

**FRAMEWORK AGREEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA PROVISION OF CONCESSIONAL
LOAN BY CHINA TO THE PHILIPPINES**

The Government of the Republic of the Philippines and the Government of the People's Republic of China, with a view to further developing friendly relations and economic and technical cooperation between the two countries, have agreed as follows:

ARTICLE I

The Government of the People's Republic of China agrees that the Export-Import Bank of China (the Creditor) provides the loan recipient institute or end user (the Debtor) authorized by the Philippine Government with a concessional loan (hereinafter referred to as "the loan") not exceeding RMB Yuan 800,000,000.00 (in word Renminbi Yuan Eight Hundred Million Only), which shall be utilized to implement projects to be agreed upon through consultations between the two sides. The interest subsidized for the loan shall be paid directly to the Export-Import Bank of China by the Chinese Government.

ARTICLE II

The main conditions of the loan are specified as follows:

1. The term of the loan including grace period of 5 years) shall not exceed 20 years;
2. The annual interest rate shall be 2%.

ARTICLE III

The project under the aforesaid loan shall be agreed upon by the two Governments, and evaluated and approved by the Creditor. Should the loan be onlent, the project shall be evaluated and approved by the Creditor and the onlending institute authorized by the Philippine Government.

ARTICLE IV

The specific Loan Agreement regarding the aforesaid loan shall be signed through consultations between the Creditor and the Debtor when this agreement enters into force and the project under the loan is evaluated and approved.

ARTICLE V

The Philippine Government and the Chinese Government shall review the utilization of the loan at any time and consult with each other on any issues which may arise therefrom in the course of implementation.