
CREDIT NUMBER 6982-LA

Financing Agreement

(Enhancing Systematic Land Registration Project)

between

LAO PEOPLE'S DEMOCRATIC REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER IDA 6982-LA

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between LAO PEOPLE'S DEMOCRATIC REPUBLIC ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A) under an agreement, to be entered into between the Recipient and the International Development Association ("the Association"), acting as an administrator for a trust fund from the Swiss Agency for Development and Cooperation ("Co-financing Agreement"), the Association intends to provide the Recipient with a grant ("Co-financing Grant") in an initial amount not to exceed US\$1,699,920 plus any subsequent amount or amounts as the Association shall specify by notice to the Recipient and which shall not exceed in an aggregate amount of US\$6,375,000) to assist in financing the Project; and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing to extend additional assistance to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, the Recipient and the Association 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 — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to seventeen million four hundred thousand Special Drawing Rights (SDR 17,400,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.
- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MONRE in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) has been fulfilled.
 - (b) The Recipient through MONRE has adopted the Project Operations Manual acceptable to the Association for Project implementation.

- (c) The Recipient has established the PMU and has engaged, as the core staff of the PMU, a procurement specialist, a financial management specialist, an environmental and social specialist, all with terms of reference, qualifications, and experience acceptable to the Association.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its Minister of Finance.

5.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Finance
23rd Singha Road
Saysettha District
Vientiane, Lao PDR

- (b) the Recipient's Electronic Address is:

Facsimile: 856-21-412142
E-mail: soulivath@gmail.com

5.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

- (b) the Association's Electronic Address is:

Facsimile: 1-202-477-6391
E-mail: laopdr@worldbank.org

AGREED as of the Signature Date.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

By



Authorized Representative

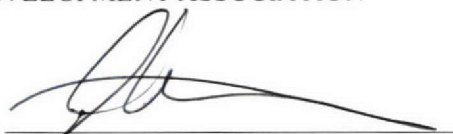
Name: Bounleua SINXAYVORAVONG

Title: Deputy Minister of Finance

Date: 21 OCT 2021

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Alexander Kremer

Title: Country Manager

Date: 21 OCT 2021

SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient in improving tenure security and land administration services in Selected Areas, and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

The Project consists of the following parts:

Part 1: Systematic Registration of Land Use Rights

1.1 Scaling-up Systematic Land Registration

- (a) Implementing systematic land registration, including associated environmental and social risk management activities, public awareness campaigns, technical assistance, and related operational support;
- (b) providing goods required for the implementation of land registration process such as vehicles, survey equipment, equipment for the operations of the Continuously Operating Reference Stations (CORs), ICT equipment, boundary markers and stationery; and
- (c) surveying and/or mapping land parcels by piloting use of private sector surveyors in land registration.

- 1.2 Training and Capacity Building: Planning and implementing systematic land registration trainings to enhance the capacity of the relevant government and contract staff through developing a training and capacity building plan for SLR; and implementing the SLR trainings.

Part 2: Modernization of Land Administration and Service Delivery

- 2.1: **Enhanced Service Delivery**: Improving service delivery through: (i) business process reengineering assessment and customer satisfaction surveys; (ii) planning and piloting of land administration service centers; (iii) construction and renovation of PONREs, DONREs and land administration service centers; (iv) procurement of goods such as office equipment, furniture, stationary and ICT equipment; and (v) recruitment and training of staff.

- 2.2: **Scanning, Digitization and Archiving of Existing Land Records**: Digitizing existing land records to ensure their safety, accelerate transition to a digital land administration system and enhance the use of office space through the preparation of a document management and digital archive strategy; and scanning, digitizing

and archiving the documents.

- 2.3: **Lao LandReg Development and Rollout:** Supporting further development and roll-out of Lao LandReg to enhance digitalization of land administration system and service delivery through: (i) preparing an ICT strategy, conducting a technical quality review of Lao LandReg and carrying out data protection and cyber security studies; (ii) renovating offices to enhance the server room facilities of DOL, PONREs and land administration service centers; (iii) providing ICT equipment; (iv) further developing the Lao LandReg system; and (v) providing training for Lao LandReg operators.

Part 3: Implementation, Policy and Legal Framework Development

Supporting further development of inclusive and comprehensive land policies and regulatory framework, as well as their implementation procedures, through: (i) preparing policy to address, *inter alia*, issues related to survey and registration of customary and communal lands as well as registration of lands within state forestlands, and relevant technical guidelines and manuals; (ii) disseminating relevant policies, laws and regulations; and (iii) organizing training workshops for government staff.

Part 4: Project Management

Supporting the overall Project management and coordination through: (i) provision of Operating Costs associated with Project implementation; (ii) supporting technical assistance for financial management, procurement, coordination, environmental and social risk management, public awareness raising, training, information and communications, Project monitoring and evaluation, and audits; (iii) supporting training programs and study tours; and (iv) provisions of office equipment and furniture.

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. The Recipient shall vest responsibility for the overall implementation of the Project in DOL within MONRE. To this end the Recipient, through MONRE, shall:
 - (a) maintain throughout the implementation of the Project, the Project Management Unit (the PMU) for the purposes of day-to-day Project management and coordination, with staffing, functions, and resources satisfactory to the Association; and
 - (b) not later than three (3) months after the Effective Date, establish a Program Steering Committee (the Project Steering Committee) thereafter maintain it throughout the implementation of the Project, for the purposes of providing cross-agency coordination and strategic guidance, with composition, functions, staffing and resources satisfactory to the Association.
2. The Recipient shall retain the consultants engaged as needed to support the functions of the Project Management Unit and the Program Steering Committee, all with terms of reference and qualifications and experience acceptable to the Association as further detailed in the Project Operations Manual.

B. Project Operations Manual

1. The Recipient shall through MONRE ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual; which shall include, *inter alia*, detailed arrangements and procedures for:
 - (a) institutional coordination and day-to-day execution of the Project;
 - (b) disbursement, financial management, procurement, environmental and social risk management; and grievance redress procedures;
 - (c) monitoring, evaluation, reporting and communication; and

(d) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. In the event of any conflict between the arrangements and procedures set out in the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail. The Recipient shall not amend, abrogate or waive any provision of the Project Operations Manual unless the Association has provided its prior no-objection thereof in writing.

C. Annual Work Plans and Budget

1. The Recipient shall through MONRE furnish to the Association, for review and approval not later than September 30 of each year during the implementation of the Project (or such later date as the Association may agree), an annual work plan and budget ("AWPB") for the Project containing relevant Project activities and expenditures proposed to be included in the Project in the subsequent year.
2. The Recipient shall through MONRE ensure that the Project is implemented in accordance with the AWPB accepted by the Association for the respective year; provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Environmental and Social Standards

1. The Recipient shall through MONRE ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall through MONRE ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall through MONRE ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

- (d) any of the ESCP, or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP, and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall through MONRE:
 - (a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP, and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, 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) promptly notify the Association 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, and the Environmental and Social Standards.
4. The Recipient shall through MONRE maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.
5. The Recipient shall through MONRE ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors to: (a) comply with the relevant aspects of ESCP and the environmental and social risk management 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, 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 Recipient shall ensure that:
 - (a) the CERC Manual is prepared and adopted in form and substance acceptable to the Association, 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 Association;
 - (c) the 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 Association.
2. The Recipient 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 Association.
3. The Recipient 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 Association; and

- (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. The activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring, Reporting and Evaluation

- 1. The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.
- 2. The Recipient shall on or about thirty three (33) months after the Effective Date of this Agreement; (a) prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date forty-five (45) days after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association's views on the matter.

Section III. Withdrawal of the Proceeds of the Financing

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 Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Civil works and goods (vehicles, motorbikes, CORS, UAVs, office equipment, furniture, and filing cabinets)	2,600,000	100%
(2) Consulting services under Parts 1-3 and Part 4 (only for costs for audits, short term consultants, and mid-term and final reviews under Part 4), Training and Workshops, Operating Costs, and other goods	13,000,000	81%
(3) Refund of Preparation Advance	1,800,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
(4) Emergency Expenditures under Part 5	0	100%
TOTAL AMOUNT	17,400,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (1) for payments made prior to the Signature Date; or

- (2) for Emergency Expenditures under Category 4, unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category 4; and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is September 30, 2026.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each November 15 and May 15	
Commencing November 15, 2026 to and including May 15, 2046	1.65%
commencing November 15, 2046 to and including May 15, 2051	3.40%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

APPENDIX

Definitions

1. "Annual Work Plans and Budget" or "AWPB" means the plan and budget to be prepared for the Project and agreed with the Association, on an annual basis as provided for in Section I.C of Schedule 2 to this Agreement.
2. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 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.
3. "CERC Manual" means the manual referred to in Section E of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operational Manual.
4. "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.
5. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. "CORS" means continuously operating reference stations.
7. "DOL" means the Department of Land within MONRE.
8. "DONRE" means District Office of Natural Resources and Environment.
9. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section E of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
10. "Emergency Action Plan" means the plan referred to in Section E of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

11. "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 Recipient, associated with a natural or man-made crisis or disaster.
12. "Environmental and Social Commitment Plan" or "ESCP" means the Environmental and Social Commitment Plan for the Project, publicly disclosed on June 2, 2021 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 Recipient 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.
13. "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"; and (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Association.
14. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018, Revised on August 1, 2020 and April 1, 2021.
15. "Lao LandReg" means the Land information system endorsed by MONRE used in digital processing and storing of land registration and administration related documents, records and data.
16. "MONRE" means the Recipient's Ministry of Natural Resources and Environment, and any successor thereto.

17. "Operating Costs" means Project-related incremental expenses incurred on account of Project implementation and management, including the rental of office space; operation, maintenance, rental and insurance of vehicles; fuel; communications supplies and charges; advertisements; office administration and maintenance costs; bank transaction charges; utility charges; travel and per diem for Project staff of MONRE and relevant government agencies at all levels for undertaking field visits and the cost of contractual staff (including salaries, travel costs and per diem) directly supporting the Project, but excluding salaries for the Recipient's civil servants.
18. "PONRE" means the Provincial Office of Natural Resources and Environment.
19. "Preparation Advance" means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on September 30, 2019 and on behalf of the Recipient on October 25, 2019.
20. "Project Management Unit" means the office referred to in Section I.A1(a) of Schedule 2 to this Agreement.
21. "Project Operations Manual" or "POM" means the manual to be adopted by the Recipient through MONRE and referred to in Section I.B of Schedule 2 to this Agreement, as such manual can be amended from time to time with a prior written approval of the Association.
22. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
23. "Program Steering Committee" means the committee referred to in Section I.A1(b) of Schedule 2 to this Agreement.
24. "Selected Areas" means the areas selected by the Recipient and agreed to by the Association to participate in the Project.
25. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

26. "SLR" means the systematic land registration approach to register all existing land rights in a given geographic or administrative area which aims at complete coverage of the Selected Area.
27. "Training and Workshops" means the reasonable costs associated with training and workshops under the Project, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.
28. "UAVs" means unmanned aerial vehicles.