

**MEMORANDUM OF UNDERSTANDING ON SUPPORTING THE
FEASIBILITY STUDY OF MAJOR PROJECTS BETWEEN THE
DEPARTMENT OF FINANCE OF THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES AND THE CHINA
INTERNATIONAL DEVELOPMENT COOPERATION AGENCY OF THE
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA**

To further strengthen the cooperation between the Republic of the Philippines and the People's Republic of China , and promote economic and social development of the Philippines through the implementation of major projects, Department of Finance of the Republic of the Philippines (hereinafter "the Philippine Side") and China International Development Cooperation Agency of the People's Republic of China (hereinafter "the Chinese Side"), jointly referred to as "both Parties", through friendly negotiation, have reached the following agreement:

Article I

The Chinese Side agrees to provide support for the feasibility study of Major Projects proposed by the Philippine Side and as mutually agreed by both Parties. The feasibility study mainly includes the dispatch of experts and consultants with technical expertise to investigate, study , provide guidance on the projects , and furnish the feasibility study report to the Philippine Side .

"Major Projects" shall refer to projects with a certain scale that would be advantageous to the Philippines' economic and social stability, and contribute to a mutually beneficial and long-term partnership between the Philippines and China. The Parties agree to support infrastructure and other projects that may be identified , which are prioritized by the Philippine Government. The costs incurred for the feasibility study will be mainly funded by a grant extended by the Chinese Government to the Philippine Government.

Article II

The Parties agree to pursue specific cooperation on grant aid according to the following processes based on the general regulations and procedure of both Parties:

1. The Philippine Side shall submit a feasibility study application or a list of proposed Major Projects arranged according to its importance and priority of implementation to the Chinese Side through diplomatic channels.
2. After assessing the submission , the Chinese Side shall provide, through diplomatic channels , explicit comments and recommendations on how to support the Major Projects gradually , within its capabilities. Both Parties may further discuss the order of the Major Projects according to its impact and importance. Once determined , both Parties shall not change the order unless during exceptional circumstances.
3. To determine the content , scope , and costs of the feasibility study, the Chinese Side shall send an expert team to conduct the pre-feasibility study, and sign the Minutes of Discussion with the Philippine Side or its designated department or agency to confirm the feasibility study plan . The Parties may sign an Exchange of Letters for the pre-feasibility study, as required. The Philippine Side shall coordinate with its relevant departments or agencies , and provide necessary support for the pre-feasibility study.