Honorarble Cesar Purisima
Secretary
Department of Finance
Department of Finance Building
Bangko Sentral Complex
Roxas Blvd., Manila

Dear Secretary Purisima:

PHILIPPINES: IDF Grant for Capacity Building of MMDA to Formulate and Implement the Metro Manila Green Print 2030 Project (IDF Grant No. TF014355)

In response to the request for financial assistance made on behalf of Republic of the Philippines ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend to the Recipient a grant from the World Bank’s Institutional Development Fund ("IDF") in an amount not to exceed one hundred and fifty thousand United States Dollars (U.S.$ 150,000) ("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").

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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Motoo Konishi
Country Director, Philippines
East Asia and Pacific Region
AGREED:
REPUBLIC OF THE PHILIPPINES

By
Authorized Representative
Name: Cesar V. Purisima
Title: Secretary
Date: 29 November 2013

Enclosures:
- Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
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.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to facilitate the strategic re-orientation of the Metropolitan Manila Development Authority ("MMDA") and to strengthen its capacity to plan and coordinate metro-wide initiatives. The Project consists of the following parts:

Part 1. **Strategic Planning for MMDA**

1.1. Provision of technical assistance for knowledge exchange among MMDA and key stakeholders concerning international good practices in metropolitan planning, development and governance and their adaptability in the context of Metro Manila.

1.2. Carrying out of a study tour to one or more foreign metropolitan development institutions for the purpose of gaining exposure to relevant international practices.

1.3. Conduct of an opinion survey to gauge the views of key stakeholders on MMDA’s role in metropolitan planning, development and management.

1.4. Carrying out of workshops for MMDA managers and key staff to lay out a vision for the future role of MMDA in the metropolitan system and the effective fulfillment of its planning and coordination functions.

1.5. Preparation of a road map to achieve the strategic vision of MMDA including the carrying out of workshops which build upon the strategic visioning workshops under Part 1.4.

Part 2. **Rapid Assessment of Capacity Development Needs of MMDA**

2.1. Assessment of institutional and technical capacity gaps to implement the road map prepared under Part 1.5.

2.2. Identification of potential training partners to undertake future capacity building activities for MMDA.
Part 3. Customized Capacity Building Programs on Planning, Coordination, and Communication

3.1. Design of customized training programs in planning, coordination, and communication based on the needs identified in the rapid assessment conducted under Part 2.1.

3.2. Delivery of customized training courses for stakeholders based on the training programs designed under Part 3.1.

3.3. Establishment of continuous twinning arrangements between MMDA and other metropolitan planning bodies.

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 through MMDA in accordance with the provisions of: (a) 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. Implementation Arrangements. The Recipient shall ensure that MMDA shall maintain a Project management team throughout the implementation of the Project, with functions, composition and resources satisfactory to the World Bank to enable MMDA to carry out the coordination, implementation and monitoring of the Project. Without limitation on the foregoing, MMDA shall provide such in-kind contributions as shall be required for the efficient and effective implementation of the Project including, among others, office facilities, training facilities, counterpart staff time, and administrative support.

2.04. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank's request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover a period of one quarter, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient shall, upon the World Bank's request, 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 days after the end of each calendar semester, covering the calendar semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 months after the end of such period.

2.06. **Procurement**

(a) **General.** All goods, non-consulting services 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 and non-consulting services;

   (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 and Non-consulting Services.** Goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping.

(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 under a Fixed Budget; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) 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:

<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) Consultants’ services</td>
<td>109,900</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods</td>
<td>5,500</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training, Workshops and Study Tours</td>
<td>34,600</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>150,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the term “Training, Workshops and Study Tours” means the reasonable costs of goods and services required for the participation of personnel involved in training courses, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training, workshop and study tour materials, and other costs directly related to training course, workshop and study tour preparation and implementation, but excluding consultants’ services.

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 three years after the date of countersignature of this Agreement by the Recipient.
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 its Secretary at the time responsible for finance.

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

   Department of Finance
   Department of Finance Building
   Bangko Sentral Complex
   Roxas Blvd.
   Manila, Philippines

   Facsimile:
   (63-2) 523-9216

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: INTBAFRAD
   Telex: 248423 (MCI) or 64145 (MCI)
   Facsimile: 1-202-477-6391