

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF
THE PHILIPPINES AND THE GOVERNMENT OF THE REPUBLIC OF
KOREA CONCERNING LOANS FROM THE ECONOMIC
DEVELOPMENT COOPERATION FUND**

The Government of the Republic of the Philippines and the Government of the Republic of Korea (hereinafter referred to as "the Contracting Parties"),

Desiring to support economic development of the Republic of the Philippines and to promote economic cooperation between the two countries,

Have agreed as follows:

ARTICLE 1

The Government of the Republic of Korea shall, in accordance with its laws and regulations, extend loans to the Government of the Republic of the Philippines (hereinafter referred to as "the Borrower") from the Economic Development Cooperation Fund (hereinafter referred to as "the EDCF") for the implementation of projects to be agreed upon between the Contracting Parties (hereinafter referred to as "the Project").

ARTICLE 2

The Contracting Parties shall conclude, for the implementation of this Agreement, separate arrangements (hereinafter referred to as "the Arrangement"), which will specify the amount, terms and conditions of the loans from the EDCF (hereinafter referred to as "the Loan").

ARTICLE 3

The Loan shall be made available under a loan agreement (hereinafter referred to as "the Loan Agreement") to be concluded between the Borrower and the Export-Import Bank of Korea (hereinafter referred to as "the Bank"), the government agency for the EDCF.

In case the Borrower is not the Government of the Republic of the Philippines, a guarantee for the Loan duly executed by the Government of the Republic of the Philippines shall be delivered to the Bank.

ARTICLE 4

The proceeds of the Loan shall be used to cover payments to be made by the Project executing agencies of the Government of the Republic of the Philippines to suppliers, contractors and/or consultants of eligible source countries under such contracts as may be entered into between them for the procurement of goods and services required for the implementation of the Project.

ARTICLE 5

With regard to the shipping and marine insurance of goods procured under the Loan, the Government of the Republic of the Philippines shall refrain from imposing