

Honorable Carlos G. Dominguez
Secretary
Department of Finance
Department of Finance Building
Roxas Boulevard corner P. Ocampo Sr. Street
Manila 1004 Philippines

Re: IBRD Loan No. 9328-PH
Philippines COVID-19 Emergency Response Project – Additional Financing 2
Additional Instructions: Disbursement and Financial Information Letter

Excellency:

I refer to the Loan Agreement between Republic of the Philippines (the “Borrower”) and the International Bank for Reconstruction and Development (“Bank”) for the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may, from time to time, request withdrawals of Loan amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project specific financial reporting requirements. This letter constitutes such Disbursement and Financial Information Letter (“DFIL”) and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 (“Disbursement Guidelines”) are available in the Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, , information on registration of authorized signatories, processing of Withdrawal Applications (including minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account(s).

(ii) Withdrawal Applications Electronic Delivery

The Borrower will deliver Withdrawal Applications (with supporting documents, “Applications”) electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effected after the officials designated in writing by the Borrower who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by

completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. The Borrower may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations), and which were previously agreed with the Bank. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the Authorized Signatory Letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank's public website at <https://www.worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>; and (b) to cause such officials to abide by those terms and conditions.

II. Financial Reports and Audits

(i) Financial Reports

The Borrower must prepare and furnish to the Bank not later than sixty days (60) days after the end of each calendar semester, interim unaudited financial reports (“IFRs”) for the Project covering the semester. The Borrower shall cause the UN agency to provide IFRs as stipulated in the agreement between the Borrower and the UN agency in a timely manner.

(ii) Audits

Each audit of the Financial Statements must cover the period of one (1) fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period. The Borrower shall cause the UN agency to provide the project audit report as stipulated in the agreement between the Borrower and the UN agency in a timely manner.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank’s public website at <https://www.worldbank.org> and “Client Connection” at <https://clientconnection.worldbank.org>. The Bank recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,

Ndiame Diop

Ndiame Diop
Country Director
Brunei, Malaysia, Philippines, and Thailand
East Asia and Pacific Region

Attachments

1. Form of Authorized Signatory Letter
2. Form of Interim unaudited Financial Report (IFR)

With copies: Hon. Carlos G. Dominguez
Secretary
Department of Finance
Department of Finance Building
Roxas Boulevard corner P. Ocampo Sr. Street
Manila, Philippines 1004
Email: secfin@dof.gov.ph
Telephone: 8523-9220

Hon. Francisco T. Duque III
Secretary
Department of Health
San Lazaro Compound, Tayuman, Sta. Cruz,
Manila, Philippines 1003
Email: ftduque@doh.gov.ph
Telephone: 8651-7800 local 1114, 1108

Schedule 1 : Disbursement Provisions

A. Basic Information					
Loan Number	IBRD Loan No. 9328-PH	Country	The Republic of the Philippines	Closing Date	Section III.B.2 of Schedule 2 to the Loan Agreement.
		Borrower	Department of Finance		
		Name of the Project	Philippines COVID-19 Emergency Response	Disbursement Deadline Date ¹	Four (4) months after the closing date
B. Disbursement Methods and Supporting Documentation					
Disbursement Methods ²		Methods	Supporting Documentation ³		
Direct Payment		Yes	Records (Supplier Invoices/Copy of Receipts)		
Reimbursement		Yes	Statement of Expenditure, in the format provided in Attachment 2 of the DFIL		
Advance (into a Designated Account)		Yes	DA-5: Statement of Expenditure, in the format provided in Attachment 2 of the DFIL		
Special Commitments		Yes	Supplier Invoice Copy of Letter of Credit		
C. Designated Account(s) ⁴					
Type and Management Unit		DA-5: Segregated – to be managed by Department of Health		Ceiling	DA-5: Variable
Financial Institution - Name		DA-5: The Bureau of Treasury Single Account at the Bangko Sentral ng Pilipinas		Currency	DA-5: USD
Frequency of Reporting ⁵		DA-5: Quarterly		Amount	DA-5: Forecast for two quarters as per IFRs and approved by the Bank
D. Minimum Value of Applications ⁶					
The minimum value of applications for Direct Payment, Reimbursement, Commitment Issuance-SC and Commitment Issuance-UN Blanket is USD 50,000 equivalent.					
E. Authorized Signatories ⁷ Withdrawal and Documentation Applications ⁸					
The form for Authorized Signatory Letter is provided in Attachment 1 of this letter.					

For notes in Schedule 1: Sections and subsections relate to the “Disbursement Guidelines for Investment Project Financing”, dated February 2017.

¹ Subsection 3.7

² Section 2

³ Subsections 4.3 and 4.4

⁴ Sections 5 and 6

⁵ Subsection 6.3

⁶ subsection 3.5

⁷ Subsection 3.1 and 3.2

⁸ Subsection 3.3 and 3.4

All Applications and its supporting documentation, and Authorized Signatory Letter will be electronically sent via the Bank's system "Client Connection".

F. Additional Instructions

- **Modified Disbursement System (MDS) Project Peso sub-account:** A Peso MDS's sub-account for the Project shall be opened and maintained by PMO at the Land Bank of the Philippines for the downloading of funds from the Bureau of Treasury to pay for project's eligible expenditures
- **Payment of the vaccine contracts:** Advance payment to the COVID-19 vaccine contracts must be strictly complied with the terms and conditions provided in the contracts and should follow the Bank procurement regulations. For the first payment, a copy of the contract's payment terms and request for payment should be attached to the withdraw application form. All payments for procurement of vaccine will be submitted to the bank using direct payment method.
- **Retroactive Financing:** Please refer to the Section III.B.1(a) of Schedule 2 to the Loan agreement
- **Disbursement under category 2– Emergency Expenditures:** This Disbursement and Financial Information Letter (DFIL) may not be fully adapted to the disbursement of funds allocated from time to time to category 2 of the disbursement table included in Section III. A of Schedule 2 to the Agreement. The DFIL will be revised, or a supplemental letter will be issued, if needed, when funds are allocated to category 2.
- **Disbursement of contracts with United Nations (UN) Agencies (if applied):** If UN agencies are contracted to provide goods, works and services, the UN agencies funds flow arrangement will be applied. Funds transferred to UN Agencies are considered as advance. The copy of signed Agreement between the Recipient and UN Agencies should be sent to the Loan Department for UN advance account set up once it is signed. The Borrower will submit application for UN advance using Client Connection website.
 - Supporting documents for the first UN advance: Request for payment from UN Agencies
 - Supporting documents for advance and documentation of prior advance: Interim Financial Reporting on the use of funds and the Payment Request for the next installment signed by an authorized UN staff in charge of execution of this Agreement

Attachment 1 – Form of Authorized Signatory Letter

[Letterhead]
 Department of Finance
 [Street address]

[DATE]

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

Dear Country Director:

Re: IBRD Loan 9328-PH (Philippines COVID-19 Emergency Response Project – Additional Financing 2)

I refer to the Loan Agreement between the International Bank for Reconstruction and Development (“Bank”) and the Republic of the Philippines (“Borrower”), providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ¹[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign Withdraw Applications (“Applications”) under this Loan.

For the purpose of delivering Applications to the Bank, ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. In full recognition that the Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions of Use of SIDC”), the Borrower represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to this Agreement.

¹ Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the Bank.*

² Instruction to the Borrower: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the Bank.*

³ Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

⁴ Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the Bank.*

[Name], [position]

Specimen Signature: _____

[Name], [position]

Specimen Signature: _____

[Name], [position]

Specimen Signature: _____

Yours truly,

/ signed /

[Position]

Attachment 2 – Statement of Expenditures

(No Records Required for Submission)																
											Application #					
											Loan/Credit/Grant #					
											Category #					
											Page #					
PAYMENTS MADE DURING THE REPORTING PERIOD FROM _____ TO _____																
The following expenditures have been incurred during the retroactive financing period											Yes			No		
The following expenditures have been incurred during the closing date of the credit											Yes			No		
The following expenditures are for activities completed before the closing date of the											Yes			No		
<i>(please tick only when the submission of application are during grace period)</i>																
												ONLY for the Designated Account				
1	2	3	4	5	6	7	8	9	10	11	12	13	14			
Item No.	Name of Contractor / Supplier / Consultants	Brief Description of the expenditures	Contract Prior Reviewed (Y/N)	Contract # (Client Connection # for Prior Review Contracts)	Contract currency and amount (original + amendment)	Invoice number	Date of payment	Total amount of invoice covered by application (net of	% Eligibility	Amount Eligible for Financing	Exchange Rate	Amount charged to Designated account	Date of withdrawal from the Designated			
Total																
Supporting Documents for this SOE retained at _____											(insert location)					
Signed : _____																
Name of Project Director																