

FINANCING AGREEMENT BETWEEN THE GOVERNMENT OF THE PHILIPPINES AND THE GOVERNMENT OF DENMARK

The Government of the Philippines and the Government of Denmark, desiring to strengthen the traditional co-operation and cordial relations between their countries, have agreed that, as a contribution to the economic development of the Philippines, Danish financial assistance, by way of grant, shall be extended to the Government of the Philippines in accordance with the following provisions:

ARTICLE I THE FUNDS

The Government of Denmark represented by the Danish International Development Agency (Danida) shall make available to the Government of the Philippines by way of grant, the amount of 100 million Danish Kroner for the purposes described in article II.

ARTICLE II USE OF THE FUNDS

1. The Funds shall be used to finance purchases in Denmark of Danish goods and services (including transport and insurance from Denmark to the project site in the Philippines) for the following projects:

a. LWU – Local Water Utilities Administration 63.0 mio. DKK

- Construction of waterworks in Camarines Norte and Ligao-Oas (Region V), Danish components only (remaining parts of 6 Water Districts Project)

11.0 mio
DKK

- Design, tendering and construction supervision for Phase I, i.e. Puerto Princesa, (Palawan Island), Masbate (Region V), Bago City (Region VI), and Cadiz (Region VI), selected on the basis of the pre-feasibility study, of 12 Towns Water Supply Project plus construction work in same towns (incl. of local construction costs up to a ceiling of 13 mio.DKK). Phase I is subject to a

favourable outcome of the feasibility study.

In general reference is made to the findings and recommendations contained in the Review and Appraisal Report prepared by a Danida mission in September 1988 - Final Report of May 1989 - agreed upon between the parties.

52.0
mio.DKK

b.DPWH – Department of Public Works and Highways 3.5 mio DKK

– Pilot Testing of "Rocking Filters" for the Palawan Integrated Area Development Project

c. Feasibility Studies Account 23.5 mio.DKK

– Balanced Agro-Industrial Development (BAIDS) in Region X 9.0 mio DKK

– Comprehensive Agrarian Reform Programme (CARP) in Region X 1.5 mio.DKK

– Integrated Area Development (IAD) in Aklan, Region VI 2.0 mio.DKK

– Pasig River Rehabilitation 11.0 mio.DKK

d. Contingencies 10.0 mio.DKK

Total 100.0 mio.DKK

2. Any proposal for additional projects or for the substitution of new projects for any of the above-mentioned projects shall be subject to the approval of both Parties.