
President's report

Proposed loan

Republic of the Philippines

**Value Chain Innovation for Sustainable
Transformation in Agrarian Reform Communities
Project (VISTA)**

Addendum

Project ID: 2000003758

Document: EB 2024/141/R.5/Add.1

Agenda: 3(a)(i)(a)(iv)

Date: 19 April 2024

Distribution: Public

Original: English

FOR: APPROVAL

Addendum

The Executive Board is hereby invited to consider the amendments to document EB 2024/141/R.5 further to the technical discussions on the financing agreement negotiations which were concluded on 12 April 2024. The changes to the document are reflected as follows: deleted text with strikethrough, added text underlined.

Page i, **Appendices:**

"I. Negotiated financing agreement (To be provided to the Executive Board further to the conclusion of the negotiations to be made available prior to the session)"

Page iii, Financing summary:

Total project cost: ~~US\$112.8~~ EUR 104.35 million

Amount of IFAD loan 1: ~~US\$25.0~~ EUR 23.12 million (performance-based allocation system [PBAS])

Amount of IFAD loan 2: ~~US\$60.0~~ EUR 55.5 million (Borrowed Resource Access Mechanism [BRAM])

Contribution of borrower/recipient: ~~US\$24.2~~ EUR 22.36 million

Contribution of beneficiaries: ~~US\$3.6~~ EUR 3.37 million

Amount of IFAD climate finance: ~~US\$48.2~~ EUR 44.56 million

Page 4, paragraph 29:

"Subcomponent 2.1 – Sustainable improvements to agricultural production improvements and enhanced extension services."

Page 4, paragraph 32:

"Subcomponent 2.3 – Value chain-related infrastructure support."

Page 5, paragraph 35:

"Subcomponent 3.2 – Project monitoring, and evaluation, and knowledge management."

Page 6, paragraph 45:

"The total project cost amounts to ~~US\$112.8~~ EUR 104.35 million, including IFAD financing of ~~US\$85.0~~ EUR 78.62 million over a six-year implementation period."

Page 6, paragraph 46:

"Project components 1 (ecosystem planning, protection and enhancement) and 2 (sustainable value chain development) are partially counted as climate finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate finance for this project is estimated at ~~US\$48,173,000~~ EUR 44,560,000 (56.7 per cent of the total IFAD financing)."

Page 6, table 1 should be replaced as follows:

Table 1
Project costs by component and financier
(Thousands of euros)

Component	National Government		Local Government		Beneficiaries			IFAD PBAS		IFAD BRAM		Total	
	Cash	%	Cash	%	Cash	In-kind	%	Amount	%	Amount	%	Amount	%
1. Ecosystem planning, protection and enhancement	3 905	14.9	932	3.5	-	257	1.0	6 207	23.7	14 901	56.9	26 202	25.1
2. Sustainable value chain development	7 964	12.0	7 158	10.7	2 819	297	4.7	14 241	21.4	34 185	51.2	66 664	63.9
3. Project management	2 400	20.9	-	-	-	-	-	2 672	23.2	6 415	55.9	11 487	11.0
Total	14 269	13.7	8 090	7.8	2 819	554	3.2	23 120	22.1	55 500	53.2	104 353	100

Page 6, table 2 should be replaced as follows:

Table 2
Project costs by expenditure category and financier
(Thousands of euros)

Expenditure category	National Government		Local Government		Beneficiaries			IFAD PBAS		IFAD BRAM		Total	
	Cash	%	Cash	%	Cash	In-kind	%	Amount	%	Amount	%	Amount	%
Investment costs													
1. Works	8 070	20.0	7 517	18.6	-	554	1.4	7 120	17.6	17 090	42.4	40 352	38.7
2. Good, services and inputs	2 996	19.0	573	3.6	-	-	-	3 585	22.8	8 605	54.6	15 759	15.1
3. Grants and subsidies	-	-	-	-	2 819	-	11.8	6 170	26.0	14 810	62.2	23 799	22.8
4. Consultancies	1 348	8.7	-	-	-	-	-	4 180	26.8	10 032	64.5	15 560	14.9
5. Operating costs	1 855	20.9	-	-	-	-	-	2 065	23.2	4 963	55.9	8 883	8.5
Total	14 269	13.7	8 090	7.8	2 819	554	3.2	23 120	22.1	55 500	53.2	104 353	100.0

Page 6, table 3 should be replaced as follows:

Table 3
Project costs by component and project year (PY)
(Thousands of euros)

Component	PY1		PY2		PY3		PY4		PY5		PY6		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1. Ecosystems planning, protection and enhancement	2 902	11.1	9 396	35.9	7 883	30.1	4 706	18.0	969	3.7	346	1.3	26 202
2. Sustainable value chain development	1 657	2.5	10 940	16.4	19 275	28.9	21 571	32.4	12 023	18.0	1 200	1.8	66 665
3. Project management	2 331	20.3	2 717	23.7	2 137	18.6	1 492	13.0	1 155	10.1	1 654	14.4	11 486
Total	6 890	6.6	23 052	22.1	29 294	28.1	27 769	26.6	14 148	13.6	3 200	3.1	104 353

Page 6, paragraph 47:

"IFAD will finance the project through contributions from the IFAD performance-based allocation system (PBAS) with a loan of ~~US\$25.0~~ EUR 23.12 million (22.1 per cent) and the IFAD Borrowed Resource Access Mechanism (BRAM) with a loan of ~~US\$60.0~~ EUR 55.50 million (53.2 per cent). National Government will provide ~~US\$15.4~~ EUR 14.27 million (13.7 per cent). Local government will provide ~~US\$8.7~~ EUR 8.09 million (7.8 per cent). Beneficiaries, including the value chain producers' organizations, will contribute ~~US\$3.05~~ EUR 2.82 million (2.7 per cent) in cash and ~~US\$598,136~~ EUR 0.55 million in kind."

Page 7, paragraph 50:

"The Bureau of the Treasury through the Department of Agrarian Reform will maintain a designated account for the receipt of loan proceeds. ~~The pooled designated accounts for both financing instruments of the loan (PBAS and BRAM) will be confirmed during negotiations.~~"

Page 10, paragraph 70:

"The project contains a retroactive financing option for initial project activities. The retroactive financing will provide up to ~~US\$~~EUR 1.0 million after the date of project approval up to the date of entry into force, for eligible expenditure incurred during this period."

Page 10, paragraph 72:

"A financing agreement between the Republic of the Philippines and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient.¹ "

Page 10, paragraph 75:

"I recommend that the Executive Board approve the proposed financing in terms of the following resolutions:

RESOLVED: that the Fund shall provide a loan on ordinary terms to the Republic of the Philippines in an amount of twenty-three million one hundred twenty thousand euros ~~twenty-five million United States dollars (US\$25,000,000~~ EUR 23,120,000) from the performance-based allocation system and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on ordinary terms to the Republic of the Philippines in an amount of fifty-five million five hundred thousand euros ~~sixty million United States dollars (US\$60,000,000~~ EUR 55,500,000) from the Borrowed Resource Access Mechanism and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein."

Page 1, appendix I:

Negotiated financing agreement

"(To be provided to the Executive Board further to the conclusion of the negotiations ~~made available prior to the session~~)"

¹ A copy of the negotiated financing agreement will be incorporated into the revised report on the Member States Interactive Platform.