Global Environment Facility
Grant Agreement

Second Lao Environment and Social Project

(Amending and Restating the Original GEF Grant Agreement for the Protected Area and Wildlife Project)

between

LAO PEOPLE'S DEMOCRATIC REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(Acting as an Implementing Agency of the Global Environment Facility)

Dated June 4, 2015
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated June 4, 2015, entered into between the LAO PEOPLE'S DEMOCRATIC REPUBLIC ("Recipient"); and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

WHEREAS (A) under an agreement, dated May 14, 2014, between the Recipient and the International Bank for Reconstruction and Development ("World Bank"), acting as an Implementing Agency of the Global Environment Facility ("GEF" ("Original GEF Grant Agreement"), the World Bank agreed to provide the Recipient with a grant ("Original GEF Grant") in an amount equivalent to six million eight hundred and twenty-five thousand and six hundred eighty-eight Dollars ($6,825,688) to assist in financing the Protected Area and Wildlife Project referred to in Schedule 1 to the Original GEF Grant Agreement;

(B) under an agreement, dated May 14, 2014, between the Recipient and the International Development Association ("Association") ("Original Financing Agreement"), the Association agreed to provide the Recipient with a grant ("Original Grant") in an amount equivalent to three million Special Drawing Rights (SDR 3,000,000) and a credit ("Original Credit") in an amount equivalent to eight million two hundred thousand Special Drawing Rights (SDR 8,200,000) to assist in financing the Original Project; and

(C) the Recipient has requested the Association to provide additional financial assistance in support of additional activities related to the Original Project, which shall forthwith be renamed the Second Lao Environment and Social Project, by making available to the Recipient an additional credit ("Additional Credit") in an amount equivalent to ten million seven hundred thousand Special Drawing Rights (SDR 10,700,000); and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in the Financing Agreement (Amending and Restating the Original Financing Agreement) of even date herewith;

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Original GEF Grant Agreement, with effect from the Effective Date of this Agreement, to read as follows:
Article I
Standard Conditions; Definitions


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, this Agreement (including the Preamble hereto), and the Appendix to the Financing Agreement, as the case may be.

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Environmental Protection Fund to carry out the Project in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to six million eight hundred twenty-five thousand and six hundred eighty-eight Dollars ($6,825,688) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section II of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the GEF for which the World Bank receives periodic contributions from the donors to the GEF. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the GEF, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.
Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) EPF’s Establishment Decree has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of EPF to implement the Project and to perform its obligations under the Subsidiary Grant Agreement.

(b) EPF has failed to perform any of its obligations under the Subsidiary Grant Agreement.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The Financing Agreement (Amending and Restating the Original 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) have been fulfilled.

(c) The Subsidiary Grant Agreement has been executed and delivered on behalf of the Recipient and the EPF.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing the following matters:

(a) on behalf of the Recipient, that 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; and
5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time responsible for finance.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
23rd Singha Road
Saysetha District
Vientiane, Laos PDR

Facsimile:
856-21-412142
6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile:
1-202-477-6331

AGreed at Vientiane, Lao People's Democratic Republic, as of the day and year first above written.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

By

[Signature]
Authorized Representative
Name: Thipphakone CHANTH
Title: Vice Minister

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
Acting as an Implementing Agency of the Global Environment Facility

By

[Signature]
Authorized Representative
Name: Urich Zachau
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to help strengthen selected environmental protection management systems, specifically for protected areas conservation, enforcement of wildlife laws and environmental assessment management.

The Project consists of the parts described in Schedule 1 to the Financing Agreement (Amending and Restating the Original Financing Agreement).
SCHEDULE 2

Project Execution

Section I. General; Subsidiary Grant Agreement

A. General

Section I (Implementation Arrangements), Section II (Project Monitoring, Reporting and Evaluation) and Section III (Procurement) of Schedule 2 to the Financing Agreement (Amending and Restating the Original Financing Agreement) are hereby incorporated by reference and shall apply, mutatis mutandis, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, provided that for the purposes of this Agreement: (1) the references to the “Financing” in said Sections shall be construed as references to the Grant provided for under this Agreement; (2) the references to the “Association” in said Sections shall be construed as references to the World Bank; (3) the reference to Section 4.08 of the General Conditions in Section II.A of Schedule 2 to the Financing Agreement shall be construed as reference to Section 2.06 of the Standard Conditions; and (4) the references to Section 4.09 and 4.09(b) of the General Conditions in Section II.B of Schedule 2 to the Financing Agreement shall be construed as references to Section 2.07 and 2.07(b) of the Standard Conditions.

B. Subsidiary Grant Agreement

1. To facilitate the carrying out the Project, the Recipient shall make available to the EPF the proceeds of the Grant under a Subsidiary Grant Agreement to be entered into between the Recipient, through its Ministry of Finance, and the EPF, under terms and conditions acceptable to the World Bank which shall include, inter alia, the terms and conditions set forth in Section I.B of Schedule 2 to the Financing Agreement, provided that all references therein to the terms “Financing” and “Association” shall be construed as references to the Grant and the World Bank, respectively.

2. The Recipient shall exercise its rights and perform its obligations under the Subsidiary Grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant, and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Grant Agreement or any provision thereof.
Section II. **Withdrawal of the Proceeds of the Grant**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article III of the Standard Conditions, this Section, and such additional instructions as the World Bank shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant 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, consultants’ services, Sub-grants, Training and Operating Costs for the Project</td>
<td>6,830,000</td>
<td>18%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>6,830,000</td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is June 30, 2021.