.

١٩. "السنة المالية" تعني السنة المالية للمقترض التي تمتد من ١ كانون الثاني/يناير إلى ٣١ كانون الأول/ديسمبر التالي.

٢٠. "الشروط العامة" تعني "الشروط العامة للبنك الدولي للإنشاء والتعمير للإقراض الخاصة به وتمويل المشاريع الاستثمارية"، صادرة بتاريخ ١٤ كانون الأول/ديسمبر ٢٠١٨ (آخر تعديل تم في ١٥ تموز/يوليو ٢٠٢٣).

٢١. "آلية التظلم" تعني آلية التظلم التي يضعها ويعلن عنها ويحافظ عليها ويفعلها المقترض لتلقي وتسهيل حل المخاوف والمظالم المرتبطة بالمشروع، بما يتوافق مع خطة الالتزام البيئي والاجتماعي.

٢٢. "المعهد المالي" يعني "معهد باسل فليحان المالي" هو مؤسسة عامة مستقلة متخصصة تساهم في تطوير القدرات في إدارة المالية العامة والحوكمة من خلال الأبحاث السياسية والتدريب وبناء



الشراكات، وقد تأسس ويعمل تحت إشراف وزارة المالية بموجب المادة ٤٩ من قانون الموازنة لدى المقرض رقم ٤٩٧/٢٠٠٣ أو خلفه القانوني.

٢٣. المصطلح "IT" يعني تكنولوجيا المعلومات.

٢٤. "دائرة كبار المكلفين" تعني الوحدة المتخصصة في إدارة ضرائب كبار المكلفين، وقد تأسست وتعمل بموجب المرسوم رقم ١٠٠٦٣ الصادر في العام ٢٠٠٣.

٢٥. "منحة الصندوق الائتماني المخصص للبنان" تعني المنحة رقم TF0C3381 بقيمة لا تتجاوز خمسة ملايين وخمسمئة ألف دولار أميركي (\$٥,٥٠٠,٠٠٠) يؤمنها البنك بصفته مدير الصندوق الائتماني المخصص للبنان المتعدد المانحين ضمن إطار الإصلاح والتعافي وإعادة الإعمار، لمساعدة المقرض على تمويل المشروع.

٢٦. "اتفاقية منحة الصندوق الائتماني المخصص للبنان" تعني الاتفاقية بنفس تاريخ هذه الاتفاقية، بين المقرض والبنك بصفته مدير الصندوق الائتماني المخصص للبنان المتعدد المانحين ضمن إطار الإصلاح والتعافي وإعادة الإعمار حتى تساهم المنحة في تمويل المشروع. وتتضمن "اتفاقية منحة الصندوق الائتماني المخصص للبنان" كافة الملحقات والجداول والاتفاقيات المكملّة لاتفاقية المنحة هذه.

٢٧. "وزارة المالية" تعني وزارة المقرض المسؤولة عن المالية، أو أي خلف قانوني لها يكون مقبولا من البنك.

٢٨. "الإطار المالي المتوسط الأجل" يعني أداة الإطار المالي المتوسط الأجل الخاصة بوزارة المالية، ويستخدم لوضع موازنات متوسطة الأجل كما للتخطيط المالي.

٢٩. "معايير الأهلية الجديدة" تعني معايير أهلية المكلفين الخاضعين لدائرة كبار المكلفين التي سيتم تأميمها لتتضمن كبار المكلفين وحسب من حيث عتبة الإيرادات عبر أنواع الضرائب، بما في ذلك الضريبة على القيمة المضافة وضريبة الدخل على الشركات ونظام الدفع عند الكسب لأغراض الشرط القائم على الأداء رقم ٣.

٣٠. "التكاليف التشغيلية" تعني التكاليف الإضافية المترتبة على تنسيق المشروع وتنفيذه ومراقبته، بما في ذلك النفقات المرتبطة بتشغيل المركبات وصيانتها، ورسوم التدقيق، والرسوم القانونية (متى دعت الحاجة)، وصيانة المعدات، واللوازم المكتبية والمستهلكات، والخدمات، والاتصالات، والترجمة



التحريرية والترجمة الفورية، والرسوم المصرفية، ومصاريف السفر المرتبطة بالمشروع بما في ذلك البذل اليومي والإقامة، وغيرها من التكاليف المتفرقة المرتبطة مباشرة بتنفيذ المشروع، ورواتب فريق عمل المشروع، لكن باستثناء رواتب الموظفين الحكوميين لدى المقترض، ومخصصات الاجتماعات، وغيرها من مخصصات الحضور، فضلاً عن زيادات الرواتب والأتعاب كافة.

٣١. "مؤسسات الرقابة والمساءلة" تعني التفتيش المركزي وديوان المحاسبة وهيئة الشراء العام وغيرها من مؤسسات الشراء العام التي يتم اختيارها لوصايتها في ما يتعلق بالرقابة و/أو التدقيق و/أو التفتيش، على أن يختارها المقترض لأغراض الجزء ٣ من المشروع مع موافقة البنك المسبقة.

٣٢. "الشرط القائم على الأداء" يعني شرطاً قائماً على الأداء مشار إليه في الجدول ٤ من هذه الاتفاقية. تجدر الإشارة إلى أنه ثمة عدة شروط قائمة على الأداء.

٣٣. "أنظمة الشراء" تعني، لأغراض الفقرة ٨٥ من ملحق الشروط العامة، "أنظمة الشراء لدى البنك الدولي للمقترضين من أجل تمويل مشاريع استثمارية" الصادرة في أيلول/سبتمبر ٢٠٢٣.

٣٤. "وحدة تنسيق المشروع" تعني الوحدة داخل وزارة المالية المسؤولة عن الإدارة اليومية والتنفيذ والرصد والتقييم اليومي للمشروع، كما هو مشار إليها في القسم ١.٨.٢ من الجدول ٢ في هذه الاتفاقية وكما هي مفصلة على نحو إضافي في دليل عمليات المشروع؛ أو أي خلف لها يكون مقبولاً من البنك.

٣٥. "دليل عمليات المشروع" يعني الدليل المشار إليه في القسم ١.٨.٢ من الجدول ٢ في هذه الاتفاقية والمعتمد من قبل المقترض، فيصف ويحدد الإجراءات لتنفيذ المشروع والترتيبات المؤسسية بما يتسق مع أحكام هذه الاتفاقية، على أن يتم تعديله من وقت لآخر بالطريقة عينها بموافقة البنك الخطية المسبقة.

٣٦. "اللجنة التوجيهية للمشروع" تعني اللجنة التي تأسست من أجل الرقابة العامة على المشروع، كما مشار إليها في القسم ١.٨.٣ من الجدول ٢ في هذه الاتفاقية والمفصلة أكثر في دليل عمليات المشروع المذكور، أو أي خلف لها يكون مقبولاً من البنك.

٣٧. "هيئة الشراء العام" تعني المؤسسة العامة لدى المقترض المستقلة المتخصصة في الشراء العام، التي تأسست وتعمل وفقاً لقانون الشراء العام رقم ٢٠٢١/٢٤٤، أو خلفها القانوني.

٣٨. "الإطار التنظيمي" يعني قانون المقترض رقم ١١٢ الصادر بتاريخ ٦ كانون الأول/ديسمبر ١٩٥٩، على أن يصدر المرسوم عن مجلس الوزراء وفقاً للمادة ٢٥ من القانون رقم ١١٢ في ما



- يتعلق بتعويضات الموظفين الحكوميين ومخصصاتهم، كما هو مشار إليه في الفقرة ١ من القسم III.B من الجدول ٢ في الاتفاقية الراهنة، وأي قرارات تنفيذية ذات صلة لاحقة، حسب الاقتضاء.
٣٩. "تاريخ التوقيع" يعني آخر التاريخين الذين وقّع فيهما المقترض والبنك على هذه الاتفاقية وتعريف مماثل ينطبق على الإشارات كافة إلى "تاريخ اتفاقية القرض" في الشروط العامة.
٤٠. "التدريب" يعني الجولات الدراسية والدورات التدريبية والندوات وورش العمل والأنشطة التدريبية الأخرى المرتبطة بالمشروع، غير المشمولة ضمن عقود مقدمي الخدمات، بما في ذلك تكاليف المواد التدريبية واستئجار المساحات والمعدات، والسفر المحلي والدولي المعقول والضروري للمشاركين في الأنشطة التدريبية، والسكن والإقامة المعقولين، وكلفة الإقامة والبدل اليومي المحلي والدولي للمتدربين والمدربين، والتسجيل، والرسوم الدراسية ورسوم الميسرين، والترجمة التحريرية والترجمة الفورية، وغيرها من التكاليف المنفردة المتعلقة بالتدريب، على أن تكون كلها مبنية على أساس ميزانيات مقبولة من البنك.
٤١. المصطلح "VAT" يعني الضريبة على القيمة المضافة.
٤٢. "وكيل التحقق" يعني هيئة أو هيئات تحقق مستقلة، تكون مرضية للبنك، يتم استخدامها في إطار المشروع لإجراء تدقيق فني كما هو منصوص عليه في القسم I.F من الجدول ٢ في هذه الاتفاقية.
٤٣. "بروتوكول التحقق" يعني بروتوكول المقترض الذي يفصل الوسائل التي يتم من خلالها التحقق من تلبية الشروط القائمة على الأداء في إطار المشروع، كما هو موضح أكثر في دليل عمليات المشروع.



## محضر المفاوضات المتفق عليه بين الجمهورية اللبنانية

و

### البنك الدولي للإنشاء والتعمير

### حول التمويل المقترح للبنان: مشروع الإدارة المالية

٢٢ ديسمبر/كانون الأول ٢٠٢٣ - ٣ يناير/كانون الثاني ٢٠٢٤

١. مقدمة: تم عقد مناقشات فنية تلتها مفاوضات تتعلق بالتمويل المقترح ("التمويل") من البنك الدولي للإنشاء والتعمير ("IBRD" أو "البنك الدولي") بمبلغ ثمانية وعشرين مليون وخمسمائة ألف دولار أمريكي. (٢٨,٥٠٠,٠٠٠ دولار أمريكي) ومن الصندوق الائتماني المخصص للبنان للإصلاح والتعافي وإعادة الإعمار، وهو صندوق ائتماني متعدد الماتحين، بمبلغ خمسة ملايين وخمسمائة ألف دولار أمريكي (٥,٥٠٠,٠٠٠ دولار أمريكي) إلى الجمهورية اللبنانية لدعم مشروع الإدارة المالية في لبنان (P181155) (المشروع). وعقدت المفاوضات افتراضياً عبر خاصية تيمز Teams وحضوراً في بيروت في الفترة ما بين ٢١ و٢٢ ديسمبر ٢٠٢٣. وتم إرفاق قائمة المشاركين في المفاوضات الذين يمثلون المقترض ("وفد الجهة المقترضة") ويمثلون البنك الدولي للإنشاء والتعمير ("وفد البنك الدولي للإنشاء والتعمير") في الملحق ١ لهذا المحضر (يشار إلى وفد الجهة المقترضة ووفد البنك الدولي للإنشاء والتعمير مجتمعين باسم "الطرفان/الطرفين"). ويسجل هذا المحضر الاتفاقات والاستنتاجات الرئيسية التي تم التوصل إليها خلال المفاوضات.
٢. سلطة التفاوض: قدم وفد الجهة المقترضة خطاباً إلى وفد البنك الدولي للإنشاء والتعمير، مؤرخاً في ١٩ ديسمبر/كانون الأول ٢٠٢٣، وموقعاً من معالي وزير المالية، يشير فيه إلى أعضاء وفد الجهة المقترضة المخولين بالمشاركة في المفاوضات وتعيين معالي الوزير السيد يوسف الخليل (وزير المالية) رئيساً لوفد الجهة المقترضة.
٣. الوثائق التي تمت مناقشتها: استعرض الطرفان واتفقا على مسودة النسخ التالية التي تم التفاوض عليها: (١) وثيقة تقييم المشروع؛ (٢) مسودة اتفاقية القرض، (٣) مسودة اتفاقية منحة الصندوق الائتماني المخصص للبنان؛ (٤) مسودة رسالة معلومات الصرف والتمويل، (٥) خطة الالتزام البيئي والاجتماعي، و(٦) خطة المشتريات. وقد تم دمج التصحيحات والتعديلات المقترحة مباشرة في الوثائق، وتمت الموافقة على مسودة اتفاقيات القروض والمنح بعد مناقشة مستفيضة (الملحق ٢).
٤. الهدف الإيماني للمشروع ومكوناته: تم تعديل الهدف الإنمائي للمشروع بشكل طفيف من خلال استبدال عبارة "الحكومة اللبنانية" بعبارة "الجمهورية اللبنانية". وبناءً على ذلك، فإن الهدف الإنمائي للمشروع هو "دعم الجمهورية اللبنانية في استعادة الوظائف الأساسية المتمثلة في تعبئة الإيرادات المحلية وتعزيز تخصيص والاستخدام المسؤول للموارد العامة".
٥. تمت مراجعة تصميم المشروع ومكوناته، ولم يتم إجراء أي تعديلات كبيرة. وبالنظر إلى التاريخ المتوقع حالياً لتقديم المشروع لموافقة مجلس المديرين التنفيذيين في ١٤ فبراير ٢٠٢٤، فقد تم تعديل فترات الشروط القائمة على الأداء الموضحة في وثيقة تقييم المشروع. وجرى النقاش أنه بالنسبة للمؤشر الوسيط غير التابع للشروط القائمة على الأداء بشأن "الحسابات المصرفية المخفضة خارج الحساب الرئيسي ٣٦"، سيتم تحديد خط الأساس في غضون شهرين من تنفيذ المشروع وتسجيله في التقرير عن أوضاع ونتائج تنفيذ المشروع. وتصف وثيقة تقييم المشروع (الملحق ٧) التصميم التفصيلي للمشروع ومكوناته.
٦. ترتيبات التنفيذ: تم الاتفاق على المكونات الرئيسية لترتيبات التنفيذ على النحو التالي: (أ) لجنة توجيهية تتألف من رؤساء الأجهزة والمديريات ذات الصلة برئاسة وزير المالية أو شخص يرشحه الوزير؛ (ب) ستقوم وحدة تنسيق المشروع برصد وتسهيل أنشطة تنفيذ المشروع اليومية والاتصال بفريق العمل التابع للبنك الدولي والإبلاغ عن التقدم المحرز؛ (ج) سيتم تعيين فريق مؤقت للمشروع من قبل وزارة المالية لغاية إنشاء وحدة تنسيق المشروع وتزويدها بالموظفين بموجب اتفاقية القرض؛ (د) ستشارك الأجهزة والإدارات المشاركة في أنشطة المشروع في اتخاذ قرارات الشراء وإدارة الاستشاريين وتنفيذ أنشطة المشروع في مجالات تخصصهم؛ (هـ) سيقوم وكيل التحقق المستقل بالتحقق من تنفيذ الشروط القائمة على الأداء؛ (و) سيقوم المراجع الخارجي بمراجعة البيانات المالية للمشروع ودفع بدلات الموظفين؛ و(ز) سيصف دليل عمليات المشروع، بما في ذلك دليل المنحة، إجراءات سير العمل والضوابط الداخلية للمشروع.
٧. الإطار التنظيمي: أوضح الطرفان أن وزارة المالية ستبلغ البنك الدولي على الفور بأي تعديل مقترح على الإطار التنظيمي وفقاً للقسم ٥,١٠ من الشروط العامة والقسم ٢,١٠ من الشروط القياسية. وفي هذا الصدد، ودون المساس بحق البنك الدولي في ممارسة أي سبل انتصاف قانونية وفقاً للمادة الرابعة من اتفاقية القرض والشروط العامة وكذلك المادة الرابعة من اتفاقية منحة الصندوق الائتماني المخصص للبنان والشروط القياسية، على التوالي، إذا كان برأي البنك الدولي أن أي تعديل من هذا القبيل سيؤثر بشكل

مادي وسلبى على قدرة الجهة المقترضة على أداء أي من التزاماتها بموجب اتفاقية القرض و/أو اتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان، سيقوم البنك الدولي بالتشاور مع الجهة المقترضة بما يتماشى مع القسم ٥,١٠ من الشروط العامة والقسم ٢,١٠ من الشروط القياسية.

٨. اتفق الطرفان على التوضيحات التالية:

٩. القسم ٥,٠١ (ب) من اتفاقية القرض: "إنشاء" وحدة تنسيق المشروع يعني إصدار قرار من وزير المالية يصف الولاية والتفويض والتكوين والموارد المتاحة لوحدة تنسيق المشروع المذكورة، بالإضافة إلى جدول زمني لتوظيف فريق عمل وحدة تنسيق المشروع بما يتوافق مع شروط اتفاقية القرض؛

١٠. القسم ٥,٠١ (أ) من اتفاقية القرض: "تم تنفيذ وتسليم اتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان وجميع الشروط السابقة لنفاذ الاتفاقية المذكورة" يعني أنه يجب توقيع اتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان حسب الأصول وعلى النحو الواجب من قبل الطرفين، ويجب استيفاء جميع شروط النفاذ ذات الصلة؛

١١. الأدلة: بالنظر إلى أن اتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان تخضع لموافقة مجلس الوزراء، في حين تخضع اتفاقية القرض لمصادقة البرلمان، توصلت الوفود أثناء المناقشات إلى اعتبار أن منحة الصندوق قد تصبح متاحة قبل قرض البنك الدولي للإنشاء والتعمير. على هذا النحو، ومن أجل ضمان التنفيذ في الوقت المناسب اتفاقية لمنحة الصندوق الائتماني المخصص للبنان، سيتم إعداد دليل منحة منفصل لمنحة الصندوق الائتماني المخصص للبنان كشرط لنفاذ اتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان، بموجب شروط وأحكام مرضية للبنك الدولي. سيتم دمج دليل المنحة المذكور في الوقت المناسب في دليل عمليات المشروع. وتم وضع دليل عمليات المشروع كشرط لنفاذ اتفاقية القرض.

١٢. تم تعريف مصطلح "البدلات" في الملحق، بما في ذلك تعريف مصطلح "برنامج النفقات المستحقة" للشروط القائمة على الأداء.

١٣. تاريخ إغلاق المشروع: تم الاتفاق على تحديد تاريخ إغلاق المشروع في ٣١ مارس/آذار ٢٠٢٧.

١٤. الآراء القانونية كشرط للنفاذ.

١٥. اتفاقية القرض: ناقشت الوفود أنه، نظرًا أن الحكومة حاليًا تضطلع بدور حكومة تصريف أعمال، سيطلب البنك رأيًا قانونيًا من الجهة المقترضة كشرط للنفاذ وفقًا للمادة ٩,٠٢ (أ) من الشروط العامة، يظهر أن اتفاقية القرض قد تم الموافقة أو التصديق عليها حسب الأصول من قبل الجهة المقترضة، وتم إبرامها وتسليمها نيابة عنها، وهي ملزمة قانونًا وفقًا لشروطها.

١٦. اتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان: كجزء من الأدلة التي سيتم تقديمها بموجب القسم ٥,٠١ (ب)، عند النفاذ، يجب تقديم رأي قانوني مرضي للبنك يوضح أن هذه الاتفاقية قد تم الموافقة أو التصديق عليها حسب الأصول من قبل المتلقي، وتم إبرامها وتسليمها نيابة عنها، وهي ملزمة قانونًا وفقًا لشروطها.

١٧. أبلغ وفد الحكومة وفد البنك الدولي أن مستشار وزارة العدل سيقيم في الوقت المناسب كلا الرأيين القانونيين حتى يصبح المشروع نافذًا.

١٨. خطاب الصرف والمعلومات المالية: تمت مناقشة خطاب الصرف والمعلومات المالية، الذي يغطي كلاً من قرض البنك الدولي للإنشاء والتعمير ومنحة التمويل الخاصة بالصندوق الائتماني المخصص للبنان، وجرى الاتفاق عليه بين الطرفين. وأوضح الطرفان أن الحساب المخصص المذكور في خطاب الصرف والمعلومات المالية سيكون في البنك المركزي للجهة المقترضة وسيكون بالدولار الأمريكي. ستتبع عمليات الصرف المبادئ التوجيهية والطرق المحددة في اتفاقيات القروض والمنح وفي خطابات الصرف والمعلومات المالية. وسوف تعتمد الدفعة المقدمة إلى الحساب المخصص على توقعات الإنفاق لمدة ستة أشهر. وستستخدم منحة التمويل الخاصة بالصندوق الائتماني المخصص للبنان طريقة الدفع المباشر فقط. وسوف يعتمد توثيق النفقات المستحقة على التقارير المالية المرحلية. وتتوفر تفاصيل طرق الصرف في خطاب الصرف والمعلومات المالية. وتم إرفاق نسخة خطاب الصرف والمعلومات المالية التي تم التفاوض عليها، والتي تتضمن جميع التغييرات والتعديلات، في الملحق ٣ من هذا المحضر.

١٩. الإدارة المالية: يجب على المقترض، من خلال فريق المشروع/وحدة تنسيق المشروع (حسب الاقتضاء)، إعداد وتقديم تقارير مالية مرحلية موحدة غير مدققة للبنك، في موعد لا يتجاوز خمسة وأربعين (٤٥) يومًا بعد نهاية كل ربع سنة تقويمي. يجب أن تغطي كل عملية تدقيق للبيانات المالية الموحدة فترة سنة مالية واحدة للمشروع، تبدأ من السنة الأولى التي تم فيها السحب الأول. ويجب تقديم البيانات المالية الموحدة المدققة لكل فترة إلى البنك في موعد لا يتجاوز ستة (٦) أشهر بعد نهاية تلك الفترة. ستقوم وحدة تنسيق المشروع بتعيين وكيل تحقق مستقل ومدقق خارجي يتمتع باختصاص مقبول لدى البنك الدولي لمراجعة أنشطة المشروع والتحقق من صحتها. وسيتم توضيح تفاصيل النهج والمنهجيات والاختصاصات في دليل عمليات المشروع. وتم الاتفاق على أن يتم تحويل أموال القرض من البنك الدولي إلى حساب خزانة وزارة المالية لدى البنك المركزي، ومن ثم تحويلها بدورها من قبل وزارة المالية إلى الحساب المخصص للمشروع في البنك المركزي بالدولار الأمريكي. سيكون خيار الدفع المباشر متاحًا كما هو منصوص عليه في خطاب الصرف والمعلومات المالية. وخيار السداد متاح لاتفاقية القرض.

٢٠. شروط القرض ورسومه وجدول استهلاكه: سيتم ممداد القرض المقترح بقيمة ٢٨,٥ مليون دولار أمريكي بما يتماشى مع شروط سداد المقرض المنصوص عليها في ورقة اختيار القرض بتاريخ ٢١ ديسمبر/كانون الأول ٢٠٢٣ مع فترة استحقاق إجمالية تبلغ ٢٤ عامًا، بما في ذلك فترة سماح مدتها ٥ سنوات، وتواريخ السداد في ١٥ يونيو و ١٥ ديسمبر بالنسبة للالتزامات المرتبطة، ومستوى السداد مع الرسوم الأولية الممولة من عائدات القرض، مع خيار الحدود القصوى للتمويل. يستند جدول السداد إلى تاريخ تقديري لموافقة مجلس إدارة مجموعة البنك الدولي في ١٤ فبراير/شباط ٢٠٢٤. وإذا تغير تاريخ موافقة مجلس الإدارة، فقد يتأثر جدول السداد، وسيتم تحديثه ومشاركته مع الجهة المقرضة وفقًا لذلك. تم تأكيد تاريخ الإغلاق في ٣١ مارس ٢٠٢٧. وقد تم إرفاق ورقة اختيار القرض الموقعة وجدول السداد الذي تمت مناقشته، والاتفاق عليه بهذا المحضر (الملحق ٤ والملحق ٥، على التوالي).

٢١. المشتريات: أوضح وفد البنك الدولي للإنشاء والتعمير أنه سيتم تنفيذ المشتريات وفقًا للوائح المشتريات الخاصة بالبنك الدولي لتمويل مشاريع الاستثمار، الصادرة بتاريخ سبتمبر/أيلول ٢٠٢٣، وخطة المشتريات التي المصدقة من البنك الدولي للإنشاء والتعمير، وإجراءات الشراء التي سيتم تحديدها في دليل عمليات المشروع. وسيقوم البنك الدولي للإنشاء والتعمير بموافقة استراتيجية مشتريات المشروع من أجل التنمية وخطة المشتريات قبل إطلاق أي عملية مشتريات. وسيتم تحديث كلتا الوثيقتين حسب الحاجة طوال فترة تنفيذ المشروع، بموافقة مسبقة من البنك الدولي للإنشاء والتعمير. وخطة المشتريات الأولية المؤرخة في ديسمبر/كانون الأول ٢٠٢٣ مرفقة بمحضر المفاوضات (الملحق ٨).

٢٢. إطار العمل البيئي والاجتماعي: اتفق الطرفان على خطة الالتزام البيئي والاجتماعي بتاريخ ٢٢ ديسمبر/كانون الأول ٢٠٢٣ (الملحق ٦). وأشار وفد البنك الدولي للإنشاء والتعمير إلى أن تنفيذ الوثيقة هو جزء من الالتزامات التي يتعين الوفاء بها بموجب اتفاقية القرض واتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان، وهي تتضمن متطلبات إلزامية للجهة المقرضة.

٢٣. الوصول إلى المعلومات: وفقًا لسياسة البنك الدولي بشأن الوصول إلى المعلومات، سيكشف البنك الدولي للإنشاء والتعمير عن وثيقة تقييم المشروع، والاتفاقيات القانونية ذات الصلة وغيرها من المعلومات المتعلقة بالعملية والاتفاقيات القانونية، بما في ذلك أي خطابات داعمة. وأكد وفد الجهة المقرضة أنه يجوز للبنك أن ينشر علنًا وثيقة تقييم المشروع هذه بعد موافقة المديرين التنفيذيين للبنك على العملية. وتم إرفاق النسخة المتفق عليها بهذا المحضر في الملحق ٧.

٢٤. ستغطي تقارير المشروع فقط اتفاقية المنحة الخاصة بالصندوق الائتماني المخصص حتى تصبح اتفاقية القرض سارية المفعول.

٢٥. توقيع الاتفاقيات القانونية. ذكر وفد البنك أنه اعتبارًا من ١ يوليو/تموز ٢٠٢٣، انتقل البنك إلى استخدام التوقيعات الإلكترونية (e-Signatures) كطريقة ثابتة لتوقيع جميع اتفاقيات تمويل البنك الدولي للإنشاء والتعمير/مؤسسة التنمية الدولية المبرمة مع البنك حيث من المتوقع أن يقوم كل من البنك والجهة المقرضة باعتماد هذا التوقيع الإلكتروني عبر برنامج DocuSign. إذا لم تتمكن الجمهورية اللبنانية من استخدام التوقيعات الإلكترونية فقط، فيمكنها استخدام "طريقة التوقيع المزدوج" حيث (١) يقوم الطرفان أولاً بالتوقيع إلكترونيًا بالكامل في DocuSign؛ وبعد ذلك (٢) تطبع الجهة المقرضة الاتفاقية الموقعة إلكترونيًا بالكامل حسب الحاجة وتقوم بالتوقيع عليها خطيًا، بالحبر، بجوار التوقيع الإلكتروني. وأشار وفد الجهة المقرضة إلى استعداد الجمهورية اللبنانية للتوقيع إلكترونيًا على اتفاقية القرض باستخدام "طريقة التوقيع المزدوج" المذكورة أعلاه، بعد موافقة مجلس المديرين التنفيذيين والإدارة العليا للبنك على المشروع، حسب الاقتضاء.

٢٦. الخطوات التالية. عند التوقيع على هذا المحضر، أكد وفد الجهة المقرضة أنه لا يلزم اتخاذ أي إجراء آخر من جانب الجهة المقرضة للسماح بتقديم المشروع إلى مجلس المديرين التنفيذيين للبنك الدولي للنظر فيه. ومن المتوقع أن يتم تقديم المشروع المقترح إلى المجلس في ١٤ فبراير/شباط ٢٠٢٤. وسيتم إرسال إشعار الموافقة إلى الجهة المقرضة، وبعدها ستطلب وزارة المالية تفويضًا من مجلس الوزراء للتوقيع على اتفاقية القرض واتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان. بعد الحصول على الموافقة، سيقوم وفد الجهة المقرضة وفد البنك بإجراء الترتيبات لتوقيع اتفاقية القرض واتفاقية المنحة الخاصة بالصندوق الائتماني المخصص للبنان بين الجهة المقرضة والبنك الدولي للإنشاء والتعمير باستخدام الطريقة الموضحة في الفقرة أعلاه من هذا المحضر.



|                                          |                                                                        |
|------------------------------------------|------------------------------------------------------------------------|
| نيابة عن البنك الدولي للإنشاء والتعمير   | نيابة عن الجمهورية اللبنانية                                           |
|                                          |                                                                        |
| رئيسة الوفد                              | سعادة السيد يوسف الخليل<br>وزير المالية<br>وزارة المالية<br>رئيس الوفد |
| تم التوقيع في: ٣ يناير/كانون الثاني ٢٠٢٤ | تم التوقيع في: ٩ يناير/كانون الثاني ٢٠٢٤                               |





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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF

(US\$28.5 MILLION EQUIVALENT)

AND A GRANT FROM THE LEBANON FINANCING FACILITY FOR REFORM, RECOVERY AND RECONSTRUCTION  
IN THE AMOUNT OF US\$5.5 MILLION

TO THE

THE LEBANESE REPUBLIC

FOR A

FISCAL MANAGEMENT PROJECT

(P181155)

FEBRUARY 14, 2024

Governance

Middle East and North Africa

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective {Sep 29, 2023})

Currency Unit =

LBP15,030 = US\$1

US\$1.31 = SDR 1

## FISCAL YEAR

January 1 - December 31

Regional Vice President: Ferid Belhaj

Regional Director: Nadir Mohammed

Country Director: Jean-Christophe Carret

Practice Manager: Jens Kromann Kristensen

Task Team Leader(s): Jiwanka B. Wickramasinghe, Rima Abdul-Amir Koteiche

## ABBREVIATIONS AND ACRONYMS

|       |                                                                        |
|-------|------------------------------------------------------------------------|
| 3RF   | Reform, Recovery and Reconstruction Framework                          |
| AFD   | French Development Agency ( <i>Agence Française de Développement</i> ) |
| AM    | Accountability Mechanism                                               |
| ASA   | Advisory Services and Analytics                                        |
| BdL   | Bank of Lebanon ( <i>Banque du Liban</i> )                             |
| BETF  | Bank-Executed Trust Fund                                               |
| CCDR  | Country Climate and Development Report                                 |
| CERC  | Contingent Emergency Response Component                                |
| CI    | Central Inspection                                                     |
| CoA   | Court of Accounts                                                      |
| CoM   | Council of Ministers                                                   |
| CPF   | Country Partnership Framework                                          |
| CTB   | Central Tender Board                                                   |
| DA    | Designated Account                                                     |
| DP    | Direct Payment                                                         |
| DFIL  | Disbursement and Financial Information Letter                          |
| DRM   | Domestic Revenue Mobilization                                          |
| E&S   | Environmental and Social                                               |
| EdL   | Electricity Company of Lebanon ( <i>Électricité du Liban</i> )         |
| EFMIS | Engineering Facilities Management Information System                   |
| ESCP  | Environment and Social Commitment Plan                                 |
| ESRS  | Environmental and Social Review Summary                                |
| ESS   | Environmental and Social Standards                                     |
| EU    | European Union                                                         |
| FM    | Financial Management                                                   |
| FMR   | Fiscal Management Reform Project                                       |
| FO    | Financial Officer                                                      |
| GDP   | Gross Domestic Product                                                 |
| GHG   | Greenhouse Gas                                                         |
| GRS   | Grievance Redress Service                                              |
| IBRD  | International Bank for Reconstruction and Development                  |
| ICT   | Information and Communication Technologies                             |
| IDA   | International Development Association                                  |
| IFR   | Interim Financial Report                                               |
| IMF   | International Monetary Fund                                            |
| IoF   | Institute of Finance                                                   |
| IPF   | Investment Project Financing                                           |
| IPSAS | International Public Sector Accounting Standards                       |
| ISORA | International Survey on Revenue Administration                         |
| IT    | Information Technology                                                 |
| IVA   | Independent Verification Agent                                         |
| JIT   | Just in Time                                                           |
| LBP   | Lebanese Pound                                                         |
| LFF   | Lebanon Financing Facility                                             |
| LMP   | Labor Management Procedure                                             |
| LTO   | Large Taxpayer Office                                                  |
| M&E   | Monitoring and Evaluation                                              |
| MDA   | Ministries, Departments and Agencies                                   |
| MENA  | Middle East and North Africa                                           |



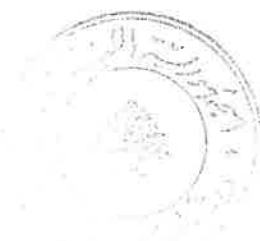
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|------|-------------------------------------------------|
| MGF  | Mashreq Gender Facility                         |
| MoF  | Ministry of Finance                             |
| MTFF | Medium-Term Fiscal Framework                    |
| NACC | National Anticorruption Commission              |
| NCLW | National Commission for Lebanese Women          |
| NDC  | Nationally Determined Contribution              |
| OHS  | Occupational Health and Safety                  |
| PA   | Project Assistant                               |
| PBC  | Performance-Based Conditions                    |
| PCU  | Project Coordination Unit                       |
| PDO  | Project Development Objective                   |
| PFM  | Public Financial Management                     |
| PFR  | Public Finance Review                           |
| PLR  | Performance and Learning Review                 |
| PMU  | Project Management Unit                         |
| PO   | Procurement Officer                             |
| POM  | Project Operations Manual                       |
| PP   | Procurement Plan                                |
| PPA  | Public Procurement Authority                    |
| PPL  | Public Procurement Law                          |
| PPSD | Project Procurement Strategy for Development    |
| PSC  | Project Steering Committee                      |
| RCP  | Representative Concentration Pathway            |
| RKC  | Revised Kyoto Convention                        |
| SAFE | Safe Framework of Standards                     |
| SDG  | Sustainable Development Goal                    |
| SDR  | Special Drawing Rights                          |
| SEP  | Stakeholder Engagement Plan                     |
| SLA  | Staff Level Agreement                           |
| SME  | Small and Medium Enterprise                     |
| SPD  | Standard Procurement Document                   |
| STEP | Systematic Tracking of Exchanges in Procurement |
| TBA  | Treasury Bank Account                           |
| TFA  | Trade Facilitation Agreement                    |
| TSA  | Treasury Single Account                         |
| UNDP | United Nations Development Program              |
| VAT  | Value-Added Tax                                 |
| WCO  | World Customs Organization                      |
| WMP  | Waste Management Plan                           |





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## DATASHEET

### BASIC INFORMATION

|                          |                                    |                                              |
|--------------------------|------------------------------------|----------------------------------------------|
| Project Beneficiary(ies) | Operation Name                     |                                              |
| Lebanon                  | Fiscal Management Project          |                                              |
| Operation ID             | Financing Instrument               | Environmental and Social Risk Classification |
| P181155                  | Investment Project Financing (IPF) | Moderate                                     |

### Financing & Implementation Modalities

- |                                                                         |                                                                          |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> Multiphase Programmatic Approach (MPA)         | <input type="checkbox"/> Contingent Emergency Response Component (CERC)  |
| <input type="checkbox"/> Series of Projects (SOP)                       | <input type="checkbox"/> Fragile State(s)                                |
| <input checked="" type="checkbox"/> Performance-Based Conditions (PBCs) | <input type="checkbox"/> Small State(s)                                  |
| <input type="checkbox"/> Financial Intermediaries (FI)                  | <input type="checkbox"/> Fragile within a non-fragile Country            |
| <input type="checkbox"/> Project-Based Guarantee                        | <input type="checkbox"/> Conflict                                        |
| <input type="checkbox"/> Deferred Drawdown                              | <input type="checkbox"/> Responding to Natural or Man-made Disaster      |
| <input type="checkbox"/> Alternative Procurement Arrangements (APA)     | <input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS) |

Expected Approval Date      Expected Closing Date

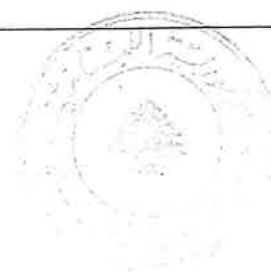
14-Feb-2024      31-Mar-2027

Bank/IFC Collaboration

No

### Proposed Development Objective(s)

Project development objective is to support the Lebanese Republic restore the basic functions for domestic revenue mobilization and accountable allocation and use of public resources.





## Components

| Component Name                                                                               | Cost (US\$)   |
|----------------------------------------------------------------------------------------------|---------------|
| 1. Stabilizing revenue administration                                                        | 14,100,000.00 |
| 2. Restoring fiscal controls                                                                 | 12,400,000.00 |
| 3. Re-vitalizing oversight and accountability institutions and procurement capacity building | 5,000,000.00  |
| 4. Project Management                                                                        | 2,500,000.00  |
| 5. Contingent Emergency Response Component (CERC)                                            | 0.00          |

## Organizations

Borrower: Minister of Finance  
Implementing Agency: Ministry of Finance

## PROJECT FINANCING DATA (US\$, Millions)

### Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No  
Is this project Private Capital Enabling (PCE)? No

## SUMMARY

|                      |       |
|----------------------|-------|
| Total Operation Cost | 34.00 |
| Total Financing      | 34.00 |
| of which IBRD/IDA    | 28.50 |
| Financing Gap        | 0.00  |

## DETAILS

### World Bank Group Financing

International Bank for Reconstruction and Development (IBRD) 28.50

### Non-World Bank Group Financing

Trust Funds 5.50



Lebanon Financing Facility

5.50

#### Expected Disbursements (US\$, Millions)

| WB Fiscal Year | 2024 | 2025  | 2026  | 2027  |
|----------------|------|-------|-------|-------|
| Annual         | 4.14 | 11.66 | 11.20 | 7.00  |
| Cumulative     | 4.14 | 15.80 | 27.00 | 34.00 |

#### PRACTICE AREA(S)

##### Practice Area (Lead)

Governance

##### Contributing Practice Areas

Macroeconomics, Trade and Investment

#### CLIMATE

##### Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

#### SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

##### Risk Category

1. Political and Governance
2. Macroeconomic
3. Sector Strategies and Policies
4. Technical Design of Project or Program
5. Institutional Capacity for Implementation and Sustainability
6. Fiduciary
7. Environment and Social
8. Stakeholders
9. Other

##### Rating

- High
- High
- Substantial
- Substantial
- High
- High
- Moderate
- High



10. Overall

High

## POLICY COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

## ENVIRONMENTAL AND SOCIAL

### Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

#### E & S Standards

#### Relevance

ESS 1: Assessment and Management of Environmental and Social Risks and Impacts

Relevant

ESS 10: Stakeholder Engagement and Information Disclosure

Relevant

ESS 2: Labor and Working Conditions

Relevant

ESS 3: Resource Efficiency and Pollution Prevention and Management

Relevant

ESS 4: Community Health and Safety

Relevant

ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Not Currently Relevant

ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

Not Currently Relevant

ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Currently Relevant

ESS 8: Cultural Heritage

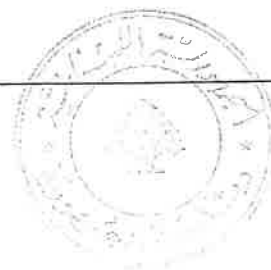
Not Currently Relevant

ESS 9: Financial Intermediaries

Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

## LEGAL





## Legal Covenants

### Sections and Description

Schedule 2 Section 1 A3 (loan agreement). The Borrower shall, no later than three (3) months after the Effective Date, or such later date as agreed by the Bank, establish and maintain throughout Project implementation, a steering committee, chaired by the Minister of Finance, with terms of reference, composition, roles and responsibilities acceptable to the Bank and defined in the Project Operations Manual ("Project Steering Committee"), to provide, inter alia, overall strategic guidance and Project oversight, approve the Annual Work Plan and Budget, and review implementation and evaluation reports as applicable.

Schedule 2 Section 1 A2 (loan agreement). The Borrower shall no later than two (2) months after the Effective Date, or such later date as agreed by the Bank, recruit and thereafter maintain throughout Project implementation, the core staff of the PCU, including, inter alia, a Project coordinator, a financial officer, a procurement officer, and an environmental and social specialist, all with adequate experience, qualifications, and terms of reference acceptable to the Bank.

Schedule 2 Section 1 F1 (loan agreement). For purposes of implementing PBC#1 to PBC# 5 under Parts 1.1(a), 1.2(a), 2.1(a), 2.2(a), 2.3(a), 3.1 (a)(i) and 3.1(b)(i) of the Project, the Borrower shall engage an independent verification agency by no later than three (3) months after the Effective Date, or such later date as agreed with the Bank, with such qualifications and experience as determined in the Verification Protocol and acceptable to the Bank ("Verification Agent").

Schedule 2 Section 1 A2 (grant agreement). The Recipient, through MOF, shall not later than one (1) month after the Effective Date appoint staff from the MOF as part of a Project team within the MOF, with composition, resources, terms of reference and functions acceptable to the Bank

### Conditions

| Type          | Citation           | Description                                                                                                                                     | Financing Source |
|---------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Effectiveness | Article V 5.01 (a) | The LFF Grant Agreement has been executed and delivered and all conditions precedent to the effectiveness of said agreement have been fulfilled | IBRD/IDA         |
| Effectiveness | Article V 5.01 (b) | The Project Coordination Unit has been formally established within the MoF with under terms satisfactory to the Bank                            | IBRD/IDA         |
| Effectiveness | Article V 5.01 (c) | The Project Operations Manual has been prepared and adopted by the Borrower, through the                                                        | IBRD/IDA         |



|               |                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |
|---------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Disbursement  | Schedule 2. Section III.<br>B.1.(b) | MoF, under terms satisfactory to the Bank<br>No withdrawal shall be made for payments under Category (1) unless the Bank has received satisfactory evidence that (i) the PBCs set forth in Schedule 4 to this Agreement for which payment is requested have been met and verified in accordance with the Verification Protocol and the POM to be verified by the Verification Agent; (ii) payments for the Eligible Expenditures Program have been made in accordance and in compliance with the procedures set forth in the POM; and (iii) the Borrower has adopted as part of the Regulatory Framework, a decree based on Article 25 of Law No. 112 of the Borrower, setting forth, inter alia, the eligibility criteria, governance arrangements, processing requirements and limit for Allowances throughout the Project period, in form and substance satisfactory to the Bank | IBRD/IDA    |
| Effectiveness | Article V 5.01 (a)                  | The Grant Manual has been adopted by the Recipient under terms satisfactory to the Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Trust Funds |
| Effectiveness | Article V 5.01 (b)                  | (b) Evidence satisfactory to the Bank has been furnished to the Bank that the execution and delivery of this Agreement on                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Trust Funds |



behalf of the Recipient has  
been duly authorized by all  
necessary governmental  
actions



## I. STRATEGIC CONTEXT

### A. Country Context<sup>1</sup>

1. **For more than three years, Lebanon has been impacted by the most devastating, multipronged crisis in its modern history.**<sup>2</sup> The unfolding economic and financial crisis that started in October 2019 has been further exacerbated by the dual economic impact of the COVID-19 pandemic and the massive Port of Beirut explosion in August 2020. Real gross domestic product (GDP) contracted by 34 percent between 2018 and 2022, wiping out more than 15 years of economic growth. After five consecutive years of contraction (2018-2022), real GDP is expected to grow in 2023 by a mere 0.2 percent. In July 2022, Lebanon was reclassified by the World Bank as a lower middle-income country, which represents a downgrading from its previous status as an upper middle-income country. Since the onset of the economic and financial collapse in 2019, the Lebanese pound has lost more than 98 percent of its value. Triple digit inflation and currency depreciation show no signs of abating, inducing a pervasive and growing dollarized, cash-based economy. Inflation averaged 171.2 percent in 2022 and is projected to reach about 231 percent in 2023.<sup>3</sup> Inflation is highly regressive, disproportionately affecting the poor and vulnerable — especially since basic goods, including food items, are the primary drivers of overall inflation in Lebanon.
2. **Public finances have all but collapsed, prompting an acute collapse in public service delivery.** In the absence of immediate fiscal consolidation measures and the initiation of debt restructuring in the context of a comprehensive crisis resolution plan, a passive approach to fiscal policy continues to drive a near complete collapse of public finances. The primary spending downturn has severely hindered public service delivery, and the collapse in revenue generation has impeded wage corrections to offset the dramatic erosion of public sector wages, allowances, and pensions driven by inflation. The fiscal deficit stood at 2.9 percent of GDP in 2022. Revenues are estimated to have declined from an already low 13.1 percent of GDP in 2020 to 6.1 percent of GDP in 2022, one of the lowest rates globally. At the same time, total public expenditures declined from 16.4 percent of GDP in 2020 to 9 percent of GDP in 2022, highlighting reduced state capacity amid the unfolding crisis.
3. **Foreign currency reserves at the central bank are steadily depleting.** The insolvency of the banking sector and its inability to extend credit have rendered the *Banque du Liban* (Bank of Lebanon) (BdL) the main financier of government external and fiscal deficits in the past four years. Usable gross foreign exchange reserves at the BdL stood at US\$8.414 billion as of the end of September 2023, having declined by US\$22.5 billion since the onset of the crisis in October 2019. Lebanon has also relied on limited external financing and the International

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<sup>1</sup> The country context section does not account for the unfolding regional events since October 7, 2023.

<sup>2</sup> World Bank, "Lebanon Economic Monitor, Spring 2021: Lebanon Sinking (To the Top 3)" (2021). ([Link](#))

<sup>3</sup> World Bank, "Lebanon Economic Monitor, Fall 2022: Time for an Equitable Banking Resolution." (2022). ([Link](#))

World Bank, "Lebanon Economic Monitor, Spring 2023: The Normalization of Crisis Is No Road for Stabilization" (2023). ([Link](#))

World Bank, "Lebanon Macro Poverty Outlook," Fall 2023 (2023).



Monetary Fund (IMF) SDR allocation in 2021 to finance critical imports, such as medicine and wheat. Once the interim governor assumed his role on August 1, 2023, the Sayrafa<sup>4</sup> platform ceased operations. The BdL is working on replacing it with a platform operated by Bloomberg, which will have limited to no interference from the BdL. This represents a step toward floating and unifying the exchange rate.

## B. Sectoral and Institutional Context

### Public Financial Management

4. **Public finances have deteriorated, contributing to a breakdown in public service delivery.** Years of lack of fiscal discipline have contributed to weak public finances, which have been exacerbated by the crisis. Revenues are estimated to have declined from an already low 13.1 percent of GDP in 2020 to 6.0 percent of GDP in 2022. At the same time, total public expenditures declined from 16.4 percent of GDP in 2020 to 5.7 percent of GDP in 2022, highlighting reduced state capacity amid the unfolding crisis. The Parliament ratified a new Public Procurement Law, No 244 in 2021. The Budget for 2023 is not ratified, while the parliamentary discussion of the Budget for 2024 has commenced. Meanwhile ad-hoc and piecemeal measures on both the expenditure and revenue sides of the government budget continue to be adopted. Mis-valuation of value-added taxes (VAT), customs, excises, and a lack of correction for inflation in specific excises resulted in losses to revenues equivalent to 5.6 percent of GDP in 2022.<sup>5</sup>

### Pre-crisis legacy

5. **The current crisis unfolded within the context of long-standing issues regarding weak institutional capacity, a lack of transparency, and structural issues leading to poor financial governance.** For example, since 2015 the Open Budget Survey consistently assessed budget oversight by the legislature and audit institutions to be weak, and consistently gave Lebanon some of the lowest scores for transparency. The World Bank's 2022 Public Finance Review (PFR) indicated that, for over 30 years, the "Government consistently and acutely departed from orderly and disciplined fiscal policy to serve the larger purpose of cementing political-economy interests."
6. **Informality and inefficient tax organization structures have had an impact on revenue collection.** The shadow economy in Lebanon was estimated at around 35 percent of GDP in 2015<sup>6</sup>, with only half of workers employed in the formal sector.<sup>7</sup> Tax evasion is endemic. For instance, the IMF estimated that 46 percent of potential VAT collections were lost through non-compliance in 2016. Opposition from the business community to comply with customs formalities is also common. An unintegrated tax organization is an additional challenge, as separate tax organizations for VAT and for income taxes remain in place. This has long been recognized as an impediment to improving tax compliance in Lebanon.

<sup>4</sup> Please refer to the "Spring 2023 Lebanon Economic Monitor" for a discussion on Sayrafa.

<sup>5</sup> IMF, "Lebanon: Technical Assistance Report on Putting Tax Policy Back on Track." January 13, 2023.

<https://www.imf.org/en/Publications/CR/Issues/2023/01/13/Lebanon-Technical-Assistance-Report-on-Putting-Tax-Policy-Back-on-Track-528121>

<sup>6</sup> Corinne Delchat and Leonard Medina, "What Do We Know about the Informal Economy?" in The Global Informal Workforce, (International Monetary Fund, 2021). Other recent estimates, using different methodologies estimated the shadow economy at 39 percent of GDP in 2015. See, for example, M. Kereh, "The Reform of the Tax System in Lebanon – an Impossible Equation?" (University Pantheon-Sorbonne, 2020).

<sup>7</sup> Le Borgne and Jacobs, "Lebanon: Promoting Poverty Reduction and Shared Prosperity," Systematic Country Diagnostic, (World Bank Group 2016).



7. **In Lebanon, the government budget has traditionally not been explicitly policy oriented; maintaining fiscal discipline has been an overarching issue.** Public spending was not governed by a budget for 13 years between 2005 and 2017, as no budget was passed by the Parliament. However, in 2018, Lebanon achieved an important milestone by passing a budget — and passing it on time, even as the budget was delayed in subsequent years. However, these budgets have not been informed by a fiscal strategy. Consequently, the budgets have been in deficit and have failed to reflect the overarching fiscal policies of the government. Another challenge in the national budget planning processes is the lack of inclusion of the National Commission for Lebanese Women (NCLW) in budget debates. This has ultimately contributed to gaps in the consideration of gender issues in budgets, with limited visibility at the national (macro) level concerning the need of financial resource allocation to address gender disparities<sup>8</sup>. Lebanon does not track the proportion of the national budget that is invested in the promotion of gender equality and the empowerment of women.<sup>9</sup> Also, Lebanon ranks a low 132 of 146 countries rated in the Global Gender Gap Index for 2023, scoring poorly in terms of economic participation and political empowerment.<sup>10</sup> Regarding Sustainable Development Goal (SDG), Target 5.c.1 (Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment), no data is available for Lebanon. A lack of transparency of extra-budgetary entities adds to the fiscal risks. The non-availability of fiscal information for monitoring and decision making, as well as weak cash planning, has further augmented the fiscal risks. A 20-year backlog in year-end financial reporting occurred between 1997 and 2017. It was only recently cleared. There are no audit reports for the period 2000-2016, as the focus has been on backlog reduction during recent years. Fragmented information technology (IT) systems also led to a duplication of efforts and cumbersome reporting practices, thereby contributing to the reporting delays. Findings of the 2021 Open Budget Survey (OBS) indicate that Lebanon has a budget transparency score of 9 out of 100 and public participation score of 0 out of 100, indicating space for rapid improvement. For example, only two of the eight key budget documents that should be made available to the public in a timely manner during the fiscal year were published<sup>11</sup>.
8. **The public oversight institutions, such as the Court of Accounts (CoA) and Central Inspection (CI), face common challenges.** These include operating under outdated legislation and regulations; limited capacities; and a lack of staff and financial resources. All of these challenges undermine their ability to uncover and address increased risks of corruption and the misuse of public funds. Public procurement represents 20 percent of central government expenditures and 6.5 percent of the country's GDP. However, there is a lack of a mechanism for lodging complaints regarding public procurement transactions, and procurement performance information or data are not available<sup>12</sup>. The new Public Procurement Law No. 244 of 2021 replaces a fragmented set of regulations. It establishes a Public Procurement Authority as a regulator and foresees the creation of a Procurement Complaint Authority that the government has yet to establish. Lebanon still needs to exert significant efforts to implement the National Public Procurement Action Plan approved in 2022 by the Council of Ministers (CoM). This is necessary to enhance the public procurement system with a focus on capacity and technology gaps, which have resulted in continuing inefficiencies and high risks of corruption.

<sup>8</sup> The National Strategy for Women in Lebanon (2011-2021) is led by the National Commission for Lebanese Women (NCLW) in cooperation with the United Nations Population Fund (UNFPA).

<sup>9</sup> **WOMEN.** The official report on progress made in the implementation and identification of challenges to implement the Beijing Platform for Action 2019.

<sup>10</sup> World Economic Forum, Gender Gap Report (2023). [https://www3.weforum.org/docs/WEF\\_GGGR\\_2023.pdf](https://www3.weforum.org/docs/WEF_GGGR_2023.pdf).

<sup>11</sup> The eight key budget documents are: (1) the Pre-Budget Statement, (2) the Executive's Budget Proposal, (3) the Enacted Budget, (4) the Citizens Budget, (5) In-Year Reports, (6) Mid-Year Review, (7) Year-End Report and (8) the Audit Report. Of which, only the Enacted Budget and the Citizens Budget were available.

<sup>12</sup> **Lebanon.** Promoting Poverty Reduction and Shared Prosperity." Systematic Country Diagnostic. (World Bank Group, 2016).



## Context during the crisis

9. **The crisis has caused staff attrition and absenteeism in the public sector, severely impacting the government's ability to respond to the crisis, maintain core government operations and basic services for citizens, as well as its ability to create the foundations for recovery.** Currency devaluation has eroded public sector salaries, rendering them too low for civil service staff to afford fuel costs to commute and basic day-to-day necessities. As a result, a significant number of staff have left the public sector, either for the private sector where salaries have been partially adjusted or for opportunities abroad, thereby leaving a critical skills gap in the public sector. For staff that remain, there are high absenteeism rates, with many staff only coming into the office one day of the week.
10. **The customs duties and tax revenues fell sharply during the crisis, rendering it difficult for domestic revenues to play a role in regaining economic stability, fiscal sustainability, as well as in funding critical social services at a time when the government has no borrowing capacity.** Total revenues fell from pre-crisis levels of over 20 percent of GDP (2018) to 13.1 percent by 2020. They are estimated to have declined further to only 6 percent in 2022. Tax revenues dropped from pre-crisis levels of 15 percent (2018) to 10 percent (2020), and an estimated 4.8 percent in 2022. The VAT and custom revenues experienced the biggest declines. The volume and value of foreign trade almost halved from 2019 to 2020, thus reducing the tax base. Revenue-related administrative responses further impacted domestic revenue mobilization (DRM). However, the most serious concerns at present are the severe staff shortages that prevent the performance of revenue-critical activities, as well as the lack of funding to meet the daily running costs of government offices.
11. **In this time of severe economic constraints, the lack of a national budget inhibits maintaining aggregate expenditure at an affordable level, responding effectively to the crisis, and funding the recovery.** However, the 2022 budget was approved nine months into the fiscal year. However, the budget had not yet been presented to Parliament as of September 2023. Treasury advances are at an all-time high for unbudgeted activities, thereby weakening fiscal controls. Furthermore, fiscal information and audit reports are not available to support decision making and ensure accountability. Due to staff shortages and absenteeism in the respective agencies, the effort to clear the backlog of year-end financial statements and the finalization of audit reports has been discontinued. The year-end financial statements have not been prepared since FY20. In-year fiscal information has not been available since 2022. Public accountability is further eroded by the delays in operationalizing the Public Procurement Authority (PPA), the Procurement Complaint Authority, and the National Anticorruption Commission (NACC). Moreover, the systematic training and professionalization of the public procurement workforce could not be deployed to support the appropriate implementation of the Public Procurement Law (244/2021).
12. **Well-functioning public institutions are critical to effectively addressing the crisis, as well as to laying the foundation for stabilization and recovery.** However, the crisis-induced compression in revenues and expenditures has resulted in budget cuts and lower service provision in key sectors, such as health and education. At the same time, the dramatic depreciation in wages has led to high levels of staff attrition and absenteeism, which have crippled the operations of public institutions. Recently announced revenue mobilization measures aimed at correcting the mis-valuation in the exchange rate for customs and taxes are expected to increase revenues. However, with weaknesses in tax administration, realizing the full potential of





these policy changes will be a challenge. For Lebanese citizens to be willing to contribute to public revenues, they must trust in the State's capability to discharge its basic functions and deliver public services. Therefore, this project will harness this link between revenues and expenditures by guiding the budget allocations toward critical functions via technical assistance and the enhancement of the accountability and transparency of the State in the use of public finances. This will be achieved by encouraging timely reporting that is available internally for decision making and oversight. It will also be published for citizens. If the issues in revenue administration and public expenditure management are not addressed as a matter of priority, Lebanon will remain in a vicious cycle. The proposed operation will curtail the rapid deterioration of institutions carrying out core public financial functions and set the essential foundations to increase revenue collection in the medium term. The operation will also improve the strategic allocation of public resources to respond to the crisis more effectively in the short term and facilitate stabilization and recovery over the medium term.

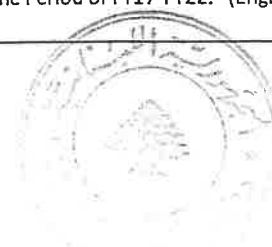
### C. Relevance to Higher Level Objectives

13. **The proposed project contributes to advancing the Lebanon Country Partnership Framework (CPF) FY2017–FY22 objectives, and it is consistent with the updates introduced in the FY22 Performance and Learning Review (PLR).**<sup>13</sup> The CPF has two focus areas that aim to renew the social contract between the State and its citizens: (1) expand the access to and quality of service delivery; and (2) expand economic opportunities and increase human capital development. The CPF also has governance as a cross-cutting theme. Therefore, the proposed project supports the cross-cutting theme of strengthening financial management and public procurement systems. It will also support: (i) focus area 1 targeting an increase in fiscal space (as a result of the supported DRM measures); (ii) strengthening budget allocations; (iii) improving the predictability of cash flows to sectors; and (iv) contributing to human resource capacity through more efficient wage bill management.
14. **The reforms supported under the project are directly aligned with the corporate priorities of the World Bank.** They also align with the Middle East and North Africa (MENA) Regional Strategy, which focuses on restoring trust and renewing the social contract with citizens through improved governance. In addition, they contribute to World Bank efforts vis-a-vis gender, climate, and citizen engagement in the region. The proposed project also broadly addresses fiscal discipline, accountability and transparency issues that were key drivers in causing fragility in Lebanon. The World Bank will contribute to preventing future fragility by staying engaged to build resilience, which is at the heart of the World Bank Group's Strategy for Fragility, Conflict and Violence for 2020–2025. This will be achieved by protecting core public financial management (PFM) institutions from further deterioration, as well as by restoring their basic functions. Indeed, these functions are essential for a country to effectively respond to a crisis and stabilize over the medium term.

### Paris Alignment and Climate Change

15. **Lebanon's climate projections show a deterioration in current conditions with warmer temperatures, decreased rainfall, and more extreme weather events.** By the end of this century, the increase in temperature could reach up to 4.9°C. Spatial variation is also expected, with coastal regions and the Bekaa being disproportionately impacted. Precipitation projections estimate a decrease of 6.6 and 20.5 percent by 2040

<sup>13</sup> "Lebanon - Performance and Learning Review of the Country Partnership Framework for the Period of FY17-FY22." (English). (Washington, D.C.: World Bank, 2022)

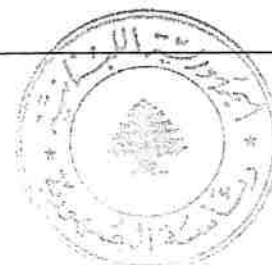




under different scenarios (that is, Representative Concentration Pathway [RCP] 4.5 and RCP 8.5, respectively). Consequently, the number of consecutive dry days will increase in the next 20 years, including higher risks of droughts. Under a 2°C increase, droughts are expected to shift temporally, occurring 15 days to a month earlier, while also impacting snowmelt and increasing flood risks. Heatwaves also pose a significant threat to Lebanon, as they are expected to increase both in intensity and duration. Heatwaves are also expected to increase the risks of wildfires. Through mid-century, the number of days where temperatures exceed 35°C to 40°C are expected to double. Extreme events such as floods, droughts, heatwaves, and storms are already becoming more recurrent. Since 2010, floods are estimated to have increased in frequency, with three times the number of flood incidents recorded in 2015. Excessive rainfall patterns have caused flooding of river basins and cities, posing risks to citizens, agricultural lands, and infrastructure. In addition, flash floods have become more prevalent throughout the years, particularly in the North, Bekaa, and East of Lebanon.<sup>14</sup>

16. **Despite Lebanon's small contribution to global emissions (less than 0.1 percent), and the severity of its ongoing crisis, the country has put forward ambitious climate commitments.** The updated 2020 Nationally Determined Contribution (NDC) includes a commitment for a 20 percent unconditional and 31 percent conditional greenhouse gas (GHG) emission reduction target compared to the business-as-usual scenario. Lebanon's NDC also presents six guiding adaptation principles, including: (i) achieving food and water security; (ii) enhancing the resilience of infrastructure in urban and rural areas; (iii) ensuring and protecting public health, well-being, and safety of all communities through climate-resilient systems; (iv) incorporating nature-based solutions as a first line of defense from the adverse impacts of climate change; (v) combating desertification and land degradation; and (vi) substantially reducing the risk of climate- and non-climate related disasters. Lebanon is drafting its Long-Term Strategy for Low-Emission and Resilient Development, as well as the National Adaptation Plan.
17. **Although Lebanon has been ambitious concerning the climate policy and planning agendas, the absence of implementation and the difficulty of accessing finance have hindered any real progress.** Lebanon's governance deadlocks and collapsing public finance functions regarding revenue administration and expenditure management significantly constrain the implementation of climate action, thus leading to the inability of the government to co-finance climate funds and strategically allocate resources for climate change mitigation and adaptation.
18. **Against this backdrop, the project is consistent with Lebanon's NDC and other climate-related strategies and actions plans.** Lebanon's 4<sup>th</sup> National Communication on Climate Change highlights that effective climate action in Lebanon requires robust governance mechanisms, regulations, and partnerships. It outlines six Climate Action Enablers, including: (i) improved governance and institutional capacities; (ii) incentivized action and fiscal reform, such as tax incentives for clean technology uptake; (iii) strengthened partnerships; (iv) innovative research and development, including partnerships with academic bodies, and the encouragement of innovation labs; (v) comprehensive integration, including gender institutions, youth groups and vulnerable communities; and (vi) enhanced monitoring and transparency. As such, through restoring the core public functions, this project directly contributes to the Climate Action Enabler (i) mentioned above. Overall, recovering the core finance functions of the Ministry of Finance and other critical accountability institutions is among the key pre-conditions for any tangible climate action in Lebanon. The project is also aligned with the Lebanon Country

<sup>14</sup> "Lebanon Country Climate and Development Report (CCDR)." (World Bank, forthcoming).





Climate and Development Report (CCDR). Thus, it will support the implementation of its recommendations, namely, those pertaining to suggestions linked to reactivating public sector capacity.

## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### Project Development Objective (PDO) Statement

19. The project development objective is to support the Lebanese Republic restore the basic functions of domestic revenue mobilization and accountable allocation in the use of public resources.

#### PDO Level Indicators

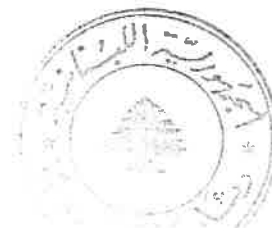
- Increased number of tax declarations filed by large taxpayers (performance-based condition (PBC)) and an increase in the number of audits of large taxpayers (for income tax and VAT (PBC)).
- The annual budget is submitted to the Council of Ministers at least 3 months prior to the start of the fiscal year (FY) (PBC).
- Timely completion and publication of annual audited financial reports (PBC).

### B. Project Components

20. **Progress toward achieving the PDO will help restore public services to prevent further erosion of the economy and to prepare the ground for a sustainable recovery.** As the crisis has deepened, it has also eroded institutional capacity to effectively respond to the crisis and manage a recovery. The project aims to change this dynamic by restoring and recovering core public financial management functions. This includes: (a) stabilizing revenue administration including tax and customs; (b) restoring fiscal controls, which include budgeting and reporting; and (c) revitalizing oversight and accountability institutions and procurement. The activities that aim to strengthen budget allocations to critical and strategic functions will complement the sector-level initiatives of the World Bank, such as in education and health, as well as in enhancing accountability at the sector level. Project activities have been selected using the following criteria. Activities must: (a) be urgent and critical; (b) include immediate foundational work required for medium-term recovery; and (c) contribute to the achievement of prior actions under the IMF Staff-Level Agreement (SLA) reached in April 2022 with reform actions still under implementation.

21. **The project will benefit from parallel co-financing from the multi-donor Lebanon Financing Facility (LFF) for Reform, Recovery and Reconstruction.** The LFF Trust Fund will provide a total of US\$6 million to support the strengthening of public financial management. An amount of US\$5.5 million will be executed by the government and US\$0.5 million will be executed by the World Bank to support advisory and capacity-building activities.

22. **The World Bank intervention through Investment Project Financing (IPF) combines both input-based and PBC-based disbursements.** PBCs aim to incentivize the restoration of core PFM functions for both expenditure management and domestic revenue mobilization, as well as to provide the necessary PFM stability to focus on





recovery (see table 1). This proposed financing instrument aims to incentivize critical staff at the Ministry of Finance (MoF), the Court of Accounts and Central Inspection. Eligible expenses for the PBCs will be the essential operating and capital costs (see table 2) that will ensure staff availability and suitable working conditions to achieve the PBCs. Eligible expenses will be incurred directly by the project, and they will not support government budget lines. Staff allowances are supported in principle by the current civil service legal framework (Legislative Decree No. 112<sup>15</sup> with additional flexibility provided by lifting the ceilings on the allowances until December 2024, as per Article 115 of the 2022 annual Budget Law. Furthermore, eligible expenditures will be incremental to government spending. They will be transitional in nature, and they will not replace current government spending in any form. The project will provide a six-month advance to meet the funding needs for these expenditures. In addition to the PBCs, there will be financing for technical assistance consultancies, essential training and capacity building, and information and communication technologies (ICT) equipment for PFM functions. The project will also include funding for solar energy. However, the government may explore grant financing for the solar component if resources become available from donors in a timely manner in response to project implementation needs. This approach applies to all project components where funding for solar energy is envisaged. A PFM and Payroll Assessment (P180151) has informed the design of these activities.

23. **The project will include retroactive financing.** This financing will have a ceiling of US\$2 million for eligible expenditures made on or after November 01, 2023 and up to signing dates. This will include procurable expenditures that comply with the World Bank's procurement and anti-corruption guidelines. The government has adequate internal controls in place to ensure that these expenses are incurred efficiently, effectively, and for the intended purposes.

Table 1: Performance-Based Conditions

| Result Area                                                           | Performance Based Conditions                                                                                                                                                                                      | Subcomponent(s) |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Improved DRM functions                                                | PBC #1 a. Increase in the number of tax declarations and the audits of large taxpayers (of income tax and VAT).                                                                                                   | 1.1             |
|                                                                       | PBC #1 b. Increase in the number of risk-based desk and premises post clearance audits for port of Beirut customs.                                                                                                | 1.2             |
| Timely budgeting                                                      | PBC #2. Timely submission to the Council of Ministers (CoM), of a budget (Timely budget consultations, preparation and submission <u>and</u> a preparation process closely linked to the macro fiscal framework). | 2.1             |
| Improved availability of fiscal and financial performance information | PBC #3 a. Timely completion and publication of annual audited financial reports (timely financial reporting and <u>timely</u> audit report(s) published).                                                         | 2.2 and 3.1     |
|                                                                       | PBC #3 b. Fiscal Performance Report published (quarterly, mid-year and end of fiscal year reports).                                                                                                               | 2.2             |
| Enhanced efficiency in payment processing                             | PBC #4. Timely review of supplier and pension payment documentation.                                                                                                                                              | 2.3             |
| Enhanced integrity in payroll                                         | PBC #5. Regular payroll audits.                                                                                                                                                                                   | 3.1             |

<sup>15</sup> <https://www.cib.gov.lb/ar/node/2005>





Table 2: Eligible Expenditures Associated with PBCs

| Type of Expenditure                                                                                                                      | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Allowances</b> for key staff in Implementing Ministries, Departments and Agencies (MDAs) directly responsible for achieving the PBCs. | Salaries have deteriorated to the extent that even the recent increase in salaries is insufficient to cover transportation costs. This has reduced staff attendance. Regular attendance is essential to restoring basic PFM functions, as well as to preparing the recovery. The incentive will be sufficient to improve the current levels of attendance — and to provide an incentive for staff to achieve results.                                                                                                                                                                                                  |
| <b>Contracted personnel</b> hired from the market to undertake specific urgent and critical activities.                                  | Due to the deterioration in public sector wages, the public sector is facing staff attrition and key positions remain vacant. There is currently a staffing freeze, and the government has no fiscal space to fill the vacancies.<br><br>The project will provide funds to hire contracted personnel for a limited period and for specific activities, for instance, to clear the significant backlog of work that is critical for advancing current reforms. These expenditures are less than 5 percent of the PBC funding allocation. They will not be retained for longer periods as substitutes to civil servants. |
| <b>IT equipment and related IT consumables</b> for end users responsible for achieving results.                                          | User IT needs to achieve results, such as laptops, printers and scanners, will be included.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

24. The project includes the following four components:

**Component 1: Stabilizing Revenue Administration** in Domestic Revenue Mobilization (US\$14.1 million: loan US\$ 10.6 million and grant US\$ 3.5 million)

25. This component aims at providing essential support to critical revenue functions, which is a pre-condition to increasing the collection of tax and non-tax revenues. This component will receive funding upon the achievement of PBC # 1a and PBC #1b. The component will fund technical assistance, training, and essential revenue IT system maintenance and upgrades. Additionally, funding will be provided to install solar panels (at a cost of approximately US\$1 million) for electricity generation in the buildings of these agencies as required.

**Subcomponent 1.1: Strengthening Large Taxpayer Office and a Taskforce for Large Debts** (US\$5.2 million: loan US\$5.2 million and grant US\$0)

26. The aim of the subcomponent is to enhance tax compliance. Operational support will be provided to re-launch the Large Taxpayer Office (LTO) under new eligibility criteria, including the administration of income tax and VAT functions for large taxpayers. Currently, the Income Tax and VAT Directorates are running a pilot for integration of their functions for the administration of income tax and VAT for large taxpayers. Support to the LTO will include operationalization of a task force targeting for prioritized collection of large tax arrears. Operational support will be provided to implement a compliance improvement plan to drive the compliance





agenda further, including support to the timely filing of declarations and payment of taxes by large taxpayers, as well as the conducting of market surveys to identify taxpayers required to register. The government will establish a critical functions workforce to carry out these tasks. Operational support under this subcomponent will consist of allowances to staff, end user IT and temporary IT staff. It will be funded upon the achievement of **PBC# 1a**. Additionally, funding will be provided for training and capacity building for critical staff. The project will also fund taxpayer education training that will facilitate better voluntary compliance.

**Subcomponent 1.2 Restoring Basic functions of Customs (US\$1.9 million: loan US\$1.9 million and grant US\$0)**

27. The project will support the implementation of the existing Customs Law through training and capacity building. This will help to ensure basic functioning of the customs administration, as well as alignment with international obligations, notably, the Trade Facilitation Agreement (TFA), the Revised Kyoto Convention (RKC), and the World Customs Organization (WCO) Safe Framework of Standards (SAFE). This also entails adjusting the "customs dollar" (the preferential rate currently applied to imports) to the market rate, which is a policy decision of the government. Customs will complete the transfer of staff from non-critical to revenue-critical positions to carry out core functions. The project will provide operational support to the team by way of allowances and end-user IT equipment upon the achievement of the **PBC #1b**. A local domestic revenue mobilization coordinator will be supported for day-to-day coordination with the VAT, Revenue Directorate, and the Customs authorities. Additionally, the coordinator will support the international expert hired under the French Development Agency (*Agence Française de Développement*) (AFD), in providing advisory services for the preparation of the Customs Strategic Plan, including a new organization and governance model.

**Subcomponent 1.3: Restoring Revenue Management ICT systems (US\$7 million: loan US\$3.5 million and grant US\$3.5 million)**

28. The subcomponent will provide support to maintain and undertake critical upgrades to the hardware, software, and ICT capacity of the tax and customs ICT systems. Experts will be hired for software enhancements (including developing the e-filing and e-declarations systems, VAT module upgrade, implementation of additional IT modules at Customs such as risk management, and so on). The IT experts will also document the IT source code of the existing platforms to facilitate system maintenance, as well as to provide training to existing staff where needed to maintain the upgraded systems. Support also includes the renewal of critical software licenses to revenue platforms and the renewal of the ASYCUDA support contract with UNCTAD for an additional three years. In addition, it will entail support to integrate revenue and custom systems to enhance data sharing for critical decision making and enhancing the review functions.

| Component 1: Classification of Activities    |                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category                                     | Activity                                                                                                                                                                                                                                                                                                                                          |
| Urgent for restoration                       | <ul style="list-style-type: none"><li>Activities to enhance tax declarations and collections.</li><li>Critical IT maintenance and enhancements.</li><li>Operationalize the LTO and Large Debtor task force.</li><li>Conduct risk-based, post-clearance customs audits.</li><li>Capacity building to implement the existing Customs Law.</li></ul> |
| Foundations for medium-term recovery         | <ul style="list-style-type: none"><li>Operational support to task force and the Large Debtor Unit.</li><li>Prepare Customs Strategic Plan.</li></ul>                                                                                                                                                                                              |
| Support to IMF Staff-Level Agreements (SLAs) | Implementation support for revenue policies included in the SLA under consideration.                                                                                                                                                                                                                                                              |

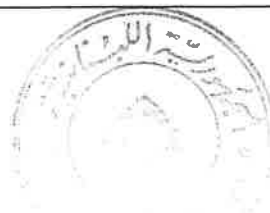


**Component 2: Restoring Fiscal Controls (US\$ 12.4 million: loan US\$10.4 million; grant US\$ 2 million)**

29. The objective of the proposed component is to reestablish the critical pillars for allocating and utilizing resources to meet urgent needs, as well as to set the foundation for recovery. The proposed activities under this component will be funded upon the completion of the targets under **PBC #2, PBC #3a, PBC #3b and PBC #4**. In addition, the proposed component provides technical assistance, training and ICT equipment in budget preparation areas, including procurement planning, and fiscal and financial reporting. Furthermore, funding will be provided to install solar panels for electricity generation (at a cost of approximately US\$1 million) in the buildings of these departments and agencies as required. The component supports the following subcomponents:

**Subcomponent 2.1: Strengthening Budget Preparation (US\$2.1 million: loan US\$2.1 million; grant US\$0)**

30. The subcomponent will support the resumption of a budget preparation process with the aim of facilitating a timely and balanced annual budget, underpinned by a sound macro-fiscal framework supporting crisis response and recovery. The subcomponent will provide operational funding to support this process upon the completion of **PBC #2**. Operational support under this subcomponent will consist of primarily allowances to staff and end user IT. The subcomponent will support a local budget expert to provide regular on-the-job training and complement the work of an international budget expert (funded from the LLF BETF). The local budget expert will advise about credible budgeting in the current context, supported by enhancements to the budgeting methodologies, including a fiscal risk analysis and budget policy statement as a basis for deliberation of the budget. Additionally, funding will be provided to a local macro-fiscal expert for on-the-job training to complement the work of the international non-resident macro-fiscal expert funded by the AFD in updating the macro-fiscal framework and preparing budget ceilings. The proposed project will fund technical assistance and awareness-raising activities to implement a communications campaign. It will be used to create awareness among political stakeholders, especially the Council of Ministers, regarding the fiscal consequences of their policy decisions. The proposed subcomponent will set the foundations for gender-responsive and climate-sensitive budgeting. This proposed project will establish processes (during budget preparation) that will enable a closer link between the National Commission for Lebanese Women's (NCLW) strategic gender objectives (currently in the process of being updated with a new strategy) and national budget allocations. The planned Gender Impact Assessment to be carried out by technical experts from the Mashreq Gender Facility (MGF) in Lebanon will further inform budget decisions. The project will enhance the visibility of gender-related issues and budget needs in the form of a publishable gender annex to be included in the overall budget report that will be submitted to Parliament. A similar annex will be prepared to mainstream climate priorities into budgetary processes. Furthermore, the Ministry will institutionalize by setting up procedures to scale up project-based consultations and feedback/complaint management processes already outlined in the SEP and building capacity, the public consultation mechanism and the public feedback/complaint management mechanism for the budget cycle. Consultations for budget preparation will be convened online and in-person to include diverse representation and perspectives, and a summary consultation report outlining feedback received and government response will be prepared in conjunction with the Executive's Budget Proposal. The feedback/complaint management mechanism will receive, process and respond to feedback provided on an ongoing basis throughout the budget process. Finally, internal action plans will be prepared on an iterative basis to manage and implement public feedback received through the budget consultation and feedback mechanism.





**Subcomponent 2.2: Regularizing Fiscal Reporting (US\$2.1 million: loan US\$2.1 million; grant US\$0)**

31. The subcomponent will regularize the generation of budget execution reports, annual financial statements, and bank reconciliations that are essential for closely monitoring budget execution and fiscal risks. Upon the completion of PBC #3b and some of the milestones of PBC #3a, this subcomponent will provide operational support in terms of allowances and end-user IT equipment. Technical assistance will be provided to develop dashboards with key fiscal information and trends for decision makers. This information will then be disseminated to citizens. Government will reduce the number of bank accounts related to ministries outside the Treasury Bank Account (TBA)<sup>16</sup>.<sup>17</sup> This will help to enhance the efficiency of bank reconciliations and improve the reporting function.

**Subcomponent 2.3. Maintaining Timely Payments (US\$2.2 million: loan US\$2.2 million; grant US\$0)**

32. This subcomponent supports the maintenance of an efficient payment review function. In this regard, operational support in terms of allowances and end-user IT equipment is provided upon the completion of the PBC #4. The subcomponent supports the timely review of suppliers' payment documentation, as well as the timely preparation, review and updates of pension files.

**Subcomponent 2.4 Restoring Cross-cutting ICT Functionalities (US\$6 million: loan US\$4 million; grant US\$2 million)**

33. The subcomponent will replace urgent hardware, software and licenses that provide cross-cutting support to expenditure management. This includes support for the replacement of the main hardware (including computer servers, storage devices, routers, and switches) and software utilities, as well as the renewal of critical software licenses that provide cross-cutting support to expenditure management systems (the payroll platform, for example) and revenue platforms. Additionally, the IT support function will also be strengthened with additional IT consultants to document the current system; manage data migration from current to new hardware; train end users; fix glitches; and carry out minor updates to the current software, other system developments, and so on. In addition, a business process review, a post implementation review and a medium-term IT strategy for the MoF will be conducted to provide the Ministry with a way forward, including a vision for future IT platforms for the Ministry.

| Component 2: Classification of Activities |                                                                                                                                                                                                                |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category                                  | Activity                                                                                                                                                                                                       |
| Urgent for restoration                    | <ul style="list-style-type: none"><li>• A balanced budget aligned with the macro framework and priority crisis response actions.</li><li>• Urgent IT restoration.</li><li>• Timely fiscal reporting.</li></ul> |
| Foundations for medium term recovery      | <ul style="list-style-type: none"><li>• A budget aligned with priorities for recovery.</li><li>• A business process review.</li><li>• ICT Strategy.</li><li>• New software.</li></ul>                          |
| Support to IMF Staff-Level Agreements     | Timely budget approval.                                                                                                                                                                                        |

<sup>16</sup> TBA includes several bank accounts under account no. 36

<sup>17</sup> TBA includes several bank accounts under account no. 36



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**Component 3: Revitalizing Oversight and Accountability Institutions and Procurement Capacity Building (USD\$5 million: loan US\$5 million; grant US\$ 0)**

34. **Oversight and accountability organizations have a large role to play in creating an accountability culture in public finances and, more broadly, across the Lebanese government.** This component aims to support the Court of Accounts (CoA), the Central Inspection (CI) and the Public Procurement Authority<sup>18</sup> in, their role of oversight, audit, and building capacity. It also aims to expand their engagement with the citizens. In addition, the component will support the Institute of Finance (IoF) in providing capacity building and awareness of the application of the public procurement law. The proposed activities under this subcomponent will be funded upon the completion of the targets under **PBC #3a** and **PBC #5**. Additionally, technical assistance, training, and IT enhancements will be funded. Finally, funding will be provided to install solar panels in the buildings of these agencies, as required for electricity generation (at a cost of approximately US\$0.8 million).

**Subcomponent 3.1 Increase Capacity to Oversight and Accountability Institutions (US\$4.5 million: loan US\$4.5 million; grant US\$0)**

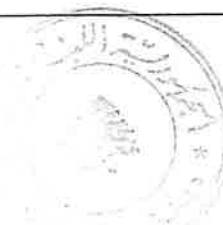
35. **In the short term, support will be provided to strengthen the capacity of the CoA and CI in performing some of their core functions.** This includes operational support to the CoA for allowances, end-user equipment and temporary audit teams, if needed to expedite the clearance of the backlog of statutory audits (to connect the accountability chain to current issues), as well as to maintain timely audits thereafter, upon the completion of **PBC#3a**. Further technical assistance in terms of methodology and capacity building will be provided to carry out audits of automated environments. The subcomponent will also support citizen engagement activities vis-à-vis audit recommendations by funding awareness-raising activities and the generation of citizen-friendly reports. Female participation in citizen engagement activities will be tracked and encouraged. To support CI in carrying out in-depth payroll audits, operational support in terms of incentives and end-user IT support will be provided upon the completion of **PBC#5**. The CI's capacity to conduct payroll audits will also be strengthened through training, especially on-the-job training. To address the limitations in data access and the timely availability of information for the CoA and CI to carry out their audits and inspections, connectivity platforms will be established under the subcomponent for the requisite interface with the auditees, such as with MoF, local municipalities, and so on. To increase audit and inspection efficiencies and effectiveness, the provision of ICT equipment and audit/inspection software will also be supported by this subcomponent.

**Subcomponent 3.2 Procurement Certification Programs and Training (US\$0.5 million: loan US\$0.5 million; grant US\$0)**

36. **The proposed initiative will support the establishment of a certification program in public procurement.** This will include the design of a professionalization framework for public procurement practitioners with competency clusters covering planning to contract management, as well as ethics and anticorruption. The framework will be subject to consultations with stakeholders to: (a) design the mechanism, (b) identify actors

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<sup>18</sup> Any other public procurement institutions for oversight established in the future may also be included, such as the procurement Complaint Authority.





for delivery and (c) other arrangements for execution. Professionalization process will integrate the extended training proposed under this subcomponent<sup>19</sup>, that ranges from on-the-job training, to online training supported by a learning management system, and specialized training covering the following topics: 1) procurement planning; 2) standard procurement documents; 3) contract management; 4) building the capacity of the CoA, CI and State Council; 5) e-procurement; 6) risks of corruption and mitigating measures; 7) procurement techniques ensuring that sustainability is respected through access to public bidding by small and medium enterprises (SMEs) and women-owned enterprises, including training and awareness of gender-sensitive public procurement implementation decrees planned under the MGF<sup>20</sup>; 8) supporting the environment and social integration in procurement through green procurement; and 9) framework agreements. In addition, the project will raise awareness among private sector contractors/suppliers/consultants about public procurement opportunities and enhance their access to public procurement. Communication and citizen engagement will be an integral part of the capacity building, including the development of technical tools, such as guides and notes on procurement techniques for effective planning, market analysis, integration in the budget cycle, and innovative procurement approaches as an economic enabler. IT equipment, office supplies, and software for the operations and for training shall also be supported.

| Component 3: Classification of Activities |                                                                                                                                                                                       |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category                                  | Activity                                                                                                                                                                              |
| Urgent for restoration                    | <ul style="list-style-type: none"><li>Regularize audit reports.</li><li>Payroll audits to enhance credibility of the payroll.</li></ul>                                               |
| Foundations for medium-term recovery      | <ul style="list-style-type: none"><li>Follow up and greater transparency concerning audit recommendations.</li><li>Data-sharing IT platforms.</li><li>Procurement training.</li></ul> |

#### Component 4: Project Management (US\$2.5 million: loan US\$2.5 million; grant US\$ 0)

37. This component will support the management, coordination, communications and monitoring and evaluation (M&E) for project activities. The component will fund the maintenance of a Project Coordination Unit (PCU) under the Ministry of Finance. The PCU will be staffed with a full-time project coordinator, fiduciary specialists and a monitoring and evaluation specialist. In addition, a part-time Environmental and Social (E&S) Specialist will be assigned to manage the E&S requirements during the project. Also, communication expertise will be contracted or assigned as needed. Project management staff salaries, allowances, training, and basic facilities for managing the project will be funded under this component. In addition, the component will fund the cost of an independent verification agent to verify the PBCs.

#### Component 5: Contingent Emergency Response Component - CERC (US\$ 0)

<sup>19</sup> Trainings shall be monitored against different considerations such as gender, environment, social, economic dimension, etc.

<sup>20</sup> Gender and procurement consultations highlighted direct relevance of procurement policies in overcoming barriers in women's participation. As such, there are plans to study the market to assess feasibility and inform policies related to women-owned enterprises in the future.



38. **This component will support the provision of an immediate response to an Eligible Crisis or Emergency<sup>21</sup>, as needed.** It will be considered in the case of a relevant emergency event. In light of the overall political and economic situation in Lebanon, the project will contribute to providing an immediate and effective response in the event of an eligible emergency or crisis that affects the public or financial sector. In the event that the CERC is activated, a CERC Operations Manual will be prepared during project implementation to govern the operation of the component.

#### C. Project Beneficiaries

39. **The primary beneficiaries are the participating government entities and their staff; secondary beneficiaries are the citizens of Lebanon, who will benefit from the activities related to restoring and recovering core public financial management functions.** This includes the MoF (including the IOF), the Court of Accounts, Central Inspection, and procurement institutions and their relevant staff. Institutional benefits will accrue from the resumption of core processes, for example, the preparation of an annual budget, the implementation of the customs law, and the upgrading of IT systems to resolve issues of attrition and absenteeism. Civil servants will directly benefit from training and capacity building, as well as improved productivity resulting from institutional improvements. Improvements to PFM that will support the restoration of public services and prepare the ground for sustainable recovery will ultimately benefit the people of Lebanon. These groups will benefit from improved public service delivery resulting from improved management and the more efficient allocation and use of public resources.

#### D. Results Chain

40. **The proposed project will yield development results by restoring critical public financial management functions.** The causal effects depicted in the results chain in table 3 outline how these urgent and critical initiatives to restore domestic revenue mobilization, expenditure management and oversight of public finances will contribute to economic recovery. Recovery would be driven by an increase in fiscal space, the strategic allocation of resources, improved fiscal discipline, greater transparency and accountability of public finances and improved service delivery.

Table 3: Theory of Change

<sup>21</sup> An Eligible Crisis or Emergency is defined as an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact associated with natural or man-made crises or disasters

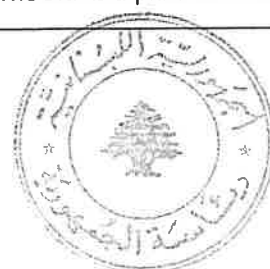




| Problem Statement: Disrupted core PFM functions due to the crisis, with PFM weaknesses predating the crisis                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                |                                                                                                                           |                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Challenges                                                                                                                                                                                                                                              | Intervention                                                                                                                                                                                                                                                                                                                                             | Outputs                                                                                                                                                                                                                                                                                                                  | Outcomes                                                                                                                                                                                       | PDO                                                                                                                       | Higher Level Objectives                                                                                                                                                                                                                        |
| Informal cash economy leading to tax evasion, unintegrated tax organization structures, a lack of information sharing, a loss of revenue due to non-compliance, and weak tax administration due to staffing and IT issues.                              | Reviving Revenue Administration, including improving attendance and the results-orientation of staff; extending support for voluntary compliance and for collections; conducting post-clearance customs audits; enhancing information sharing; improving the organizational structure; and strengthening capacity.                                       | Better functioning <u>LTO</u> (including VAT and income tax functions) and a large Debtor task force; better integrated IT systems with critical functionalities; post-clearance customs audits; new organizational structures for customs and new eligible criteria for large tax payers introduced.                    | More large VAT and income taxpayers identified.<br><br>Increased audits of large taxpayers                                                                                                     | Restore the basic functions for domestic revenue mobilization and the accountable allocation and use of public resources. | Critical operations of tax and customs administrations are restored.<br><br>The number of timely declarations by large taxpayers have increased.<br><br>Increased tax and customs revenues.                                                    |
| Lack of strategic allocation of resources and expenditure control due to the unavailability of a budget; and a lack of fiscal performance information, annual financial reports and audit reports for decision making, transparency and accountability. | Improving attendance and results-orientation of staff; improving budgeting processes and timeliness; updating the macro-fiscal framework; preparing a fiscal strategy; improving timeliness of clearance of payment <u>documents</u> ; strengthening reporting by regularizing timely data entry, bank reconciliations and closing of year-end accounts. | Updated macro-fiscal framework, budget ceilings and fiscal strategy to guide the budgeting process. More <u>up-to-date</u> , in-year fiscal reports and bank reconciliation statements; reduced amount of Treasury advances and number of bank accounts held outside of the TSA, enabling fiscal reports to be prepared. | Foundations for an annual budget better aligned with a macro-fiscal framework are available at the start of the fiscal year.<br><br>Published and more up-to-date, year-end financial reports. |                                                                                                                           | More policy-based, <u>credible</u> budget where public resources are better allocated to critical and strategic areas.<br><br>More timely procurement planning.<br><br>Better quality of financial reports for decision making and monitoring. |
| Long delays in audit reports; no payroll audits to check the integrity of the payroll; no capacity to <u>implement</u> a new procurement law.                                                                                                           | Improving attendance and results-orientation of staff; regularizing audits; capacity building for auditing of IT systems; support for conducting payroll audits and procurement training.                                                                                                                                                                | Published Implementation Status Reports on audit recommendations; payroll audits conducted; access to auditee systems established; trained and certified procurement practitioners.                                                                                                                                      | Published and more up-to-date audit reports.                                                                                                                                                   |                                                                                                                           | More reliable, comprehensive, and transparent payroll registry. Higher levels of compliance with financial rules and regulations.                                                                                                              |

#### E. Rationale for Bank Involvement and Role of Partners

- Fiscal accountability remains a critical agenda item in Lebanon, and there is an expectation by the client and the development partners regarding World Bank support for PFM reforms. The project is aligned with Lebanon's Reform, Recovery and Reconstruction Framework (3RF). The 3RF is a platform designed to respond



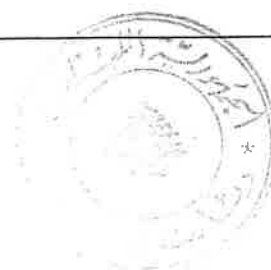


to Lebanon's national reform challenges. It is conducted in partnership between the Government of Lebanon, civil society, and the international community. The 3RF features a Civil Service and Public Administration Reform Working Group, which includes two strategic priorities that the project largely covers: (i) public financial management and public procurement; and (ii) anticorruption, integrity, and transparency.

42. **There are several active development partners, such as the European Union (EU), the IMF, and the United Nations Development Program (UNDP) in the PFM and public sector space; thus, development partner coordination will be key to avoiding duplication of efforts.** However, except for the National Public Procurement Action Plan/ Strategy (2022), the government does not have any master reform plans that can act as a tool for development partner coordination. In addition, it does not have the capacity to embark on such an exercise in the current context. Therefore, a concerted effort will be made in this project to enhance information sharing and coordination with other development partners. The PCU under the MoF is envisioned as the facilitator of periodic development partner coordination meetings to communicate project progress, as well as to provide a platform for development partner engagement. In addition to this project-specific coordination effort, under the 3RF process, the Working Group on Anticorruption, PFM, Civil Service and Public Administration Reform serves as a forum for coordination among international partners, government ministries/agencies and civil society. The 3RF Working Groups recently renewed their focus on reforms. As such, they will serve as a consultative forum for debating, promoting and supporting critical reforms, including the reforms supported by this project.

#### F. Lessons Learned and Reflected in the Project Design

43. **Implementing reforms in a crisis setting calls for innovative approaches.** In the context of this severe crisis, where civil servants have very irregular attendance and where there are serious staffing gaps, traditional technical assistance efforts by development partners rarely translate into actual reforms on the ground. Prerequisites to train staff are not present due to absenteeism, and reform recommendations are generally shelved due to several factors, including a lack of leadership, fiscal constraints, and a lack of staff. As a result, reform actions are slow and close to non-existent. Taking this into consideration, the technical assistance will be coupled with operational funding to improve staff attendance, given that this is one of the key bottlenecks for reform implementation during this crisis. The project will go a step further and tie in the operational funding with results, for an added incentive. The World Bank has deployed similar support in other countries that faced severe capacity constraints similar to those in Lebanon. The common features of these initiatives include: (1) the recognition that immediate and temporary, staff-related support is needed at a time of severe capacity constraints before any reform can be effectively undertaken; and (2) the need for a parallel focus on an exit strategy, which comes in the form of support to sustainable reforms.
44. **Windows of opportunity are important for reforms, and, at times, fiscal pressures can create this window.** A conducive environment with an appropriate commitment from the top is essential for PFM reforms to be successful. At this time of crisis, with severe fiscal pressures, there is renewed interest in PFM reforms from the new leadership in the MoF and other heads of agencies. The project aims to seize this opportunity, focus on





restoring the most urgent functions, and implementing basic reforms<sup>22</sup> as an effective and appropriate response to the crisis and fragile institutional context of the country. This aligns with recent lessons that PFM reforms should be problem-driven and focus on priority functions.<sup>23</sup> Part of this process includes the identification of why certain bottlenecks exist and making informed decisions about which instrument to use. Accordingly, part of the project will be supported by the PBCs to foster an interest in results.

45. **One of the important lessons learned in previous World Bank-financed projects on public financial management in Lebanon**, mainly the Fiscal Management Reform 2 project (FMR2- P133226), is that compartmentalized projects with limited cross-directorate or cross-ministerial involvement have the best potential for success. Hence, the proposed project will clearly identify the activities for each of the directorates, along with the PBCs. World Bank-financed projects further highlight that a project is more effective with fewer components and with more realistic targets and objectives. Hence, the proposed project's objectives are narrowly focused on addressing the most critical bottlenecks related to the ongoing crisis. The objectives have been carefully developed and agreed with the government, with due consideration to the real immediate and short-term needs that are achievable given the current constraints.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

46. **The PCU under the MoF will be responsible for project coordination and liaising with the departments that implement the project.** The PCU will include a full-time Project Director and other full-time and part-time project staff. The decision by the MoF to establish a PCU will be an effectiveness condition and the staffing of the PCU will be a dated covenant (within 2 months of effectiveness) for the loan. The MoF will be responsible for the coordination of grant activities if the loan is not effective when grant funded activities are being implemented. MoF will assign within 1 months of effectiveness, existing staff on part time basis to a 'project team' for project coordination and other functions similar to the PCU. The project will have a multi-stakeholder Project Steering Committee within 3 months of effectiveness, that the MoF will convene periodically established within 60 days of project effectiveness and maintained throughout. It will consist of the heads of relevant agencies to discuss cross-cutting areas. The project will also have periodic development partner forums. These will serve as an information-sharing platform to enhance development partner coordination. An independent

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<sup>22</sup> For example, this could include targeting easy-to-collect and/or high-yielding taxes, simplifying organizational structures for revenues; gaining control of the annual budget; implementing basic controls for budget execution; and consolidating cash resources in accordance with the International Monetary Fund (IMF). "Building Fiscal Capacity in Fragile States." IMF Policy Paper. No. 31. June. (Washington, DC: International Monetary Fund, 2017).

<sup>23</sup> Verena Maria Fritz, Marinus Verhoeven, and Ambra Avenia. "Political Economy of Public Financial Management Reforms: Experiences and Implications for Dialogue and Operational Engagement." Working Paper. (Washington, D.C.: World Bank Group, 2017). <https://documents1.worldbank.org/curated/en/596281510894572778/pdf/121436-REVISED-PUBLIC-PE-of-PFM-Reforms-Report-Web.pdf>.





verification agent will also be hired by the project within 90 days of project effectiveness, to independently verify the PBCs. A robust internal control process will be followed for all project payments, and these will be reflected in the grant manual and project operations manual (POM)<sup>24</sup> - a condition for effectiveness of the grant and loan respectively. A thorough identification process will be followed for the payment of staff allowances, including a verification process by the external auditors, who will check the authenticity of the information and track the payments to the beneficiaries. The project will follow the direct payment method for large payments. A phone line will be maintained to receive any complaints, and this will be incorporated in a broader grievance redressal mechanism for the project. Additionally, an advisory committee consisting of relevant external stakeholders, such as civil society organizations and academia, will be formed to discuss project progress and obtain feedback.

#### B. Results Monitoring and Evaluation Arrangements

47. **Project M&E will be measured and monitored in accordance with the PDO and intermediate indicators of the results framework.** The results framework provides indicators that are assessed under each component, including baselines and details concerning the reference data, target values, and frequency of data collection, as well as source and methodology. The PBCs will be verified in accordance with the PBC results verification protocol by an independent verification agent (IVA), which will be a reputable consultancy firm hired by the PCU. For its part, the PCU will be responsible for the overall coordination with institutions/agencies for the monitoring of the results framework and reporting to the Steering Committee. The PCU's M&E Officer will coordinate with responsible staff from the MoF to collect the relevant data; provide analysis; lead the preparation of implementation reports on a semi-annual basis; and establish and maintain an online dashboard, which will be accessible to key stakeholders. Finally, the MoF will prepare grant and project operations manuals that will include details about results indicators, data collection methodologies, and institutional arrangements for data collection and reporting.

#### C. Sustainability

48. **The sustainability of the project is based on the participation and commitment of the government, alignment with government priorities, and a project design that focuses on building systems and institutional capacity.** First, ownership of the project has been developed by extensive consultations with counterparts during project preparation. Second, the project aligns with the 3RF, as outlined above. Third, the project integrates sustainability into the components, including strengthening DRM for greater fiscal sustainability, and promoting sustainable planning, budget allocations, and expenditures. Fourth, sustainability will also be achieved through capacity building.

### IV. PROJECT APPRAISAL SUMMARY

#### A. Technical, Economic and Financial Analysis

50. There is a strong link between institutions (and trust in them) and growth, which is also associated with a development dividend. The deterioration of public institutions in the current crisis context is expected to further

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<sup>24</sup> LFF Grant may become available before the IBRD Loan. As such, in order to ensure timely implementation of the LFF grant, a separate grant manual will be prepared for the LFF Grant. The said Grant Manual will be incorporated in the POM in due course.





reduce already low levels of institutional quality and trust in authorities (that is, vertical trust). There is also evidence that once institutional quality and vertical trust are lost, they are difficult to rebuild. Also, a loss in vertical trust further contributes to a decline in social capital (that is, horizontal trust). This makes a compelling case for preserving and building vertical trust and institutional quality, as the costs associated with a further deterioration in trust could be very high. Vertical trust and institutional quality can be increased by strengthening the effectiveness and reliability of the public administration, the efficiency of public service delivery, as well as the transparency and accountability of public institutions and policies. The project-supported PFM reforms and the strengthening of oversight institutions are expected to support core public services. As such, it will contribute to improved institutional quality and vertical trust, which is expected to positively impact growth. If critical IT systems are allowed to fail, there is also the risk of losing vital data and records forever, thus preventing any accountability and audit trails.

- 51. The DRM reforms supported by the project are expected to help generate domestic revenue in the medium-term,** which is critical to help generating much-needed fiscal space that can be used for growth-enhancing investments in human capital and infrastructure and/or debt reduction. To date, the LTO only deals with income tax taxpayers. By revising the eligibility criteria for large taxpayers and also including VAT, it is expected that, going forward, the will LTO will cover about 60 percent of all tax revenue, include the biggest employers in the future. This would be in line with International Survey on Revenue Administration (ISORA) survey data that put the median revenue share for LTO revenues for 161 countries at 58 percent in 2019.<sup>25</sup> The 90 largest debtors account for a reported amount of Lebanese Pound (LBP) 1.146 billion (US\$ 13 million) in VAT arrears<sup>26</sup>. As the same debtors likely also own large pay as you earn (PAYE) tax amounts, there is a significant revenue potential from increased compliance by these large debtors.
- 52. Restoring the basic functions of customs will lead to direct revenue potential.** Customs in Lebanon, as in most developing countries, has been a major contributor to customs duties, as well as other taxes and fees. In Lebanon, apart from customs duties, Customs collects excise taxes, VAT on imports, container fees, protection fees, yearly warehouse royalties, stamp fees, municipality fees, and car warehouse royalties, among others. The customs contributions to revenue collection in Lebanon amounted to 2.8 percent of GDP (2018). In addition, customs was a major contributor to the collection of VAT on imports, amounting to 2.8 percent of the GDP out of the total VAT revenue collection of 4.6 percent of the GDP). Thus, restoring the basic functions of customs will help to restore direct revenue potential.
- 53. The restoration of the automated processes and e-declarations of both taxes and customs will also bring multiple payoffs.** Both the tax and customs automation systems are at risk of failure. Therefore, the restoration of the automated processes and e-declaration will support: (i) a reduction in the taxpayer compliance costs; (ii) greater transparency; (iii) reduced interaction of taxpayers with tax officials, in turn, reducing the potential for

<sup>25</sup> Results for the 2021 ISORA survey. The International Survey on Revenue Administration (ISORA) collects tax administration data from national or federal tax administrations. It surveys tax administration operations and other characteristics based on common questions and definitions agreed by four international organizations, including: the Inter-American Center of Tax Administrations (CIAT), the International Monetary Fund (IMF), the Intra-European Organization of Tax Administrations (IOTA), and the Organization for Economic Co-operation and Development (OECD).

<sup>26</sup> IMF, "Republic of Lebanon Short- and Medium-Term Actions for Stabilizing Revenue Administration." Washington, DC: IMF, (2022)).





corruption; and (iv) timely data availability to enhance risk assessment and compliance management and facilitate informed decision making of tax administrations.

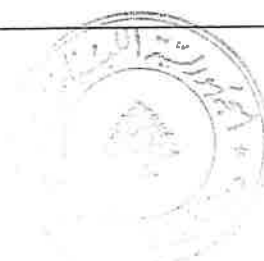
**54. The reforms supported by the project, which also covers budget preparation, fiscal reporting, and payments, are essential for the restoration of core government functions and public confidence in the legitimacy of state structures.** Supporting the timely approval of the annual government budget is critical to fiscal discipline, reducing extrabudgetary spending, and establishing a mechanism for allocation of funds to address the crisis and medium, term recovery. The project will also establish mechanisms for citizen engagement and improved transparency in public spending which are essential to building trust with taxpayers and international partners in order to increase government revenue. Improved efficiencies in the payment processes to third parties will improve supplier confidence and increase engagement in government procurements, resulting in improved services and a reduction in costs of services. Finally, improving efficiencies in pension payments will improve the standard of living for pensioners by providing timely and predictable support.

**55. Further rebuilding of citizens trust in public financial Institution will take place under the project by Improving the capacity of oversight institutions.** It will help to provide assurances that the work of the other supported PFM agencies and departments is done in a transparent and accountable manner. Project will provide assistance to help build and augment the capacity of the Court of Accounts and Central Inspection so that they can better play their roles of assuring that Lebanon's financial accounts and payroll are accurate, up-to-date and free of leakages and improve their outreach to citizens. Public procurement forms a core function of budget from planning, preparation, execution and then evaluation of performance. A robust legal framework is a cornerstone in procurement reforms and the government achieved a key milestone by introducing a new public procurement law (244/2021), an update of procurement regulations in seventy years. To ensure implementation and awareness of this new law, capacity will be built across the public sector and with potential contractors and suppliers. Project hopes to build a floor under the loss of vertical trust and begin to rebuild citizen support for core public administration functions.

#### Paris Alignment and Climate Change

**56. The operation is aligned with the goals of the Paris Agreement on Climate Change in terms of both mitigation and adaptation.**

**57. Assessment and reduction of mitigation and adaptation risks.** Given the nature of the project activities — restoring and recovering core public financial management functions — the risks from climate hazards are not expected to have any material impact on the project, meaning that no measures to reduce adaptation risks are needed. Also, the project is not expected to have a negative impact on the country's low-GHG emissions development pathway. The project does not finance any hard infrastructure, economic activities, or related investments that could be affected by climate change in terms of physical or transition risks. Moreover, activities in the public administration sector, which basically covers public financial management, are considered universally aligned. The project supports the provision of IT hardware and software to support core PFM functions. These are not expected to be large-scale systems, such as major data centers. Thus, it is expected that there is a low level of risk that climate change could affect the IT equipment in the project area.





**58. The project will help Lebanon establish the foundational pre-conditions necessary to enabling climate-related action.** For example, some estimates show that the annual investment needs to unlock Lebanon's mitigation and adaptation potential amount to around US\$1.2 billion for the next 10-15 years, which is a significant amount for a relatively small country facing multiple crises.<sup>27</sup> Therefore, recovering key public financial management functions and restoring access to public finance will be pivotal steps in supporting Lebanon's climate change adaptation and mitigation agenda in the short, medium, and long term. Domestic revenue mobilization will be foundational in creating the fiscal space for climate action. Also, the preparation of a reform-oriented budget will be essential to embarking on a strategic allocation of resources for sequenced climate action.

**59. The implementation of the Public Procurement Law (PPL) provides for environmental and social sustainability considerations in its principles and articles.** The PPL provisions are reflected in the standard procurement documents (SPDs) as a second level of legislation. Technical specifications, terms of reference, evaluation criteria, and contract implementation monitoring will ensure the alignment with the goals of the Paris Agreement regarding both climate adaptation and mitigation. Training and communication are expected to build the capacity of the practitioners, policy makers, and the private sector.

## **B. Fiduciary**

### **(i) Financial Management**

**60. The project will be implemented following the World Bank rules and procedures governing financial management.** A financial management assessment was conducted for the MoF. Based on the results of the assessment, the financial management risk rating, which is part of the overall fiduciary risk rating, is considered Substantial (for details about risks and mitigating measures, refer to financial management annex). The financial management function will be centralized in the PCU. If grant activities are ready to proceed before the PCU is established and staffed, the Directorate General of Finance at the MoF has adequate capacity to manage the FM activities of the grant. A project Designated Account (DA) will be opened at the Central Bank in US dollars under the MoF in the name of the project. Funds will be channeled from the World Bank to the MoF treasury account and then transferred to the DA. The grant financing will be disbursed strictly using the Direct Payment (DP) method. As for the loan financing, both the DP and the DA will be available. The PCU will handle payments and transfers from the DA to pay for eligible expenses. The PCU will prepare consolidated reports under the project, including quarterly financial reports and yearly financial statements, which will be audited by an external independent auditor through one single audit for the project. The Project Operation Manual and grants manual, will be prepared with financial management chapters. An Independent Verification Agent (IVA) will also be hired to verify the PBCs. The external auditor will verify the eligibility of the staff receiving the incentive payment. A full-time project finance officer will be hired by the PCU to carry out these tasks.

### **(ii) Procurement**

**61. Procurement will be carried out in accordance with the World Bank Procurement Regulations for Investment Project Financing Borrowers dated September 2023 (Procurement Regulations).** The provisions of the

<sup>27</sup> World Bank. "Designing and Operationalizing a Lebanon Green Investment Facility." (Washington, DC: World Bank, 2022).





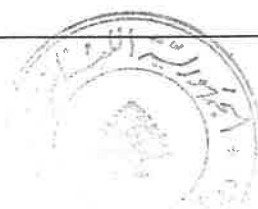
Borrower's Procurement Plan for the project (Procurement Plan) provided for under Section IV of the Procurement Regulations will apply, as the same may be updated from time to time in agreement with the World Bank. The borrower will also ensure that the project is carried out in accordance with the provisions of the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by International Bank for Reconstruction and Development (IBRD) Loans and International Development Association (IDA) Credits and Grants", dated October 15, 2006, and revised as of July 1, 2016 (Anti-Corruption Guidelines). Considering the nature of the expected procurement activities, the high perception of corruption, the deteriorating local currency, market volatility and track record delays in procurement processing and contracting, the procurement risk is rated as High. The project will be subject to a high-risk prior review threshold. To speed project implementation, advance procurement processes may be used. Retroactive financing is made available for eligible expenditures of up to one year prior to the date of signing of the Legal Agreement. As specified in Section V (paragraph 5.1 and 5.2) of the applicable Procurement Regulations, the procurement procedures, including advertising, shall be consistent with Sections I, II and III of the Procurement Regulations. In addition, contracts that were procured prior to the signing of the Loan Agreement will be eligible for retroactive financing, if the contract/supplier/consultant has explicitly agreed to comply with the relevant provisions of the World Bank's Anti-Corruption Guidelines, including the World Bank's right to inspect and audit all accounts, records, and other documents relating to the project that are required to be maintained pursuant to the Loan Agreement. A preliminary procurement capacity assessment of the MoF revealed that the PCU requires a dedicated procurement specialist.

### C. Legal Operational Policies

| Legal Operational Policies                  | Triggered? |
|---------------------------------------------|------------|
| Projects on International Waterways OP 7.50 | No         |
| Projects in Disputed Area OP 7.60           | No         |

### D. Environmental and Social

**62. The project has a "moderate" Environmental and Social risk classification.** The following Environmental and Social Standards (ESSs) apply: ESS1, ESS2, ESS3, ESS4 and ESS10. The client will prepare the following E&S instruments, which will be cleared and disclosed by appraisal: the Preliminary Stakeholder Engagement Plan (SEP), and the Environmental and Social Commitment Plan (ESCP). The remaining, relevant E&S instruments will be prepared and disclosed three month after project effectiveness as per the ESCP. These will include: Labor Management Procedures (LMP), and Occupational Health and Safety Plan (OHS), and the Waste Management Plan (WMP). In addition, the SEP will be updated to reflect feedback from additional consultations conducted in October 2023, as well as in line with the provisions of the ESCP. The implementing agency, the Ministry of Finance, conducted stakeholder consultations with identified stakeholders as indicated in the SEP during June, July and October 2023. The MoF will build on its existing grievance uptake channels to meet the ESS10 requirements, and it will ensure ongoing consultations according to the SEP. The MoF will also hire/appoint an E&S specialist on a part-time basis two months after project effectiveness (and as part of the overall PCU staffing) to ensure satisfactory implementation of the E&S instruments in line with the ESCP. The MoF will also compile all E&S updates and will submit those in quarterly progress reports in accordance with the ESCP.





Regarding potential solar panel investments, the environmental and social impacts and respective mitigation measures are assessed in the relevant instruments, including the SEP, LMP, OHS and WMP plans.

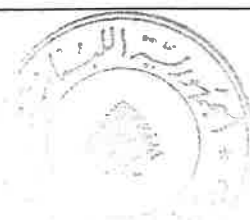
## V. GRIEVANCE REDRESS SERVICES

Grievance Redress. Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to project-level grievance mechanisms or to the Bank's Grievance Redress Service (GRS). These entities ensure that complaints received are promptly reviewed to address any project-related concerns. Project-affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM) at any time after concerns have been brought directly to the attention of Bank Management via the GRS, and after Management has been given an opportunity to respond. The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures. Also, the Dispute Resolution Service provides communities and borrowers with the opportunity to address complaints through dispute resolution. For information about how to submit complaints to the Bank's GRS, visit <http://www.worldbank.org/GRS>. For information about how to submit complaints to the Bank's Accountability Mechanism, visit <https://accountability.worldbank.org>.

## VI. KEY RISKS

**63. Overall (High).** Lebanon is a high-risk environment for PFM reform. The overall residual risk to the project in achieving its objectives over the project period is judged to be *High*, with five high-level risks: political and governance, macroeconomic, stakeholder, institutional capacity and fiduciary. The main residual risks are: (1) the government's weak macroeconomic environment, which restricts its ability to ensure staff availability to support project implementation. This results in weak capacity and a high risk to the implementation and sustainability of the reforms; (2) the large number of stakeholders and the vested interests, which leads to a lack of a common position and commitment to reforms; (3) an elevated perception of corruption; and (4) the existence of multiple exchange rates amidst a deteriorating currency, as well as the lack of hard currency leading for payment issues. Ensuring a high-level government commitment at the outset of project preparation will require continuous stakeholder engagement; appropriate technical design with operational support strengthened by the PBCs; and the inclusion of strong fiduciary and anticorruption measures. These are some of the critical risk-mitigating measures.

**64. Political and Governance risks (High).** The high governance and political risks are inherent to Lebanon due to the confessional governance system and related political uncertainty, which are beyond the project's direct control. The ongoing political deadlock in Parliament and delays in electing a new President and appointing a new government have limited the Government's overall ability to take expedient policy actions to address current challenges. The high level of risk in these areas has the potential to negatively impact the restoration of public services. However, the proposed project has strong ownership from the offices of the Prime Minister and the Minister of Finance, as well as the heads of the agencies involved in the technical implementation of the project. Project interventions are focused on the MoF and specific independent agencies. They are designed to be implemented, even if the ongoing political stalemate continues during project implementation. Moreover, project components have a strong linkage with the IMF program. However, the residual risk in this area remains high.





- 65. Macroeconomic Risks (High).** In the absence of macroeconomic stabilization, the outlook for the Lebanese economy remains bleak. The proposed project relies on government staff to implement project activities, given that the project supports core PFM government functions. Due to the weak macroeconomic situation, the government is unable to pay salaries at adequate levels to make it feasible for staff to attend work and implement reforms. To mitigate this risk, the project will pay the required allowances for staff to attend work and achieve the key deliverables. Comprehensive macroeconomic reforms are urgently needed to put the Lebanese economy on a recovery track. An IMF program is seen by many as a critical part of a credible and sustainable recovery strategy. The project will support the completion of some of the prior actions for the SLA which, if leading to an IMF program, will be critical for restoring macro-financial stability. The project will further create fiscal space by supporting DRM. Through the proposed ASA accompanying the project, the World Bank is also planning to provide technical assistance to the government for devising credible budgets going forward, with a realistic and unified exchange rate as a key parameter.
- 66. Sector Strategies and Policies (Substantial).** In its Financial Recovery Plan for 2022, the government committed to carrying out the necessary public sector reforms with regard to: (i) the public financial management legal framework; (ii) the establishment of a Single Treasury account and improvements in cash management practices; (iii) effective arrears management and control; (v) a strong phased fiscal adjustment, focused on improving tax compliance and revenue; and (vi) the adoption of a public procurement law and its effective implementation. The financial recovery plan also commits to transparent governance based on accountability, with a particular focus on preventing and combating corruption, as one of the core reforms. Lebanon has also started implementing the first national anti-corruption strategy (2020). More recently, in 2022, the government endorsed the National Public Procurement Strategy and Action Plan. However, a comprehensive master plan for the financial recovery plan's implementation is not in place. Hence, it is important to ensure coordination among the international community partners, governmental institutions and the various stakeholders to provide effective sector aid support.
- 67. Technical Design (Substantial).** The risk arises from the urgency and complexity of reforms, as well as the volume of work involved. Another risk is sustainability and the ability to exit smoothly. Reintroducing practices that have been neglected for years, at a time when there are high levels of absenteeism and staff turnover, is risky. To mitigate this risk, the decision-making for and implementation of project activities will be aligned with the existing institutional mandates of the respective implementing agencies involved in the project. Rewarding the achievement of results and providing funding to facilitate staff attendance are some of the other key risk-mitigating measures. Stopping further deterioration of PFM functions that can have a trickledown effect on all government functions is the most urgent priority, even if an exit strategy is not immediately visible. However, the medium-term focus of some of the activities is designed to improve sustainability.
- 68. Stakeholder (High).** The risk stems from the number of stakeholders and vested interests concerned. The reforms advocated under this project, especially those that address the root causes of the crisis, involve changes that affect the interests of stakeholders. There will be win-lose situations, thus preventing the universal acceptance of a common position. Understanding the relative power and influence of stakeholders will help to reconcile their claims on the project. In this context, the political economy analysis that is taking place has assisted in this endeavor and informed the project design. In addition, the lack of a development partner coordination mechanism and overall masterplan for PFM support may result in duplication of efforts and



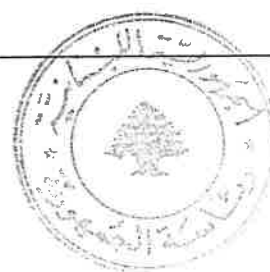


incoherent strategies. To mitigate stakeholder risks, the project will seek continuous engagement with all stakeholders, as currently the government does not have the capacity to engage in an elaborate exercise of preparing a PFM master plan. However, despite the stated mitigation measures, the residual risk associated with stakeholders remains high.

**69. Institutional Capacity for Implementation and Sustainability (High).** The public services that the proposed project is aiming to restore have been crippled due to staffing issues. Therefore, implementation capacity is weak and can pose a high risk. Short-term capacity will be provided by the proposed project to mitigate this risk. This will be achieved by supporting the government to fill gaps through temporary support, including temporary financial support to critical staff who currently cannot afford to attend work. While addressing these urgent capacity constraints through temporary measures to implement actions that are critical for the government's crisis response, the project will also focus on more medium- to long-term sustainability measures. Key interventions that the project will support to enhance sustainability and facilitate recovery include, among others, medium-term revenue and customs measures and strategic allocations of the budget for growth. .

**70. Fiduciary Risks (High).** The combined fiduciary risk is rated as high. The financial management risk rating is substantial due to the overall situation in the country and the elevated perception of corruption, as well as the many cross-cutting issues. These issues include: (i) the limited availability of public servants due to ongoing strikes; (ii) the deterioration of the local currency; (iii) delays in transfers and payments due to the depletion of hard currency at the Central Bank; and (iv) the limited capacities of public oversight institutions. The procurement risk rating is high due to the instability of market availability, price fluctuations, and exchange rate volatility. Regarding sustainability, contractors are looking to regional and international markets. Competition is narrowed due to the survival of large firms and collapse of small enterprises. Lengthy procurement transactions add to the lack of confidence in the public sector. Contractors are challenged due to the dysfunctional banking sector and limited access to guarantees or loans for liquidity, if needed. The preparation of the PoM, the hiring of fiduciary staff, the appointment of an independent verification agent and the recruitment of project auditors will help to mitigate the risks and reduce the fiduciary risk ratings.

**71. Environmental and Social (Moderate).** The project does not involve infrastructure or major civil works. Overall, the project is associated with positive social impacts.





## VII. RESULTS FRAMEWORK AND MONITORING

### PDO Indicators by PDO Outcomes

| Baseline                                                                                                                                                             | Period 1                                                                   | Period 2                                                                                                                                                                                                     | Period 3                                                                                                                                                                                                                              | Period 4                                                                                                                                                                                                                              | Period 5                                                                                                                                                                                                                               | Closing Period                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome 1: Revenue allocation</b>                                                                                                                                 |                                                                            |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                       |
| <b>Timely submission of the budget to the council of ministers (CoM) (Text) PBC</b>                                                                                  |                                                                            |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                       |
| Sep/2023                                                                                                                                                             | Aug/2024                                                                   | Dec/2024                                                                                                                                                                                                     | Jun/2025                                                                                                                                                                                                                              | Dec/2025                                                                                                                                                                                                                              | Jun/2026                                                                                                                                                                                                                               | Dec/2026                                                                                                                                                                                                                              |
| 0                                                                                                                                                                    | (a) Updated MTFF for 3 years (b) Issue budget call circulars by April of Y | (a) Complete Y+1 budget consultations by July of Y (b) Finalize draft Y+1 budget by August of Y (c) Submission of Y+1 budget to CoM by September of Y                                                        | (a) Updated MTFF for 3 years (b) Issue budget call circulars with indicative ceilings by April of Y                                                                                                                                   | (a) Complete Y+1 budget consultations by July of Y (b) Finalize draft Y+1 budget by August of Y (c) Submission of Y+1 budget to CoM by September of Y                                                                                 | (a) Updated MTFF for 3 years (b) Issue budget call circulars with indicative ceilings by April of Y                                                                                                                                    | (a) Complete Y+1 budget consultations by July of Y (b) Finalize draft Y+1 budget by August of Y (c) Submission of Y+1 budget to CoM by September of Y                                                                                 |
| <b>Outcome 2: Revenue mobilization</b>                                                                                                                               |                                                                            |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                       |
| <b>Increase in the timely filing of tax declarations by large tax payers and increase in number of audits of large tax payers (of Income Tax and VAT) (Text) PBC</b> |                                                                            |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                       |
| Sep/2023                                                                                                                                                             | Aug/2024                                                                   | Dec/2024                                                                                                                                                                                                     | Jun/2025                                                                                                                                                                                                                              | Dec/2025                                                                                                                                                                                                                              | Jun/2026                                                                                                                                                                                                                               | Dec/2026                                                                                                                                                                                                                              |
| a) N/A - Large taxpayers as per new criteria are not ascertained to determine the % of filing. (b) 0 risk-based audits;                                              | New eligibility criteria adopted                                           | a-VAT and Income Tax LTO (s) have identified large taxpayers using the new criteria. b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria. | a-At least 20 percent increase in timely filing by large taxpayers falling under the new eligibility criteria b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria. | a-At least 40 percent increase in timely filing of large taxpayers falling under the new eligibility criteria b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria. | a -At least 60 percent increase in timely filing of large taxpayers falling under the new eligibility criteria b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria. | a -At least 75 percent increase in timely filing of large taxpayers falling under the new eligibility criteria b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria |
| <b>Outcome 3: Accountability</b>                                                                                                                                     |                                                                            |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                       |
| <b>Timely audit report published (Yes/No) PBC</b>                                                                                                                    |                                                                            |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                       |



| Sep/2023             | Aug/2024                                                                              | Dec/2024                                                                                                                                                                                          | Jun/2025                                                                                                                                                                                            | Dec/2025                                                                                                                                                                                            | Jun/2026                                                                                                                                                                                          | Dec/2026                                                                                                                                                                                           |
|----------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FY 2019 audit report | a) final accounts 2020 finalization ;b- Clearance of backlog: Audit reports 2002-2004 | a) final accounts 2021 finalization (b) Clearance of backlog: Audit reports 2005-2006 (c) Audit report 2020 published (d) Reporting on the status of recommendations. from previous audit reports | a) final accounts 2022 finalization (b) Clearance of backlog: Audit reports 2007 -2008 (c) Audit report 2021 published (d)- Reporting on the status of recommendations. from previous audit reports | (a) Final accounts 2023 finalization (b) Clearance of backlog: Audit reports 2009-2011 (c) Audit report 2022 published (d)- Reporting on the status of recommendations. from previous audit reports | a) Final accounts 2024 finalization (b) Clearance of backlog: Audit reports 2012-2013 (c) Audit report 2023 published (d) Reporting on the status of recommendations. from previous audit reports | a) Final accounts 2025 finalization (b) Clearance of backlog: Audit reports 2014-2016 (c) Audit report 2024 published (d)- Reporting on the status of recommendations. from previous audit reports |

#### Intermediate Indicators by Components

| Baseline                                                                                                                     | Period 1                                                                                        | Period 2                                                                                             | Period 3                                                                                                         | Period 4                                                                                                        | Period 5                                                                                                        | Closing Period                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 1. Stabilizing revenue administration                                                                                        |                                                                                                 |                                                                                                      |                                                                                                                  |                                                                                                                 |                                                                                                                 |                                                                                                                 |
| Increase in the number of risk-based desk and premise post clearance audits for Port of Beirut customs (Text) <sup>pac</sup> |                                                                                                 |                                                                                                      |                                                                                                                  |                                                                                                                 |                                                                                                                 |                                                                                                                 |
| Sep/2023                                                                                                                     | Aug/2024                                                                                        | Dec/2024                                                                                             | Jun/2025                                                                                                         | Dec/2025                                                                                                        | Jun/2026                                                                                                        | Dec/2026                                                                                                        |
| No risk-based audits carried out.                                                                                            | Risk based selection system approved by the competent authority and adopted for implementation. | At least 25 risk-based post clearance audits of customs clearances through Beirut port are conducted | At least 30 risk-based post clearance audits conducted for customs clearances through Beirut port. are conducted | At least 35 risk-based post clearance audits conducted for customs clearances through Beirut port are conducted | At least 40 risk-based post clearance audits conducted for customs clearances through Beirut port are conducted | At least 45 risk-based post clearance audits conducted for customs clearances through Beirut port are conducted |
| Improved interoperability of PFM IT platforms (Text)                                                                         |                                                                                                 |                                                                                                      |                                                                                                                  |                                                                                                                 |                                                                                                                 |                                                                                                                 |
| Sep/2023                                                                                                                     | Jun/2024                                                                                        | Dec/2024                                                                                             | Jun/2025                                                                                                         | Dec/2025                                                                                                        | Jun/2026                                                                                                        | Dec/2026                                                                                                        |
| Partially integrated PFM system                                                                                              | NA                                                                                              | Integration IT platforms implemented                                                                 | NA                                                                                                               | Two expenditure systems are integrated with revenue systems                                                     | NA                                                                                                              | Three expenditure systems are integrated with revenue systems                                                   |
| 2. Restoring fiscal controls                                                                                                 |                                                                                                 |                                                                                                      |                                                                                                                  |                                                                                                                 |                                                                                                                 |                                                                                                                 |
| Fiscal Performance Report published (Text) <sup>pac</sup>                                                                    |                                                                                                 |                                                                                                      |                                                                                                                  |                                                                                                                 |                                                                                                                 |                                                                                                                 |
| Sep/2023                                                                                                                     | Aug/2024                                                                                        | Dec/2024                                                                                             | Jun/2025                                                                                                         | Dec/2025                                                                                                        | Jun/2026                                                                                                        | Dec/2026                                                                                                        |





|                                                                                                                   |                                                                                                                                                                       |                                                                                                                                                                                  |                                                                                                                                                                                      |                                                                                                                                                                        |                                                                                                                                                                                      |                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fiscal Performance Report of 2021 completed                                                                       | Fiscal Performance Report of 2022 finalized                                                                                                                           | a) The first 6 months Fiscal Performance Report for current year is Published within 60 days end of period; B) fiscal performance report of the first 6 months of 2023 finalized | a) Year-end Fiscal Performance Report of previous year is published within 45 days b) Quarter 1 Fiscal Performance Report for current year is Published within 45 days end of period | a) The first 6 months Fiscal Performance Report for current year is Published within 60 days end of period                                                             | a) Year-end Fiscal Performance Report of previous year is published within 45 days b) Quarter 1 Fiscal Performance Report for current year is Published within 45 days end of period | Quarter 2 and 3 Fiscal Performance Report for current year is Published within 45 days end of period                                                                   |
| <b>Reduced time for reviews of Payment documents for third parties and pension payments (Text) <sup>pac</sup></b> |                                                                                                                                                                       |                                                                                                                                                                                  |                                                                                                                                                                                      |                                                                                                                                                                        |                                                                                                                                                                                      |                                                                                                                                                                        |
| Sep/2023                                                                                                          | Aug/2024                                                                                                                                                              | Dec/2024                                                                                                                                                                         | Jun/2025                                                                                                                                                                             | Dec/2025                                                                                                                                                               | Jun/2026                                                                                                                                                                             | Dec/2026                                                                                                                                                               |
| a) Review process of supplier payments – 70-90 days b) Pension files – 7-8 months c) Pension changes – 5 months   | a) Reduce Time taken for processing supplier payment documents to 60 days b) Pension files completed – 6 months c) Process changes in pension beneficiaries - 4 month | a) Reduce Time taken for processing supplier payment documents to 60 days b) Pension files completed – 6 months c) Process changes in pension beneficiaries - 4 months           | a) Reduce Time taken for processing supplier payment documents to 45 days b) Pension files completed – 5 months c) Process changes in pension beneficiaries - 3 months               | a) Reduce Time taken for processing supplier payment documents to 45 days b) Pension files completed – 5 months c) Process changes in pension beneficiaries - 3 months | a) Reduce Time taken for processing supplier payment documents to 30 days b) Pension files completed – 4 months c) Process changes in pension beneficiaries - 2 months               | a) Reduce Time taken for processing supplier payment documents to 30 days b) Pension files completed – 4 months c) Process changes in pension beneficiaries - 2 months |
| <b>Reduced Treasury advances (Text)</b>                                                                           |                                                                                                                                                                       |                                                                                                                                                                                  |                                                                                                                                                                                      |                                                                                                                                                                        |                                                                                                                                                                                      |                                                                                                                                                                        |
| Sep/2023                                                                                                          | Jun/2024                                                                                                                                                              | Dec/2024                                                                                                                                                                         | Jun/2025                                                                                                                                                                             | Dec/2025                                                                                                                                                               | Jun/2026                                                                                                                                                                             | Dec/2026                                                                                                                                                               |
| X% of the total current years expenditures are paid as treasury advances                                          | 0                                                                                                                                                                     | 20% reduction from baseline                                                                                                                                                      | 0                                                                                                                                                                                    | 40% reduction from baseline                                                                                                                                            | 0                                                                                                                                                                                    | 70% reduction from baseline                                                                                                                                            |
| <b>Reduced bank accounts outside of the main account 36 (Percentage)</b>                                          |                                                                                                                                                                       |                                                                                                                                                                                  |                                                                                                                                                                                      |                                                                                                                                                                        |                                                                                                                                                                                      |                                                                                                                                                                        |
| Sep/2023                                                                                                          | Jun/2024                                                                                                                                                              | Dec/2024                                                                                                                                                                         | Jun/2025                                                                                                                                                                             | Dec/2025                                                                                                                                                               | Jun/2026                                                                                                                                                                             | Dec/2026                                                                                                                                                               |
| Based will be established within 2 months of Implementation                                                       | 0                                                                                                                                                                     | 15%                                                                                                                                                                              | 0                                                                                                                                                                                    | 35%                                                                                                                                                                    | 0                                                                                                                                                                                    | 50%                                                                                                                                                                    |
| <b>Enhanced citizens engagement and transparency of budget information (Text)</b>                                 |                                                                                                                                                                       |                                                                                                                                                                                  |                                                                                                                                                                                      |                                                                                                                                                                        |                                                                                                                                                                                      |                                                                                                                                                                        |
| Sep/2023                                                                                                          | Jun/2024                                                                                                                                                              | Dec/2024                                                                                                                                                                         | Jun/2025                                                                                                                                                                             | Dec/2025                                                                                                                                                               | Jun/2026                                                                                                                                                                             | Dec/2026                                                                                                                                                               |





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|----------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Citizen budget and executive's budget proposals published                                    | NA                        | NA                                                                                                                                                                                               | NA                                                                                                                                                                                               | Publication of a summary citizen feedback report in parallel with the budget's enactment.                                                                                                        | NA                                                                                                                                                                                               | Publication of a summary citizen feedback report in parallel with the budget's enactment.                                                                                                        |
| ➤ Enhanced Gender Information in budget documents (Text)                                     |                           |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |
| 0                                                                                            | NA                        | Gender based budgeting guidelines prepared                                                                                                                                                       | NA                                                                                                                                                                                               | Annex on gender based budget allocations included in the Y+1 budget report                                                                                                                       | NA                                                                                                                                                                                               | Annex on gender based budget allocations included in the Y+1 budget report                                                                                                                       |
| ➤ Enhanced climate information in budget documents (Text)                                    |                           |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |
| NA                                                                                           | NA                        | Climate sensitive budgeting guidelines prepared                                                                                                                                                  | NA                                                                                                                                                                                               | Annex on climate based budget allocations included in the Y+1 budget report                                                                                                                      | NA                                                                                                                                                                                               | Annex on climate based budget allocations included in the Y+1 budget report                                                                                                                      |
| 3. Re-vitalizing oversight and accountability institutions and procurement capacity building |                           |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |
| Regular Payroll Audits completed and published (Text) PBC                                    |                           |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |
| Sep/2023                                                                                     | Aug/2024                  | Dec/2024                                                                                                                                                                                         | Jun/2025                                                                                                                                                                                         | Dec/2025                                                                                                                                                                                         | Jun/2026                                                                                                                                                                                         | Dec/2026                                                                                                                                                                                         |
| No payroll audit carried out and published                                                   | Preparation of audit plan | a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;b) an aggregate level payroll audit report published every 6 months | a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;b) an aggregate level payroll audit report published every 6 months | a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;b) an aggregate level payroll audit report published every 6 months | a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;b) an aggregate level payroll audit report published every 6 months | a) payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;b) an aggregate level payroll audit report published every 6 months |
| A. Project Management                                                                        |                           |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |
| 5. Contingent Emergency Response Component (CERC)                                            |                           |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |                                                                                                                                                                                                  |

**Performance-based Conditions (PBC)**

|          |                   |          |
|----------|-------------------|----------|
| Period   | Period Definition | Timeline |
| Period 1 | First 8 months    | 2024     |



**The World Bank**  
Fiscal Management Project(P181155)

|                                                                                                                                                                  |                                                                                                |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Period 2                                                                                                                                                         | Last 4 months                                                                                  |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        | 2024  |
| Period 3                                                                                                                                                         | First six months                                                                               |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        | 2025  |
| Period 4                                                                                                                                                         | Second six months                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        | 2025  |
| Period 5                                                                                                                                                         | First six months                                                                               |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        | 2026  |
| Period 6                                                                                                                                                         | Second six months                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        | 2026  |
| Baseline                                                                                                                                                         | Period 1                                                                                       | Period 2                                                                                                                                                                                                     | Period 3                                                                                                                                                                                                     | Period 4                                                                                                                                                                                                                              | Period 5                                                                                                                                                                                                                               | Period 6                                                                                                                                                                                                                               |       |
| 1.A : Increase in the timely filing of tax declarations by large tax payers and increase in number of audits of large tax payers (of Income Tax and VAT) (Text ) |                                                                                                |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        |       |
| a) N/A - Large taxpayers as per new criteria are not ascertained to determine the % of filing. (b) 0 risk-based audits;                                          | New eligibility criteria adopted                                                               | a-VAT and Income Tax LTO (s) have identified large taxpayers using the new criteria. b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria. | a-VAT and Income Tax LTO (s) have identified large taxpayers using the new criteria. b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria. | a-At least 40 percent increase in timely filing of large taxpayers falling under the new eligibility criteria b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria. | a -At least 60 percent increase in timely filing of large taxpayers falling under the new eligibility criteria b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria. | a --At least 75 percent increase in timely filing of large taxpayers falling under the new eligibility criteria b- Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria |       |
| 4,575,000.00                                                                                                                                                     | 750,000.00                                                                                     | 787,000.00                                                                                                                                                                                                   | 750,000.00                                                                                                                                                                                                   | 788,000.00                                                                                                                                                                                                                            | 750,000.00                                                                                                                                                                                                                             | 750,000.00                                                                                                                                                                                                                             |       |
| PBC allocation                                                                                                                                                   | 4,575,000.00                                                                                   |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        | 16.0% |
| 1.B : Increase in the number of risk-based desk and premise post clearance audits for Port of Beirut customs (Text )                                             |                                                                                                |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        |       |
| No risk-based audits carried out.                                                                                                                                | Risk based selection system approved by the competent authority and adopted for implementation | At least 25 risk-based post clearance audits of customs clearances through Beirut port are conducted                                                                                                         | At least 30 risk-based post clearance audits conducted for customs clearances through Beirut port. are conducted                                                                                             | At least 35 cases of risk-based post clearance audits conducted for customs clearances through Beirut port.                                                                                                                           | At least 40 risk-based post clearance audits conducted for customs clearances through Beirut port are conducted                                                                                                                        | At least 45 risk-based post clearance audits conducted for customs clearances through Beirut port are conducted                                                                                                                        |       |
| 0.00                                                                                                                                                             | 150,000.00                                                                                     | 188,000.00                                                                                                                                                                                                   | 150,000.00                                                                                                                                                                                                   | 188,000.00                                                                                                                                                                                                                            | 150,000.00                                                                                                                                                                                                                             | 150,000.00                                                                                                                                                                                                                             |       |
| PBC allocation                                                                                                                                                   | 976,000.00                                                                                     |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        | 3.0%  |
| 2 : Timely submission of the budget to the council of ministers (CoM) (Text )                                                                                    |                                                                                                |                                                                                                                                                                                                              |                                                                                                                                                                                                              |                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                        |       |
| 0                                                                                                                                                                | (a) Updated MTF for 3 years (b) Issue                                                          | (a) Complete Y+1 budget consultations by July of Y (b) Finalize                                                                                                                                              | (a) Updated MTF for 3 years (b) Issue budget call circulars                                                                                                                                                  | (a) Complete Y+1 budget consultations by July of Y (b) Finalize                                                                                                                                                                       | (a) Updated MTF for 3 years (b) Issue budget call circulars                                                                                                                                                                            | a) Complete Y+1 budget consultations by July of Y (b) Finalize draft                                                                                                                                                                   |       |





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|                                                                                                         | budget call circulars by April of Y                                                   | draft Y+1budget by August of Y<br>(c)Submission of Y+1 budget to CoM by September of Y                                                                                                            | with indicative ceilings by April of Y                                                                                                                                                             | draft Y+1budget by August of Y<br>(c)Submission of Y+1 budget to CoM by September of Y                                                                                                             | with indicative ceilings by April of Y                                                                                                                                                            | Y+1budget by August of Y<br>(c)Submission of Y+1 budget to CoM by September of Y                                                                                                                  |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0.00                                                                                                    | 228,000.00                                                                            | 238,000.00                                                                                                                                                                                        | 228,000.00                                                                                                                                                                                         | 238,000.00                                                                                                                                                                                         | 233,000.00                                                                                                                                                                                        | 238,000.00                                                                                                                                                                                        |
| PBC allocation                                                                                          |                                                                                       | 1,393,000.00                                                                                                                                                                                      |                                                                                                                                                                                                    | As a % of Total Financing Amount                                                                                                                                                                   |                                                                                                                                                                                                   | 5.0%                                                                                                                                                                                              |
| <b>3.A : Timely audit report published (Yes/No )</b>                                                    |                                                                                       |                                                                                                                                                                                                   |                                                                                                                                                                                                    |                                                                                                                                                                                                    |                                                                                                                                                                                                   |                                                                                                                                                                                                   |
| FY 2019 audit report                                                                                    | a) final accounts 2020 finalization ;b- Clearance of backlog: Audit reports 2002-2004 | a) final accounts 2021 finalization (b) Clearance of backlog: Audit reports 2005-2020 (c) Audit report 2020 published (d) Reporting on the status of recommendations. from previous audit reports | a) final accounts 2022 finalization (b) Clearance of backlog: Audit reports 2007-2008 (c) Audit report 2021 published (d)- Reporting on the status of recommendations. from previous audit reports | a) final accounts 2023 finalization (b) Clearance of backlog: Audit reports 2009-2011 (c) Audit report 2022 published (d)- Reporting on the status of recommendations. from previous audit reports | a) final accounts 2024 finalization (b) Clearance of backlog: Audit reports 2012-2013 (c) Audit report 2023 published (d) Reporting on the status of recommendations. from previous audit reports | a) Final accounts 2025 finalization (b) Clearance of backlog: Audit reports 2014-2016 (c) Audit report 2024 published d)- Reporting on the status of recommendations. from previous audit reports |
| 1,843,000.00                                                                                            | 328,000.00                                                                            | 305,000.00                                                                                                                                                                                        | 300,000.00                                                                                                                                                                                         | 305,000.00                                                                                                                                                                                         | 305,000.00                                                                                                                                                                                        | 300,000.00                                                                                                                                                                                        |
| PBC allocation                                                                                          |                                                                                       | 1,843,000.00                                                                                                                                                                                      |                                                                                                                                                                                                    | As a % of Total Financing Amount                                                                                                                                                                   |                                                                                                                                                                                                   | 6.0%                                                                                                                                                                                              |
| <b>3.B : Fiscal Performance Report published (Text )</b>                                                |                                                                                       |                                                                                                                                                                                                   |                                                                                                                                                                                                    |                                                                                                                                                                                                    |                                                                                                                                                                                                   |                                                                                                                                                                                                   |
| Fiscal Performance Report of 2021 completed                                                             | Fiscal Performance Report of 2022 finalized                                           | a)The first 6 months Fiscal Performance Report for current year is Published within 60 days end of period; B) fiscal performance report of the first 6 months of 2023 finalized                   | a) Year-end Fiscal performance Report of previous year is published within 45 days end of period (b) Fiscal Performance Report of the last 6 months of 2023 finalized                              | a) The first 6 months Fiscal Performance Report for current year is Published within 60 days end of period                                                                                         | a) Year-end Fiscal performance Report of previous year is published within 45 days b) Quarter 1 Fiscal Performance Report for current year is Published within 45 days end of period              | Quarter 2 and 3 Fiscal Performance Report for current year is Published within 45 days end of period                                                                                              |
| 0.00                                                                                                    | 292,600.00                                                                            | 129,000.00                                                                                                                                                                                        | 144,400.00                                                                                                                                                                                         | 129,000.00                                                                                                                                                                                         | 129,000.00                                                                                                                                                                                        | 129,000.00                                                                                                                                                                                        |
| PBC allocation                                                                                          |                                                                                       | 953,000.00                                                                                                                                                                                        |                                                                                                                                                                                                    | As a % of Total Financing Amount                                                                                                                                                                   |                                                                                                                                                                                                   | 3.0%                                                                                                                                                                                              |
| <b>4 : Reduced time for reviews of Payment documents for third parties and pension payments (Text )</b> |                                                                                       |                                                                                                                                                                                                   |                                                                                                                                                                                                    |                                                                                                                                                                                                    |                                                                                                                                                                                                   |                                                                                                                                                                                                   |



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|                                                                                                              |                                                                                                                                                                    |                                                                                                                                                                                                 |                                                                                                                                                                                                 |                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)Review process of supplier payments – 70-90 days b)Pension files – 7-8 months c)Pension changes – 5 months | a)Reduce Time taken for processing supplier payment documents to 60 days b)Pension files completed – 6 months c)Process changes in pension beneficiaries - 4 month | a)Reduce Time taken for processing supplier payment documents to 45 days b)Pension files completed – 5 months c)Process changes in pension beneficiaries - 3 months                             | a)Reduce Time taken for processing supplier payment documents to 30 days b)Pension files completed – 4 months c)Process changes in pension beneficiaries - 2 months                             | a)Reduce Time taken for processing supplier payment documents to 30 days b)Pension files completed – 4 months c)Process changes in pension beneficiaries - 2 months                             |
| 0.00                                                                                                         | 300,000.00                                                                                                                                                         | 300,000.00                                                                                                                                                                                      | 320,000.00                                                                                                                                                                                      | 300,000.00                                                                                                                                                                                      |
| PBC allocation                                                                                               | 1,840,000.00                                                                                                                                                       |                                                                                                                                                                                                 | As a % of Total Financing Amount                                                                                                                                                                | 6.0%                                                                                                                                                                                            |
| <b>5 : Regular Payroll Audits completed and published (Text )</b>                                            |                                                                                                                                                                    |                                                                                                                                                                                                 |                                                                                                                                                                                                 |                                                                                                                                                                                                 |
| No payroll audit carried out and published                                                                   | Preparation of audit plan                                                                                                                                          | a)payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;b) an aggregate level payroll audit report published every 6 months | a)payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;b) an aggregate level payroll audit report published every 6 months | a)payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan ;b) an aggregate level payroll audit report published every 6 months |
| 0.00                                                                                                         | 110,000.00                                                                                                                                                         | 140,000.00                                                                                                                                                                                      | 140,000.00                                                                                                                                                                                      | 110,000.00                                                                                                                                                                                      |
| PBC allocation                                                                                               | 720,000.00                                                                                                                                                         | As a % of Total Financing Amount                                                                                                                                                                | 2.0%                                                                                                                                                                                            |                                                                                                                                                                                                 |





## Monitoring &amp; Evaluation Plan: PDO Indicators by PDO Outcomes

| Outcome 1: Revenue mobilization                                                                                                                             |                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increase in the timely filing of tax declarations by large tax payers and increase in number of audits of large tax payers (of Income Tax and VAT) (PBC#1a) |                                                                                                                                                                                                                                                                                                                     |
| Description                                                                                                                                                 | Increased timely filing of tax declarations by and increase in audits of large taxpayers (of Income Tax and VAT)                                                                                                                                                                                                    |
| Frequency                                                                                                                                                   | Semiannual                                                                                                                                                                                                                                                                                                          |
| Data source                                                                                                                                                 | Progress reports submitted by MoF LTO                                                                                                                                                                                                                                                                               |
| Methodology for Data Collection                                                                                                                             | MoF LTO will prepare this report in a summarized form supported by system generated reports and other evidence as required that will be specified in the PoM                                                                                                                                                        |
| Responsibility for Data Collection                                                                                                                          | PCU                                                                                                                                                                                                                                                                                                                 |
| Outcome2. Resources Allocation                                                                                                                              |                                                                                                                                                                                                                                                                                                                     |
| Timely submission of the budget to the council of ministers (CoM) (PBC#2)                                                                                   |                                                                                                                                                                                                                                                                                                                     |
| Description                                                                                                                                                 | This indicator measures whether the draft budget was prepared on time after timely consultations and released by the MoF to the CoM in a timely manner. It also measures if updated MTFF is in place to inform budget ceilings.                                                                                     |
| Frequency                                                                                                                                                   | Semiannual                                                                                                                                                                                                                                                                                                          |
| Data source                                                                                                                                                 | Duly certified up to date MTFF by the budget directorate, dated budget consultation completion reports prepared by the budget directorate and draft budgets with 2 dated cover letters: (a) submitted to the Minister of Finance by the Budget Directorate; and (b) submitted to the CoM by the Minister of Finance |
| Methodology for Data Collection                                                                                                                             | MoF Budget Directorate will submit the above documents to the PCU                                                                                                                                                                                                                                                   |
| Responsibility for Data Collection                                                                                                                          | PCU                                                                                                                                                                                                                                                                                                                 |
| Outcome3. Accountability                                                                                                                                    |                                                                                                                                                                                                                                                                                                                     |
| Timely audit report published (PBC#3a)                                                                                                                      |                                                                                                                                                                                                                                                                                                                     |
| Description                                                                                                                                                 | Timely preparation of annual financial reports and timely preparation and publication of audit reports; timely follow up of the implementation status of audit recommendations                                                                                                                                      |
| Frequency                                                                                                                                                   | Semiannual                                                                                                                                                                                                                                                                                                          |
| Data source                                                                                                                                                 | Signed unaudited annual financial statements (final accounts) by Public Accounting Directorate and Audit Reports that include inter alia the status of recommendations, published in CoA website                                                                                                                    |
| Methodology for Data Collection                                                                                                                             | Signed final accounts which is an internal document until the finalization of the audit, will be shared by the Public Accounting Directorate and Audit Reports Published in CoA website                                                                                                                             |
| Responsibility for Data Collection                                                                                                                          | PCU                                                                                                                                                                                                                                                                                                                 |

## Monitoring &amp; Evaluation Plan: Intermediate Results Indicators by Components

| Component 1: Stabilizing revenue administration                                                                 |                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Increase in the number of risk-based desk and premise post-clearance audits for Port of Beirut customs (PBC#1b) |                                                                                                         |
| Description                                                                                                     | Increased number of risk-based desk and premise post clearance audits for Beirut port customs clearance |





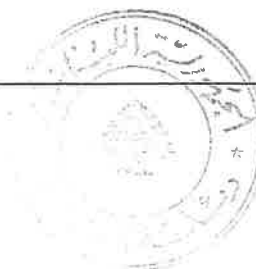
|                                                      |                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Frequency                                            | Semi-annually                                                                                                                                                                                                                                                                                                                                |
| Data source                                          | Written evidence of approval and adoption of the risk-based criteria; MoF Customs will prepare periodically (as specified in the PoM), a summary progress report with the information required to monitor this indicator and supported by relevant system generated reports and other evidence as required that will be specified in the PoM |
| Methodology for Data Collection                      | Duly approved and adopted risk-based criteria and progress reports submitted by implementing entity – MoF Customs                                                                                                                                                                                                                            |
| Responsibility for Data Collection                   | PCU                                                                                                                                                                                                                                                                                                                                          |
| <b>Improved interoperability of PFM IT platforms</b> |                                                                                                                                                                                                                                                                                                                                              |
| Description                                          | The number of expenditure management systems that are connected to the revenue systems                                                                                                                                                                                                                                                       |
| Frequency                                            | Annally                                                                                                                                                                                                                                                                                                                                      |
| Data source                                          | Progress reports by the MoF IT department on the status of integration of the expenditure mgt systems such as budget, accounting and reporting, treasury and payroll with the tax and customs IT systems.                                                                                                                                    |
| Methodology for Data Collection                      | MoF IT department will provide periodic (as specified in the PoM) progress reports on the status of the integration                                                                                                                                                                                                                          |
| Responsibility for Data Collection                   | PCU                                                                                                                                                                                                                                                                                                                                          |

|                                                                             |                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Component 2: Restoring fiscal controls</b>                               |                                                                                                                                                                                                                 |
| <b>Fiscal Performance Report published (PBC#3b)</b>                         |                                                                                                                                                                                                                 |
| Description                                                                 | Fiscal Performance Report, issued by Treasury Directorate, is published                                                                                                                                         |
| Frequency                                                                   | Semiannual                                                                                                                                                                                                      |
| Data source                                                                 | Fiscal Reports published in MoF website                                                                                                                                                                         |
| Methodology for Data Collection                                             | Fiscal Reports published in MoF website                                                                                                                                                                         |
| Responsibility for Data Collection                                          | PCU                                                                                                                                                                                                             |
| <b>Timely review of supplier and pension payment documentation (PBC #4)</b> |                                                                                                                                                                                                                 |
| Description                                                                 | Time taken to review and take action on the payment documentation relating the third party supplier payments, new pensioners and changes in pension beneficiaries, by the Directorate of Expenditure at the MoF |
| Frequency                                                                   | -Annually                                                                                                                                                                                                       |
| Data source                                                                 | Progress reports submitted by implementing entity supported by system information – MOF Directorate of Expenditure                                                                                              |
| Methodology for Data Collection                                             | Progress reports submitted by implementing entity – MOF Directorate of Expenditure                                                                                                                              |
| Responsibility for Data Collection                                          | PCU                                                                                                                                                                                                             |
| <b>Reduced Treasury advances</b>                                            |                                                                                                                                                                                                                 |
| Description                                                                 | Reduced Treasury advances as a percentage of expenditures for the year                                                                                                                                          |
| Frequency                                                                   | Annually                                                                                                                                                                                                        |
| Data source                                                                 | Progress reports submitted by implementing entity – MOF Treasury directorate                                                                                                                                    |
| Methodology for Data Collection                                             | Progress reports submitted by implementing entity – MOF Treasury directorate                                                                                                                                    |
| Responsibility for Data Collection                                          | PCU                                                                                                                                                                                                             |





|                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reduced bank accounts outside of the main account 36</b>                                                   |                                                                                                                                                                                                                                                                                                                                                                                               |
| Description                                                                                                   | Reduced bank accounts outside of the main account 36                                                                                                                                                                                                                                                                                                                                          |
| Frequency                                                                                                     | -Annually                                                                                                                                                                                                                                                                                                                                                                                     |
| Data source                                                                                                   | Progress reports submitted by implementing entity – MOF treasury                                                                                                                                                                                                                                                                                                                              |
| Methodology for Data Collection                                                                               | Progress reports submitted by implementing entity – MOF treasury                                                                                                                                                                                                                                                                                                                              |
| Responsibility for Data Collection                                                                            | PCU                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Enhanced Citizens engagement and transparency of budget information</b>                                    |                                                                                                                                                                                                                                                                                                                                                                                               |
| Description                                                                                                   | Publication of a citizen feedback report on the Executive's budget proposal supported by the preparation of internal, recurrent action plans to address feedback received through budget consultations and the feedback mechanism. Budget transparency is further enhanced by reporting on the support provided in the budget to the climate and gender agendas and strategies of government. |
| Frequency                                                                                                     | Annually                                                                                                                                                                                                                                                                                                                                                                                      |
| Data source                                                                                                   | Citizen consultation reports that categorizes and summarizes citizens feedback and government's responses to address the feedback                                                                                                                                                                                                                                                             |
| Methodology for Data Collection                                                                               | Budget Directorate in partnership with the Institute of Finance will prepare the budget consultation reports                                                                                                                                                                                                                                                                                  |
| Responsibility for Data Collection                                                                            | PCU                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Sub Indicator 1 of the above indicator: Enhanced Gender Information in budget documents</b>                |                                                                                                                                                                                                                                                                                                                                                                                               |
| Description                                                                                                   | Improved visibility of gender related support embedded in the government budget                                                                                                                                                                                                                                                                                                               |
| Frequency                                                                                                     | Annually                                                                                                                                                                                                                                                                                                                                                                                      |
| Data source                                                                                                   | Gender based budgeting guidelines and the gender-related budget allocation annex in the budget report that is submitted to parliament.                                                                                                                                                                                                                                                        |
| Methodology for Data Collection                                                                               | The gender budget guidelines and gender annex will be submitted by the MoF budget directorate                                                                                                                                                                                                                                                                                                 |
| Responsibility for Data Collection                                                                            | PCU                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Sub Indicator 2 of the above indicator: Enhanced climate information in budget documents</b>               |                                                                                                                                                                                                                                                                                                                                                                                               |
| Description                                                                                                   | Improved visibility of climate related support embedded in the government budget                                                                                                                                                                                                                                                                                                              |
| Frequency                                                                                                     | Annually                                                                                                                                                                                                                                                                                                                                                                                      |
| Data source                                                                                                   | Climate sensitive budgeting guidelines and the climate-related budget allocation annex in the budget report that is submitted to parliament                                                                                                                                                                                                                                                   |
| Methodology for Data Collection                                                                               | The climate budget guidelines and climate annex will be submitted by the MoF budget directorate                                                                                                                                                                                                                                                                                               |
| Responsibility for Data Collection                                                                            | PCU                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Component 3: Re-vitalizing oversight and accountability institutions and procurement capacity building</b> |                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Regular Payroll Audits published (PBC#5)</b>                                                               |                                                                                                                                                                                                                                                                                                                                                                                               |
| Description                                                                                                   | Regular Payroll Audits published                                                                                                                                                                                                                                                                                                                                                              |
| Frequency                                                                                                     | Annually                                                                                                                                                                                                                                                                                                                                                                                      |
| Data source                                                                                                   | Aggregate level payroll audit reports- published in CI website                                                                                                                                                                                                                                                                                                                                |
| Methodology for Data Collection                                                                               | Payroll Audit Reports- CI website                                                                                                                                                                                                                                                                                                                                                             |
| Responsibility for Data Collection                                                                            | PCU                                                                                                                                                                                                                                                                                                                                                                                           |

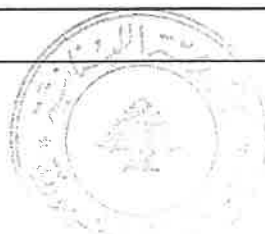




## Verification Protocol: Performance Based Conditions

|                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.A : Increase in the timely filing of tax declarations by large tax payers and increase in number of audits of large tax payers (of Income Tax and VAT) (Text )</b> |                                                                                                                                                                                                                                                                                                                                                                                           |
| Formula                                                                                                                                                                 | Number of large taxpayers and the extent of their voluntary declarations; Number of large tax payers subject to audit                                                                                                                                                                                                                                                                     |
| Description                                                                                                                                                             | This measures the improvements in the identification of large tax payers, and their increased level of voluntary compliance. It also audits to detect non-compliance.                                                                                                                                                                                                                     |
| Data source/ Agency                                                                                                                                                     | Progress reports submitted by implementing entity – MoF LTO                                                                                                                                                                                                                                                                                                                               |
| Verification Entity                                                                                                                                                     | IVA                                                                                                                                                                                                                                                                                                                                                                                       |
| Procedure                                                                                                                                                               | The IVA reviews the progress reports submitted by the implementing agency to assess the increase in the number of large taxpayers and the improvements in the number of tax declarations. On-site visits will be undertaken to assess the measures in place to identify large tax payers at the LTO.                                                                                      |
| <b>1.B : Increased number of risk-based desk and premises post clearance audits for Beirut port customs clearance (Text )</b>                                           |                                                                                                                                                                                                                                                                                                                                                                                           |
| Formula                                                                                                                                                                 | MoF Approved risk based selection system adopted by Customs; Number of post-clearance audits conducted during the period                                                                                                                                                                                                                                                                  |
| Description                                                                                                                                                             | This measures the increase in the post-review audits conducted                                                                                                                                                                                                                                                                                                                            |
| Data source/ Agency                                                                                                                                                     | Written evidence of approval and adoption of the risk-based criteria; Progress reports submitted by implementing entity – MoF Customs                                                                                                                                                                                                                                                     |
| Verification Entity                                                                                                                                                     | IVA                                                                                                                                                                                                                                                                                                                                                                                       |
| Procedure                                                                                                                                                               | The IVA will ascertain that a approved and adopted risk based criteria is in place. IVA will also review the progress reports and verify the details presented via a spot check of the post-clearance audit reports and other logs maintained by the Customs. In addition, physical, in-person no-notice visits will be undertaken during the period to assess the quality of the audits. |

|                                                                                      |                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2 : Timely submission of the budget to the council of ministers (CoM) (Text )</b> |                                                                                                                                                                                                                                                                                     |
| Formula                                                                              | Dates of actual finalization and submission will be verified using the following documents <u>Duly signed up to date MTFF, dated budget consultation completion reports and draft budget (a) submitted to the Minister; and (b) submitted to the CoM; by MoF Budget Directorate</u> |
| Description                                                                          | This indicator measure whether the draft budget was prepared on time after timely consultations and released by the MoF to the CoM in a timely manner. It also measures if an up to date MTFF is in place to inform budget ceilings.                                                |
| Data source/ Agency                                                                  | The documents above will be submitted by the MoF Budget Directorate                                                                                                                                                                                                                 |
| Verification Entity                                                                  | IVA                                                                                                                                                                                                                                                                                 |
| Procedure                                                                            | IVA reviews the dates of submission of the draft budgets and the availability of an updated MTFF . Any delays and deviations will be noted in the IVA report.                                                                                                                       |
| <b>3.A : Timely audit report published (Yes/No )</b>                                 |                                                                                                                                                                                                                                                                                     |
| Formula                                                                              | Date of certification of the annual financial reports (final accounts); Date of publication of audit report on the CoA website; availability of audit recommendation implementation status information in the audit report.                                                         |
| Description                                                                          | This indicator measures timely preparation of annual financial reports and timely preparation and publication of audit reports; timely follow up of the implementation status of audit recommendations                                                                              |
| Data source/ Agency                                                                  | Published audit reports and status of recommendations – CoA website; finalized and certified annual financial reports – MoF Public Accounting Department                                                                                                                            |
| Verification Entity                                                                  | IVA                                                                                                                                                                                                                                                                                 |

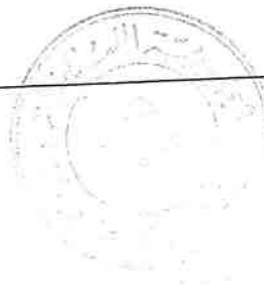




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|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Procedure                                                                                               | The IVA reviews the date of the audit report issued, the publication dates, and the dates of certification of the annual financial reports . Any delays will be noted in the IVA report.                                 |
| <b>3.B : Fiscal Performance Report published (Text )</b>                                                |                                                                                                                                                                                                                          |
| Formula                                                                                                 | Month of publication on the MoF website                                                                                                                                                                                  |
| Description                                                                                             | This indicator measures the timeliness of the fiscal performance report publication.                                                                                                                                     |
| Data source/ Agency                                                                                     | Fiscal Reports published on the MoF website                                                                                                                                                                              |
| Verification Entity                                                                                     | IVA                                                                                                                                                                                                                      |
| Procedure                                                                                               | The IVA reviews the dates that fiscal reports were published. The IVA will also check if the fiscal performance reports follow the e agreed-upon template and the coverage. Any delays will be noted in the IVA report.  |
| <b>4 : Reduced time for reviews of Payment documents for third parties and pension payments (Text )</b> |                                                                                                                                                                                                                          |
| Formula                                                                                                 | Average Time taken by the Directorate of Expenditure at the MoF, to review and take action on the payment documentation relating the third party supplier payments, new pensioners and changes in pension beneficiaries, |
| Description                                                                                             | This indicator measures improvements in the average time taken to review payment documentation each category of payment monitored by the indicator – suppliers, pensioners                                               |
| Data source/ Agency                                                                                     | Progress reports submitted by implementing entity – MOF Directorate of Expenditure.                                                                                                                                      |
| Verification Entity                                                                                     | IVA                                                                                                                                                                                                                      |
| Procedure                                                                                               | The IVA will receive progress reports supported by system-generated reports on the time taken to review and and take action payment documentation . The IVA will request additional verification documents as needed.    |
| <b>5 : Regular Payroll Audits completed and published (Text )</b>                                       |                                                                                                                                                                                                                          |
| Formula                                                                                                 | Alignment of audits with the audit plan; date of issue and publication of the payroll audit reports.                                                                                                                     |
| Description                                                                                             | This indicator measures if the payroll audits are comprehensive and done according to a plan pre-agreed with the Bank at the start of the period.                                                                        |
| Data source/ Agency                                                                                     | Payroll Audit Reports- CI website                                                                                                                                                                                        |
| Verification Entity                                                                                     | IVA/CoA                                                                                                                                                                                                                  |
| Procedure                                                                                               | The IVA reviews the audit reports against the plan for alignment and checks the date of finalization and publication for timeliness. Any deviations and/or delays will be noted in the IVA report.                       |



**VIII. INDICATIVE TERMS AND CONDITIONS FOR THE GUARANTEE (When Applicable)**

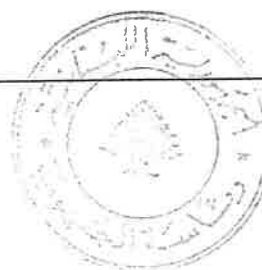




## **ANNEX 1: Implementation Arrangements and Support Plan**

### **COUNTRY: Lebanese Republic Fiscal Management Project**

- 1. The Ministry of Finance (MoF), as the loan and grant recipient, is the project's implementing agency. It will oversee the implementation of all the project's activities.** The MoF will also have the primary responsibility for ensuring that the World Bank's guidelines and procedures are adhered to. To facilitate comprehensive and continuous oversight, the MoF will establish a Project Coordination Unit (PCU), financed by the loan proceeds. It will have the primary responsibility for daily project implementation and coordination of activities under the project's components, as well as those carried out by other agencies (including the CoA, CI, as well as the IoF and the Central Tender Board [CTB]). Establishment of the PCU will be a loan effectiveness condition and staffing of the PCU will be a dated covenant of the loan. If grant activities progress ahead of loan effectiveness, the Directorate General of Finance at MoF will carry out all activities related to project coordination until the PCU is established and staffed with loan funding. The directorate will form a 'project team' by 1 months from effectiveness and assign existing staff on a part time basis to serve the team.
- 2. The PCU will be comprised of full-time, dedicated staff.** A project manager will be serving as the key interlocutor for the Bank's Task Team Leaders, responsible for ensuring consistency between the beneficiary departments within the ministry and other agencies. The project manager will be supported by a Financial Officer (FO), a Procurement Officer (PO), a Project Assistant (PA) and other technical staff as needed. The 'project-team' for the grant will replicate the same positions as the PCU. The FO and PO will be managing the daily financial management and procurement activities of the project, and the PA will provide administrative support to the Project Coordination Unit (PCU). Financial management and procurement arrangements are outlined in subsequent sections.
- 3. The Ministry of Finance has built expertise and know-how in managing and executing similar PFM reform projects, such as the Engineering Facilities Management Information System (EFMIS) project, the Fiscal Management Reform (FMR)2 project and others.** This provided them with some knowledge and relevant experience in implementing World Bank guidelines and procedures. The project will disburse upon achievement of the PBCs, and it will also fund expenditures directly. The PCU will coordinate these activities in collaboration with the Minister and Director General of the MoF, who will play a strategic guidance role.
- 4. The project will be implemented in a manner consistent with the government's overall recovery and reform efforts. The PCU will be overseen by the MoF and the Minister of Finance, who will be informed of progress under the project on a regular basis and consulted as needed.** The World Bank will have a supervisory and implementation facilitation role. It will monitor the project's deliverables, provide no-objection on the various activities, and engage with the MoF, CoA, CI, CTB and IOF's senior management, technical staff, PCU and hired experts to advise on the implementation of the project in line with the recovery support and reform priorities.





**Two separate Operations Manuals will be prepared by MoF for the grant and the project as a whole.** The two manuals are effectiveness conditions of the grant and loan respectively. The manuals will describe the arrangements, procedures, roles and responsibilities of all stakeholders. The manuals will be cleared by the Bank, and will not be modified or amended without acquiring the approval of the Bank.

- 5. A Project Steering Committee (PSC) will be established and take responsibility for strategic policy and decision making, as well as technical coordination across the departments and agencies.** The PSC will be established no later than 60 days from the date of effectiveness and maintained throughout the implementation of the project. The PSC will be led by the Minister of Finance, or a person nominated by the Minister, and the PSC will be comprised of the heads of relevant agencies and directorates. The PCU will act as the Secretariat of the PSC, and it will provide all necessary updates required to facilitate the discussions. More details about the terms of reference and other operational details will be provided in the PoMs.
- 6. An independent verification agent (IVA) will be appointed to verify the performance-based conditions.** The achievement of the PBCs will be verified by an IVA based on the verification protocols outlined in the POM. An IVA will be appointed within 90 days of project effectiveness.

#### **Procurement**

- 7. Applicable Procurement Regulations.** Procurement will be carried out in accordance with the World Bank Procurement Regulations for Investment Project Financing for Borrowers dated September 2023 (Procurement Regulations). The provisions of the Borrower's Procurement Plan for the project (Procurement Plan)), provided for under Section IV of the Procurement Regulations will apply, and the same may be updated from time to time in agreement with the World Bank. The borrower will also ensure that the project is carried out in accordance with the provisions of 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 and as of July 1, 2016 (Anti-Corruption Guidelines). In addition, the Project will require bidders/primary suppliers of solar-powered cold-chains (and other material, as applicable) to provide two declarations: a Forced Labor Performance Declaration (which covers past performance), and a Forced Labor Declaration (which covers future commitments to prevent, monitor and report on any forced labor, cascading the requirements to their own sub-contractors and suppliers). The Borrower will include enhanced language on forced labor in the procurement contracts as per Bank's Standard Procurement Documents.
- 8. Project Procurement Strategy for Development (PPSD).** The procurement strategy is aimed at broadening the social and employment benefits of the project, while also ensuring the quality of project execution. The Borrower has developed the PPCSD, and it will be updated as needed during project implementation.
- 9. Systematic Tracking of Exchanges in Procurement (STEP).** The STEP is the World Bank's online procurement planning and tracking tool used to prepare, clear, and update Procurement Plans and conduct procurement transactions, as referred to in Section V, article 5.9 of the Procurement Regulations. The Procurement Plans for the life of the project will be progressively developed by the implementing agency. Any contract not uploaded in STEP, with award notification not being uploaded prior to the signing of contracts, will not be eligible for financing.





In addition, procurement advertisements and contracts awards will also be published on the Public Procurement Authority (PPA) portal.

10. **Procurement Plan.** An initial Procurement Plan is developed and cleared by the World Bank. It will be uploaded in the Systematic Tracking of Exchanges in Procurement (STEP) as soon as it becomes available. The procurement plan will be updated in STEP as needed.
11. **Advance Procurement.** To speed implementation, an advance procurement process may be used. These activities include: (a) preparation of Terms of Reference (ToRs), (b) Preparation of expressions of interest, (c) identification of qualified consultants, and (d) launching bidding when applicable up to the award of contracts.
12. **Retroactive Financing.** Retroactive financing is made available for eligible expenditures incurred by government on or after November 01, 2023. As specified in Section V (paragraph 5.1 and 5.2) of the applicable Procurement Regulations, if contracts are to be eligible for retroactive financing, the procurement procedures, including advertising, shall be consistent with Sections I, II and III of the Procurement Regulations. In addition, contracts that were procured prior to the signing of the Loan Agreement will be eligible for retroactive financing, if the contract/supplier/consultant has explicitly agreed to comply with the relevant provisions of the World Bank's Anti-Corruption Guidelines, including the World Bank's right to inspect and audit all accounts, records, and other documents relating to the project that are required to be maintained, pursuant to the Loan Agreement
13. **Procurement Risk Rating and Prior Review Threshold.** The procurement risk rating is high due to the instability of market availability, price fluctuations, and exchange rate volatility. Regarding sustainability, contractors are looking to regional and international markets. Competition is narrow due to the survival of large firms and the collapse of small enterprises. Lengthy procurement transactions add to the lack of confidence in the public sector. Contractors are challenged due to the dysfunctional banking sector and limited access to guarantees or loans for liquidity, if needed. The project will be subject to the high prior review threshold.
14. **Procurement Capacity Assessment:** A preliminary assessment was carried out, and it was established that a full-time procurement specialist is required for the PCU. The assessment will be updated two times per year.

#### **Financial Management**

15. **The project will be implemented following the World Bank rules and procedures governing financial management.** The Ministry of Finance will be the implementing agency. Financial management functions will be centralized at the Project Coordination Unit (PCU), which will be established under the MoF. The PCU will include a full-time financial officer who will handle activities under the loan. The Directorate General of Finance at the MoF has the capacity to manage grant funded activities, and if necessary, will also sign staff to manage direct payment, reporting, and audit requirements under the grant in case the grant becomes effective before the loan. A financial management assessment was conducted for the MoF. Based on the results of the assessment, the financial management risk rating, part of the overall fiduciary risk rating, is considered Substantial.
16. The following are the identified risks:



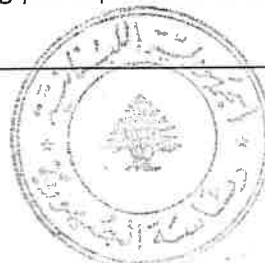


- Overall, there is a high perception of corruption in the country due to the deteriorating socioeconomic situation.
- Although the MoF had previous experience in implementing Bank-financed projects, the heavy bureaucratic and administrative processes may impede progress in project implementation.
- The use of a new instrument (IPF with PBCs) will necessitate additional support and guidance, as well as a stringent verification process to ensure that the results will be achieved in a satisfactory manner.
- The continuous devaluation of the Lebanese Pound (LBP) against the US Dollar would impact the value of the transfers made to local beneficiaries as payments from the DA in the Central Bank that are made in LBP.
- The project will include financing of recurrent costs through the payment of allowances to a selected number of staff at the MoF. This will involve a substantial number of transactions, thus increasing the risk of divergence and misuse of project funds.
- The MoF does not have an accounting system that complies with the Bank requirements in terms of recording the daily project transactions, including the ability to produce periodical financial reports.
- The MoF's rules and procedures for internal controls are institution specific. Thus, they do not adhere to Bank project requirements.
- The country's public oversight body, the Court of Accounts (CoA) has the mandate to audit all public funds, however, currently the CoA has limitations in resources to audit the project's financial statements in a timely and comprehensive manner..

The following arrangements and measures will be implemented by the MoF to mitigate the financial management risks. These measures will reduce the risk level from Substantial to Moderate.

#### Financial Management Arrangements

17. **The MoF will establish a ring-fenced system based on Excel spreadsheets to record the daily transactions and produce the quarterly financial reports.** The basis of accounting will be the International Public Sector Accounting Standards (IPSAS) cash basis PCU method. The PCU will be responsible for preparing the yearly budget for the project, as well as for producing the quarterly Interim Financial Reports (IFRs). These are to be submitted to the Bank 45 days after the end of each quarter. The IFRs model and content will be agreed upon with the MoF.
18. **Financial management procedures will be guided by the POMs.** The POMs will be prepared by the PCU, and it will include a detailed financial management chapter. Disbursements for the PBCs will be made upon the verification by the IVA and the value of the PBCs. If the expenditures incurred are in excess of the PBC values, the difference will need to be refunded by the MoF. The external auditors will also verify that the funds from the achieved PBCs are paid to eligible beneficiaries and that they are based on the criteria agreed upon (which will be detailed in the POM of the loan). See table 4 below.
19. **The criteria and process of selecting the eligible staff to receive the incentives, as well as the allowance ceiling and other controls and monitoring process will be included in the POM of the loan, supported by a government decree.** The government decree will be either in force throughout Project implementation or it will be issued on a yearly basis. The External Auditors will be verifying the eligible beneficiaries in accordance with the criteria set in the POM, thus validating the system of control and monitoring put in place and confirming that all eligible





beneficiaries have received their allowances. The external auditors will also conduct spot checks during the audit cycle to verify that the staff are actually present at their work premises. The beneficiaries will be paid through a money transfer operator on a monthly basis.

**Table 4: PBC Values and Disbursement Schedule**

| Result Area                                                           | Performance-Based Conditions                                                                                                               | Total Value US\$ '000 | Disbursements US\$ '000                                          |                                     |                                     |                                     |                                     |                                     |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                                                       |                                                                                                                                            |                       | Total disbursements per period and disbursements for each target |                                     |                                     |                                     |                                     |                                     |
|                                                                       |                                                                                                                                            |                       | Year 1                                                           |                                     | Year 2                              |                                     | Year 3                              |                                     |
| Improved DRM functions                                                | <b>PBC #1 a</b> Increased number of tax declarations by large taxpayers (of Income Tax and VAT); and increased audits of large tax payers. | 4,575                 | 750                                                              | 787<br>(a.50%; b.50%)               | 750<br>(a.50%; b.50%)               | 788<br>(a.50%; b.50%)               | 750<br>(a.50%; b.50%)               | 750<br>(a.50%; b.50%)               |
|                                                                       | <b>PBC #1b</b> Increase in the number of risk-based desk and premise post-clearance audits for Beirut port customs clearance.              | 976                   | 150                                                              | 188                                 | 150                                 | 188                                 | 150                                 | 150                                 |
| Timely budgeting                                                      | <b>PBC#2</b> Timely submission of the annual government budget to the Council of Ministers                                                 | 1,393                 | 228<br>(a.50%; b.50%)                                            | 238<br>(a.40%; b.40%; c.20%)        | 228<br>(a.50%; b.50%)               | 238<br>(a.40%; b.40%; c.20%)        | 233<br>(a.50%; b.50%)               | 228<br>(a.40%; b.40%; c.20%)        |
| Improved availability of fiscal and financial performance information | <b>PBC #3a</b> Timely audit report published                                                                                               | 1,843                 | 328<br>(a.40%; b.60%)                                            | 305<br>(a.43%; b.15%; c.20%; d.22%) | 300<br>(a.44%; b.15%; c.20%; d.21%) | 305<br>(a.43%; b.15%; c.20%; d.22%) | 305<br>(a.43%; b.15%; c.20%; d.22%) | 300<br>(a.44%; b.15%; c.20%; d.21%) |
|                                                                       | <b>PBC #3b</b> Fiscal Performance Report published                                                                                         | 953                   | 292.6                                                            | 129<br>(a.50%; b.50%)               | 144.4<br>(a.50%; b.50%)             | 129                                 | 129<br>(a.50%; b.50%)               | 129                                 |
| Enhanced efficiency in                                                | <b>PBC #4</b> Timely review of supplier and pension                                                                                        | 1,840                 | 300                                                              | 320                                 | 300                                 | 320                                 | 300                                 | 300                                 |





|                               |                               |               |                              |                              |                              |                              |                              |                              |
|-------------------------------|-------------------------------|---------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| payment processing            | payment documentation         |               | (a.34%;<br>b. 33%;<br>c.33%) | (a.34%;<br>b. 33%;<br>c.33%) | (a.34%;<br>b. 33%;<br>c.33%) | (a.34%;<br>b. 33%;<br>c.33%) | (a.34%;<br>b. 33%;<br>c.33%) | (a.34%;<br>b. 33%;<br>c.33%) |
| Enhanced integrity in payroll | PBC #5 Regular payroll audits | 720           | 110                          | 1400<br>(a. 60%;<br>b.40%)   | 110<br>(a. 60%;<br>b.40%)    | 140<br>(a. 60%;<br>b.40%)    | 110<br>(a. 60%;<br>b.40%)    | 110<br>(a. 60%;<br>b.40%)    |
| <b>Total</b>                  |                               | <b>12,300</b> |                              |                              |                              |                              |                              |                              |

20. The funds will be channeled from the World Bank to the Treasury account at the MoF and then transferred to a project Designated Account (DA). It will be opened at the Central Bank of Lebanon and will be used exclusively for project expenditures. Through the PCU, the MoF will handle all payments under the project. The disbursement methods to be used for the project will include: advances, reimbursements, and direct payments (table 5). However, the grant financing will be disbursed strictly using the Direct Payment (DP) method. The MoF and/or the PCU will be responsible for preparing and submitting withdrawal applications to the Bank on a regular basis with appropriate supporting documents. Advances to the DA will be based on a six-month expenditure projection, and the documentation will be based on the IFR. Disbursements and reporting on eligible expenditures will be detailed and governed by the Disbursement and Financial Information Letter (DFIL).

Table 5: Categories of Expenditure for the Loan

| Category                                                                                            | Amount (US\$)     | Percentage of Financing (inclusive of taxes) |
|-----------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------|
| 1 - Eligible expenditures related to the PBCs                                                       | 12,300,000        | 100%                                         |
| 2 - Goods, consulting services, non-consultant services, training and incremental operational costs | 16,128,750        | 100%                                         |
| Front-End fees                                                                                      | 71,250            | 100%                                         |
| <b>Total</b>                                                                                        | <b>28,500,000</b> |                                              |

The categories of expenditures related to the grant part can be found in table 6.

Table 6: Grant Related Categories of Expenditure and Amounts

| Category                                                             | Amount (US\$) | Percentage of Financing (inclusive of taxes) |
|----------------------------------------------------------------------|---------------|----------------------------------------------|
| 1 - Goods, consulting services, non-consultant services and training | 5,500,000     | 100%                                         |



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|       |           |  |
|-------|-----------|--|
| Total | 5,500,000 |  |
|-------|-----------|--|

21. The project will be managed independently from other activities undertaken by the MoF. Therefore, the Ministry will enter into a contract with an independent external private auditor. Terms of References acceptable to the Bank will be used to hire the firm. The auditor will be responsible for auditing the project's annual financial statements and will issue an audit report and a management letter covering each fiscal year. The audit report and management letter will be submitted to the Bank no later than 6 months after the end of each fiscal year.

## ANNEX 2

| Governance and Accountability Action Plan<br>Core Actions: Corruption Mitigation Measures |                                                                                                                       |                                                                                                                                                                                                                                                                                                                 |                                                                                                                                     |                                                                                                                                                                         |                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No.                                                                                       | Potential Governance and Accountability Risks                                                                         | Action Plan Steps                                                                                                                                                                                                                                                                                               | Implementation Arrangements                                                                                                         | Timeline                                                                                                                                                                | Monitoring                                                                                                                                                                      |
| 1.                                                                                        | Weak institutional coordination between the MoF and other agencies, resulting in uncoordinated project implementation | 1. A Project Coordination Unit (PCU) will be hosted at the MoF, and it will be staffed with experienced consultants who will ensure the coordination of project activities among the different entities.<br><br>2. Designation of focal points at each of the implementing entities to coordinate with the PCU. | 1. A PCU will be created, and it will include a project coordinator, a procurement officer, and a financial officer.                | 1. Within one month of the project effectiveness date<br><br>2. At the project effectiveness date.                                                                      | 1. Project Progress Reports, performance reviews, and IFRs.                                                                                                                     |
| 2.                                                                                        | Weak project transparency could result in a misutilization of resources                                               | 1. The financing instrument embeds the PBCs. They will be verified in accordance with the PBC results verification protocol.<br><br>2. Publishing up-to-date information of major procurements, project activities and updates through the STEP system and on the MoF website.                                  | 1. An IVA, a reputable independent government agency, or an international consultancy firm, will be hired by the PCU.<br><br>2. PCU | 1. Within 3 months after the effectiveness date<br><br>2. The STEP system will be used in a timely manner, and the MoF website will be updated regularly throughout the | 1. IVA Report<br><br>2. Actions through STEP and Project Progress Report.<br><br>3. Project supervision, and spot checks by the Task Team<br><br>6. Forms part of the 6-monthly |





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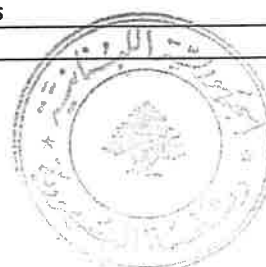
Fiscal Management Project (P181155)

|    |                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                           |                                           |                                                                                                                                                                                                         |                                              |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
|    |                                                                                                                                                                | <p>3. Reconciliation of the flow of funds, and the disbursements with the project expenditures.</p> <p>4. Details of staff entitled to receiving the allowances will be shared with the Bank, including their job descriptions and the rationale for their selection. Their details regarding attendance and other matters will be shared with the IVA in accordance with the verification protocols.</p> | <p>3. PCU</p> <p>4. PCU</p>               | <p>duration of the project.</p> <p>3. Regularly through the duration of the project.</p> <p>5. At the start of enrolling the staff in the performance allowance scheme, and updates every 6 months.</p> | verification process                         |
| 3. | World Bank and MoF protocols on reporting on project activities (IFRs, Aide Memoires, ISMs, procurement reviews, ex-post audits, and so on) experience delays. | 1. Governance and operational reporting template to be developed that is filled by the PCU and discussed monthly with the World Bank Task Team and the MoF.                                                                                                                                                                                                                                               | 1. PCU, MoF                               | 1. Quarterly basis.                                                                                                                                                                                     | 1. Project Supervision Report                |
| 4. | No Internal audit function within the MoF                                                                                                                      | <p>1. The project will provide capacity and support to the Central Inspection (CI) to strengthen its resources and capacity to carry out internal control reviews and risk-based internal audits.</p> <p>2. Internal reviews of project activities to be carried out periodically (6 months) and reports to be shared with the World Bank.</p>                                                            | <p>1. MoF and CI</p> <p>2. CI and PCU</p> | <p>Within 3 months after the effective date</p> <p>2. Starting from the 6th month after the effectiveness date</p>                                                                                      | Project Supervision Report and Audit Reports |
| 5. | Weak                                                                                                                                                           | 1. Fiduciary Specialists                                                                                                                                                                                                                                                                                                                                                                                  | PCU in collaboration                      | 1. Within 4- 6 weeks                                                                                                                                                                                    | 1. Project Supervision Report                |





|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                             |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                         |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
|                                     | <p>Accountability for implementation of project activities</p> <p>hired within the PCU to guide and review compliance with hands-on support, as needed, provided by the World Bank fiduciary team.</p> <p>2. Grievance redressal system to be designed and put in place.</p> <p>3. Grievance redressal procedures to be publicized among citizens and stakeholders.</p> <p>4. Regular monitoring of complaints received and resolved.</p> <p>5. Semi-annual review of complaints received and responses to identify corruption vulnerabilities and determine mitigation efforts.</p> <p>6. Post-procurement reviews to be conducted at least once a year.</p> | <p>with the MoF, CoA, CI, IoF and CTB</p> <p>World Bank</p> | <p>after the effectiveness date and throughout the project</p> <p>2. Within 4 weeks after the effectiveness date</p> <p>3. Starting from 4-6 weeks after the effectiveness date</p> <p>4. Throughout the project duration</p> <p>5. Throughout the project duration</p> <p>6. Throughout the project duration</p> | <p>2. Spot checks by World Bank Task Team</p> <p>6. Post-procurement review reports</p>                                                 |
| 6.                                  | <p>Weak accountability to citizens and stakeholders</p> <p>1. Project Stakeholder Engagement Plan to be formulated.</p> <p>2. A project oversight body that includes public representatives and representatives of civil society organizations (CSOs).</p> <p>3. Citizen feedback on project activities to be obtained periodically.</p>                                                                                                                                                                                                                                                                                                                      | <p>PCU in collaboration with the MoF for steps 1 to 3.</p>  | <p>1. Within 3 months after the effective date</p> <p>2. Within two months after the effective date</p> <p>3. Throughout the project duration</p>                                                                                                                                                                 | <p>1. Project Supervision by the World Bank Task Team</p> <p>2. Project Progress Reports</p> <p>3. Project Supervision by Task Team</p> |
| Fiduciary-related Governance Issues |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                             |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                         |



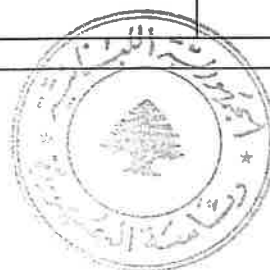


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|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 1. | Delays and bottlenecks in disbursements of funds resulting in delays in implementation.                                                                                   | Disbursement time-lags to be monitored and continuous dialogue with the Treasury, CoA and BdL will be made to reduce lag times.                                                                                                                                                                                                                                                                                                                        | PCU in collaboration with the World Bank.                                                                | Within three months after the effectiveness date.                                                                          | Project financial management supervision<br><br>Spot checks by World Bank Task Team |
| 2. | Emergency situations used as a basis for substantial variations in workplans and procurement plans, thereby leading to cost overruns, and ineligible expenditures.        | 1. Any changes to the workplan must be approved/No Objection from the World Bank, and must be accompanied by a clear indication of any changes to procurement plans as well.<br><br>2. Financial audits and ex-post procurement assessments to confirm deviations from work plans and procurement procedures.<br><br>3. Project to adopt stronger internal control procedures for emergencies, which will be reflected in a project operations manual. | 1. PCU<br><br>2. PCU (Financial audits) and WB (ex-post procurement reviews)<br><br>3. PCU with the MoF. | Throughout the project duration<br><br>Throughout the project duration<br><br>3. Within 3 months of project effectiveness. | Project Supervision Reports<br>Audit reports                                        |
| 3. | Opportunities for fraud and corruption, for example, bid rigging and inflation of prices of goods and services, amplified by the use of emergency procurement procedures. | The project will apply the World Bank Procurement Regulations and will use the World Bank standard procurement documents.<br><br>2. The project will be carried out in accordance with the provisions of the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants' (Anti-Corruption Guidelines).<br><br>3. Procurement plans and notices will be published                       | PCU, MoF<br><br>PCU<br><br>PCU                                                                           | Throughout the project duration                                                                                            | 1. Project Supervision Report<br><br>2. Project Progress Reports                    |





|    |                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                               |                                  |                                                                       |                    |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------------------|--------------------|
|    |                                                                                                                                                                                                                                                         | through the STEP system and MoF website.<br><br>2. Regular and periodic spot checks of procurement transactions to assess integrity and efficiency of procurement process and outcomes.                                                                                                                                                       | PCU, World Bank                  |                                                                       |                    |
| 4. | Projects activities implemented by multiple agencies, thus rendering financial management coordination and implementation more challenging.                                                                                                             | A PCU will be hosted at the MoF. A ring-fenced system with strict and specific controls will be reflected in the financial management chapter of an operational manual.                                                                                                                                                                       | PCU, MoF, CI, IoF, CoA, and CTB. | At effectiveness date                                                 |                    |
| 5. | Project will include financing of recurrent costs through the payment of allowances to a select number of staff at the MoF. This will involve a substantial number of transactions, thus increasing the risk of divergence and misuse of project funds. | Payments made under the project will be in US Dollars to preserve the value of the funds. In addition, the direct payment method will be available to use as needed. This will be agreed as with other World Bank-financed projects conducted with the BdL.<br><br>The IVA's scope will be expanded to verify the payments to eligible staff. | MoF, BDL, and World Bank         | At effectiveness date                                                 | 1. Legal agreement |
| 6. | The country's public oversight body, the Court of Accounts (CoA), audits all public funds; however, it does not have the capacities/resources to                                                                                                        | The project will be audited by an independent external auditor with terms of reference acceptable to the Bank.                                                                                                                                                                                                                                | PCU, World Bank                  | Submit project audit reports within 6 months at the end of each year. |                    |





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| audit the project, which would give limited assurance regarding the use of the funds. |  |  |  |  |
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RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF

Fiscal Management Project  
APPROVED ON 14-Feb-2024

TO

The Lebanese Republic

Governance  
Middle East And North Africa

|                          |                                   |
|--------------------------|-----------------------------------|
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#### ABBREVIATIONS AND ACRONYMS

|         |                                                       |
|---------|-------------------------------------------------------|
| ASYCUDA | Automated System for Customs Data                     |
| DRM     | Domestic Revenue Mobilization                         |
| FMP     | Lebanon Fiscal Management Project                     |
| FM      | Financial Management                                  |
| GoL     | Government of Lebanon                                 |
| IBRD    | International Bank for Reconstruction and Development |
| IFMIS   | Integrated Financial Management System                |
| IP      | Implementation Progress                               |
| ISR     | Implementation Status and Results Report              |
| ITAS    | Integrated Tax Administration System                  |
| LFF     | Lebanon Financing Facility                            |
| LTO     | Large Taxpayer Office                                 |
| M&E     | Monitoring and Evaluation                             |
| MoF     | Ministry of Finance                                   |
| MS      | Moderately Satisfactory                               |
| PBCs    | Performance-Based Conditions                          |
| PDO     | Project Development Objectives                        |
| PFM     | Public Financial Management                           |
| RKC     | Revised Kyoto Convention                              |
| SAFE    | Safe Framework of Standards                           |
| TFA     | Trade Facilitation Agreement                          |
| VAT     | Value Added Tax                                       |
| WCO     | World Customs Organization                            |

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**The World Bank**  
Fiscal Management Project (P181155)

**BASIC DATA**

**Product Information**

|                                                     |                           |
|-----------------------------------------------------|---------------------------|
| Operation ID                                        | Operation Name            |
| P181155                                             | Fiscal Management Project |
| Product/Financing Instrument                        | Geographical Identifier   |
| Investment Project Financing (IPF)                  | Lebanon                   |
| Approval Date                                       | Current Closing Date      |
| 14-Feb-2024                                         | 31-Mar-2027               |
| Environmental and Social Risk Classification (ESRC) |                           |
| Moderate                                            |                           |

**Organizations**

|                       |                     |
|-----------------------|---------------------|
| Borrower              | Responsible Agency  |
| The Lebanese Republic | Minister of Finance |

**OPERATION STATUS**

**Project Development Objective (DO)**

**Original Development Objective**

Project development objective is to support the Lebanese Republic restore the basic functions for domestic revenue mobilization and accountable allocation and use of public resources.

**Disbursement Summary (in USD million)**

| Source of Funds | Net Commitment | Disbursed | Undisbursed | % Disbursed |
|-----------------|----------------|-----------|-------------|-------------|
|-----------------|----------------|-----------|-------------|-------------|

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|        |       |      |       |       |
|--------|-------|------|-------|-------|
|        | 28.50 | 0.00 | 28.50 | 0.00  |
| IBRD   |       |      |       | 0     |
| IDA    |       |      |       | 11.80 |
| Grants | 5.50  | 0.65 | 4.85  |       |

**Policy Waivers**

Does this restructuring trigger the need for any policy waiver(s)?

No

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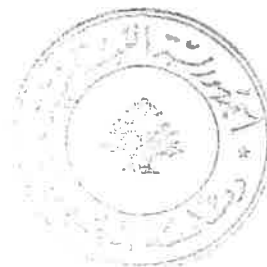


**The World Bank**  
Fiscal Management Project (P181155)

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## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### Project Status

1. The US\$28.50 million loan and the US\$5.5 million grant from the Lebanon Financing Facility (LFF) for the Lebanon Fiscal Management Project (FMP) were approved by the World Bank Board of Executive Directors on February 14, 2024, with a closing date of March 31, 2027. The Project Development Objectives (PDO) is to support the Lebanese Republic restore the basic functions of domestic revenue mobilization and accountable allocation and use of public resources. The project comprises five components: (1) Stabilizing Domestic Revenue Administration; (2) Restoring Fiscal Controls, (3) Revitalizing Oversight and Accountability Institutions and Procurement Capacity Building, (4) Project Management, (5) Contingent Emergency Response Component - CERC. The project design includes an allocation of US\$12.3 million to be disbursed based on the achievement of five Performance-Based Conditions (PBCs).
2. **Project Performance.** The grant agreement for the LFF grant was signed on July 22, 2024, and was declared effective on October 15, 2024, while the loan agreement for the IBRD loan was signed on September 27, 2024, and the deadline for declaring the loan effective was extended to August 11, 2025, at the Government's request. Due to the delay in declaring the loan as effective, the Project Development Objective (PDO) and Implementation Progress (IP) are rated Moderately Satisfactory (MS). Financial Management (FM), Procurement, and Monitoring and Evaluation (M&E) are rated Moderately Satisfactory (MS). There are no audit reports due yet; the first audit report will cover fiscal year 2025 and will be due by June 30, 2026. The status of implementation of the Project components is summarized below.
3. **Component 1: Stabilizing Domestic Revenue Administration (US\$14.1 million, of which loan US\$10.6 million and grant US\$3.5 million).** This component aims at providing essential support to critical revenue functions, which is a pre-condition to increasing the collection of tax and non-tax revenues. This component will receive funding upon the achievement of PBC # 1a and PBC #1b. The component will fund technical assistance, training, operating costs and essential revenue IT system maintenance and upgrades. Additionally, funding will be provided to install solar panels (at a cost of approximately US\$1 million) for electricity generation in the buildings of these agencies as required. The procurement for the acquisition of ICT hardware and software was launched for US\$3.5 million, out of which US\$1.5 million are committed and under implementation (fully financed from the LFF grant).
4. **Component 2: Restoring Fiscal Controls (US\$ 15 million: loan US\$13 million; grant US\$ 2 million).** The objective of the component is to reestablish the critical pillars for allocating and utilizing resources to meet urgent needs, as well as to set the foundation for recovery. The activities under this component will be funded upon the completion of the targets under PBC #2, PBC #3a, PBC #3b and PBC #4. In addition, the component provides technical assistance, training, and ICT equipment in budget preparation areas, including procurement planning, and fiscal and financial reporting. Furthermore, funding will be provided to install solar panels for electricity





generation (at a cost of approximately US\$1 million) in the buildings of these departments and agencies as required. The PBC#4 "system-generated reports show reduced time for reviews of Payment documents for third parties and pension payments" was achieved. Hence, it is decided to drop that PBC#4 in the restructuring. Additionally, the procurement for ICT hardware and software for MoF of US\$2 million were launched, contracts were signed and are under implementation (fully financed by the LFF grant).

5. **Component 3: Revitalizing Oversight and Accountability Institutions and Procurement Capacity Building (USD\$2.4 million: loan US\$2.4 million; grant US\$0).** This component aims to help enhance: (a) the role of oversight, audit and capacity of the Court of Accounts (CoA), Central Inspection (CI), the Public Procurement Authority and other selected public procurement entities and expand their engagement with the citizens; and (b) the role of capacity building of the Institute of Finance (IoF). The proposed activities under this subcomponent will be funded upon the completion of the targets under PBC #3a and PBC #5. Additionally, technical assistance, training, and IT enhancements will be funded. Finally, funding will be provided to install solar panels in the buildings of these agencies, as required for electricity generation (at a cost of approximately US\$0.8 million). There is no progress to-date awaiting the ratification of the related project loan.
6. **Component 4: Project Management (US\$2.5 million: loan US\$2.5 million; grant US\$0)** This component will support the management, coordination, communications and monitoring and evaluation (M&E) for Project activities. The component will fund the maintenance of a Project Coordination Unit (PCU) under the Ministry of Finance. The PCU will be staffed with a full-time Project coordinator, fiduciary specialists and a monitoring and evaluation specialist. In addition, a part-time Environmental and Social (E&S) Specialist will be assigned to manage the E&S requirements of the proposed Project. Also, communication expertise will be contracted or assigned as needed. Project management staff salaries (other than civil servants' salaries), selected allowances, training, and basic facilities for managing the proposed Project will be funded under this component. In addition, the component will fund the cost of an IVA to verify the PBCs. There are no activities that are launched yet as the loan has not been ratified yet.
7. **Component 5: Contingent Emergency Response Component - CERC (US\$ 0).** This component will support the provision of an immediate response to an Eligible Crisis or Emergency, as needed. It will be considered in the case of the occurrence of an Eligible Crisis or Emergency as defined under the loan agreement. In the event that the CERC is activated, a CERC Operations Manual will be prepared during Project implementation to govern the operation of the component.

**Commented [MC1]:** This is not through CERC, which could be used to address any type of eligible crisis or emergency at any given sector.

#### Rationale for Restructuring

8. **The Government of Lebanon (GoL) has requested the World Bank to restructure the Lebanon FMP to reallocate funds from the incentive scheme for Ministry of Finance (MoF) staff, as the incentive scheme for staff is no longer a priority, to IT system upgrades and enhancements to support Public Financial Management (PFM) reforms to**





support Lebanon in achieving its broader fiscal governance objectives and ensuring sustainable economic recovery.

9. The PDO will remain unchanged, and the restructuring aligns with the PDO to support Lebanon in restoring basic functions for domestic revenue mobilization and accountable allocation and use of public resources. It includes, *inter alia*, a revision in the allocation of funds from the payment of staff allowances (which are being dropped) to IT investments, ensuring efficient use of Project funds. The existing IT systems at the MoF are fragmented, outdated, and heavily reliant on manual data entry, posing high risks to business continuity; and their replacement by a Procurement of a new modern Integrated Financial Management System (IFMIS) system aims to support the collection and analysis of timely, relevant and reliable financial data in respect of GoL's revenues and spending. Procurement of a new Integrated Tax Administration System (ITAS) will make tax administration operations efficient, facilitate taxpayer compliance, and enable the collection and analysis of relevant taxpayer data for informed decision and policymaking. The restructuring also includes the development of a Learning Management System (e-modules on PFM and public procurement) to build the capacity and technical skills of civil servants, ensuring sustainable improvements in PFM and public procurement capacity. The current PBCs and the overall allocation need revision based on the changes being made to the Project under the restructuring. The Project closing date will be extended by twenty-one months, from March 31, 2027, until December 31, 2028, to accommodate the procurement and implementation of the enhancements to the IT systems.
10. The Government remains committed to achieving the PDO. A revised implementation plan was agreed to complete project activities by the proposed revised closing date, which is acceptable to the Bank.

## II. DESCRIPTION OF PROPOSED CHANGES

11. Key changes include:

(a) **Reallocation:**

- **Component Costs:** A total of US\$2.6 million is being reallocated from Component 3 to Component 2, as reflected in Table 1. This adjustment will support additional activities under Components 1, 2, and 3, while the total loan amount remains unchanged. As a result, the cost of Component 2 will increase from US\$10.4 million to US\$13 million, and Component 3 will decrease from US\$5 million to US\$2.4 million. The cost of Component 1 will remain unchanged; however, the initially allocated US\$5.5 million for the staff incentive scheme under this component will now be redirected to finance the development and implementation of the Integrated Tax Administration System (ITAS).





TABLE 1: CHANGES IN COMPONENT COSTS

| Components                                                                                   | Original Budget Allocation Loan financing (Million USD) | Budget Allocation Loan financing after the Restructuring (Million USD) | Budget Allocation from LFF grant (Unchanged) (Million USD) | Budget Allocation Loan and LFF grant after the restructuring (Million USD) |
|----------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------|
| 1: Stabilizing DRM                                                                           | 10.6                                                    | 10.6                                                                   | 3.5                                                        | 14.1                                                                       |
| 2: Restoring fiscal control                                                                  | 10.4                                                    | 13                                                                     | 2                                                          | 15                                                                         |
| 3: Re-vitalizing oversight and accountability institutions and procurement capacity building | 5                                                       | 2.4                                                                    | 0                                                          | 2.4                                                                        |
| 4: Project Management                                                                        | 2.5                                                     | 2.5                                                                    | 0                                                          | 2.5                                                                        |
| Total                                                                                        | 28.5                                                    | 28.5                                                                   | 5.5                                                        | 34                                                                         |

- **Disbursement Categories:** As a result of the restructuring and the elimination of the incentive scheme, the amount allocated to Category 1 will be reallocated to Category 2, as detailed in Table 2.

TABLE 2 CHANGE IN CATEGORIES

| Category                                                                                                                                                                                               | Original Allocation US\$ | Revised Allocation US\$ |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|
| (1) ) Goods, works, non-consulting services, consulting services, Operating Costs, and Training for the Eligible Expenditures Program under the Project                                                | 12,300,000               | 5,000,000               |
| (2) Goods, works, non-consulting services, and consulting services, Operating Costs, Training under the Project (except for expenditures under category 1 and Parts 1.3 (a) and 2.4 (a) of the project | 16,128,750               | 23,428,750              |





|                     |                   |                   |
|---------------------|-------------------|-------------------|
| (3) Front-end Fee   | 71,250            | 71,250            |
| <b>TOTAL AMOUNT</b> | <b>28,500,000</b> | <b>28,500,000</b> |

(b) Performance-Based Conditions (PBCs) adjustment (See Annex 1 for details of the PBCs):

- **Allocations:** The current allocation of US\$12.3 million for PBCs is proposed to be revised to US\$5 million, and the allocation for each PBC has been revised, as shown in Table 3. PBC #4: —System-generated reports show reduced time for reviews of payment documents for third parties and pension payments, will be cancelled. The remaining PBCs will be made scalable, with provisions for the rollover of undisbursed funds to subsequent years.

TABLE 3 CHANGE IN PBC ALLOCATION

| Performance Based Conditions                                                                                                                            | Original Allocation US\$ | Revised Allocation US\$ |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|
| 1a. Increased timely filing of tax declarations and timely payment of taxes by large taxpayers (of Income Tax and VAT) up to 75% of all large taxpayers | 4,575,000.00             | 500,000.00              |
| 1b. Increased number of risk-based desk and premises post clearance audits for Beirut port customs clearance                                            | 976,000.00               | 500,000.00              |
| 2. Timely submission to the Council of Ministers of a budget linked to macro fiscal framework                                                           | 1,393,000.00             | 2,000,000.00            |
| 3a. Timely audit report published                                                                                                                       | 1,843,000.00             | 500,000.00              |
| 3b. Fiscal Performance Report published                                                                                                                 | 953,000.00               | 500,000.00              |
| 4. Reduced time for reviews of Payment documents for third parties and pension payments                                                                 | 1,840,000.00             | Cancelled               |
| 5. Regular Payroll Audits published                                                                                                                     | 720,000.00               | 1,000,000.00            |
| <b>TOTAL:</b>                                                                                                                                           | <b>12,300,000.00</b>     | <b>5,000,000.00</b>     |

- (c) **Closing date.** The closing dates of the loan will be extended to December 31, 2028, i.e., for a period of 21 months each, to accommodate the complex IT system implementation and ensure achievement of the PDO.





The grant closing date will be extended from June 30, 2025, to October 31, 2025, with no grace period, in line with the internal LFF exceptional extension approval.

- (d) **The Results Framework (RF).** PDO and IRI are proposed to be modified to change the dates for the intermediate target dates by 21 months in the light of the new closing date and the status of the date of the restructuring.
- (e) **Disbursement Estimates.** The disbursement estimates are proposed to be revised based on disbursements to date and the estimated disbursements during the remainder of the extended project period based on the revised project implementation plan agreed with the Bank.

#### Changes to Project Components

The Project components after the restructuring will be as follows:

12. **Component 1: Stabilizing Domestic Revenue Administration (US\$14.1 million: loan US\$ 10.6 million and grant US\$ 3.5 million).** The proposed description of Component 1 is as follows: The amount of US\$5.5 million that is currently allocated for allowance will be fully re-allocated to the development and implementation of an Integrated Tax Administration System (ITAS). The new modern system will contribute to achieving enhanced operational efficiency, improved compliance, reduction in revenue leakages, better revenue management, and enhanced service delivery.

**Component 2: Restoring Fiscal Controls (US\$ 15 million: loan US\$13 million; grant US\$ 2 million).** The following changes will be made to the description of Component 2: The allowances for civil servants (\$4.2 million) will be no more provided, instead all the related funding will be used for the development of an "Integrated Public Financial Management System" (IFMS) capable of producing timely, relevant, and reliable financial data to enable evidence-based policy making to promote fiscal discipline, optimize resource allocation, and improve operational efficiency and fiscal transparency. Additional re-allocation of \$2.6 million from component 3 is done to secure the necessary funding for IFMS. The restructuring will also cover further reforms, and technical assistance will be provided to review the Budget classification and Chart of Accounts (BC-CoA). It will also lay the foundation of a treasury Single Account (TSA) framework with the aim of improving liquidity management and availability of real-time information on budget execution (both revenues and expenditures). Additionally, the IT support function within MoF will be strengthened with additional IT consultants as needed, to document the current system, manage data migration from current to new hardware; train end users; fix glitches and carry out necessary updates to the current software while a new IFMS is developed and implemented. Business process re-engineering (BPR) will also be carried out to streamline MoF workflows and improve efficiency including legal recognition of the validity of digital PFM process.

13. **Component 3: Revitalizing Oversight and Accountability Institutions and Procurement Capacity Building (USD\$2.4 million: loan US\$2.4 million; grant US\$0).** The following changes will be made to the description of Component 3: The allowances for civil servants will no more be provided. Instead, the funding will be used for





technical assistance, operating costs needed for these oversight bodies, training, and IT enhancements so to build capacity of civil servants on PFM, public procurement. This will entail the development of e-learning platforms and e-modules so to provide structured learning opportunities, technical support and continuous improvement of educational resources for public servants. E-learning platforms allow flexibility, accessibility and cost effectiveness, and reduces the need for physical infrastructure and travel leading to significant cost savings.

#### Implementation arrangements

14. **Environmental and Social (E&S) Arrangements.** The restructuring does not introduce any new activities; however, the SEP and other Environmental and Social Framework (ESF) documents will be updated to reflect the revised component allocations and will be redisclosed no later than 60 days after the loan becomes effective.
15. **Financial Management (FM) Arrangements.** The existing FM arrangements will remain in place.
16. **Procurement Arrangements.** Procurement arrangements for the project will remain unchanged. Planned procurement following the restructuring will include procurement of IFMIS and ITAS. The project procurement strategy for development (PPSD) will be updated based on the new planned activities and as needed. The Bank may, at the request of the Borrower, provide Hands-on Expanded Implementation Support (HEIS) to help expedite the procurement arrangements.

#### III. PROPOSED CHANGES

| Operation Information   | Proposed Changes | Operation Information       | Proposed Changes |
|-------------------------|------------------|-----------------------------|------------------|
| Results                 | Yes              | Loan Closing Date Extension | Yes              |
| Disbursements Estimates | Yes              | Reallocations               | Yes              |
| Components              | Yes              | Implementation Schedule     | Yes              |
| Development Objective   | No               | Loan Cancellations          | No               |





|                                             |    |                           |    |
|---------------------------------------------|----|---------------------------|----|
| Summary Description<br>(Operation Abstract) | No | Financial Management      | No |
| Legal Operational Policies                  | No | Procurement               | No |
| MFD/PCE                                     | No | Institutional Arrangement | No |
| Risks                                       | No |                           |    |
| Legal Covenants                             | No |                           |    |
| Conditions                                  | No |                           |    |
| Implementation Modalities                   | No |                           |    |
| Disbursements Arrangements                  | No |                           |    |
| DDO                                         | No |                           |    |
| Additional Regional<br>Institutions         | No |                           |    |
| Clients                                     | No |                           |    |
| Appraisal Summary                           | No |                           |    |

#### IV. DETAILED CHANGE(S)

##### COMPONENTS

| Current<br>Component Name                                                                             | Current<br>Cost (USD) | Action    | Proposed<br>Component Name                                                                         | Proposed Cost<br>(USD) |
|-------------------------------------------------------------------------------------------------------|-----------------------|-----------|----------------------------------------------------------------------------------------------------|------------------------|
| 1. Stabilizing Domestic<br>Revenue Administration                                                     | 14,100,000.00         | No Change | 1. Stabilizing Domestic<br>Revenue Administration                                                  | 14,100,000.00          |
| 2. Restoring fiscal controls                                                                          | 12,400,000.00         | Revised   | 2. Restoring fiscal controls                                                                       | 15,000,000.00          |
| 3. Re-vitalizing oversight and<br>accountability institutions<br>and procurement capacity<br>building | 5,000,000.00          | Revised   | 3. Re-vitalizing oversight and<br>accountability institutions and<br>procurement capacity building | 2,400,000.00           |
| 4. Project Management                                                                                 | 2,500,000.00          | No Change | 4. Project Management                                                                              | 2,500,000.00           |
| 5. Contingent Emergency<br>Response Component (CERC)                                                  | 0.00                  | No Change | 5. Contingent Emergency<br>Response Component (CERC)                                               | 0.00                   |
| <b>TOTAL</b>                                                                                          | <b>34,000,000.00</b>  |           |                                                                                                    | <b>34,000,000.00</b>   |

##### COSTS & FINANCING





**The World Bank**  
Fiscal Management Project (P181155)

**Private Capital Facilitation**

Is this an MFD-Enabling Project (MFD-EP)? No

Last approved as part of PAD Data Sheet (Approval) on 14-Feb-2024

Is this project Private Capital Enabling (PCE)? No

Last approved as part of PAD Data Sheet (Approval) on 14-Feb-2024

**LOANS**

**Loan Closing**

| Loan/Credit/Trust Fund | Status        | Original Closing | Revised Closing(s) | Proposed Closing | Proposed Deadline for Withdrawal Applications |
|------------------------|---------------|------------------|--------------------|------------------|-----------------------------------------------|
| IBRD-96440             | Not Effective | 31-Mar-2027      | 31-Mar-2027        | 31-Dec-2028      | 30-Apr-2029                                   |
| TF-C3381               | Effective     | 30-Jun-2025      | 30-Jun-2025        | 31-Oct-2025      | 31-Oct-2025                                   |

**Reallocations**

|                |               |                                 |                         |
|----------------|---------------|---------------------------------|-------------------------|
| IBRD-96440-001 | Currency: USD | Cancellations (if any):<br>0.00 | New Allocation:<br>0.00 |
|----------------|---------------|---------------------------------|-------------------------|

| Category No. | Expenditure Category                 | Current Allocation   | Actuals + Committed | Proposed Allocation  | Financing % (Type Total) |          |
|--------------|--------------------------------------|----------------------|---------------------|----------------------|--------------------------|----------|
|              |                                      |                      |                     |                      | Current                  | Proposed |
| 1            | EG P1.1a,1.2a,2.1a-2.3a,3.1a,3.1b;   | 12,300,000.00        | 0.00                | 5,000,000.00         | 100.00                   | 0.00     |
| 2            | G,W,NCS,CS,OC,T EX P1.3a,2.4a,CAT11; | 16,128,750.00        | 0.00                | 23,428,750.00        | 100.00                   | 0.00     |
| 4            | INTEREST RATE CAP AND COLLAR;        | 0.00                 | 0.00                | 0.00                 | 100.00                   | 0.00     |
| 5            | EMERGENCY PART 5;                    | 0.00                 | 0.00                | 0.00                 | 100.00                   | 0.00     |
|              | FRONT END FEE;                       | 71,250.00            | 71,250.00           | 71,250.00            | 0.00                     | 0.00     |
| <b>Total</b> |                                      | <b>28,500,000.00</b> |                     | <b>28,500,000.00</b> |                          |          |

|              |               |                                 |                         |
|--------------|---------------|---------------------------------|-------------------------|
| TF-C3381-001 | Currency: USD | Cancellations (if any):<br>0.00 | New Allocation:<br>0.00 |
|--------------|---------------|---------------------------------|-------------------------|

| Category No. | Expenditure Category | Current Allocation | Actuals + Committed | Proposed Allocation | Financing % (Type Total) |
|--------------|----------------------|--------------------|---------------------|---------------------|--------------------------|
|--------------|----------------------|--------------------|---------------------|---------------------|--------------------------|





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|   |                                     |                     |              |                     | Current | Proposed |
|---|-------------------------------------|---------------------|--------------|---------------------|---------|----------|
| 1 | G;NCS;CS;OC;T Parts<br>1.3a & 2.4a; | 5,500,000.00        | 1,881,303.85 | 5,500,000.00        | 100.00  | 0.00     |
|   | <b>Total</b>                        | <b>5,500,000.00</b> |              | <b>5,500,000.00</b> |         |          |

**DISBURSEMENTS**

**Operation Dates & Projection Details**

Reasons to change the full Disbursement date and/or the projection

Restructuring

Implementation Start Date

14-Feb-2024

Operation Closing Date

31-Mar-2027

Projected Date for Full Disbursement

30-Apr-2029

**Expected Disbursements (in US \$) (Absolute)**

| Year   | Original Estimation at Preparation<br>(Approval Package – 14 Feb 2024) | Revised Estimation | Actual     |
|--------|------------------------------------------------------------------------|--------------------|------------|
| FY2024 | 4,136,907.31                                                           | 0.00               | 0.00       |
| FY2025 | 11,660,713.43                                                          | 3,500,000.00       | 648,742.45 |
| FY2026 | 11,202,379.26                                                          | 6,000,000.00       | 0.00       |
| FY2027 | 7,000,000.00                                                           | 9,000,000.00       | 0.00       |
| FY2028 | 0.00                                                                   | 15,500,000.00      | 0.00       |
| FY2029 | 0.00                                                                   | 0.00               | 0.00       |

**ENVIRONMENTAL & SOCIAL**

**Environmental & Social Assessment**

According to the E/S Specialist are there changes proposed to the operation's design that would impact the Bank's E&S assessment?"

No



**RESULTS**  
**COUNTRY: Lebanon**  
**Fiscal Management Project**

**PDO Indicators by PDO Outcomes**

| <b>Outcome1: Revenue allocation</b>                                                                                                                                   |                                                                                                                        |            |                   |             |                  |             |                                                                                                                                                     |            |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|------------|-------------------|-------------|------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| Indicator Name                                                                                                                                                        | Baseline                                                                                                               |            | Actual (Previous) |             | Actual (Current) |             | Closing Period                                                                                                                                      |            |  |
|                                                                                                                                                                       | Result                                                                                                                 | Month/Year | Result            | Date        | Result           | Date        | Result                                                                                                                                              | Month/Year |  |
| Revised Timely submission of the budget to the council of ministers (CoM) (Text) PBC                                                                                  | 0                                                                                                                      | Sep/2023   | 0                 | 31-Mar-2025 | 0                | 31-Mar-2025 | (a) Completed FY+1 budget consultations within 7 months of the relevant FY (b) Finalize draft FY+1 budget within 8 months of the relevant FY        | Dec/2028   |  |
| <b>Outcome2: Revenue mobilization</b>                                                                                                                                 |                                                                                                                        |            |                   |             |                  |             |                                                                                                                                                     |            |  |
| Indicator Name                                                                                                                                                        | Baseline                                                                                                               |            | Actual (Previous) |             | Actual (Current) |             | Closing Period                                                                                                                                      |            |  |
|                                                                                                                                                                       | Result                                                                                                                 | Month/Year | Result            | Date        | Result           | Date        | Result                                                                                                                                              | Month/Year |  |
| Revised Increase in the timely filing of tax declarations by large tax payers and increase in number of audits of large tax payers (of Income Tax and VAT) (Text) PBC | (a) N/A - Large taxpayers as per new criteria are not ascertained to determine the % of filing (b) 0 risk-based audits | Sep/2023   | Same as baseline  | 31-Mar-2025 | Same as baseline | 31-Mar-2025 | (a) At least 75 percent of the identified large taxpayers timely file declarations and pay taxes (b) Number of large taxpayers audited are at least | Dec/2028   |  |





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| Outcome3: Accountability                          | Baseline             |            | Actual (Previous) |             | Actual (Current) |             | Closing Period                                                                                                                                                                                              |            |
|---------------------------------------------------|----------------------|------------|-------------------|-------------|------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                   | Result               | Month/Year | Result            | Date        | Result           | Date        | Result                                                                                                                                                                                                      | Month/Year |
| Revise Timely audit report published (Yes/No) PBC | FY 2020 audit report | Sep/2023   | Same as baseline  | 30-Jun-2025 | Same as baseline | 30-Jun-2025 | (a) Final accounts 2027 finalized by MoF (b) Clearance of backlog: Audit reports FY 2017-2018 (c) Audit report FY 2027 published (d) Reporting on the status of recommendations from previous audit reports | Dec/2028   |

**Intermediate Results Indicators by Components**

| 1. Stabilizing Domestic Revenue Administration                                                                           |                                  |            |                   |             |                  |             |                                                                               |            |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------|-------------------|-------------|------------------|-------------|-------------------------------------------------------------------------------|------------|
| Indicator Name                                                                                                           | Baseline                         |            | Actual (Previous) |             | Actual (Current) |             | Closing Period                                                                |            |
|                                                                                                                          | Result                           | Month/Year | Result            | Date        | Result           | Date        | Result                                                                        | Month/Year |
| Revise Increase in the number of risk-based desk and premise post clearance audits for Port of Beirut customs (Text) PBC | No risk-based audits carried out | Sep/2023   | same as baseline  | 31-Mar-2025 | same as baseline | 31-Mar-2025 | At least 45 risk-based post clearance audits conducted for customs clearances | Dec/2028   |





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| Indicator Name                                                                    | Baseline                                                                                                                                                                               |            | Actual (Previous)                         |             | Actual (Current)                          |             | Closing Period                                                                                                |            |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------|-------------|-------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------|------------|
|                                                                                   | Result                                                                                                                                                                                 | Month/Year | Result                                    | Date        | Result                                    | Date        | Result                                                                                                        | Month/Year |
| Revise Improved Interoperability of PFM IT platforms (Text)                       | Partially Integrated PFM system                                                                                                                                                        | Sep/2023   | same as baseline                          | 31-Mar-2025 | same as baseline                          | 31-Mar-2025 | Three expenditure systems are integrated with revenue systems                                                 | Dec/2028   |
| 2. Restoring fiscal controls                                                      |                                                                                                                                                                                        |            |                                           |             |                                           |             |                                                                                                               |            |
| Revise Fiscal Performance Report published (Text) PBC                             | Fiscal Performance Report of 2021 completed                                                                                                                                            | Sep/2023   | same as baseline                          | 31-Mar-2025 | same as baseline                          | 31-Mar-2025 | Quarter 2 and 3 Fiscal Performance Report for current FY is published within 20 days of the end of the period | Dec/2028   |
| Revise Reduced Treasury advances (Text)                                           | % (to be determined during implementation) of the total current years expenditures are paid as treasury advances of the total current years expenditures are paid as treasury advances | Sep/2023   | TBD once project implementation commences | 31-Mar-2025 | TBD once project implementation commences | 31-Mar-2025 | 70% reduction from baseline                                                                                   | Dec/2028   |
| Revise Reduced bank accounts outside of the main account 36 (Percentage)          | Based will be established within 2 months of implementation                                                                                                                            | Sep/2023   | TBD once implementation commences         | 31-Mar-2025 | TBD once implementation commences         | 31-Mar-2025 | 50%                                                                                                           | Dec/2028   |
| Revise Enhanced citizens engagement and transparency of budget information (Text) | Citizen budget and executive's budget proposals published                                                                                                                              | Sep/2023   | same as baseline                          | 31-Mar-2025 | same as baseline                          | 31-Mar-2025 | Publication of a summary citizen feedback report in                                                           | Dec/2028   |





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| Indicator Name                                                                               | Baseline                                   |            |                                       |             | Actual (Previous)                     |             | Actual (Current) |             | Closing Period                                                                                                                                                                                             |            |
|----------------------------------------------------------------------------------------------|--------------------------------------------|------------|---------------------------------------|-------------|---------------------------------------|-------------|------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                                                              | Result                                     | Month/Year | Result                                | Date        | Result                                | Date        | Result           | Date        | Result                                                                                                                                                                                                     | Month/Year |
|                                                                                              |                                            |            |                                       |             |                                       |             |                  |             |                                                                                                                                                                                                            |            |
| Enhanced Gender Information<br>In budget documents (Text)                                    | 0                                          |            | same as baseline                      |             | same as baseline                      |             | same as baseline |             | Annex on gender based budget allocations included in the FY+1 budget report                                                                                                                                | Dec/2028   |
| Enhanced climate information<br>In budget documents (Text)                                   | NA                                         |            | No climate Information in 2024 budget |             | No climate information in 2024 budget |             |                  |             | Annex on climate based budget allocations included in the FY+1 budget report                                                                                                                               |            |
| 3. Re-vitalizing oversight and accountability institutions and procurement capacity building |                                            |            |                                       |             |                                       |             |                  |             |                                                                                                                                                                                                            |            |
| Revise Regular Payroll Audits completed and published (Text) PBC                             |                                            |            |                                       |             |                                       |             |                  |             |                                                                                                                                                                                                            |            |
|                                                                                              | No payroll audit carried out and published | Sep/2023   | same as baseline                      | 31-Mar-2025 | same as baseline                      | 31-Mar-2025 | same as baseline | 31-Mar-2025 | (a) Payroll audits of Lebanon civilian administration staff and teachers completed as per the last 6 month audit plan plan (b) An aggregate level payroll audit report published for the relevant 6 months |            |

**Performance-based Conditions (PBC)**

| PBC Name | Baseline | Actual (Current) |      | End Target |
|----------|----------|------------------|------|------------|
|          |          | Result           | Date |            |





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|                                                                                                                                                                                                      |                  |                                                                                                                        |                  |             |                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------|------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revised 1.A Increase in the timely filing of tax declarations by large tax payers and increase in number of audits of large tax payers (of Income Tax and VAT) (Text)<br>Total Allocation:500,000.00 | Value            | (a) N/A - Large taxpayers as per new criteria are not ascertained to determine the % of filing (b) 0 risk-based audits | same as baseline | 02-Jun-2025 | (a) At least 75 percent of the identified large taxpayers timely file declarations and pay taxes. (b) Number of large taxpayers audited are at least 3% of all large taxpayers falling under the new eligibility criteria |
|                                                                                                                                                                                                      | Allocated Amount | 0.00                                                                                                                   |                  |             | 100,000.00                                                                                                                                                                                                                |
| Revised 1.B Increase in the number of risk-based desk and premise post clearance audits for Port of Beirut customs (Text)<br>Total Allocation:500,000.00                                             | Value            | No risk-based audits carried out                                                                                       | same as baseline | 02-Jun-2025 | (a) At least 45 risk-based post clearance audits conducted for customs clearances through Beirut port are conducted                                                                                                       |
|                                                                                                                                                                                                      | Allocated Amount | 0.00                                                                                                                   |                  |             | 100,000.00                                                                                                                                                                                                                |
| Revised 2 Timely submission of the budget to the council of ministers (CoM) (Text)<br>Total Allocation:2,000,000.00                                                                                  | Value            | 0                                                                                                                      | same as baseline | 02-Jun-2025 | (a) Completed FY+1 budget consultations within 7 months of the relevant FY (b)Finalize draft FY+1 budget within 8 months of the relevant FY                                                                               |
|                                                                                                                                                                                                      | Allocated Amount | 0.00                                                                                                                   |                  |             | 300,000.00                                                                                                                                                                                                                |
| Revised 3.A Timely audit report published (Yes/No)<br>Total Allocation:500,000.00                                                                                                                    | Value            | FY 2020 audit report                                                                                                   | same as baseline | 15-May-2024 | (a) Final accounts 2027 finalized by MoF (b) Clearance of backlog: Audit reports 2017-2018 (c) Audit report 2027 published d)- Reporting on the status of recommendations, from previous audit reports                    |
|                                                                                                                                                                                                      | Allocated Amount | 0.00                                                                                                                   |                  |             | 80,000.00                                                                                                                                                                                                                 |
|                                                                                                                                                                                                      | Value            | Fiscal Performance Report of 2021 completed                                                                            | same as baseline | 02-Jun-2025 | (a) Quarter 2 and 3 Fiscal Performance Report for current                                                                                                                                                                 |





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|                                                                                                 |                  |                                            |                  |             |                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------|------------------|--------------------------------------------|------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revise 3.8 Fiscal Performance Report published (Text)<br>Total Allocation:500,000.00            | Allocated Amount | 0.00                                       |                  |             | year is published within 20 days end of period )                                                                                                                                                             |
|                                                                                                 |                  |                                            |                  |             | 50,000.00                                                                                                                                                                                                    |
| Revise 5 Regular Payroll Audits completed and published (Text)<br>Total Allocation:1,000,000.00 | Value            | No payroll audit carried out and published | same as baseline | 02-Jun-2025 | (a) Payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan (b) An aggregate level payroll audit report published for the relevant 6 months |
|                                                                                                 | Allocated Amount | 0.00                                       |                  |             | 200,000.00                                                                                                                                                                                                   |





Annex 1. Detailed PBCs

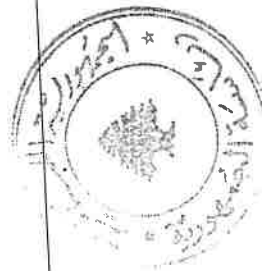
| PBC |                                                                                                                                                                                   |                                                                                                                        |                          |                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                           |                                                                                                                                                                                                                           |                                                                                                                                                                                                                           |                                                                                                                                                                                                                          |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No. | Indicator                                                                                                                                                                         | Baseline                                                                                                               | Actual Current           | Period 1                                                                                                                                                                                                                                                                         | Period 2                                                                                                                                                                                                                                 | Period 3                                                                                                                                                                                                                  | Period 4                                                                                                                                                                                                                  | Period 5                                                                                                                                                                                                                  | Period 6                                                                                                                                                                                                                 |
| 1.a | Increase in the timely filing of tax declarations by large taxpayers and increase in number of audits of large taxpayers (of income Tax and VAT) (Text)<br>Allocation: 500,000.00 | (a) N/A - Large taxpayers as per new criteria are not ascertained to determine the % of filing (b) 0 risk-based audits |                          | (a) VAT and Income Tax LTO (s) have identified large taxpayers using the new criteria for review of declarations. b- Number of large taxpayers audited is at least 3% of all large taxpayers falling under the new eligibility criteria.<br>(a) New eligibility criteria adopted | (a) VAT and Income Tax LTO (s) have identified large taxpayers using the new criteria for review of declarations. b- Number of large taxpayers audited is at least 3% of all large taxpayers falling under the new eligibility criteria. | (a) At least 30 percent of the identified large taxpayers file timely declarations and pay taxes. (b) Number of large taxpayers audited is at least 3% of all large taxpayers falling under the new eligibility criteria. | (a) At least 40 percent of the identified large taxpayers file timely declarations and pay taxes. (b) Number of large taxpayers audited is at least 3% of all large taxpayers falling under the new eligibility criteria. | (a) At least 60 percent of the identified large taxpayers file timely declarations and pay taxes. (b) Number of large taxpayers audited is at least 3% of all large taxpayers falling under the new eligibility criteria. | (a) At least 75 percent of the identified large taxpayers file timely declarations and pay taxes. (b) Number of large taxpayers audited is at least 3% of all large taxpayers falling under the new eligibility criteria |
|     |                                                                                                                                                                                   | 0.00                                                                                                                   | 15/May/2024              | 100,000.00                                                                                                                                                                                                                                                                       | 100,000.00                                                                                                                                                                                                                               | 50,000.00                                                                                                                                                                                                                 | 50,000.00                                                                                                                                                                                                                 | 100,000.00                                                                                                                                                                                                                | 100,000.00                                                                                                                                                                                                               |
| 1.b | Increase in the number of risk-based desk and premise post clearance audits for Port of Beirut customs (Text)                                                                     | No risk-based audits carried out                                                                                       | same as baseline Not Due | (a) Risked based selection system approved by the competent authority and adopted by the MoF for Implementation                                                                                                                                                                  | (a) At least 20 risk-based post clearance audits of customs clearances through Beirut port are conducted                                                                                                                                 | (a) At least 30 risk-based post clearance audits conducted for customs clearances through Beirut port. are conducted                                                                                                      | (a) At least 35 cases of risk-based post clearance audits conducted for customs clearances through Beirut port.                                                                                                           | (a) At least 40 risk-based post clearance audits conducted for customs clearances through Beirut port are conducted                                                                                                       | (a) At least 45 risk-based post clearance audits conducted for customs clearances through Beirut port are conducted                                                                                                      |
|     |                                                                                                                                                                                   | 0.00                                                                                                                   | 15/May/2024              | 100,000.00                                                                                                                                                                                                                                                                       | 100,000.00                                                                                                                                                                                                                               | 50,000.00                                                                                                                                                                                                                 | 50,000.00                                                                                                                                                                                                                 | 100,000.00                                                                                                                                                                                                                | 100,000.00                                                                                                                                                                                                               |





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|                                                                                                         |                      |      |             |                          |                                                                                                                                                                                                                        |            |            |            |                                                                                                                                                                                                                        |            |            |            |                                                                                                                                                                                                       |            |           |           |
|---------------------------------------------------------------------------------------------------------|----------------------|------|-------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|-----------|
| Allocation:<br>500,000.00                                                                               |                      |      |             |                          | (a) Completed FY+1 budget consultations within 7 months of the relevant FY (b) Finalized draft FY +1 budget within 8 months of the relevant FY (c) Submission of 2028 budget to CoM within 8 months of the relevant FY | 500,000.00 | 500,000.00 | 300,000.00 | (a) Updated MTFF for 3 years (b) Issued budget call circulars with Indicative ceilings within 4 months of the relevant FY (c) Submission of 2029 budget to CoM within 8 months of the relevant FY                      | 500,000.00 | 500,000.00 | 300,000.00 | (a) Final accounts 2027 finalized by MoF (b) Clearance of backlog: Audit reports 2017-2018 (c) Audit report 2027 published d- Reporting on the status of recommendations from previous audit reports  | 80,000.00  | 80,000.00 | 80,000.00 |
| Timely submission of the budget to the council of ministers (CoM) (Text)<br>Allocation:<br>2,000,000.00 | 0                    | 0.00 | 15/May/2024 | same as baseline Not Due | (a) Updated MTFF for 3 years (b) Issue budget call circulars within 4 months of FY (c) Submission of 2027 budget to CoM within 8 months of the relevant FY                                                             | 200,000.00 | 300,000.00 | 300,000.00 | (a) Completed FY+1 budget consultations within 7 months of the relevant FY (b) Finalized draft FY +1 budget within 8 months of the relevant FY (c) Submission of 2028 budget to CoM within 8 months of the relevant FY | 500,000.00 | 500,000.00 | 300,000.00 | (a) Updated MTFF for 3 years (b) Issued budget call circulars with Indicative ceilings within 4 months of the relevant FY (c) Submission of 2029 budget to CoM within 8 months of the relevant FY     | 500,000.00 | 80,000.00 | 80,000.00 |
| Timely audit report published (Yes/No)<br>Allocation:<br>500,000.00                                     | FY 2020 audit report | 0.00 | 15/May/2024 | same as baseline Not Due | (a) Final accounts 2021 finalized by MoF (b) Clearance of backlog: Audit reports 2005-2006 (c) Audit report 2021 published (d) Reporting on the status of recommendations from previous audit reports                  | 200,000.00 | 300,000.00 | 300,000.00 | (a) Final accounts 2022 finalized by MoF (b) Clearance of backlog: Audit reports 2007-2008 (c) Audit report 2022 published (d) Reporting on the status of recommendations from previous audit reports                  | 200,000.00 | 300,000.00 | 300,000.00 | (a) Final accounts 2023 finalized by MoF (b) Clearance of backlog: Audit reports 2009-2010 (c) Audit report 2023 published (d) Reporting on the status of recommendations from previous audit reports | 80,000.00  | 80,000.00 | 80,000.00 |
|                                                                                                         |                      |      |             |                          | (a) Final accounts 2021 finalized by MoF (b) Clearance of backlog: Audit reports 2005-2006 (c) Audit report 2021 published (d) Reporting on the status of recommendations from previous audit reports                  | 200,000.00 | 300,000.00 | 300,000.00 | (a) Final accounts 2022 finalized by MoF (b) Clearance of backlog: Audit reports 2007-2008 (c) Audit report 2022 published (d) Reporting on the status of recommendations from previous audit reports                  | 200,000.00 | 300,000.00 | 300,000.00 | (a) Final accounts 2023 finalized by MoF (b) Clearance of backlog: Audit reports 2009-2010 (c) Audit report 2023 published (d) Reporting on the status of recommendations from previous audit reports | 80,000.00  | 80,000.00 | 80,000.00 |





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|     |                                                                                   |                                             |                          |             |            |                                                 |                                                                                                                                                                                                              |                                                                                                                                                                                                              |            |            |                                                                                                                                                                                        |                                                                                                            |
|-----|-----------------------------------------------------------------------------------|---------------------------------------------|--------------------------|-------------|------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| 3.b | Fiscal Performance Report published (Text)<br>Allocation: 500,000.00              | Fiscal Performance Report of 2021 completed | same as baseline Not Due | 15/May/2024 | 100,000.00 | (a) Fiscal Performance Report of 2022 finalized | (a) The first 6 months Fiscal Performance Report for current year is published within 60 days end of period (b) Fiscal Performance Report of the first 6 months of 2025 finalized                            | a) Year-end Fiscal performance Report of previous year is published within 60 days end of period (b) Fiscal Performance Report of the last 6 months of 2026 finalized                                        | 100,000.00 | 50,000.00  | (a) Year-end Fiscal Performance Report of previous year is published within 45 days (b) Quarter 1 Fiscal Performance Report for current year is published within 45 days end of period | (a) Quarter 2 and 3 Fiscal Performance Report for current year is published within 20 days end of period ) |
|     |                                                                                   | 0.00                                        |                          |             |            |                                                 | (a) Payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan (b) An aggregate level payroll audit report published for the relevant 6 months | (a) Payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan (b) An aggregate level payroll audit report published for the relevant 6 months | 150,000.00 | 100,000.00 | 50,000.00                                                                                                                                                                              | 200,000.00                                                                                                 |
| 4   | Regular Payroll Audits completed and published (Text)<br>Allocation: 1,000,000.00 | No payroll audit carried out and published  | same as baseline Not Due | 15/May/2024 | 150,000.00 | (a) Preparation of audit plan                   | (a) Payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan (b) An aggregate level payroll audit report published for the relevant 6 months | (a) Payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan (b) An aggregate level payroll audit report published for the relevant 6 months | 150,000.00 | 150,000.00 | 200,000.00                                                                                                                                                                             | 200,000.00                                                                                                 |
|     |                                                                                   | 0.00                                        |                          |             |            |                                                 | (a) Payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan (b) An aggregate level payroll audit report published for the relevant 6 months | (a) Payroll audits of Lebanon civilian public administration staff and teachers completed as per the last 6 month audit plan (b) An aggregate level payroll audit report published for the relevant 6 months | 150,000.00 | 100,000.00 | 50,000.00                                                                                                                                                                              | 200,000.00                                                                                                 |

133 Agreement Between the UN and the IBRD, entered into force, 1946, 16 U.N.T.S. 346. [Hereinafter UN-World Bank Agreement].

134 Art. 8 § 4 of the UN-World Bank Agreement provides, UN agrees that in the interpretation of Art. 17, para. 3 of the Charter, which provides that the General Assembly shall examine the administrative budgets of the specialized agencies with a view to making recommendations to those agencies, it will take into consideration that the Bank does not rely for its annual budget upon its members, and that the appropriate authorities of the Bank enjoy full autonomy in deciding the form and content of the Bank's budget.

135 Art. 2 § 1 of the World Bank Articles of Agreement provides that membership shall be open in accordance with such terms "as may be prescribed by the Bank." Art. 2 S. 2(b) provides that the capital stock of the Bank may be increased when the Bank deems it advisable by a three-fourths majority of the total voting power. Art. 2 S. 3(b) provides that the Bank shall prescribe rules laying down the conditions under which members may subscribe shares of the authorized capital stock of the Bank in addition to their minimum subscriptions.

136 "The rights and obligations of the Bank and the Borrower under the Loan Agreement and the Bonds shall be valid and enforceable in accordance with their terms notwithstanding the law of any state, or political division, thereof, to the contrary." Skogly, supra note 11, at 42.

وحيث أنه بالنظر لتوافر كافة الشروط المفترض توافرها بالمعاهدة الدولية تكون اتفاقية القرض الحاضرة معاهدة دولية بمقتضى المادة 52 و 65 من الدستور وليس تجرد من ذكر تفاهم؛

## 2- آلية الابرار

وحيث أنه يستفاد من المادة 52 من الدستور أنه " يتولى رئيس الجمهورية المفاوضة في عقد المعاهدات الدولية وابرارها بالاتفاق مع رئيس الحكومة. ولا تصبح مبرمة الا بعد موافقة مجلس الوزراء. وتطلع الحكومة مجلس النواب عليها حينما تتمكنها من ذلك مصلحة البلاد وسلامة الدولة. اما المعاهدات التي تنطوي على شروط تتعلق بمالية الدولة والمعاهدات التجارية وسائر المعاهدات التي لا يجوز فسخها سنة فسنة، فلا يمكن ابرارها الا بعد موافقة مجلس النواب"،

