

**MEMORANDUM OF UNDERSTANDING (the "MOU") BETWEEN THE
DEPARTMENT OF AGRICULTURE OF THE REPUBLIC OF THE
PHILIPPINES AND THE EXPORT-IMPORT BANK OF KOREA OF
THE REPUBLIC OF KOREA ON THE JALAU RIVER MULTI-
PURPOSE PROJECT STAGE II (the "Project")**

The **Department of Agriculture of the Republic of the Philippines** and the **Export-Import Bank of Korea of the Republic of Korea** (hereinafter referred to individually as the "Side" and collectively as the "Sides"),

RECOGNIZING the history of mutual assistance whenever one Side is in need such as the one exemplified by the Philippines, through the invaluable sacrifice made by its Expeditionary Force during the Korean War (1950-53);

CONSIDERING that in addition to tapping Official Development Assistance ("ODA"), the Philippines has embraced the Public-Private Partnership ("PPP") approach in infrastructure projects, to fast-track economic growth;

NOTING that the Government of the Republic of the Philippines and the Republic of Korea have cooperated on several agricultural development projects in the Philippines, and intend to continue cooperating to help develop the Philippines' agriculture sector;

ACKNOWLEDGING that the Republic of Korea through the Export-Import Bank of Korea ("KEXIM"), a government agency which has been entrusted by the Republic of Korea with the operation and management of the Economic Development Cooperation Fund (EDCF), helps countries like the Philippines achieve industrial growth and economic stability through concessional loans and sharing its development experience and knowledge;

Have reached the following understanding:

Section I: Purpose

- a. The Sides intend to finance or cause the financing of, and implement, the Project in the province of Iloilo, Philippines.
- b. The Project is a priority irrigation project of the Philippine Government through the Department of Agriculture-National Irrigation Administration ("DA-NIA") intended to significantly contribute to sustaining rice/staples self-sufficiency levels by year 2016. The Project will have as incidental benefits power generation and potable water supply.
- c. The DA-NIA intends to implement the Project through PPP and/or ODA financing.
- d. The KEXIM has expressed its interest in the implementation of the Project and has revalidated the feasibility study ("FS") of the Project through a Korean Consortium/Study Team.