



Republic of the Philippines
DEPARTMENT OF FINANCE

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DEPARTMENT OF FINANCE
Republic of the Philippines



KELLY BIRD

Country Director

Asian Development Bank (ADB)

ADB Avenue, Mandaluyong City

SUBJECT: ADB's USD5 Million Technical Assistance (TA) to implement a Rapid Emergency Supplies Provision ("RESP") Assistance

Dear **Mr. BIRD**:

Reference is made to your letter requesting the Government of the Philippines (GPH), through this Department, to pose no objection to the subject TA amounting up to USD5 million to provide food baskets for up to 55,000 vulnerable families in Metro Manila for at least 2 weeks, as a bridge before normalcy returns from the COVID-19 pandemic. The TA leverages ADB and private sector resources to help the GPH in the delivery of food baskets to the poor. Below are the specific outputs envisioned under the TA:

1. RESP mechanism established;
2. Public-philanthropic partnerships' platform established;
3. Essential food supplies provided to COVID-19 impacted households (CIHH); and
4. Proposal for Fund developed.

We note that this Department will be the Executing Agency (EA) while the Department of Social Welfare and Development (DSWD) and the Department of Interior and Local Government (DILG) will be the Implementing Agencies (IAs) of the Project, whose specific responsibilities are as follows:

Agency	Role	Responsibilities
DOF	EA	<ul style="list-style-type: none">• ensure overall coordination including with ADB and effective use of public and private contributions (i.e. no overlaps between initiatives)
DSWD	IA	<ul style="list-style-type: none">• lead the targeting of CIHH with the assistance of ADB experts to ensure no overlaps and coordination with other measure; and• identify essential food needs and qualities
DILG		<ul style="list-style-type: none">• assist DSWD in targeting CIHH and distributing the supplies seamlessly to the CIHH

In line with the foregoing, as the EA, this Department acknowledges/confirms the following:

- The ADB will not be liable for damages to any third persons caused by the goods procured by ADB on behalf of the EA and in accordance with the TA Report;
- This Department, through the IAs, shall take appropriate measures to indemnify ADB from any claims arising out of such damages;
- This Department, through the IAs, shall ensure that all goods procured by ADB are delivered to the rightful recipients and administer a signoff system at each stage of the handover of the goods; and

- This Department agrees to the implementing arrangements described in paragraph 15 of the TA Report with emphasis on the role of the IAs, as follows:

*Procurement of goods and services (for output 3: provision of essential food supplies to the CIHH) under the TA will be undertaken by ADB, coordinating with and receiving endorsements from the EA, **through the IAs**, on all aspects (i.e., composition of essential items, targeting CIHH, and so on). All goods procured by ADB will be delivered directly (by suppliers) to specified warehouse facility locations (under the DND) instructed by the EA, **through the IAs**. The designated government agency under DND will be responsible to keep such goods under its custody until delivery to beneficiaries. The designated government agency will be responsible for the quality assurance and inspection certification of all goods before distribution. Warehousing, packaging and distribution of goods procured will be managed by the DND and the AFP all the way to impacted Barangays; Barangay captains will also be supported in delivering to individual CIHH. As ADB will procure the goods and services (for output 3: provision of essential food supplies to CIHH) direct payment method will be used to pay suppliers upon receipt by ADB of reports **verified by the relevant IAs mentioned above** from (i) deliveries to warehouse, (ii) deliveries to Barangay nodes, and (iii) deliveries to individual CIHH with (iv) ADB's coordinator (consultant) facilitating these reports as well as providing third party verification.*

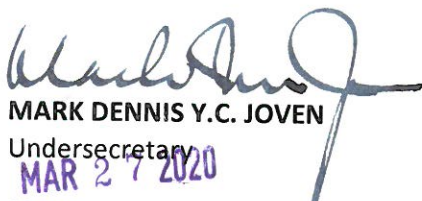
We note further that the GPH's Inter-Agency Task Force (IATF) on COVID19 will provide policy guidance and oversight to the TA implementation. The IATF comprises officials from DOF, DSWD, DILG, and the Department of National Defense (DND). Three subgroups within this will provide guidance related to finance, procurement and logistics during the TA implementation.

In recognition of the proposed TA's alignment with the GPH's current emergency subsidy program under the Bayanihan Act of 2020 and other initiatives to mitigate the socio-economic repercussions of the enhanced community quarantine in NCR, this Department poses no objection to the said TA, noting that counterpart funding required from the GPH, through the IAs, will be in the form of in-kind contribution (i.e., counterpart staff, office accommodation, secretarial assistance, local transportation, and others such as the use of warehouse facilities for collection, packaging, distribution as well as provision of personal protective equipment to all distribution teams).

For further coordination, your office may communicate with Ms. Nheza May Loquinte of the International Finance Group, this Department, through nloquinte@dof.gov.ph or at 8523-9223.

Thank you.

Very truly yours,


MARK DENNIS Y.C. JOVEN
Undersecretary
MAR 27 2020

CC: ROLANDO JOSE BAUTISTA, Secretary, DSWD
EDUARDO AÑO, Secretary, DILG
DELFIN LORENZANA, Secretary, DND
FELIMON SANTOS JR., General, Chief of Staff, AFP
MARCIANO A. PAYNOR JR., Former PH Ambassador to the US