
LOAN NUMBER 9488-PH

Loan Agreement

(Mindanao Inclusive Agriculture Development Project)

between

REPUBLIC OF THE PHILIPPINES

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF THE PHILIPPINES (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). 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) apply to and form 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 or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of one hundred million US Dollars (\$100,000,000), as such amount may be converted from time to time through a Currency Conversion (“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 III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower, through the Department of Agriculture (“DA”), shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely, the IP Legal Framework has changed so as to materially and adversely affect the ability of the Borrower to carry out the Project in accordance with the terms of this agreement or to achieve the objectives of the Project, in the opinion of the Bank, after consultation with the Borrower.

ARTICLE V —TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Secretary of Finance.
- 6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

- (a) the Borrower's address is:

Department of Finance
Department of Finance Building
Roxas Blvd. cor. Pablo Ocampo Sr. St.
Manila 1004
Philippines; and

- (b) the Borrower's Electronic Address is:

Facsimile:	E-mail:
(63-2) 8523-9216	secfin@dof.gov.ph

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

E-mail:

248423(MCI) or
64145(MCI)

1-202-477-6391

PhilippinesCMU@worldbank.org

AGREED as of the Signature Date.

REPUBLIC OF THE PHILIPPINES

By



Authorized Representative

Name: Secretary Benjamin E. Diokno

Title: Secretary of Finance

Date: 25-Jun-2023

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Ndiame Diop

Title: Country Director

Date: 25-Jun-2023

SCHEDULE 1

Project Description

The objective of the Project is to increase agricultural productivity, resiliency, and access to markets and services of organized farmer and fisherfolk groups in Selected Ancestral Domains and value chains in Mindanao.

The Project consists of the following parts:

Part 1. Ancestral Domain Planning and Social Preparation

Carrying out a program of activities for social preparation, data collection, science-based planning, and institutional strengthening, including:

- (i) preparation and implementation of a communication plan, awareness raising events, organizational and capacity-building workshops, market orientation, organizational and planning skills training for indigenous peoples and the IPOs;
- (ii) participatory formulation or development of Ancestral Domain Agricultural Implementation Framework (“ADAIF”);
- (iii) providing capacity building support on climate-smart value chain development to Participating LGUs and relevant service providers that support the implementation of Parts 2 and 3 of the Project;
- (iv) for each Selected Ancestral Domain, collection of baseline data that identifies appropriate adaptation and mitigation measures for climate-resilient agriculture;
- (v) carrying out value chain analyses based on environmental suitability and climate risk vulnerability;
- (vi) facilitating the formation and registrations of IPOs and developing alliances between the said IPOs with cooperatives, businesses, and other stakeholders outside of the relevant ancestral domains;
- (vii) providing technical support on research, capacity-building, and coordination activities for science-based and market-led inputs to the ADAIFs and business plans of IPOs;
- (viii) providing technical support and capacity building to IPOs in preparing concept proposals based on ADAIFs as the basis for consideration for further support under Parts 2 and 3 of the Project; and
- (ix) presentation of ADAIFs with the concept proposals by IPOs/ancestral domain management offices to the LGUs.

Part 2. Resilient Ancestral Domain Agri-Fisheries Infrastructure

Providing:

- (i) Infrastructure Subgrants to Participating LGUs for the implementation of Infrastructure Subprojects in Selected Ancestral Domains to strengthen food supply and value chains, including: (a) rehabilitation and repair of roads and bridges connecting ancestral domain to market centers; (b) rehabilitation and repair of access roads between agricultural areas and places in Selected Ancestral Domains; (c) development and rehabilitation of agricultural tramline system; (d) development of small-scale irrigation systems; (e) construction or rehabilitation of community potable water systems; and (f) construction of post-harvest infrastructure for agriculture and fisheries; and
- (ii) technical assistance to Participating LGUs for implementation of the Infrastructure Subprojects.

Part 3. Ancestral Domain Agri-Fisheries Production and Enterprise Development

Providing:

- (i) Enterprise Subgrants to Registered IPOs, through Participating LGUs, for the implementation of Enterprise Subprojects in Selected Ancestral Domains to strengthen their capacity across the value chains, including input supply, production, post-harvest operations, aggregation/assembly, and processing; and
- (ii) technical assistance to such Registered IPOs, including, among others, in the areas of: (a) financial literacy, accounting, procurement, and preparation and implementation of climate-informed business plans; (b) climate-smart agricultural practices, post-harvest handling, storage, marketing, and processing; (c) implementing field demonstrations for climate-smart agricultural and fisheries practices and technologies and facilitated access to weather related information; and (d) facilitating access to finance/credit, markets, and services, and the formation of public-private partnerships.

Part 4. Project Management and Support, Monitoring, and Evaluation

Providing technical and operational support for:

- (i) Project management and coordination, including financial management, procurement, environmental and social impact management, grievance redress mechanisms, monitoring, reporting and evaluation; and
- (ii) developing a management information system and monitoring and evaluation system for the sustained and effective support for indigenous peoples and indigenous cultural communities.

Part 5. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower, through the DA, shall maintain, throughout the period of implementation of the Project, Project implementation structures at the national and sub-national levels, all with composition, functions, staffing and resources satisfactory to the Bank and set out in the Project Operations Manual (“POM”).
2. Without limitation to the foregoing, the Borrower, through the DA, shall:
 - (a) by no later than three (3) months after the Effective Date, establish, and thereafter maintain, throughout the implementation of the Project, a MIADP Advisory Board chaired by the Secretary of Agriculture or a person designated by the Secretary of Agriculture, which shall be responsible for providing overall policy guidance and oversight for Project implementation;
 - (b) maintain throughout the implementation of the Project, a Project Support Office within the DA, which shall be responsible, *inter alia*, for carrying out the day-to-day implementation of the Project, including: (i) preparing annual work and financial plans; (ii) processing procurement, financial management, environmental and social impact management; (iii) monitoring and evaluation of the Project; and (iv) reporting on Project progress and results; and
 - (c) at each region of Mindanao, prior to the commencement of any Project activity in the respective region, establish and thereafter maintain throughout the implementation of the Project:
 - (i) a Regional Project Coordination Office, headed by a regional executive director, which shall be responsible, *inter alia*, for day-to-day Project management and implementation at the respective region; and
 - (ii) a Regional Project Advisory Board, headed by a regional executive director, which shall be responsible, *inter alia*, for approving Subproject proposals and providing guidance for Project implementation at the respective region.
3. To facilitate the implementation of the Project, the Borrower, through the DA, shall:
 - (a) by no later than three (3) months after the Effective Date, enter into a memorandum of agreement with the NCIP setting out the agreed arrangements for NCIP to support project implementation, under terms and conditions acceptable to the Bank; and

- (b) prior to the commencement of any Project activity at local levels, enter into a memorandum of agreement with each Participating LGU outlining the terms of their respective implementation of the Project under terms and conditions acceptable to the Bank.

B. Project Operations Manual

The Borrower, through the DA, shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the POM (provided, however, that in the event of any conflict between the arrangements and procedures set out in the POM and the provisions of this Agreement, the provisions of this Agreement shall prevail); and shall not amend, abrogate or waive any provision of the POM unless the Bank has provided its prior no-objection thereof in writing.

C. Annual Work and Financial Plans

1. The Borrower, through the DA, shall prepare and furnish to the Bank for its no-objection not later than October 31 of the Borrower's fiscal year during the implementation of the Project (or such later date as the Bank may agree), a consolidated Annual Work and Financial Plan ("AWFP") containing all Project activities and expenditures proposed to be included in the Project in the following fiscal year, including a specification of the sources of financing for all expenditures, and environmental and social risk and impact management measures taken or planned to be taken in accordance with the provisions of Part D of this Schedule.
2. The Borrower, through the DA, shall ensure that the Project is implemented in accordance with the AWFP accepted by the Bank for the respective fiscal year; provided, however, that in the event of any conflict between the AWFP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Borrower, through the DA, shall not make or allow to be made any change to the AWFP without prior no-objection in writing by the Bank.

D. Environmental and Social Standards

1. The Borrower, through the DA, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower, through the DA, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower, through the DA, shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;

- (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Borrower, through the DA, shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Borrower, through the DA, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
- 6. The Borrower, through the DA, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities to: (a) comply with the relevant aspects of the ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

E. Eligible Beneficiaries and Subprojects under Infrastructure Subgrants under Part 2(i) and Enterprise Subgrants under Part 3(i) of the Project

General

1. The Borrower, through the DA, shall:
 - (a) ensure that each Local Government Unit and/or Registered Indigenous Peoples' Organization participating in Subprojects under Part 2 and 3 of the Project ("Eligible Beneficiaries") meets the following criteria:
 - (i) each Eligible Beneficiary has developed and adopted an ADSDPP, which had been approved by NCIP, or by MIPA, in the case of the Subproject in BARMM;
 - (ii) the possession and ownership of Eligible Beneficiaries' relevant ancestral domain is recognized under a certificate of ancestral domain title issued by NCIP, or a certificate of native title or an acceptable tenurial instrument issued by MIPA, in the event of the Subproject in BARMM; and
 - (iii) for purposes of an Infrastructure Subgrant under Part 2(i) of the Project or Enterprise Subgrant under Part 3(i) of the Project, each Eligible Beneficiary has at least one (1) Registered IPO.
 - (b) ensure that no Subproject shall be eligible for financing out of the proceeds of the Loan unless such Subproject: (i) is (A) located in; or (B) adjacent to and directly benefits the Selected Ancestral Domain; (ii) has been identified in the ADAIF as having been approved by the DA, NCIP or MIPA in the event of the Subproject in BARMM, and the relevant Participating LGU; and (iii) Participating LGU(s) and/or the Registered IPO(s) provide a written confirmation of its respective in-kind and/or in- cash contribution for the relevant Subproject.
 - (c) enter into an Implementation Management Agreement with each Participating LGU under terms and conditions acceptable to the Bank including, *inter alia*, the terms and conditions referred to in paragraph 2 of this Section, for the carrying out of the Subprojects under Part 2(i) and for the financing of the Subprojects under Part 3(i) of the Project;
 - (d) ensure that each Participating LGU makes Enterprise Subgrant available to each Registered IPO under an Enterprise Investment Agreement under terms and conditions acceptable to the Bank and as set forth in the POM, including, *inter alia*, the terms and conditions referred to in paragraph 4 of this Section; and
 - (e) ensure that each Participating LGU exercises its rights under the Enterprise Investment Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan, and, except as the Bank shall otherwise agree, not assign, amend, abrogate or waive any such agreement or any provision thereof.

Terms and Conditions of the Implementation Management Agreement

2. Each Implementation Management Agreement shall contain, *inter alia*, the following terms and conditions:
- (a) A description of the eligible Subproject activities and expenditures to be financed out of the proceeds of the respective Subgrant, including the maximum size of the Subgrant, the cost-sharing responsibilities of the DA and the respective Participating LGU with respect to the Infrastructure Subgrant, or the Registered IPO with respect to the Enterprise Subgrant in the financing of the relevant Subproject;
 - (b) The obligations of the respective Participating LGU to:
 - (i) with respect to the Infrastructure Subproject, carry out the Infrastructure Subproject, and with respect to the Enterprise Subproject, providing the Enterprise Subgrant to the Registered IPO; both in accordance with the approved activity and financing plan in respect of such Subproject;
 - (ii) ensure that the Subproject is carried out with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Project Operations Manual, the ESCP (including the management tools and instruments referred to therein), and the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower;
 - (iii) provide or cause to be provided, promptly as needed, the agreed in kind or in cash contribution required for the respective Subgrant;
 - (iv) ensure that the goods, works, and services to be financed out of the Subgrant are procured under commercial practices acceptable to the Bank and in accordance with the provisions of the Procurement Regulations and as further specified in the Project Operations Manual;
 - (v) monitor and report in accordance with indicators acceptable to the Bank, the progress of the Subproject and the achievement of its objectives;
 - (vi) (A) comply with financial management requirements in accordance with the provisions of the Project Operations Manual, and (B) at the Borrower's or the Bank's request, have its financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower or the Bank;
 - (vii) enable the Borrower and the Bank to inspect the Subproject, its operation and any relevant records and documents; and

- (viii) prepare and furnish or cause to be prepared and furnished to the Borrower and the Bank all such information as the Borrower and the Bank shall reasonably request relating to the foregoing; and
 - (c) the right of the Borrower, through the DA, to suspend or terminate the right of the Participating LGU to use the proceeds of the Subgrant, or obtain a refund of all or any part of the amount of the Subgrant then withdrawn, upon the Participating LGU's failure to perform any of its obligations under the Implementation Management Agreement.
- 3. The Borrower, through the DA, shall exercise its rights under each Implementation Management Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower, through the DA, shall not assign, amend, abrogate or waive any Implementation Management Agreement or any of its provisions.

Terms and Conditions of the Enterprise Investment Agreement

- 4. No Enterprise Subproject shall be eligible for financing from the proceeds of the Loan unless and until the Participating LGU has entered into an Enterprise Investment Agreement with a respective Registered IPO under terms and conditions acceptable to the Bank. The Enterprise Investment Agreement shall include the rights of Participating LGU adequate to protect the interests of the Bank and the Borrower, including the rights to:
 - (a) require the Registered IPO to carry out Enterprise Subproject financed under the Enterprise Subgrant in accordance with the approved activity and financing plan in respect of such Subproject;
 - (b) require the Registered IPO to carry out Enterprise Subproject with due diligence and efficiency and in accordance with sound technical, financial, managerial, environmental and social standards, the provisions of the Project Operations Manual, the ESCP (including the management tools and instruments referred to therein), and the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower, and to maintain adequate records;
 - (c) require the Registered IPO to provide or cause to be provided, promptly as needed, the agreed in-kind or in cash contribution required for the respective Enterprise Subgrant;
 - (d) require: (i) that the goods, works and services to be financed out of the proceeds of the Enterprise Subgrants shall be procured under commercial practices acceptable to the Bank and in accordance with the provisions of the Procurement Regulations and as further specified in the Project Operations Manual;
 - (e) require the Registered IPO to monitor and report in accordance with indicators acceptable to the Bank, the progress of the Enterprise Subproject and the achievement of its objectives;

- (f) inspect, by itself or jointly with representatives of the Borrower, through the DA and the Bank, if the Borrower and the Bank shall so request, such goods and the sites, works, plants and construction included in the Enterprise Subproject, the operation thereof, and any relevant records and documents;
- (g) obtain all such information as the Borrower or the Bank shall reasonably request relating to the foregoing and to the administration, operations and financial condition of the Registered IPO and to the benefits to be derived from the Enterprise Subproject; and
- (h) suspend or terminate the right of the Registered IPO to the use of the proceeds of the Enterprise Subgrants, as the case may be, upon failure by such Registered IPO to perform its obligations under its Enterprise Investment Agreement with the Participating LGU.

F. Specific Implementation Arrangements in BARMM

- 1. The Borrower, through the DA, shall maintain an overall legal, regulatory and operational framework recognizing, protecting, and promoting the rights of indigenous peoples in BARMM, to enable implementation of Project activities in BARMM in accordance with the terms of this agreement, in form and substance acceptable to the Bank, and in accordance with further details set forth in the Project Operations Manual.
- 2. Prior to the commencement of any Project activity in BARMM, the Borrower, through the DA, shall enter into a memorandum of agreement with MAFAR, MIPA and MENRE setting out the implementation arrangements for carrying out of relevant Project activities in BARMM, under terms and conditions satisfactory to the Bank.

G. Contingent Emergency Response

- 1. In order to ensure the proper implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Borrower, through the DA, shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;
 - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Bank.
2. The Borrower, through the DA, shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to the Bank.
3. The Borrower, through the DA, shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower, through the DA, shall furnish to the Bank each Project Report not later than sixty (60) days after the end of each calendar semester, covering the calendar semester.

B. Mid-term Review

The Borrower, through the DA, shall: (a) on or about the date thirty-six (36) months after the Effective Date, prepare and furnish to the Bank a mid-term report, in such detail as the Bank shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to this Agreement, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Bank such mid-term report, on or about the date sixty (60) days after its submission, and thereafter take all required measures to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the

conclusions and recommendations of the mid-term report and the Bank’s views on the matter.

- C. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Borrower, through the DA, shall ensure that such information, report or document does not include Personal Data.

Section III. Withdrawal of Loan Proceeds

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Enterprise Subgrants, Infrastructure Subgrants, Operating Costs, and Training for the Project	100,000,000	100% of the amount disbursed for the Enterprise Subgrants and Infrastructure Subgrants 100% for all other Eligible Expenditures
(2) Emergency Expenditures	0	100%
TOTAL AMOUNT	100,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) for Emergency Expenditures under Category (2), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (2); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and

(ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.

2. The Closing Date is June 30, 2029.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

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”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each April 15 and October 15 Beginning April 15, 2034 through October 15, 2051	2.7%
On April 15, 2052	2.8%

APPENDIX

Definitions

1. “ADAIF” means an Ancestral Domain Agriculture Implementation Framework to be approved by each Participating LGU, the NCIP or MIPA, and the DA.
2. “ADSDPP” means an Ancestral Domain Sustainable Development and Protection Plan consisting of the plans of indigenous cultural communities/indigenous peoples within an ancestral domain for sustainable development, management and protection of their land and natural resources as well as the human and cultural resources.
3. “Annual Work and Financial Plan” means the plan and budget referred to in Section I.C of Schedule 2 to this Agreement; as said plan may be modified from time to time with the prior written no-objection of the Bank.
4. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
5. “BARMM” means the Borrower’s Bangsamoro Autonomous Region in Muslim Mindanao”.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “CERC Manual” means the manual referred to in Section I.G of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank and which is an integral part of the Project Operations Manual.
8. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 5 of the Project to respond to an Eligible Crisis or Emergency.
9. “DA” means the Borrower’s Department of Agriculture; or any successor thereto.
10. “Eligible Beneficiaries” means Participating LGUs and Registered IPOs that are eligible to participate in the Subprojects under Parts 2 and 3 of the Project, as selected or to be selected by the DA, in accordance with the Project Operations Manual
11. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
12. “Emergency Action Plan” means the plan referred to in Section I.G, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

13. “Emergency Expenditure” means any of the eligible expenditures set forth in the CERC Manual in accordance with the provisions of Section I.G of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
14. “Enterprise Subgrant” means a grant to be made available by the Borrower out of the proceeds of the Loan to a Registered IPO, through a Participating LGU, to finance the reasonable costs of goods, works, services in accordance with the provisions of the respective Implementation Management Agreement and the Enterprise Investment Agreement; and “Enterprise Subgrants” means, collectively, all such Enterprise Subgrants.
15. “Enterprise Subproject” means a set of specific activities under Part 3(i) of the Project to be carried out by a respective Registered IPO, through a Participating LGU, utilizing the proceeds of an Enterprise Subgrant; and the term “Enterprise Subprojects” means, collectively, all such Enterprise Subprojects.
16. “Enterprise Investment Agreement” means an agreement to be entered into between the Participating LGU and each Registered IPO for purposes of implementing and financing an Enterprise Subproject, and the term “Enterprise Investment Agreements” means collectively, all such Enterprise Investment Agreements.
17. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 28, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
18. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
19. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).

20. “Implementation Management Agreement” means an agreement to be entered into between the Borrower, through the DA, and a Participating LGU for the purposes of: (i) implementing an Infrastructure Subproject, or (ii) financing an Enterprise Subproject to be carried out by a Registered IPO; and “Implementation Management Agreements” means, collectively, all such Implementation Management Agreements.
21. “Infrastructure Subgrant” means a grant to be made available by the Borrower, through the DA, out of the proceeds of the Loan to a Participating LGU to finance the reasonable costs of goods, works, services in accordance with the provisions of the respective Implementation Management Agreement; and “Infrastructure Subgrants” means, collectively, all such Infrastructure Subgrants.
22. “Infrastructure Subproject” means a set of specific activities under Part 2(i) of the Project to be carried out by a Participating LGU utilizing the proceeds of an Infrastructure Subgrant; and the term “Infrastructure Subprojects” means, collectively, all such Infrastructure Subprojects.
23. “IP Legal Framework” means, collectively, the legal and regulatory framework of the Borrower recognizing, protecting, and promoting the rights of indigenous cultural communities/indigenous peoples in the Borrower’s territory and comprising, among others, of the following: (a) the Indigenous Peoples’ Rights Act of 1997, (b) the Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao of 2018, and (c) the Bangsamoro Administrative Code of 2020; as amended and supplemented from time to time.
24. “IPO” means an indigenous peoples’ organization and composed of members of indigenous cultural communities/indigenous peoples’ communities; and “IPOS” means more than one (1) such IPO.
25. “Local Government Units” or “LGUs” means the territorial and political subdivisions of the Borrower at the provincial, city, municipal, and barangay levels; or any successor thereto.
26. “MAFAR” means the BARMM’s Ministry of Agriculture, Fisheries and Agrarian Reform; or any successor thereto.
27. “MIADP Advisory Board” means an advisory committee to be established and maintained by the DA as referred to in Section I.A.2(a) of Schedule 2 to this Agreement; or any successor thereto.
28. “MENRE” means the BARMM’s Ministry of Environment, Natural Resources and Energy; or any successor thereto.
29. “MIPA” means the BARMM’s Ministry of Indigenous Peoples’ Affairs; or any successor thereto.

30. “Mindanao” means an area located in the Borrower’s territory consisting of the regions of Region 9 (Zamboanga Peninsula), Region 10 (Northern Mindanao), Region 11 (Davao Region), Region 12 (SOCCSKSARGEN), Region 13 (Caraga), and the Bangsamoro Autonomous Region in Muslim Mindanao.
31. “NCIP” means the Borrower’s National Commission on Indigenous Peoples established and operating in accordance with the Borrower’s Indigenous Peoples’ Rights Act of 1997; or any successor thereto.
32. “Operating Costs” means the incremental operating costs of the Project, considered to be reasonable by the Bank and included in an AWWP, incurred by the Borrower’s PSO and RPCO for purposes of Project management, implementation, and monitoring and evaluation on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, office space rental, fuel costs, building and equipment maintenance, domestic and international travel, lodging, and subsistence allowances, and salaries and salary supplements of contractual and temporary staff, and additional remuneration of staff, seconded, detailed and assigned to the PSO and RPCOs, but excluding salaries of members of the Borrower’s civil service.
33. “Participating LGU” means an LGU selected in accordance with the eligibility criteria set out in the Project Operations Manual to participate in Project, and with which the Borrower, through the DA, enters into a Memorandum of Agreement and an Implementation Management Agreement for the carrying out of Subprojects under Parts 2 and 3 of the Project; and “Participating LGUs” means, collectively, all such Participating LGUs.
34. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
35. “Procurement Regulations” means, for purposes of paragraph 84 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
36. “Project Support Office” means an office established and to be maintained by the DA as referred to in Section I.A.2(b) of Schedule 2 to this Agreement; or any successor thereto.
37. “Project Operations Manual” means the manual dated April 24, 2023 adopted by the Borrower, through the DA, for the implementation of the Project referred to in Section I.B of Schedule 2 to this Agreement, containing: (A) detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement; (d) environmental and social risks and impacts management; (e) monitoring and evaluation, reporting and communication, including,

- among others, protocols, risk mitigation measures and other details on the use of unmanned aerial vehicles; (f) detailed grievance redress mechanisms; (g) an institutional strengthening action plan; (h) performance indicators; (i) eligibility criteria and detailed arrangements and procedures for the provision of Subgrants to Participating LGUs and Registered IPOs; (j) eligibility criteria and detailed arrangements and procedures for identification, appraisal and implementation of Subprojects under Parts 2(i) and 3(i) of the Project; (k) criteria for identification of an active conflict area; (l) personal data collection and processing in accordance with applicable national laws and good international practices, roles and responsibilities for Project implementation; and (m) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; and (B) the CERC Manual as an annex; as said manual may be modified from time to time with the prior written approval of the Bank, and such term includes any schedules to such manual.
38. “Regional Project Coordination Office” means a regional office to be established and maintained at each region of Mindanao as referred to in Section I.A.2(c)(i) of Schedule 2 to this Agreement.
39. “Regional Project Advisory Board” means an advisory committee to be established and maintained at each region of Mindanao as referred to in Section I.A.2(c)(ii) of Schedule 2 to this Agreement.
40. “Registered IPO” means an indigenous peoples’ organization recognized by NCIP or by MIPA and registered by any government accrediting institutions in accordance with the Borrower’s laws, and selected in accordance with the eligibility criteria set out in the Project Operations Manual to participate in Project, and with which the Participating LGU, enters into an Enterprise Investment Agreement for the carrying out of Subprojects under Part 3(i) of the Project; and “Registered IPOs” means, collectively, all such Registered IPOs.
41. “Selected Ancestral Domain” means an area comprising lands, inland waters, coastal areas, and natural resources in Mindanao belonging to an Eligible Beneficiary which are not classified by the Borrower as protected and forest areas or active conflict areas, as further set out in the Project Operations Manual; and “Selected Ancestral Domains” means more than one (1) Selected Ancestral Domain.
42. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
43. “Subgrant” means an Enterprise Subgrant or an Infrastructure Subgrant; and “Subgrants” means, collectively, all such Subgrants.
44. “Subproject” means an Enterprise Subproject or an Infrastructure Subproject; and “Subprojects” means, collectively, all such Subprojects.
45. “Training” means the reasonable costs of goods and services required for the participation of personnel involved in training activities, 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 and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding consultants' fees and salaries, bonuses, and fees or equivalent payments of members of the Borrower's civil service.