December 30, 2013

Honorable Cesar V. Purisima
Secretary of Finance
Department of Finance
6/F DOF Building, BSP Complex
Roxas Blvd, Manila
Republic of Philippines

Dear Honorable:

Re: Grant No. TF096649-PH
Special Climate Change Fund (Administered by the Global Environment Facility)
Climate Change Adaptation Project
Additional Instructions: Disbursement
First Restatement

I refer to the Grant Agreement between the Republic of the Philippines ("Recipient") and the International Bank for Reconstruction and Development ("World Bank"), acting as an implementing agency of the Global Environment Facility, for the above-referenced project, dated December 21, 2010. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant No. TF096649-PH ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions.

This Disbursement Letter is a First Restatement of the Disbursement Letter dated December 21, 2010 for the above referenced project restating Section II(vi) to increase one of the designated account ceiling to USD 650,000. All other provisions of the Disbursement Letter dated December 21, 2010, except as amended, shall remain in force and effect.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:
(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

(iii) Disbursement Conditions (subsection 3.8). Please refer to the Disbursement Conditions(s) in the Grant Agreement.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank  
26th Floor, One Global Place  
5th Avenue corner 25th Street  
Bonifacio Global City  
Taguig City 1634, Philippines  
Attention: Country Director

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal, together with supporting documents, and (b) applications for special commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank  
26th Floor, One Global Place  
5th Avenue corner 25th Street  
Bonifacio Global City  
Taguig City 1634, Philippines  
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4) The World Bank may permit the Recipient to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank’s Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification devices (“Tokens”) from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Recipient with Tokens for the designated officials.
Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of Tokens to Process Applications. By designating officials to accept Tokens and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Reimbursement and Direct Payment is U.S. Dollars 60,000.

(vi) Advances (sections 5 and 6).

- Type of Designated Account (subsection 5.3):
  1. One Segregated Account established by the Department of Environment and Natural Resources (DENR) and
  2. One Segregated Account established by the Department of Agriculture (DA).

- Currency of Designated Account (subsection 5.4): U.S. Dollars

- Financial Institution at which the Designated Account Will Be Opened (subsection 5.5): financial institution(s) acceptable to the World Bank

- Ceiling (subsection 6.1):
  U.S. Dollars 300,000 for the Account established by DENR
  U.S. Dollars 650,000 for the Account established by DA

III. Reporting on Use of Grant Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each application for withdrawal as set out below:

- For reporting for reimbursement:
  - Statement of Expenditure in the form attached (Attachment 4) for all expenditures/contacts not subject to the World Bank’s prior review.
- List of payments against contracts that are subject to the World Bank’s prior review in the form attached (Attachment 5) together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices).

- For reporting eligible expenditures paid from the Designated Account:
  - List of payments against contracts that are subject to the World Bank's prior review in the form attached (Attachment 5) together with records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices).
  - A designated account reconciliation (Attachment 6) and related bank statement.

- For requests for Direct Payment: records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): monthly

IV. Other Important Information


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be effected. For more information about the website and registration arrangements, please contact the World Bank by email at clientconnection@worldbank.org.

If you have any queries in relation to the above, please contact a Finance Officer at CTRLD-TF@worldbank.org using the above reference.

Yours sincerely,

Satish Kumar Shivakumar
Finance Officer, CTRLN
Attachments (remain valid as provided in the original disbursement letter)

Cc with copies: Secretary Ramon J.P. Paje
Assistant Secretary Analiza Rebuelta-The
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Director Angelito Fontanilla
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