

**RIDER N° 2 FINANCING MEMORANDUM THE REPUBLIC OF THE
PHILIPPINES - ALA/94/29 Agrarian Reform Support Project
(ARSP)**

Agreement ALA/94/29

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

of the one part, and

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

of the other part,

HAVE AGREED AS FOLLOWS:

Objectives of Rider N° 2:

The objectives of Rider N° 2 are to

- modify the duration of this Memorandum, which is now valid until 31 December 2003 and
- adapt the cost estimates and contributions to the different items by means of a reallocation of funds.

All terms and conditions of the Financing Memorandum, its Annexes and Rider N° 1 remain unchanged except for the following modifications:

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The text is replaced by the following:

The commitment of THE COMMUNITY is fixed at 20,000,000 EURO (Twenty Million EURO), hereinafter referred to as "THE EC GRANT".

Any reference to ECU is replaced by EURO from the date of 1 January 1999.

The commitment is subject to a final implementation date. THE COMMISSION may however, depending on the circumstances, agree to an appropriate extension of this date, should such extension be requested and properly justified by THE RECIPIENT.

For the project, the implementation period is extended until 31 December 2001. The duration of this Memorandum is therefore modified and is now valid until 31 December 2003, this latter date allowing for processing of payments and evaluations related to project closure.

SIGNATURES:

Done at 27.09.2000

Done at

For THE COMMUNITY
(Sgd.)

For THE RECIPIENT
(Sgd.)

ANNEX A

MODIFIED TECHNICAL AND ADMINISTRATIVE PROVISIONS

2. PROJECT DESCRIPTION

2.2 Project Inputs

The text of the last hyphenated (-) paragraph is replaced by the following:

- technical assistance, amounting to some 213 man-months of expatriate consulting services, and some 396 man-months of local consulting services.

2.3 Time Schedule

The text is replaced by the following:

The project will be implemented over a period of 74,5 months (from 10 October 1995^[1] until 31 December 2001). It is foreseen that the first 12 months of the implementation period will largely be concerned with inception activities, though a priority will nevertheless be given during this period to proceeding with land-transfer activities, and to establishing consultations with local beneficiaries and partners.

2.5 Cost estimates

2.5.1 EC grant

The table is replaced by the following:

	Original FM & Rider I EURO	Modifications EURO	Rider No. 2 EURO
Land transfer	1,735,000	87.300	1,822,300
Institutional strengthening	1,940,000	260.140	2,200,140
Productivity systems development (Incl. Credit Res & Rural Infra.)	9,245,000	-519.560	8,725,440
Project	3,625,000	833.000	4,458,000