

**MEMORANDUM OF UNDERSTANDING ON JOINTLY PROMOTING
THE COOPERATION IN KEY INFRASTRUCTURE PROJECTS IN
DAVAO REGION BETWEEN THE DEPARTMENT OF FINANCE OF
THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND
THE MINISTRY OF COMMERCE OF THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA**

The Department of Finance of the Government of the Republic of the Philippines (hereinafter referred to as "the Philippine Side") and the Ministry of Commerce of the Government of the People's Republic of China (hereinafter referred to as " the Chinese Side") , jointly referred to as "the Parties ") ;

Recognizing the time-honored friendship that both countries enjoy and the wide-ranging common interests and concerns in regional and international affairs that both countries share;

Considering significant developments and progress in the bilateral cooperation, particularly in the processing and implementation of First and Second Baskets of Key Infrastructure Cooperation Projects and other priority project

Have agreed to work out an indicative list under the Key Infrastructure Cooperation Projects in Davao Region while promoting the First and Second Baskets of Key Infrastructure Cooperation Projects cooperation for the sustainability of the Parties ' bilateral economic cooperation; and

Through friendly consultations, have reached the following understanding:

Article 1 Guidelines of Cooperation

1. The Parties note that the cooperation should be in line with the guidelines of "governments guide, enterprises decide, and markets operate". The Chinese side will actively consider the projects proposed by the Philippine side, as well as encourage and support the legitimate, qualified, and in good standing Chinese contractors or companies to carry out the said projects. The Philippine side will propose projects based on its developmental priorities and needs as embodied in its Philippine Development Plan (2017-2022).

2. The Parties agree that the indicative projects that will be discussed will consider their potential significant contribution in the country's development and provide in the socio-economic benefits to the Philippines, will be processed or approved by 2019, and where possible, put in place measures to address any technical barriers or land dispute that may potentially affect project implementation.

Article 2 Key Projects

Based on the need of Philippine socio-economic development and respective comparative advantages of both countries , the Parties will jointly study and identify the following Key Infrastructure Cooperation Projects in Davao Region:

1. Davao City Expressway Project of the Department of Public Works and Highways (DPWH)
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2. Davao-Samal Bridge Construction Project of DPWH;