
GRANT NUMBER 0369-PHI (EF)

GRANT AGREEMENT
(Asia Pacific Disaster Response Fund)
(Typhoon Haiyan [Yolanda] Project)

between

REPUBLIC OF THE PHILIPPINES

and

ASIAN DEVELOPMENT BANK

DATED 14 NOVEMBER 2013

GRANT AGREEMENT
(Asia Pacific Disaster Response Fund)

GRANT AGREEMENT dated 14 November 2013 between the REPUBLIC OF THE PHILIPPINES (the "Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Recipient has applied to ADB for a grant for the purposes of the Project described in Schedule 1 to this Grant Agreement; and

(B) ADB has agreed to provide a grant to the Recipient from ADB's Asia Pacific Disaster Response Fund's resources upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of the Asia Pacific Disaster Response Fund Grant Regulations of ADB, dated 1 April 2009 (the "Grant Regulations"), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. The definitions set forth in the Grant Regulations are applicable to this Grant Agreement unless the context requires otherwise. In addition, the following term has the following meaning: "Auditors" means the supreme audit institution of the Recipient, or an independent audit firm acceptable to ADB.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient from ADB's Asia Pacific Disaster Response Fund resources on terms and conditions set forth in this Agreement an amount of three million Dollars (\$3,000,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement.

Section 3.02. The Grant shall be withdrawn from the Grant Account in a single payment to be made in accordance with the provisions of Schedule 2 to this Grant Agreement.

Section 3.03. Except as ADB may otherwise agree, all goods, works and consulting services to be financed out of the proceeds of the Grant shall be procured in accordance with the laws and regulations of the Recipient relating to public procurement.

Section 3.04. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be the date which is six (6) months after the date of this Grant Agreement or such other date as may from time to time be agreed between the Recipient and ADB. The Recipient shall not use the proceeds of the Grant, or allow the proceeds of the Grant to be used, for any expenditures incurred after the Grant Closing Date.

ARTICLE IV

Particular Covenants

Section 4.01. (a) The Recipient shall (i) maintain separate accounts and records for the Project; (ii) prepare financial statements for the Project in accordance with accounting principles acceptable to ADB; (iii) have such financial statements audited by the Auditors in accordance with international standards for auditing or the national equivalent acceptable to ADB; (iv) as part of such audit, have the Auditors prepare a report (which includes the Auditors' opinion on the financial statements, use of the Grant proceeds as well as on the use of the procedures for imprest fund and statement of expenditures) and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, as soon as available but in no event later than 6 months after the receipt by ADB of the statement of expenditures referred to in Schedule 2 of this Grant Agreement, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

(c) The Recipient shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Recipient's financial affairs where they relate to

the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Recipient, unless the Recipient shall otherwise agree.

Section 4.02. The Recipient shall enable ADB's representatives to inspect the Project, the goods financed out of the proceeds of the Grant, and any relevant records and documents.

Section 4.03. The Recipient shall include in bidding documents and contracts financed in whole or in part out of the Grant a provision requiring bidders, suppliers, contractors, and consultants to permit ADB or its representative to inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by ADB.

Section 4.04. The Recipient shall include in contracts financed in whole or in part out of the Grant an undertaking by the suppliers, contractors and the consultants that no fees, gratuities, rebates, gifts, commissions, or other payments, except those shown in the bid or the proposal, have been given or received in connection with the procurement process, the consultant selection process or in contract execution.

Section 4.05. ADB reserves the right to reject a proposal for award if it determines that the bidder or the consultant, as the case may be, recommended for award has directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.

Section 4.06. ADB reserves the right to sanction a party or its successor, including declaring ineligible, either indefinitely or for a stated period of time, such party or successor from participating in ADB-financed activities if it at any time determines that the party has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or other prohibited practices in competing for, or in executing, an ADB-financed contract.

Section 4.07. For the purposes of Section 4.05 and Section 4.06, the following terms shall have the following meanings:

(a) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(b) "collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

(c) "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party; and

(d) "fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

ARTICLE V

Miscellaneous

Section 5.01. The Secretary of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 5.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

Department of Finance
DOF Building
Roxas Boulevard
Manila
Philippines

Facsimile Numbers:

(632) 523-9216
(632) 521-9495.

For ADB

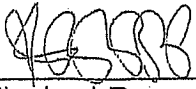
Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

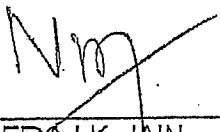
(632) 636-2444
(632) 636-2331.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names and to be delivered at the principal office of ADB, as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

By  _____
Authorized Representative

ASIAN DEVELOPMENT BANK

By  _____
NEERAJ K. JAIN
Country Director
Philippines Country Office

SCHEDULE 1

Description of the Project

1. The Project consists of activities relating to the provision of life preserving services for communities affected by the following natural disaster: Category 5 "super" typhoon Haiyan, locally also referred to as Yolanda.

SCHEDULE 2**Withdrawal of Grant Proceeds**Disbursement Procedures

1. Except as ADB may otherwise agree or as otherwise provided in this Grant Agreement, the Grant proceeds for financing goods, works, consulting services and other items shall be disbursed in accordance with ADB's "Loan Disbursement Handbook" dated 2012 (ADB's Loan Disbursement Handbook), as amended from time to time.
2. The Recipient shall establish immediately after the Effective Date an imprest account with the Central Bank of the Recipient or a commercial bank acceptable to ADB. Except as otherwise provided in this Grant Agreement, the imprest account shall be established, managed, and liquidated for reimbursing the Recipient's account for eligible expenditures which have been incurred by the Recipient on or before the Grant Closing Date and paid for the Project out of the Recipient's budget allocation or its own resources.
3. Notwithstanding anything to the contrary in ADB's Loan Disbursement Handbook, the Recipient shall submit to ADB, immediately upon signing of this Grant Agreement, a withdrawal application substantially in the form attached as Attachment 1 to this Schedule 2 duly signed by the person who has signed this Grant Agreement on behalf of the Recipient or any person authorized in writing by such representative to sign the withdrawal application on behalf of the Recipient. The Recipient shall not be required to submit a statement of the estimated ADB share of project.
4. Promptly after having received the withdrawal application of the Recipient in form and substance acceptable to ADB, ADB shall remit the full amount of the Grant to the imprest account of the Recipient.
5. Promptly after the Grant Closing Date, the Recipient shall submit to ADB a statement of expenditures, substantially in the form attached as Attachment 2 to this Schedule 2, to liquidate the advance provided into the imprest account. Notwithstanding anything to the contrary in ADB's Loan Disbursement Handbook, there shall be no ceiling in the amount of a contract for which the statement of expenditures procedure is used. All authenticating documents, including contracts, invoices and receipts, shall be retained by the Recipient and shall be made available for review by ADB or any auditors appointed by ADB.
6. Notwithstanding anything to the contrary in ADB's Loan Disbursement Handbook, ADB shall not require a comfort letter from the bank in which the Recipient maintains its imprest account.
7. Promptly upon demand by ADB, the Recipient shall refund to ADB any balance of the Grant advance not liquidated. The Recipient shall also, promptly upon demand by ADB, refund to ADB any amount of the proceeds of the Grant that has been used to finance in full or in part a contract for goods or services with respect to the procurement of which ADB has determined that (i) corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or any beneficiary of the Grant, without the Recipient having taken timely and appropriate action satisfactory to ADB to remedy the situation; or (ii) the procurement was inconsistent with the procedure set out in this Grant Agreement. For the

purposes of this section the terms "corrupt practice", "fraudulent practice", "collusive practice" or "coercive practices" shall have the meanings as specified in Section 4.07 of this Grant Agreement.

Counterpart Funding

8. The Recipient may use the proceeds of the Grant to pay up to 100 per cent of eligible expenditures, including applicable taxes.

Retroactive Financing

9. The proceeds of the Grant may be used for reimbursement of eligible expenditures incurred under the Project before the Effective Date, but not earlier than 11 November 2013, subject to a maximum amount equivalent to 20% of the Grant amount.

WITHDRAWAL APPLICATION FORM FOR IMPREST FUND Asian Development Bank



Date _____

To: Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: Loan Administration Division, Controller's Department (CTLA)

ADB Loan No.	_____
Application No.	_____
Type of Disbursement	
<input type="checkbox"/> Initial Advance	
<input type="checkbox"/> Additional Advance	
<input type="checkbox"/> Liquidation and Replenishment	
<input type="checkbox"/> Liquidation Only*	

Sir/Madam:

1. In connection with the Loan Agreement dated _____ between the Asian Development Bank and the
(Borrower) _____, please pay from the loan account for the
purpose of establishing/replenishing the imprest fund.

Currency	Amount to be Paid (in figures)	Amount to be paid (in words)

2. The borrower certifies and agrees as follows:

- a. The said amount is required for payment of eligible expenditures as described in the attached estimate of expenditures sheet(s) from _____ (date/month/year) to _____ (date/month/year).
- b. Any advances by the Asian Development Bank (ADB) to the imprest account may be limited to a sum equal to or smaller than the amount requested for advances or replenishment.
- c. The undersigned has not previously withdrawn or applied for withdrawal of any amounts from said loan account nor obtained or will obtain any loan, credit, or grant for the purpose of fully or partially meeting the expenditures described in the estimate of expenditures sheet(s), Summary Sheet(s), and/or statement of expenditures (SOE).
- d. The goods or services have been procured in accordance with the Loan Agreement, and the cost and terms of the purchase thereof are reasonable and in accordance with the relevant contract(s).
- e. The goods or services were or will be produced in and supplied by a member country of ADB as specified in the attached summary sheet(s) or SOE.
- f. The expenditures described in the attached estimate of expenditures sheet(s), Summary Sheet(s), and/or SOE are to be made for the purposes specified in the Loan Agreement and in accordance with its terms and conditions.
- g. The undersigned will furnish supporting documents satisfactory to ADB to liquidate the advance, or will refund any unliquidated advance.
- h. For expenditures to be liquidated on the basis of an SOE, all authenticating documents will be retained in the appropriate location (e.g., executing/implementing agency's office) and will be made available for examination by auditors and ADB representatives upon request.
- i. As of the date of this application, there is no existing default under the Loan Agreement, the Project Agreement, or the Guarantee Agreement, if any.
- j. If any funds withdrawn pursuant to this application are returned, the current value of such funds will be applied as credit to the loan account or, if the amount is small, applied to the next loan service payment due.

3. Payment Instructions (*Not required in the case of liquidation only):

- A. Payee's Name and Address
Payee's Name _____
Payee's Address _____
- B. Name and Address of Payee's Bank and Account No.
Bank Name _____
Bank Address _____
Payee's Account No. _____
SWIFT Code _____
- C. Correspondent Bank (If payee's bank is not located in the country whose currency is claimed, enter the name and address of their bank's correspondent in the country whose currency is to be paid.)
Bank Name _____
Bank Address _____
Account No. of _____
Payee's Bank _____
SWIFT Code _____
- D. Special Payment Instructions and Other References

4. This application consists of _____ pages including _____ pages of Summary Sheets or SOE.
From:

Signature of Authorized Representative(s)

Printed Name/Position/Title of Authorized Representative(s)

**Instructions for preparing the Withdrawal Application Form for Imprest Fund
(ADB Form No. ADB-IFP)**

General Instructions

1. Submit original withdrawal application (WA) form to the Asian Development Bank (ADB) (or to its resident/regional Mission, if instructed).
2. Number WAs consecutively, not exceeding five digits or characters.
3. For replenishment of advances, consolidate claims until the amount being withdrawn is at least US\$100,000 equivalent or an amount advised by ADB.
4. When the application is completed, verify completeness of supporting documentation and accuracy of details before passing to the authorized representative(s) for signature. Mistakes and omissions result in delayed payment.

Withdrawal References

5. **Date:** Enter the date WA is signed by authorized representative(s), not the date it was prepared.
6. **Loan Number:** Show ADB loan number clearly.
7. **Application Number:** Number WAs consecutively. If the project has more than one executing agency (EA) or implementing agency, the project coordinator should assign an alpha identification for each EA, e.g., A0001 to A9999 for EA no. 1 and B0001 to B9999 for EA no. 2.
8. **Type of Disbursement:** Indicate in the appropriate box the type of WA claim, whether for initial advance, additional advance, liquidation and replenishment, or liquidation only.

Estimate of Expenditures Sheet (ADB Form No. ADB-IFP-EES)

For Initial Advance and Additional Advance:

9. Provide all details as required in form ADB-IFP-EES. Estimated expenditures should normally be based on the amount of contracts awarded and to be awarded.
10. For expenditures related to operational costs, the amount should be linked to the project's annual budget provision.

For Liquidation and Replenishment:

11. In addition to 1 and 2 above, before submitting the WA, obtain appropriate procurement contract summary sheet (PCSS) numbers from ADB's sector division/resident mission concerned.
12. Where the statement of expenditures (SOE) is not allowed, submit full supporting documents required under section 10.35 of the handbook.

Payment Instructions

13. **Payee's Name and Address:** Indicate full name and address of payee for identification of payment.
14. **Name and Address of Payee's Bank and Account No.:** Indicate full name and address of the payee's bank, which may include a banker and/or branch designation. Account number is important. Give SWIFT code if payee's bank is a member of SWIFT.
15. **Correspondent Bank:** Where payment is to be made to a bank not located in the country of the currency to be paid, indicate its full name and address. Provide SWIFT code if the bank is a member of SWIFT.
16. **Special Payment Instructions:** Indicate any particulars, special instructions, or references to facilitate payment or identification of payment.
17. **Name of Borrower:** Fill in the name as it appears in the Loan Agreement.
18. **Authorized Representative(s):** Pass this application to authorized representative(s) for signature. Verify if the list of authorized representative(s) has been changed.

