

**RIDER N° 1 TO THE FINANCING AGREEMENT BETWEEN THE
COMMISSION OF THE EUROPEAN COMMUNITIES AND THE
REPUBLIC OF THE PHILIPPINES EARTHQUAKE REHABILITATION
PROGRAMME (ERP) AGRICULTURAL COMPONENT**

The Commission of the European Communities, hereinafter referred to as "The Commission":, acting for and on behalf of the European Community, hereinafter referred to as THE COMMUNITY"

of the one part, and

the Government of the Republic of the Philippines, hereafter referred to as "THE RECIPIENT"

of the other part,

HAVE AGREED AS FOLLOWS:

the project duration will be extended until the 31 of January 1999 and the cost estimates will be adapted to the projects requirements by reallocation of funds. With the exception of the following revised articles, all other part of this Financial Agreement remain unchanged.

Art. 2 COMMITMENT OF THE COMMUNITY

The commitment of THE COMMUNITY is fixed at 20.000.000 ECU (twenty million ecu), hereinafter referred to as "The EC GRANT".

This commitment is subject to an expiry date, after which any balance of funds remaining available under THE EC GRANT shall automatically cancelled. THE COMMISSION may however, depending on the circumstances, agree to an appropriate extension of this expiry date, should such an extension be requested and properly justified by THE RECIPIENT. For the project, the expiry date of THE EC GRANT is hereby set at 31 January 2000 (Thirty-first of January Two Thousand).

Annex A - Technical and Administrative Provisions

CHAPTER 1. PROJECT DEFINITION

1.1. Project content and overall objectives

Chapter I, article 1.1.

Par. 2 wilt read as follows:

It will have three major components, each of which will be implemented as a separate sub-project. These include:

an Agricultural Component, which will assist with agricultural rehabilitation and reconstruction in some eight municipalities of Nueva Vizcaya and Benguet provinces, in the Central Cordillera. This component will be implemented by the Department of Agriculture (DA), in

coordination with the existing EC-funded CECAP project (ALA/PH1/8616). It will be implemented until 31 July 1997 with a financial provision from the EC grant of 7.40 million ECU;

a Health Component, which will assist in the reconstruction of two provincial hospitals (in Pangasinan and La Union provinces), and in the implementation of a pilot outreach programme centred on these hospitals. This component will be implemented by the Department of Health (DoH) until 31 January 1999 with a financial provision from the EC grant of 10.30 million ECU;

Art. 2.3 Time schedule

The project as a whole will be implemented until 31 January 1999. The agricultural component will be implemented until 31 July 1997. The health component will be implemented until 31 January 1999.

Art. 2.5 Cost estimates

2.5.1 EC grant

Agricultural component	7.40 million ECU
Health component	10.30
Studies component	2.30
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	20.00 million ECU

Appendix A.1

Detailed Implementation Provision relating to ERP (ALA/PHI/9021): Agricultural Component.

Art. A1.2 Financing will read:

The total direct cost of this component is estimated at 7.4 million ECU, to be provided entirely under the EC grant.

A.1.4 Project Inputs

The last but one sentence will read:

technical assistance, amounting to some 72,5m/m and 50m/m of local professional staff

A1.5 Time schedule

The component will be implemented until 31 July 1997

A. 1.7 Cost estimates

Micro-project actions	Original FA in Mio ECU	Rider No. 1
Agricultural rehabilitation	0,90	0,70
Agricultural marketing	0,20	0,16
Irrigation/Water supply	0,60	0,61
Access	2,00	1,10