



TF015589

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
Washington, D.C. 20433
U.S.A.(202) 477-1234
Cable Address: INTBAFRAD
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November 19, 2013

Mr. Stephen Adrian Ross
Executive Director
Partnership in Environmental Management
for the Seas of East Asia (PEMSEA)
PEMSEA Resource Facility
PEMSEA Office Building
DENR Compound
Visayas Avenue, Quezon City
Philippines

Re: Grant for Applying Knowledge management to
Scale Up Partnership Investments for Sustainable Development
Of Large Marine Ecosystems of East Asia and their Coasts
GEF MSP Grant No. TF015589

Dear Sir:

In response to the request for financial assistance made on behalf of the Partnership in Environmental Management for the Seas of East Asia (PEMSEA) ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as Implementing Agency of the Global Environment Facility (GEF), proposes to extend to the Recipient, for the benefit of the People's Republic of China, Republic of Indonesia, Republic of the Philippines, and Socialist Republic of Vietnam ("Member Countries"), a grant in an amount not to exceed one million United States Dollars (U.S.\$1,000,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the GEF trust fund for which the World Bank receives periodic contributions from donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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 trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
Acting as Implementing Agency of the Global Environment Facility

By  SHUIKER FOR
John Roome
Director
Sustainable Development
East Asia and Pacific Region

AGREED:
PARTNERSHIP IN ENVIRONMENTAL MANAGEMENT FOR THE SEAS OF EAST ASIA

By: 
Authorized Representative
Name: Stephen Adrian Ross
Title: Executive Director
Date: Dec. 2, 2013

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

**GEF MSP Grant No. TF015589
ANNEX**

**Article I
Standard Conditions; Definitions**

1.01. **Standard Conditions.** 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. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

- (i) “Blue Agenda” refers to all forms of water resources management;
- (ii) “Brown Agenda” refers all forms of pollution caused by domestic, industrial, urban, transport and energy sources and their single or collective impacts and protection measures;
- (iii) “CCRES” means the Regional Project on Capturing Coral Reef and Related Ecosystem Services Project;
- (iv) “Incremental Operating Costs” means the incremental operating costs under the Project incurred by the Recipient for purposes of Project management and implementation, on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, building and equipment maintenance, domestic travel, lodging and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries and any salary supplements of officials and staff of the Member Countries’ civil service.
- (v) “PEMSEA” means Partnership in Environmental Management for the Seas of East Asia, established under the Haikou Partnership Agreement of 2006, is a partnership arrangement among government and non-government entities of the Seas of East Asia, established to serve as the regional coordinating mechanism with a mandate to pursue the sustainable management and development of coasts and oceans and ensure the implementation of the Sustainable Development Strategy for the Seas of East Asia (the “SDS-SEA”) through collaborative, synergistic and responsible actions and the accomplishment of individual commitments.
- (vi) “PEMSEA Resource Facility Management System Manual” means the Recipient’s operations manual approved and adopted by the PEMSEA Resource Facility Management Committee on February 13, 2013, acceptable to the Bank setting forth implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements for purposes of Project implementation, as the same may be modified from time

to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such implementation plan.

- (vii) “Training” means training activities financed under the Project, incurred for the purpose of the project, and attributable to seminars, study tours, and workshops, along with the cost of domestic and international travel and subsistence for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to training preparation and implementation.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to enhance the capacity and performance of investments in sustainable development of large marine ecosystems and coasts in the East Asia Seas (EAS) region through knowledge and experience sharing, portfolio learning and networking. The Project consists of the following parts:

Part A: ICM e-Library/Knowledge Sharing Portal

Promote dialogue and improve the exchange of knowledge, information and methods within and among countries and concerned stakeholders on investments in sustaining marine and coastal ecosystem services. The portal will also serve as a connection to existing and emerging knowledge management networks and initiatives across the region.

Part B: Innovative Tools and Best Practices

Develop innovative tools and best practices that will focus on a system for identifying, packaging and transferring new and innovative approaches and best practices to policymakers and practitioners. This component will also promote mainstreaming time bound priority targets and projects under the Brown and Blue agenda into national and local government medium-term development and investment plans.

Part C: Communities of Practice and Support Services

Facilitate, organize and conduct leadership seminars and forums in partnership with the PEMSEA Network of Local Governments, PEMSEA’s Twinning Network for Integrated River Basin and Coastal Area Management, Xiamen World Ocean Week, the triennial EAS Congress, the biennial GEF International Water Conference, as well as other national and regional partners in East Asia. Provision of workshop with CCRES to extract lessons learned, shape knowledge products and facilitate dissemination of information to key audiences.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with: (a) the provisions of Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.***

A. Institutional Arrangement

1. The Recipient shall establish the EAS Partnership Council that will serve as the Project Steering Committee who will be tasked to make recommendations to the World Bank concerning the need to revise any aspects of the results framework or the monitoring and evaluation plan of the Project.

B. PEMSEA Resource Facility Management System Manual

1. The Recipient shall:
 - (a) carry out the Project in accordance with the PEMSEA Resource Facility Management System Manual; and
 - (b) except as the World Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the PEMSEA Resource Facility Management System Manual or any provision thereof.
2. In the event of a conflict between the provisions of the PEMSEA Resource Facility Management System Manual and those of this Agreement, the latter shall govern.

2.04. ***Completion Report.*** The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.05. ***Financial Management.*** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.06. **Procurement**

(a) General. All goods and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"), in the case of goods;

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods. Except as the World Bank may otherwise agree, goods shall be procured under contracts awarded on the basis of Shopping and Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection of Individual Consultants; and (B) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Article III
Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures**. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 following table. The 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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Consultants’ services, including audit	466,000	100%
(2) Training	383,000	100%
(3) Goods	83,000	100%
(4) Incremental Operating Costs	68,000	100%
TOTAL AMOUNT	1,000,000	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2016.

Article IV Recipient’s Representative; Addresses

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is Executive Director.

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

Partnership in Environmental Management
for the Seas of East Asia (PEMSEA)
PEMSEA Resource Facility
PEMSEA Office Building
DENR Compound
Visayas Avenue, Quezon City
Philippines

Cable:

Telex:

Facsimile:

4.03. ***World Bank's Address.*** 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

Cable:	Telex:	Facsimile:
INTBAFRAD	248423 (MCI) or	1-202-477-6391
Washington, D.C.	64145 (MCI)	

Modifications to the Standard Conditions

The term “Member Country” in the Standard Conditions means, individually, each of the People’s Republic of China, Republic of Indonesia, Republic of the Philippines, and Socialist Republic of Vietnam or any of their political or administrative subdivisions. The reference to “Member Countries” in this Letter Agreement shall be interpreted as referring to all said countries collectively.