



Date: 29-oct-2020

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: Grant No. TF B4274
Mindanao Trust Fund-Reconstruction and Development Project
Phase III
Letter Agreement

Dear Mr. Muncy:

In response to the request for financial assistance made on behalf of Community and Family Services International (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“Bank”), acting as administrator of grant funds provided by various donors (“Donors”) under the Philippines’ Mindanao Reconstruction and Development Program 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 three million Dollars (USD 3,000,000] (“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. 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

Ndiamo Diop

By _____

Ndiamo Diop

Country Director for Brunei, Malaysia, Philippines and Thailand

AGREED:
COMMUNITY AND FAMILY SERVICES INTERNATIONAL

By Steven Muncy
Authorized Representative

Name Steven Muncy

Title Executive Director

Date 29-Oct-2020

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) “Alternative Learning System” means the Member Country’s learning system to provide out-of-school children, youth and adults population with basic education established and operating in accordance with the Member Country’s Republic Act Number 9155.
- (c) “BARMM” means the Member Country’s Bangsamoro Autonomous Region in Muslim Mindanao.
- (d) “Bangsamoro Development Agency” or “BDA” means an agency established and operating in accordance with the Member Country’s Republic Act Number 11232 providing for the Revised Corporation Code of the Philippines approved by the President on February 20, 2019.
- (e) “Bangsamoro Development Plan” means the development plan for the period of 2020-2022 of the BARMM approved by the Bangsamoro Transition Authority on July 3, 2020.
- (f) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated , 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.
- (g) “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 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.

- (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 “JTFACT” means an entity established and 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) “People’s Organization” means an association of citizens with demonstrated capacity to promote the public interest and with identifiable leadership, membership, and structure established and operating in accordance with the Member Country’s Constitution of 1987; or any successor thereto.
- (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 July 2016, revised November 2017 and August 2018.
- (l) “Project Operations Manual” mean 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 as referred to in Section 2.03.(a)(ii) of Annex to this Agreement.
- (n) “Safeguards Instruments” means, collectively, the environmental and social management framework, the labor management procedure, and the stakeholder engagement plan.

- (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.
- (p) “Sub-project” means a specific activity under Part 1 of the Project, which is identified and appraised during the implementation of the Project, selected in accordance with the provisions of this Agreement and the Project Operation 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.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to enable identified communities in the conflict-affected area of Mindanao to access socio-economic opportunities as well as basic services and engage select ministries of BARMM in participatory governance mechanisms. The Project consists of the following parts:

Part 1: Community Development Assistance

Carrying out community-driven Sub-projects in selected communities in Mindanao including: (a) small scale socio-economic infrastructure, such as water systems, access roads, post-harvest facilities, and construction of tribal halls; (b) small scale community-based infrastructure for improvement of health opportunities and preventing the spread of the COVID-19, and delivery of trainings for community-based health volunteers; and (c) provision of skills training as well as skills starter sets for graduates of the basic literacy program of the Alternative Learning System.

Part 2: Institutional Capacity and Partnership Building for Mainstreaming

Provision of technical assistance and capacity building support to the BDA, JTFCT, and key institutions of the BARMM government agencies for: (a) fostering synergies of the design and implementation of Sub-projects with Bangsamoro Development Plan and relevant development initiatives; (b) promoting the mainstreaming of key principles and procedures of project development and management; and (c) facilitating the participation of BARMM in implementation, monitoring and evaluation of the Sub-projects.

Part 3: Project Administration, Monitoring and Evaluation

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:

(i) no later than one (01) month after the date of this Agreement, establish and thereafter maintain a Project Management Unit, which shall be responsible for day-to-day implementation of the Project, including: (1) preparing annual work plans and budget; (2) processing procurement, financial management, environmental and social impact management; and (3) monitoring and evaluation of the Project;

(ii) no later than one (01) month after the date of this Agreement, enter into a Project Partnership Agreement with the BDA on 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;

(iii) no later than (01) month after the date of this Agreement, engage with the Joint Task Forces on Camps Transformation on terms and conditions acceptable to the Bank for the implementation of Part 1 of the Project and thereafter maintain the engagement with the JTFCT in a manner acceptable to the Bank; and

(iv) for purposes of carrying out Part 1 of the Project, enter into Memoranda of Agreement with the People's Organizations on terms and conditions acceptable to the Bank for validation of Sub-project activities, and monitoring and maintaining investments under the Sub-projects.

(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, 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.

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 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 seven years and six 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 Donor.

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

**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 March 31, 2021.

**Article IV
Recipient's Representative; Addresses**

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

4.02. ***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,
210 EDSA Extension
Pasay City, Metro Manila
Republic of the Philippines; and

(b) the Recipient's Electronic Address is:

Email:

smuncy@cfsi.ph

4.03. **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
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

248423 (MCI) or
64145 (MCI)

Facsimile:

1-202-477-6391

E-mail:

PhilippinesCMU@worldbank.org