Loan Agreement

(Land Administration System Modernization Project)

between

THE LEBANESE REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN NUMBER 8880-LB
AGREEMENT dated as of the Signature Date between the LEBANESE REPUBLIC ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 forty-three million Dollars (US$43,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section 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 Fixed 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 April 1 and October 1 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 objective of the Project. To this end, the Borrower shall carry out the Project through the General Directorate of Land Registration and Cadastre ("GDLRC") 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 one hundred and eighty (180) days after Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is its Minister responsible for Finance.

5.02. 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

5.03. 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:

Telex: Facsimile:
248423(MCI) or 1-202-477-6391
64145(MCI)
AGREED as of the Signature Date.

LEBANESE REPUBLIC

By

Authorized Representative

Name: Ali Hassan Khalil
Title: Minister of Finance
Date: May 31, 2019

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Saroj Kumar Jha
Title: Country Director
Date: May 31, 2019
SCHEDULE 1

Project Description

The objective of the Project is to improve access to land use and value data, property rights data, and geospatial information through the Land Registry and Cadastre System modernization.

The Project consists of the following parts:

Part 1: Modernization of the Digital Land Registry and Cadastre System

Implementing a program of activities designed to modernize the digital land registry and cadastre system, including: (a) developing, implementing and maintaining a new integrated Land Registry and Cadastre System incorporating critical land information management systems and provision of training to key users, administrators and developers for the purpose; (b) acquiring national and regional hardware (such as servers, racks, data storage systems, tape libraries, switches and routers) as well as software infrastructure; including back up and security solutions for said Land Registry and Cadastre System; (c) developing new e-services system for said land Registry and Cadastre System and enabling linkages to appropriate external databases and systems; (d) establishing of a digital archives system including, inter alia, the development of an appropriate strategy, preparation of technical specifications and scanning methodology undertaking selective mass digitizing, verification of data and quality control and migration of said data to the said Land Registry and Cadastre System; (e) digitalizing and geo-referencing selected/old paper maps into said land Registry and Cadastre System; and (f) upgrading and/or establishing priority data center and disaster recovery center premises as well as a key land registry and cadastre office.

Part 2: National Spatial Data Infrastructure

Implementing a program of activities designed to enhance the identification, storage, usage, sharing and exchanging of geospatial data and services, including: (a) developing and operationalizing a national spatial data infrastructure (NSDI) strategy and implementation plan; (b) upgrading critical NSDI and technologies consistent with said NSDI strategy and implementation plan; (c) supporting identification, production and linking of core geospatial datasets to said NSDI (including development of a seamless base map of the Borrower’s territory); (d) supporting creation, collection and harmonization of the Borrower’s geospatial data for integration into said NSDI; and (e) developing electronic services and implementing linkages of said NSDI to the Borrower’s E-government System.

Part 3: Property Valuation and Taxation

Implementing a program of activities designed to establish a Mass Valuation System for developed and undeveloped properties (including land), including: (a) developing and piloting mass valuation models for the property market as well as valuation approaches for specialized and high value properties; (b) designing and implementing a property valuation data collection plan focusing on all developed and undeveloped properties (including land); and (c) preparing a mass valuation system strategy and implementation plan focusing on, inter alia, urban areas.
Part 4: State Land Inventory and Management

Implementing a program of activities designed to improve data quality on state lands in said digital land registry and cadastre system as well as enhance the capacity of the GDLRC for state land management, including: (a) developing and implementing of an appropriate comprehensive strategy and action plan on state land management, incorporating key functionalities such as maintenance of public land asset inventories, state land archives and document flow management, public state land records, state land identification, delineation, and surveys, public auctions for leases and sales of government land, rent roll for public land leases, acquisition and expropriation of land assets for public purposes, and valuation of public land assets, among others; (b) undertaking a comprehensive review of state land management systems and processes with a view to making recommendations for improvement; (c) improving quality of state land registration data; (d) expanding the coverage of the unified database of state lands within GDLRC, through, inter alia, integrating or linking state lands data from other public institutions with GDLRC’s said unified database; and (e) upgrading the Borrower’s state land management ICT system.

Part 5: Institutional Development, Capacity Building and Project Management

Implementing a program of activities designed to strengthen the institutional and technical capacity of the GDLRC and support implementation and management of Project activities, including (a) conducting a functional review of the GDLRC’s organizational structure and capacity with a view to developing and implementing an institutional development vision, strategy, citizen service charter and roadmap for GDLRC and implementing structures to enhance the accountability of GDLRC to key stakeholders; (b) developing and implementing public outreach activities, periodical customer surveys and grievance redress mechanism; (c) undertaking technical analyses of the policy, legal and regulatory frameworks for administration of public and private land so as to identify gaps and make recommendations for improvement, and conducting social impact assessment; (d) carrying out a training needs assessment for the sub-sector as well as developing and implementing a comprehensive curriculum and training program on land registry and cadastre system management; (e) developing and implementing capacity building and knowledge transfer activities in areas including but not limited to ICT, NSDI, state land management, property valuation and public sector governance; and (f) establishing and operationalizing a Project Management Unit for day-to-day implementation, coordination and overall supervision of Project activities.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Project Management Unit

1. In order to ensure proper and efficient implementation of the Project, the Borrower shall, through GDLRC, establish no later than four (4) months after the Effective date and thereafter maintain, at all times during Project implementation, a Project Management Unit ("PMU") within the GDLRC, with a mandate, staffing and other resources satisfactory to the Bank. To this end, the Borrower, shall no later than four (4) months, through the GDLRC, recruit and thereafter maintain a Project Director, Financial Management Specialist and Procurement specialist; all under terms of reference acceptable to the Bank.

2. The PMU shall be responsible for day-to-day implementation, coordination and overall supervision of Project activities all in accordance with the provisions of the Project Operational Manual.

B. Project Operational Manual

1. The Borrower shall, through GDLRC, prepare no later than one (1) month after the Effective Date, in accordance with terms of reference acceptable to the Bank, an operational manual, containing detailed arrangements and procedures for: (a) administration, institutional coordination and day-to-day execution of the Project; (b) monitoring, evaluation, reporting and communication; (c) financial management arrangements including accounting, financial reporting, and auditing procedures; (d) procurement arrangements including application of STEP for preparation of procurement plans; and (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project.

2. The Borrower shall, through GDLRC, afford the Bank a reasonable opportunity to review such operational manual, and shall thereafter adopt said manual as shall have been approved by the Bank ("Project Operational Manual" or "POM").

3. The Borrower shall, through GDLRC, carry out the Project in accordance with the POM and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the POM, or any provision thereof, without the prior written consent of the Bank.

4. In the event of any inconsistency between this Agreement and the POM the provisions of this Agreement shall prevail.
C. Annual Work Plan

1. The Borrower shall, through GDLRC, prepare, in accordance with terms of reference acceptable to the Bank, and furnish to the Bank no later than November 30 of each fiscal year throughout the implementation of the Project, a work plan of activities proposed for inclusion in the Project for the next calendar year, together with a budget for such activities and a timetable for their implementation.

2. The Borrower shall through GDLRC: (a) afford the Bank a reasonable opportunity to exchange views with the Borrower on such proposed work plan; and, thereafter; and (b) carry out such work plan during the period covered by said plan, according to such budget, both as shall have been approved by the Bank ("Annual Work Plan").

3. Only such activities as shall have been included in the Annual Work Plan shall be eligible for inclusion in the Project and for financing out of the proceeds of the Loan.

D. Safeguards

1. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the EMP.

2. Without limitation upon its other reporting obligations under this Agreement, the Borrower shall, through GDLRC, regularly collect, compile and submit to the Bank every calendar semester, reports, in form and substance satisfactory to the Bank, on the status of compliance with the EMP, giving details of:

   (a) measures taken in furtherance of such EMP;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the EMP;

   (c) remedial measures taken or required to be taken to address such conditions; and

   (d) any changes to the Project that will require the EMP to be amended to reflect and address such changes.

3. The Borrower shall ensure, and shall cause the GDLRC to ensure, that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Bank; and (b) such terms of reference shall duly incorporate the requirements of the Bank's applicable safeguards policies and procedures then in force and shall require the technical assistance, design and capacity building activities to take into account the requirements of said policies.

4. The Borrower shall not amend, abrogate, repeal, suspend, waive, or otherwise fail to enforce, or permit to be amended, abrogated, repealed, suspended or waived any of the
EMP or any provision thereof without the prior written approval of the Bank. In case of inconsistency between this Agreement and any of the EMP, the terms of this Agreement shall prevail.

E. Other Financial Arrangements.

1. To facilitate the efficient management of the financial management system, the Borrower shall, through the MoF, channel the proceeds of the Loan from the loans treasury account in the Loan Currency at BDL to the Designated Account of the Project by a letter signed by both the Head of Treasury and the Central Treasury Cashier of the MoF. Upon each withdrawal of the proceeds of the Loan the Borrower shall, through the MoF, open Additional Budget Lines (budget classification numbers 2/8/4/123/126/3/1, 2/8/4/123/128/2/1, and 2/8/4/123/229/1/1) equivalent to the amount of such withdrawal of the Loan proceeds, provided that the total amount allocated to all such Additional Budget Lines during the life of the Project up until the disbursement deadline date (as defined in the Disbursement Guidelines and the additional instructions of the Bank referred to in Section 11.1 of Schedule 2 to this Agreement) shall not exceed the amount of the Loan. For the purposes of this Loan, said Additional Budget Lines could 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 Borrower.

2. For the purposes of the Loan, transfer of funds between different budget lines shall be carried out and approved by the Minister of Finance.

3. The Borrower shall, through the MoF, open an account for the Loan in its Chart of Accounts to record all disbursement amounts that are channeled to the Designated Account mentioned in Paragraph 1 above. The said account shall be settled periodically based on expenditures statements in the Loan currency signed by GDLRC and provided to the MoF before the end of each fiscal year for expenditures incurred up to October 31 of said Fiscal Year, and before the end of January 31 of the following year for expenditures incurred in November and December of the previous Fiscal Year.

Section II. Project Monitoring Reporting and Evaluation

The Borrower, through the GDLRC, shall furnish to the Bank each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

1. 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:


<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consulting services, Operating Costs and Training for the Project</td>
<td>42,892,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>107,500</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(3) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 4.05 (c) of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>43,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. Notwithstanding the provisions of paragraph 1 above, no withdrawal shall be made for payments made prior to the Signature Date; except that withdrawals up to an aggregate amount not to exceed $4,300,000 may be made for payments made prior to this date but on or after May 1, 2018, for Eligible Expenditures under Category (1).

3. The Closing Date is December 31, 2023.

Section IV. Other Undertakings

A. In order to ensure the effective implementation of the Project, the Borrower shall ensure that the seamless base map developed under Part 2 of the Project is made accessible to public and private users in accordance with national laws.
### 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**

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1</td>
<td></td>
</tr>
<tr>
<td>Beginning October 1, 2024</td>
<td>7.14%</td>
</tr>
<tr>
<td>through October 1, 2030</td>
<td></td>
</tr>
<tr>
<td>On April 1, 2031</td>
<td>7.18%</td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

1. “Additional Budget Line” means any budget line opened after publication of the Borrower’s Budget, as an addition to the initial budget lines established under said Budget, all in accordance with the Public Accountancy Law number 14969 of the year 1963 and other relevant national legislations.

2. “Annual Work Plans” means the plans that will be prepared each fiscal year by the Borrower setting out activities proposed for inclusion in the Project for the next calendar year, together with a budget for such activities in accordance with Section I.C of Schedule 2 to this Agreement.

3. “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.

4. “BDL” means the Banque du Liban, or its legal successor.

5. “Category” means a category set forth in the table in Section III.1 of Schedule 2 to this Agreement.

6. “Chart of Accounts” means the Borrower’s chart of accounts established and operating pursuant to Lebanese legislation.

7. “Environmental Management Plan” or “EMP” means the document prepared, adopted and disclosed by the Borrower on June 16, 2017, pursuant to the provisions of Section I.D of Schedule 2 to this Agreement, setting forth a set of mitigation, monitoring, and institutional measures to be taken during the implementation and operation of the activities under the Project to eliminate adverse environmental impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures, as the same may be amended from time to time with the Bank’s prior written approval.


9. “GDLRC” means the General Directorate of Land Registration and Cadastre established under the Borrower’s Ministry of Finance, in charge of services related to land registration and cadastre.

10. “Land Registry and Cadastre System” means a system within the GDLRC in which information on land and cadastre are recorded, processed and maintained in a digital form.
11. "Mass Valuation System" means a system that values group of properties on their market value as of a given date using common data, standardized methods and statistical analysis.

12. "Minister of Finance" means the Borrower's minister in charge of finance at the time or any successor thereto.

13. "MoF" means the Borrower's ministry of finance or any successor thereto.


15. "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.

16. "Project Management Unit" or "PMU" means the Borrower's unit referred to in Section I.A of Schedule 2 to this Agreement.

17. "Project Operational Manual" or "POM" means the manual to be prepared and adopted by the Borrower pursuant to the provisions of Section I.B. of Schedule 2 to this Agreement.


19. "Signature Date" means the latest of the two dates on which the Borrower and the Bank signed this Agreement and such definition applied to all references to “the date of the Loan Agreement” in the General Conditions.


21. "Training" means the training of persons involved in Project-supported activities such term including scholarships, seminars, workshops, and study tours, and costs associated with such activity including local and international travel and subsistence costs for training participants, per diems, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.