

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8444-PH

Loan Agreement

(Cebu Bus Rapid Transit Project)

between

REPUBLIC OF THE PHILIPPINES

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated *OCTOBER 14*, 2014

LOAN AGREEMENT

AGREEMENT dated *OCTOBER 14*, 2014, between REPUBLIC OF THE PHILIPPINES (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

WHEREAS (A) the Borrower has requested the Bank to extend a loan in the amount of one hundred sixteen million Dollars (\$116,000,000) as provided in Section 2.01 of this Agreement, to assist in financing Parts 1(a)(ii), 1(a)(iii), 1(a)(iv), 1(a)(vi), 1(c), 1(e), 3(a), 4, 5(b) and 6 of the Project; and

(B) the Borrower has also requested the Bank, acting as an implementing entity of the Clean Technology Fund (“CTF”) to assist in financing Parts 1(b), 2(a), 2(c) and 5(a) of the Project and the Bank, acting in such capacity, has agreed to extend a loan to the Borrower from the CTF for such purpose in the amount of twenty five million Dollars (\$25,000,000), pursuant to the loan agreement of even date herewith between the Borrower and the Bank (“CTF Loan Agreement”);

WHEREAS the Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend a loan to the Borrower upon the terms and conditions set forth in this Agreement;

The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions and in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred sixteen million Dollars (\$116,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through the Department of Transportation and Communications (DOTC) in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely the CTF Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is its Secretary of Finance.
- 5.02. The Borrower's Address is:

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

Facsimile:
(63-2) 523-9216

5.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAI Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Manila, Republic of the Philippines, as of the day and year first above written.

REPUBLIC OF PHILIPPINES

By



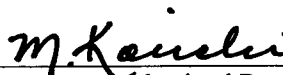
Authorized Representative

Name: CESAR V. PURISIMA

Title: SECRETARY

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: MOTOO KONISHI

Title: COUNTRY DIRECTOR, PHILIPPINES

SCHEDULE 1

Project Description

The objective of the Project is to improve the overall performance of the urban passenger transport system in the Project Corridor in Cebu City in terms of the quality and level of service, safety, and environmental efficiency.

Part 1. BRT Infrastructure and System

Design, construction and supervision of BRT infrastructure and systems along the Project Corridor, including:

(a) BRT Road Infrastructure. Development of BRT road traffic infrastructure including, among others, segregated busways, segregation barriers, sidewalks, cycleways, landscape strips, warning and directional signage, advanced directions signs, carriageway markings, and associated traffic management infrastructure (such as pedestrian walkways) along the following segments of the Project Corridor: (i) Cebu Road South (new Bulacao Terminal-E Mambaling flyover); (ii) Mambaling Flyover – East of Jones' intersection; (iii) Osmeña Boulevard (North Bacalso – North Escario Street); (iv) North Escario Street (Osmeña Boulevard – Ayala Mall); (v) South Road properties; and (vi) Ayala to Talamban and IT Park.

(b) Bus Terminals. Construction of bus terminals, including, among others, feeder terminal and turn round facilities, improvements to market areas, and provision of access and facilities for non-motorized transport modes.

(c) Bus Depots and Stations. Construction of bus depots and stations, including pedestrian crossing facilities.

(d) Land Acquisition and Resettlement. Provision of compensation for land acquisition and resettlement related to the development of BRT infrastructure along the Project Corridor.

(e) Detailed Design and Supervision. Detailed design and supervision of works carried out under Part 1 of the Project.

Part 2. Traffic Management

(a) Traffic Engineering and Management. Carrying out of BRT traffic engineering, and traffic management along the Project Corridor including, among others, intersection optimization, parking management, and development of jeepney terminals.

(b) Area Traffic Control and Intersection Signal Control. Upgrading of area traffic and intersection signal control for capacity optimization at key intersections in Cebu City.

(c) Intelligent Transport Systems. Development of an intelligent operational support and corridor traffic control system.

Part 3. BRT Concept Dissemination and Development

(a) BRT Concept Development. Carrying out of feasibility studies, training and capacity building activities to support the nationwide application of BRT in the territory of the Borrower.

(b) Design of Metro Manila BRT. Carrying out of feasibility studies and detailed design of the proposed Manila metropolitan BRT system.

Part 4. Urban Realm Enhancements

Carrying out of specific activities aimed at integrating BRT transport and land use development in Cebu City by establishing physical connections from stations and terminals to major trip attractors and generators, including parks and leisure space, landscaping, and infrastructure for pedestrians and non-motorized transport.

Part 5. Project Outcome Monitoring

(a) Transport System Demand, Supply and Performance. Monitoring of transport development outcomes of the Project including, among others, measurements on transport system demand, supply and performance.

(b) Institutional, Environmental, Social, Economic and Capacity Building Assessments. Monitoring of institutional performance, environmental, social and economic impacts, and capacity development indicators under the Project.

Part 6. Project Management

Provision of technical and operational support for the day-to-day management, coordination, procurement, financial management, environmental and social management, including measures for mitigation of social or environmental impacts, and communication of Project activities.

SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. National BRT Steering Committee

1. The Borrower shall maintain, throughout implementation of the Project, a National BRT Steering Committee (NSC) with a mandate, composition and resources satisfactory to the Bank.
2. Without limitation to the provisions of paragraph 1 of this Part A, the NSC shall (a) be chaired by the Secretary of the DOTC or his or her designated representative satisfactory to the Bank, and shall comprise, among others, representatives of the Department of Finance (DOF), Department of Public Works and Highways (DPWH), Department of Interior and Local Government (DILG), the Land Transportation Franchising and Regulatory Board (LTFRB), representatives of local government units where BRT projects are being implemented or under study, and DOTC; and (b) be responsible for, *inter alia*: (i) formulating the strategic directions and plans for developing BRT consistent with the national transport plan; (ii) setting policies, guidelines and procedures to facilitate the implementation of BRTs including the designation of segregated right-of-way infrastructure; (iii) coordinating the formulation of rules and regulations to govern and regulate the operations of BRT projects, and (iv) monitoring, evaluating and reporting on the impact on BRT development

B. National Program Management Office and Project Implementation Unit

1. The Borrower shall maintain, through DOTC, a BRT National Program Management Office (NPMO) based at the DOTC central office, and a Project Implementation Unit (PIU) in Cebu City, all throughout the implementation of the Project, with such offices to have functions and resources set forth in the Project Implementation Plan, for the purpose of ensuring the efficient implementation of the Project.
2. Without limitation to the provisions of paragraph 1 of this Part B, the NPMO shall: (a) be headed by an Undersecretary of the DOTC or his or her designated representative, with a rank of at least Director, satisfactory to the Bank, and include as members relevant DOTC personnel and external experts as required; and (b) be responsible for planning and evaluation, resource mobilization, implementation, operations, monitoring and reporting, and promotion and communication for the proper development and operation of BRT in the territory of the Borrower.

3. Without limitation to the provisions of paragraph 1 of this Part B, the PIU shall be responsible for (a) developing the annual work and financial plans, referenced in Section I.E.1 of Schedule 2 of this Agreement, for approval by the NPMO and NSC, (b) facilitating the administration and coordination of procurement, financial management, environmental and social management and other implementation arrangements, and (c) reporting to the NPMO and the Bank on all matters pertaining to the implementation of the Project and the use of the proceeds of the Financing.
4. Not later than three (3) months after the Effective Date, the Borrower, through the DOTC, shall appoint a financial management specialist and a procurement specialist to the PIU with functions, qualifications, and terms of reference as indicated in the Project Implementation Plan.

C. Cebu City BRT Legal, Financial and Institutional Framework

1. The Borrower shall, not later than June 30, 2016 put in place an overall legal, financial and institutional framework acceptable to the Bank for the operation and maintenance of the BRT system in Cebu City, and to this end shall, without limitation to the foregoing: (a) enter into a contract, no later than September 30, 2017, with a legal entity to serve as the Cebu City BRT system manager; and (b) ensure that, no later than March 31, 2018, the services of one or more legal entities are contracted to serve as bus operator(s) for the Cebu City BRT.
2. The Borrower shall, through DOTC, not later than March 31, 2015, enter into a contract with a Technical Support Consultant to support the NPMO and PIU in project management, technical support, procurement, monitoring and evaluation.

D. Project Implementation Plan

The Borrower shall carry out the Project in accordance with the arrangements and procedures set out in the PIP (provided, however, that in case of any conflict between the arrangements and procedures set out in the PIP and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall not amend, abrogate or waive the PIP or any of its provisions without prior approval in writing by the Bank.

E. Annual Work and Financial Plans

1. The Borrower, through the DOTC, shall prepare and furnish to the Bank for its approval, not later than November 15 of each year during the implementation of the Project, an annual work and financial plan containing all eligible Project activities and expenditures planned for the following fiscal year of the Borrower, including the expenditures to be financed by the Borrower under Part 1(d) of the

Project, and shall ensure that the Project is implemented in accordance with the approved annual work and financial plans; provided, however, that in case of any conflict between the annual work and financial plans and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. The Borrower shall not make or allow to be made any change to the approved annual work and financial plan without prior approval in writing by the Bank.

F. Environmental and Social Safeguards Management

1. The Borrower, through the DOTC, shall ensure that the Project is carried out in accordance with the provisions of the EIA, SMP and the RAP in a manner satisfactory to the Bank.
2. Without limitation on the provisions of paragraph 1 of this Part F, the Borrower, through the DOTC, shall ensure that sufficient funds are made available from its own resources for the implementation of the RAP, including for compensation for any land acquisition or resettlement related to the Project.
3. The Borrower shall not abrogate, amend or waive, or permit to be abrogated, amended or waived, the EIA, SMP and the RAP or any provision thereof, without prior approval in writing by the Bank.
4. The Borrower, through the DOTC, shall monitor and report to the Bank, including through the Project Reports referred to in Part A of Section II of this Schedule, the status of compliance with the EIA, SMP and the RAP, giving details of: (a) conditions, if any, which interfere or threaten to interfere with the implementation of the said assessments and plans; and (b) remedial measures taken or to be taken to address such conditions.

G. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank and set out in the PIP. Each Project Report shall cover the period of one (1) calendar semester,

and shall be furnished to the Bank not later than sixty (60) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower shall prepare and furnish to the Bank not later than sixty (60) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the 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.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services.

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding subject to the additional provisions set forth in paragraph 3 of this Part B; (c) Shopping; and (d) Direct Contracting.
3. **Additional National Competitive Bidding Provisions.** The following provisions shall apply to the procurement of goods, works and non-consulting services under National Competitive Bidding procedures: (a) eligibility screening shall not be applied, provided however that bids that do not contain any of the following documents shall not pass the documentary compliance check: (i) evidence of the required financial, technical or production capability; (ii) audited financial statements; (iii) credit line or cash deposit certificate; (iv) bid security; and (v) authority of the bid signatory; (b) a ceiling may be applied to bid prices provided the following conditions are met: (i) bidding documents are obtainable free of charge on a freely accessible website; (ii) the agency has procedures in place to ensure that the Approved Budget for Contract (ABC) is based on Engineer's Estimate; (iii) the agency has trained cost estimators on estimating prices and analyzing bid variance; and (iv) the agency has established a system to monitor and report bid prices relative to ABC and Engineer's Estimate; (c) domestic or regional preferences shall not be applied in the evaluation of bids, and other preference in effect in the Philippines shall not be used except with prior concurrence of the Bank; (d) foreign suppliers and contractors shall be allowed to participate, if interested, without first being required to associate with, or enter into joint venture, with local firms, and foreign bidders shall be allowed to bid, even without registration, licensing, and other government authorizations, leaving these requirements for after award and before signing of contract; (e) alternative procurement methods defined in the implementing rules and regulations such as Limited Source Bidding, Direct Contracting and Shopping as acceptable, and the use of the other alternative methods shall require prior Bank concurrence; and (f) the e-bulletin board, e-catalogue of prices, subscriber's registry and e-payments features of the Recipient's government electronic procurement system (PhilGEPS) may be used with prior Bank concurrence as described in the PIP.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection based on Consultants' Qualifications; (c) Single-source Selection of consulting firms; (d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (e) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Training and Workshops, and Operating Costs under Parts 1(a)(ii), 1(a)(iii), 1(a)(iv), 1(a)(vi), 1(c), 1(e), 3(a), 4, 5(b) and 6 of the Project	115,710,000	100%
(2) Front-end Fee	290,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.07(c) of this Agreement
TOTAL AMOUNT	116,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$23,200,000 may be made for payments made prior to this date but on or after December 31, 2013, for Eligible Expenditures under Category 1.
2. The Closing Date is June 30, 2021.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each May 15 and November 15 Beginning November 15, 2024 through November 15, 2038	3.33%
On May 15, 2039	3.43%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means 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.
2. “BRT” means bus rapid transit.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “CCG” means the government of Cebu City.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 and revised in July 2014.
6. “DOF” means the Borrower’s Department of Finance, and any successor or successors thereto.
7. “DILG” means the Borrower’s Department of the Interior and Local Government, and any successor or successors thereto.
8. “DPWH” means the Borrower’s Department of Public Works and Highways, and any successor or successors thereto.
9. “DOTC” means the Borrower’s Department of Transportation and Communications, and any successor or successors thereto.
10. “EIA” means the Environmental Impact Assessment, including the environmental management plan and environmental management guidelines, prepared by the Borrower, disclosed locally on March 13, 2013, and in the Bank’s Infoshop on March 28, 2013, setting out the environmental issues and direct and indirect impacts of the Project during the planning, construction, and operational phases, and the mitigating measures to be taken during Project implementation, together with the monitoring and reporting requirements of the Project.
11. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012.

12. "LTFRB" means the Borrower's Land Transportation Franchising and Regulatory Board, established pursuant to Executive Order No. 202 on June 19, 1987, and responsible for among others, prescribing and regulating routes of service for public land transportation services provided by motorized vehicles in accordance with the public land transportation development plans and programs approved by DOTC, and any successor or successors thereto.
13. "NPMO" means the national BRT program management office referred to in Section I.B of Schedule 2 to this Agreement.
14. "NSC" means the Borrower's National BRT Steering Committee referred to in Section I.A of Schedule 2 to this Agreement.
15. "Operating Costs" means the reasonable, incremental and documented expenditures incurred by DOTC for hiring of contractual personnel (but excluding staff salaries); and includes travel, per diem, accommodation, office utilities, materials and supplies, vehicles and equipment, and advertising expenses; for purposes of implementing the Project and which expenditures would not have been incurred absent the Project.
16. "PIU" means the Project Implementation Unit in Cebu City under the DOTC and referred to in Section I.B of Schedule 2 to this Agreement.
17. "Procurement Guidelines" means 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 and revised in July 2014.
18. "Procurement Plan" means the Borrower's procurement plan for the Project, dated July 31, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
19. "Project Corridor" means the area from Bulacao to Talamban, and includes the South Road Properties.
20. "Project Implementation Plan" and "PIP" means the Borrower's plan for the Project dated July 31, 2014, containing detailed arrangements and procedures for institutional coordination and day-to-day execution of the Project, including Project budgeting, disbursement and financial management, procurement, environmental and social management, monitoring, evaluation, reporting and communication, and such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

21. “RAP” means the resettlement action plan, prepared by the Borrower, disclosed locally on March 13, 2013 and in the Bank’s Infoshop on March 29, 2013, containing, *inter alia*, a program of actions, measures and policies for compensation of persons affected by land acquisition, including budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms for each site.
22. “SMP” means social management plan, prepared by the Borrower, disclosed locally on March 13, 2013 and in the Bank’s Infoshop on March 28, 2013, setting out the impact of the Project on key stakeholders and strategies to manage any adverse social impacts.
23. “Technical Support Consultant” means the group of consultants referred to in Section I.C.2 of Schedule 2 of this Agreement.
24. “Training and Workshops” means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops or 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 and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of consultants.