
LOAN NUMBER 9141-PH

Loan Agreement

(Support to Parcelization of Lands for Individual Titling Project)

between

REPUBLIC OF THE PHILIPPINES

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF THE PHILIPPINES (“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 three hundred seventy million Dollars (\$370,000,000), 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 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 its DAR, 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 The Additional Event of Suspension consists of, namely, the Legal Framework has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to carry out the Project or to perform any of its obligations under this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of, namely, the Borrower, through the DAR, has adopted the Project Operations Manual in form and substance satisfactory to the Bank.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI— REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Secretary of Finance.
- 6.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's Address is:

Department of Finance
Department of Finance Building
Roxas Boulevard corner Pablo Ocampo Sr. Street
Manila 1004
Philippines

(b) the Borrower's Electronic Address is:

Facsimile:	Email:
(63-2) 8523-9216	secfin@dof.gov.ph

- 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:

Telex:

Facsimile:

E-mail:

248423(MCI) or
64145(MCI)

1-202-477-639

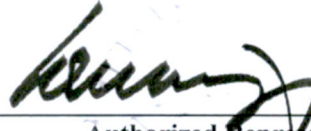
PhilippinesCMU@worldbank.org



AGREED as of the Signature Date.

REPUBLIC OF THE PHILIPPINES

By



Authorized Representative

Name: Carlos Dominguez 

Title: Secretary of Finance

Date: JUL 14 2020



INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: Achim Fock

Title: Acting Country Director

Date: 30-Jun-2020

SCHEDULE 1

Project Description

The objective of the Project is to improve land tenure security and stabilize property rights of ARBs.

The Project consists of the following parts:

Part 1 - Parcelization of Collective CLOAs

1.1. Improved Regulatory Framework

Providing technical assistance support for: (i) updating DAR's DAOs and other instruments related to collective CLOA parcelization and preparing implementing rules and regulations for strengthened inter-agency institutional arrangements; (ii) developing a media and communication strategy and materials for encouraging participation of ARBs in the parcelization process; and (iii) assessing the policy and operational implications of the enhanced parcelization process and the results of the collective CLOA inventory.

1.2. Information Technology Support

Carrying out a program of activities to optimize the workflow of parcelizing collective CLOAs, including:

- (i) developing and implementing a central CLOA document management system and a central digital archive system for individual titles;
- (ii) developing automated tools and digital forms to support the parcelization processes at the local level;
- (iii) upgrading of an e-survey plan module for geodetic engineers;
- (iv) providing technical assistance and capacity building to DAR staff at the central and field offices; and
- (v) supplying hardware, licenses, communication equipment, and rental of communication lines.

1.3. Completing the Inventory of Collective CLOAs

Providing technical and operational support for: (i) developing an inventory and validating the master lists of ARBs in the collective CLOAs; (ii) verifying and certifying the classification of lands under collective CLOAs; and (iii) identifying and addressing any issues related to the overlap between lands under collective CLOAs with forest/timber lands, and with ancestral domain.

1.4. Field Testing of Improved Procedures to Subdivide Collective CLOAs

Carrying out: (i) field validation and consultation with ARBs; (ii) field testing of new survey techniques and enhanced procedures in selected pilot areas; (iii) parcelization survey; (iv) re-documentation and generation of individual titles; (v) public communication and dissemination activities for wider and informed ARB participation; and (vi) identification and re-constitution of lost or destroyed collective CLOAs.

1.5. Rolling out Improved Procedure in Other Regions

Carrying out a program of activities to scale-up parcelization activities across Selected Regions based on the improved procedures and field coordination tested under Part 1.4 above.

Part 2 - Capability Building and Technical Assistance

Carrying out technical assistance to enhance the capacity of DAR staff based in central and field offices and its Partner Agencies on the adoption of enhanced guidelines and processes, including: (i) delivering orientation and/or re-orientation training on the enhanced workflow and parcelization processes, and the use of digital and modern technology; (ii) cascading of revised rules and procedures for the parcelization process and agrarian reform cases; and (iii) providing coaching sessions for DAR field office staff on topics related to Project implementation.

Part 3 - Project Management and Monitoring and Evaluation

Providing technical and operational support for project management and coordination, including financial management and disbursement, procurement, environmental and social risk and impact management, grievance redress mechanisms, and monitoring, reporting and evaluation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower, through DAR, shall maintain, throughout the period of implementation of the Project, Project implementation structures at the national and sub-national levels, all with composition, functions, staffing and resources satisfactory to the Bank and set out in the Project Operations Manual.
2. Without limitation to the foregoing, the Borrower shall, through DAR:
 - (a) establish and thereafter, maintain: (i) a National Project Steering Committee, chaired by DAR and including representatives of relevant government agencies involved in Project implementation, which shall be responsible for providing overall policy direction and guidance for Project implementation; (ii) a National Project Coordinating Committee, which shall be responsible for providing overall operational guidance for Project implementation; and (iii) a Central Project Management Office which shall be responsible for implementation of Project activities at national level;
 - (b) at each Selected Region, prior to the commencement of any Project activity in the respective Selected Region, establish and thereafter maintain: (i) a Regional Project Coordinating Committee which shall be responsible for overseeing and providing guidance at regional level; and (ii) a Regional Project Management Office which shall be responsible for carrying out Project activities at the Selected Region; and
 - (c) at each province of the Selected Regions, prior to the commencement of any Project activity in the respective province, establish and thereafter maintain: (i) a Provincial Project Coordinating Committee which shall be responsible for overseeing and providing guidance at provincial level; and (ii) a Provincial Project Management Office which shall be responsible for carrying out Project activities at the respective province.

3. To facilitate the implementation of the Project, the Borrower, through DAR, shall enter into a memorandum of understanding with each of the Partner Agencies under terms and conditions acceptable to the Bank.

B. Project Operations Manual.

The Borrower, through DAR, shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual (provided, however, that 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); and shall not amend, abrogate or waive any provision of the Project Operations Manual unless the Bank has provided its prior no-objection thereof in writing.

C. Annual Work Plans and Budgets.

1. The Borrower, through DAR, shall prepare and furnish to the Bank for its no-objection not later than October 31 of each fiscal year of the Borrower during the implementation of the Project (or such later date as the Bank may agree), a consolidated Annual Work Plan and Budget ("AWPB") containing all Project activities and expenditures proposed to be included in the Project in the following fiscal year, including a specification of the sources of financing for all expenditures, and environmental and social risk and impact management measures taken or planned to be taken in accordance with the provisions of Part D of this Schedule.
2. The Borrower, through DAR, shall ensure that the Project is implemented in accordance with the AWPB accepted by the Bank for the respective fiscal 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.
3. The Borrower, through DAR, shall not make or allow to be made any change to the AWPB without prior no-objection in writing by the Bank.

D. Environmental and Social Standards.

1. The Borrower, through DAR, 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, through DAR, 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, through DAR, shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and 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.

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

3. The Borrower, through DAR, shall ensure that:
 - (a) all measures necessary on its part 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.
4. The Borrower, through DAR, 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.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports.

The Borrower, through DAR, shall furnish to the Bank each Project Report not later than sixty (60) days after the end of each calendar semester covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

B. Mid-term Review.

The Borrower, through DAR, shall: (a) on or about the date twenty four (24) months after the Effective Date, prepare and furnish to the Bank a mid-term report, in such detail as the Bank 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 pursuant to Part A above, 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 Bank 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 Bank's views on the matter.

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 finance one hundred percent (100%) of Eligible Expenditures consisting of goods, non-consulting services, consulting services, Training, and Operating Costs, excluding costs incurred by DENR and LRA associated with the information technology fees for survey plan and title registration, inclusive of Taxes.

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 31, 2024.

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

Principal Payment Date	Installment Share
On each June 15 and December 15 Beginning June 15, 2031 through December 15, 2048	2.7 %
On June 15, 2049	2.8 %

APPENDIX

Definitions

1. “Annual Work Plan and Budget” or the acronym “AWPB” each means the plan and budget referred to in Section I.C of Schedule 2 to this Agreement; as said plan may be modified from time to time with the prior written no-objection of the Bank.
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. “ARBs” or “Agrarian Reform Beneficiaries” means the farmers who are residing in Selected Regions and qualified to receive support under the Borrower’s Comprehensive Agrarian Reform Program in accordance with the Legal Frameworks.
4. “Central Project Management Office” means an office to be established and maintained by DAR, in accordance with Section I.A.2.(a).(iii) of Schedule 2 to this Agreement, or any successor thereto.
5. “Comprehensive Agrarian Reform Program” or “CARP” means the Borrower’s program to provide support to poor /landless farmers and farmworkers by offering them land tenure security, agrarian support services and mechanisms for social justice.
6. “CLOA” means a certificate of land ownership award, and “CLOAs” means more than one CLOA.
7. “DAR” means the Borrower’s Department of Agrarian Reform, or any successor thereto.
8. “Department Administrative Orders” or “DAOs” means the Borrower’s legal instruments issued at the department level to provide implementation guidance and standard procedures for matters under a department’s authority.
9. “DBM” means the Borrower’s Department of Budget and Management, or any successor thereto.
10. “DENR” means the Borrower’s Department of Environment and Natural Resources, or any successor thereto.
11. “DOF” means the Borrower’s Department of Finance, or any successor thereto.