

Dr. Steven Muncy
Executive Director
Community and Family Services International
8th Floor, GAM Building
212 EDSA Extension, Barangay 79
Pasay City, Metro Manila
Philippines

Re: BNTF Grant No. C1890
Bangsamoro Camps Transformation Project
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of Community and Family Services International Inc. (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association (“Bank”), acting as administrator of the Bangsamoro Normalization Multi-Donor Trust Fund, proposes to extend to the Recipient for the benefit of the Republic of the Philippines (“Member Country”), a grant in an amount not to exceed four million United States Dollars (USD 4,000,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).


This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/ INTERNATIONAL DEVELOPMENT
ASSOCIATION

By  _____

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

AGREED:
COMMUNITY AND FAMILY SERVICES INTERNATIONAL INC.

By Steven Muncy
Authorized Representative

Name Steven Muncy

Title Executive Director

Date 30-Jun-2023

Enclosures:

- (1) “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds” dated February 25, 2019
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Section:

- (a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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.
- (b) “BARMM” means the Member Country’s Bangsamoro Autonomous Region in Muslim Mindanao.
- (c) “Bangsamoro Development Agency” or “BDA” means BDA Inc., an organization established and operating in accordance with the Member Country’s Republic Act Number 11232 providing for the Revised Corporation Code of the Philippines effective on February 23, 2019.
- (d) “Community Infrastructure Sub-project” means a set of activities under Part 1(a) of the Project carried out by the Recipient in partnership with the BDA supporting the construction of basic infrastructure services in target communities; and the term “Community Infrastructure Sub-projects” means, collectively, all such Community Infrastructure Sub-projects.
- (e) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated June 19, 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 Recipient 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.
- (f) “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”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.

- (g) “Income Stabilization Sub-project” means a set of activities under Part 1(a) of the Project carried out by the Recipient in partnership with the BDA targeting agriculture-based and livelihood diversification in target communities and with assistance provided through cooperatives and community organizations; and the term “Income Stabilization Sub-projects” means, collectively, all such Income Stabilization Sub-projects.
- (h) “Incremental Operating Costs” means the reasonable incremental operating costs under the Project incurred by the Recipient for purposes of Project management and implementation, on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, building and equipment maintenance, domestic travel, lodging and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries and any salary supplements of officials and staff of the Member Country’s civil service.
- (i) “Joint Task Forces on Camps Transformation” or “JTFCT” means the joint task forces operating in accordance with the Terms of Reference as set forth in the Member Country’s Annex on Normalization signed on February 11, 2016.
- (j) “Local Government Unit” or “LGU” means a local government unit, a territorial and political subdivision of the Member Country at the provincial, city, municipal or barangay level, or any successor thereto; and “LGUs” means more than one such LGU.
- (k) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
- (l) “Project Operations Manual” or “POM” means the manual to be adopted by the Recipient for the implementation of the Project referred to in Section 2.03(b) of this Annex, containing 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 impact management measures; (e) monitoring and evaluation, reporting and communication; (f) an integrity action plan; and (g) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; 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.
- (m) “Project Partnership Agreement” means an agreement to be entered into by the Recipient and the BDA setting out the agreed partnership arrangements for BDA to be the lead partner of the Recipient in implementing the Project.
- (n) “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.

- (o) “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019, with the modifications set forth in the Appendix.
- (p) “Sub-project” means an Income Stabilization Sub-project or a Community Infrastructure Sub-project, which is identified and appraised during the implementation of the Project and selected in accordance with the provisions of this Agreement and the Project Operations Manual, and proposed to be financed with the proceeds of the Grant; and “Sub-projects” means all such Sub-projects.
- (q) “Training” means the reasonable costs of goods and non-consulting services incurred for training and educational courses, and workshops carried out under the Project, along with travel and subsistence allowances for training participants, course fees, services of trainers, rental of training facilities, preparation, acquisition, distribution and reproduction of training materials, and other activities directly related to course preparation and implementation, but excluding salaries and any salary supplements of officials and staff of the Member Country’s civil service.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to improve access to socio-economic services and basic infrastructure in target communities.

The Project consists of the following parts:

Part 1. Community Development Assistance

- (a) Carrying out community-driven Sub-projects, including Income Stabilization Sub-projects and Community Infrastructure Sub-projects in target communities; and
- (b) Strengthening capacities of communities, BDA, camp-level JTFCTs and LGUs on disaster risk reduction and climate change adaptation for identification, site selection and implementation of the Sub-projects.

Part 2. Capacity and Institutional Strengthening

Providing technical assistance and capacity building support for facilitating community development assistance, including, for:

- (a) Recipient, BDA and JTFCT to engage in planning, facilitation and implementation support for the activities under Part 1 of the Project;
- (b) institutional coordination and integration with BARMM ministries and LGUs; and
- (c) institutional strengthening of BDA.

Part 3. Project Administration and Quality Assurance

Provision of technical and operational support for project management and coordination, including financial management and disbursement, procurement, environmental and social risk and impact management, grievance redress mechanism, and monitoring, reporting and evaluation.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. ***Institutional and Other Arrangements.***

- (a) ***Institutional Arrangements.*** The Recipient shall maintain throughout the period of implementation of the Project, Project implementation structures with composition, functions, terms of reference, staffing and resources satisfactory to the Bank and set out in the Project Operations Manual; and without limitation to the foregoing:
- (i) no later than one (1) month after the date of this Agreement, establish and thereafter maintain a Project Team, which shall be responsible for day-to-day implementation of the Project, including: (A) providing overall oversight and guidance for Project implementation; (B) processing procurement, financial management, environmental and social impact management; and (C) monitoring and evaluation of the Project;
 - (ii) no later than two (2) months after the date of this Agreement, establish and thereafter maintain a Project Board, which shall be responsible for: (A) endorsing the proposed sites and activities of the Sub-projects, and (B) identifying and managing strategic risks to the Project;
 - (iii) no later than two (2) months after the date of this Agreement, enter into a Project Partnership Agreement with the BDA under terms and conditions acceptable to the Bank for the implementation of the Project at field levels; and thereafter maintain the engagement with the BDA in a manner acceptable to the Bank;
 - (iv) no later than two (2) months after the date of this Agreement, make appropriate arrangements for BDA to engage with camp-level JTFCTs under terms and conditions acceptable to the Bank as set out in the Project Operations Manual for the implementation of the Project and thereafter, maintain the engagement with the camp-level JTFCTs in a manner acceptable to the Bank; and
 - (v) no later than two (2) months after the date of this Agreement, establish and thereafter maintain a Technical Working Group which shall be responsible for providing technical support for the Project implementation.
- (b) ***Project Operations Manual.*** The Recipient shall, by no later than one (1) month after the date of this Agreement, prepare and adopt a Project Operations Manual acceptable to the Bank, and thereafter ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail); and shall not amend, abrogate or waive any provision of the

Project Operations Manual unless the Bank has provided its prior no-objection thereof in writing.

(c) *Project Partnership Agreement:*

- (i) To facilitate the implementation of the Project, the Recipient shall: (a) engage BDA pursuant to a Project Partnership Agreement agreed between the Recipient and BDA and under terms and conditions satisfactory to the Bank; and (b) make part of the proceeds of the Grant available to BDA to implement activities agreed upon the Project Partnership Agreement, which shall include, *inter alia*, the following:
 - (A) the obligations of the BDA to facilitate the Project implementation on the ground in the communities and assist the Recipient in complying with its obligations under this Agreement;
 - (B) the obligations of the BDA to carry out its responsibilities for the Project implementation, including, among others, the obligations of BDA to: (i) engage with JTFCTs in accordance with the procedures set out in the POM; and (ii) furnish to the Recipient regular reports (with the frequency specified in the POM) to reflect the expenditures incurred by BDA and JTFCTs related to the Project;
 - (C) the obligation of BDA to: (i) maintain a financial management system and (ii) prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project;
 - (D) the obligations of the BDA to comply with the provisions of this Agreement, the Project Operations Manual, the ESCP (including the management tools and instruments referred to therein), and the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient;
 - (E) the obligation of BDA to promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project; and
 - (F) the right of the Recipient to take remedial actions against BDA, in case BDA shall have failed to comply with any of its obligations under the Project Partnership Agreement, which actions may include, *inter alia*, the partial or total suspension and/or cancellation or refund of all or any part of the proceeds of the Grant transferred to BDA pursuant to Project Partnership Agreement (as the case may be).
- (ii) The Recipient shall exercise its rights and carry out its obligations under the Project Partnership Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank

shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Project Partnership Agreement or any of its provisions.

2.04. Environmental and Social Standards.

- (a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient 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 Recipient shall ensure that:
 - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
 - (iii) 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
 - (iv) 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.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:
 - (i) 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*: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (ii) 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.

- (e) The Recipient 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.
- (f) The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (i) comply with the relevant aspects of the ESCP and the environmental and social instruments referred to therein; and (ii) 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.

2.05 ***Documents; Records.***

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for five (5) years and six (6) months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time-to-time reasonably request; and (iii) able to disclose such records and information to the donors.

2.06. ***Project Monitoring, Reporting and Evaluation.*** The Recipient shall ensure that each Project Report is furnished to the Bank not later than one (1) month after each calendar semester, covering the calendar semester.

Article III Withdrawal of Grant Proceeds

3.01. ***Eligible Expenditures.*** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance 100% of Eligible Expenditures consisting of goods, works, non-consulting services, consulting services, Incremental Operating Costs, and Training, inclusive of Taxes.

3.02. ***Withdrawal Conditions.*** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. ***Withdrawal Period.*** The Closing Date is February 28, 2025.

**Article IV
Effectiveness; Termination**

4.01. This Agreement shall not become effective until the Bank is satisfied that the conditions specified below are met.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action; and

(b) If the Bank so requests, the condition of the Recipient, as represented or warranted to the Bank at the date of this Agreement, has undergone no material adverse change after such date.

4.02. By signing this Agreement, the Recipient shall be deemed to represent and warrant that on the Signature Date, this Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms.

4.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice confirming it is satisfied that the conditions specified in Section 4.01 (“Effective Date”) have been met. If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date thirty (30) days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

**Article V
Recipient’s Representative; Addresses**

5.01. ***Recipient’s Representative.*** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Executive Director.

5.02. ***Recipient’s Address.*** For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient’s Address is:

Community and Family Services International (CFSI)
8th Floor, Gam Building,
212 EDSA Extension
Pasay City, Metro Manila
Republic of the Philippines; and

(b) the Recipient’s Electronic Address is:

Email: smuncy@cfsi.ph

5.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development/International
Development Association
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

APPENDIX
Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The provisions of Section 5.03, *Arbitration*, are deleted in their entirety and replaced by the following:

“Section 5.03. *Arbitration*. Any dispute, controversy, or claim arising out of or relating to the Grant Agreement, which has not been settled by agreement of the parties, shall be submitted to arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of the Grant Agreement, and the following provisions: (a) the appointing authority shall be the Secretary-General of the Permanent Court of Arbitration; and (b) the language of the arbitral proceedings shall be English.”

2. The reference to “Member Country” in the Standard Conditions and in this Agreement means the Republic of the Philippines.