October 7, 2015

Honorable Cesar Purisima
Secretary
Department of Finance
6/F Department of Finance Building
Bangko Sentral ng Pilipinas Complex
Roxas Boulevard, Manila

Dear Secretary Purisima:

PHILIPPINES: Learning, Equity and Accountability Program Support Project (Ln. 8344-PH)
Amendment to the Loan Agreement

We refer to the Loan Agreement dated April 10, 2014 (the “Loan Agreement”), entered into between the Republic of the Philippines (the “Borrower”) and International Bank of Reconstruction and Development (the “Bank”), and your letter, dated September 2, 2015, endorsing a proposal by the Department of Education to amend the description of Disbursement Linked Indicator No 2 in the Loan Agreement to reflect the revised design of the Department of Education’s early grade literacy and numeracy training.

We are pleased to inform you that the Bank has concurred with your request and hereby amends DLI 2 in Schedule 4 to the Loan Agreement as shown in Attachment I to this Amendment Letter.

Except as specifically amended herein, all other provisions of the Loan Agreement shall remain in full force and effect. Please confirm your agreement to this amendment letter by countersigning and dating the form of confirmation set forth below and returning one fully signed original of this amendment letter to us. This amendment letter shall become effective as of the date of countersignature upon our receipt of your confirmation.

Sincerely,

Motoo Konishi
Country Director, Philippines
East Asia and Pacific Region

[Signature]

REPUBLIC OF THE PHILIPPINES
By: ________________
Name: Cesar V. Purisima
Title: Secretary
Date: 10 December 2015

029002

26F One Global Place, 5th Avenue corner 25th Street, Bonifacio Global City, Taguig City 1634, Philippines
Telephone: (632) 4652500 | Facsimile: (632) 4652505
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. Br. Armin Luistro FSC, Secretary, Department of Education  
Mr. Roberto Tan, National Treasurer and Officer-in-Charge, International Finance Group, Department of Finance  
Mr. Rolando Tungpalan, Deputy Director-General, National Economic and Development Authority  
Mr. Emmanuel Esquerra, Deputy Director-General, National Economic and Development Authority  
Ms. Margarita Songco, Deputy Director-General, National Economic and Development Authority  
Ms. Laura Pascua, Undersecretary, Department of Budget and Management  
Dr. Dina Ocampo, Undersecretary, Department of Education  
Mr. Rizalino Rivera, Undersecretary, Department of Education  
Mr. Reynaldo Laguda, Assistant Secretary and Chief of Staff, Department of Education  
Mr. Jesus Mateo, Assistant Secretary, Department of Education  
Ms. Stella Laureano, Director, Department of Finance  
Ms. Violeta Corpus, Director, National Economic and Development Authority  
Ms. Cristina Clasara, Director, Department of Budget and Management  
Mr. Antonio Henrique Silveira, Executive Director for the Philippines, World Bank Group  
Ms. Rosalia De Leon, Alternate Executive Director for the Philippines, World Bank Group  
Ms. Michelle Durham Kissoon, Advisor to the Executive Director for the Philippines, World Bank Group
**Attachment 1**

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<tbody>
<tr>
<td><strong>Target:</strong></td>
<td>11,998 grade 1-3 teachers trained</td>
<td>11,998 grade 1-3 teachers trained</td>
<td>11,998 grade 1-3 teachers trained</td>
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<td><strong>Allocated amount:</strong></td>
<td>US$30,000,000</td>
<td>US$30,000,000</td>
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**Disbursement rule:** Periods 2-4: (i) percent of achievement of target on or before the last day per period equal to the percent of total allocated amount for the relevant period to be disbursed; (ii) **scalable**: minimum of 51% achievement to be eligible for disbursement.

**DLI achievement measure:** Periods 2-4: Training per period carried out in accordance with the DLI Verification Protocol.

**DLI verification process:** Periods 2-4: (i) DLI Verification Agent conducts training spot checks and post-training assessment in accordance with the DLI Verification Protocol; and (ii) the Bank reviews the verification report during the semi-annual Bank implementation support missions.

**EEP: MOOE:** Minimum expenditure level: DLI targets for Periods 2-4: US$30,000,000 per DLI target.