HONORABLE CESAR V. PURISIMA  
Secretary  
Department of Finance  
DOF Building, BSP Complex  
Manila

Dear Secretary Purisima:

PHILIPPINES: Japan Social Development Fund Grant for Improving Livelihood Opportunities for Vulnerable Urban Communities (TF097254) - Extension of Closing Date and Re-allocation of Proceeds

I refer to the letter agreement ("Agreement") signed on December 13, 2010 on behalf of the International Bank for Reconstruction and Development ("World Bank") and countersigned on January 14, 2011, on behalf of the Republic of the Philippines ("Recipient") for the above-referenced Project.

The World Bank is pleased to inform you that we concur to amend the Agreement as follows:

1. The new closing date is June 30, 2015 for purposes of Section 3.0 of the Annex to the Agreement.

2. We agree with the proposed re-alignment of cost amounting to USD 150,000 from Category 3 (Sub Grants) to Category 2 (Consultant’s Services) from cost savings generated under Component 1 to Component 2 to cover the additional costs of the Impact Evaluation and supervision of field level activities. The table in Article III, Section 3.01 of the Annex to the Agreement is hereby amended to read as follows:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Amount of the Grant Allocated (USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>60,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultant’s Services</td>
<td>740,430</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Sub-Grants</td>
<td>1,987,500</td>
<td>100%</td>
</tr>
<tr>
<td>Categories</td>
<td>Amount of the Grant Allocated (USD)</td>
<td>Percentage of Expenditures to be Financed (inclusive of taxes)</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------------------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>(4) Training</td>
<td>158,430</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Incremental Operating Cost</td>
<td>53,640</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,000,000</td>
<td></td>
</tr>
</tbody>
</table>

Except as specifically amended hereby, all terms and conditions of the Agreement otherwise remain in full force and effect.

Please confirm your agreement by countersigning and dating the form of confirmation below, and returning to us one signed original copy of this letter. Upon our receipt of this letter duly countersigned by an authorized representative of the Recipient, this amendment shall become effective as of the date of countersignature.

We look forward to our continued collaboration on this project.

Sincerely,

Motoo Konishi
Country Director, Philippines
East Asia and Pacific Region

CONFIRMED and AGREED
REPUBLIC OF THE PHILIPPINES

By: [Signature]
Authorized Representative 00 5 7 9 2
Title: National Treasurer
Date: 03 October 2014

cc: Hon. Arsenio Balisacan, Secretary for Socioeconomic Planning and Director-General, National Economic and Development Authority
Hon. Florencio Abad, Secretary, Department of Budget and Management
Hon. Corazon Juliano – Soliman, Secretary, Department of Social Welfare and Development
Ms. Rosalia De Leon, National Treasurer and Officer-in-Charge, International Finance Group, Department of Finance
Mr. Rolando Tungpalan, Deputy Director-General, National Economic and Development Authority
Ms. Laura Pascua, Undersecretary, Department of Budget and Management
Mr. Mateo Montaño, Undersecretary, Department of Social Welfare and Development
Mr. Camilo Gudmalin, Assistant Secretary, Department of Social Welfare and Development
Ms. Benilda Redaja, Project Manager LVUC Grant, Department of Social Welfare and Development
Mr. Roberto Tan, Executive Director for the Philippines, World Bank
Ms. Enid Agatha Zephyrine, Senior Advisor to the Executive Director for the Philippines, World Bank