GEF GRANT NUMBER TF016619

Global Environment Facility
Grant Agreement

(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 May 14, 2014
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated January 14, 2014, 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) the Recipient, having satisfied itself as to the feasibility and
priority of the Project described in Schedule 1 to this Agreement ("Project"), has
requested the World Bank to extend a grant from the GEF as provided in Section 3.01
of this Agreement, to assist in the financing of the Project; and

(B) the Recipient has also requested the International Development Association
("Association") to provide additional assistance towards the financing of the Project,
and the Association has agreed to make available a credit and grant to the Recipient in
an amount of eleven million two hundred thousand Special Drawing Rights
(SDR 11,200,000) ("Financing") to assist in the financing of the Project, pursuant to an
agreement of even date herewith the Recipient and the Association ("Financing
Agreement"); and

WHEREAS the World Bank has agreed, on the basis, inter alia, of the
foregoing, to extend a grant from the GEF to the Recipient upon the terms and
conditions set forth in this Agreement;

NOW THEREFORE, the Recipient and the World Bank hereby agree as
follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various
Funds, dated February 15, 2012 ("Standard Conditions"), constitute an integral
part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this
Agreement have the meanings ascribed to them in the 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 thirty thousand Dollars ($6,830,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV 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 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

(b) the Subsidiary Grant Agreement referred to in Section 5.01 (c) has been duly authorized or ratified by the Recipient and the EPF and is legally binding upon the Recipient and the EPF in accordance with its terms.

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, Lao 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:  
1-202-477-6391
AGREED at Vientiane, Lao People's Democratic Republic, as of the day and year first above written.

LAO PEOPLE'S DEMOCRATIC REPUBLIC

By ___________________________
Authorized Representative

Name: Thipphakone CHANTHAVONGSA
Title: Vice Minister

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

By ___________________________
Authorized Representative

Name: Ulrich Zachau
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to strengthen the Recipient’s management systems for national protected areas conservation and for enforcement of wildlife laws.

The Project consists of the parts described in Schedule 1 to the 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 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>29%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</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.