Clean Technology Fund
Loan Agreement

(Cebu Bus Rapid Transit Project)

between

REPUBLIC OF THE PHILIPPINES

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an implementing entity of the Clean Technology Fund

Dated OCTOBER 14, 2014
CLEAN TECHNOLOGY FUND LOAN AGREEMENT

AGREEMENT dated OCTOBER 14, 2014, entered into between REPUBLIC OF THE PHILIP PIINES ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank").

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the project described in Schedule I to this Agreement ("Project"), has requested the World Bank, acting not in its individual capacity but solely in its capacity as an implementing entity of the Clean Technology Fund ("CTF") under the Strategic Climate Fund ("SCF"), to extend a loan in the amount of twenty five million Dollars ($25,000,000) to assist in financing Parts 1(b), 2(a), 2(c) and 5(a) of the Project as provided in Section 2.01 of this Agreement; and

(B) the Borrower has also requested the World Bank to extend a loan in the amount of one hundred sixteen million Dollars ($116,000,000), to assist in financing Parts 1(a)(ii), 1(a)(iii), 1(a)(iv), 1(a)(vi), 1(c), 1(e), 3(a), 4, 5(b) and 6 of the Project, pursuant to the loan agreement of even date herewith between the Borrower and the World Bank ("IBRD Loan Agreement");

WHEREAS the World Bank has agreed, on the basis, inter alia, of the foregoing, to extend a loan to the Borrower, in its capacity as an implementing entity of the CTF under the SCF, upon the terms and conditions set forth in this Agreement;

The Borrower and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, in the IBRD Loan Agreement or in the Appendix to this Agreement.

Article II
Loan

2.01. The World Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of twenty five million United States Dollars ($25,000,000) ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Loan is funded out of the resources made available to the World Bank as an implementing entity of the CTF. In accordance with Section 3.02 of the Standard Conditions (as defined in the Appendix to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it from the CTF trust fund, and the Borrower's right to withdraw the Loan proceeds is subject to the availability of such funds.

2.04. The Management Fee payable by the Borrower, pursuant to Section 4.01(b) of the Standard Conditions, on the Unwithdrawn Loan Balance shall be equal to eighteen one hundredths of one percent (0.18%) per annum.

2.05. The Service Charge payable by the Borrower on the Withdrawn Loan Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.06. The Payment Dates are May 15 and November 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is USD.

**Article III**

**The Project**

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through the Department of Transportation and Communications (DOTC) in accordance with the provisions of Article II of the Standard Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the World Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
Article IV
Effectiveness; Termination

4.01 The Additional Condition of Effectiveness consists of the following, namely the IBRD Loan Agreement has been executed and delivered and all conditions precedent to its effect veness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

4.02 The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

Article V
Borrower's Representative; Addresses

5.01. The Borrower's Representative referred to in Section 10.02 of the Standard Conditions is its Secretary of Finance.

5.02. The Borrower's Address referred to in Section 10.01 of the Standard Conditions is:

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

Facsimile:

(63-2) 523-9216

5.03. The World Bank's Address referred to in Section 10.01 of the Standard Conditions is:

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

Cable: INTBAFRA1D Telex: 248423 (MCI) or 64145 (MCI) Facsimile: 1-202-477-6391
AGREED at Manila, Republic of the Philippines, as of the day and year first above written.

REPUBLIC OF PHILIPPINES

By

Authorized Representative

Name: CESAR V. PURISIMA

Title: SECRETARY

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an implementing entity of the
Clean Technology Fund under the Strategic Climate Fund

By

Authorized Representative

Name: Motoo Konishi

Title: COUNTRY DIRECTOR, PHILIPPINES
SCHEDULE 1

Project Description

Schedule 1 of the IBRD Loan Agreement is hereby incorporated by reference and shall apply, mutatis mutandis, to this Agreement, and the Borrower undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.
SCHEDULE 2

Project Execution

Section I, II and III

Sections I, II and III of the II-RD Loan Agreement are hereby incorporated by reference in this Schedule 2 and shall apply, mutatis mutandis, to this Agreement, and the Borrower undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article III of the Standard Conditions, this Section and such additional instruction as the World Bank may specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance one hundred percent (100%) of Eligible Expenditures consisting of goods, works, non-consulting services, consultants’ services, Training and Workshops, and Operating Costs under Parts 1(b), 2(a) 2(c) and 5(a) of the Project.

2. For the purposes of this Part A:

(a) the term “Operating Costs” means reasonable, incremental and documented expenditures incurred by DOTC for hiring of contractual personnel (but excluding staff salaries); and includes travel, per diem, accommodation, office utilities, materials and supplies, vehicles and equipment, and advertising expenses; for purposes of implementing the Project and which expenditures would not have been incurred absent the Project; and

(b) the term “Training and Workshops” means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops or study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of consultants.
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $5,000,000 equivalent may be made for payments made prior to this date but on or after December 31, 2013 for Eligible Expenditures.

2. The Closing Date is June 30, 2021.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Loan repayable (expressed as a percentage)</th>
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<tbody>
<tr>
<td>On each May 15 and November 15, commencing November 15, 2024 to and including May 15, 2034:</td>
<td>5%</td>
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APPENDIX

Section I. Definitions