

FINANCIAL PROTOCOL BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE FRENCH REPUBLIC

With a view to strengthening the ties of friendship and cooperation which bind them, the Government of the Republic of the Philippines and the Government of the French Republic have agreed to conclude the present protocol to foster the economic development of the Philippines.

ARTICLE 1 - EXTENT AND PURPOSE OF FINANCIAL SUPPORT

The French Government shall grant the Government of the Republic of the Philippines financial support designed to finance projects included in the development priorities of the Republic of the Philippines. The said support shall not exceed one hundred and sixty nine million French francs (169 MF) and shall be used to finance the purchase in France of French goods and services related to the implementation of projects referred in the schedule of the present protocol.

ARTICLE 2 - BREAKDOWN OF FINANCE PACKAGE

The financial support provided in Article 1 hereof shall comprise:

- a loan from the French Treasury of a total amount not exceeding ninety eight million twenty thousand French francs (98,02 MF)
- credit guaranteed by the French credit insurance agency (COFACE) of a total amount not exceeding seventy million nine hundred and eighty thousand French francs (70,98 MF)

ARTICLE 3 - MECHANISMS OF FINANCIAL SUPPORT

The financing of the projects referred to in the schedule hereto shall be provided jointly by the French Treasury loan and the guaranteed credit.

The total drawing rights on the French Treasury loan and the guaranteed credit shall amount to 58% and 42% respectively of the total value of orders or goods and services provided under Article 1 hereof.

The downpayment on each contract will be equal to at least 10% of the value of each contract. The French Treasury loan shall be used to finance the whole of the downpayment on each contract covered by the protocol.

The French Treasury loan and the guaranteed credit - used simultaneously - shall finance the remainder of the value of each of the aforesaid contracts concerned.

ARTICLE 4 - CONDITIONS GOVERNING CREDIT FACILITIES

a) The French Treasury loan shall be granted for a period of 30 years, including a grace period of 10 years. The interest rate shall be 2.5% per year. Said loan shall be repaid in 40 equal consecutive six-monthly instalments, the first instalment falling due 126 months after the end of the calendar year during which each drawing is made. Interest shall be payable on the total amount outstanding; it shall be