

A G R E E M E N T

WHEREAS, the Government of the Philippines and the BELGO-LUXEMBURG ECONOMIC UNION having concluded the General Agreement on economic, industrial, scientific, technical and development cooperation dated the 15th day of January 1987;

WHEREAS, the Government of the Philippines is desirous of carrying out the water supply of several locations in Cebu Province;

WHEREAS, the Government of Belgium is willing to fund these projects;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

ARTICLE I (OBJECTIVES)

The project is intended to supply adequate potable water to inhabitants of the municipalities of BORBON, CARMEN, CARCAR, DALAGUETE and PINAMUNGAHAN of the Province of Cebu of the Republic of the Philippines.

ARTICLE II (RESPONSIBLE AGENCIES)

The Government of the Kingdom of Belgium designates the Belgium Administration for Development Cooperation (BADDC) as its agency responsible for the execution of the Project, this Authority being represented in the Philippines by the Belgian Embassy in Manila.

The Government of the Philippines designates local Waterworks and Utilities Administration (hereinafter called LWUA) as its implementing agency of the project.

ARTICLE III (OBLIGATIONS OF THE GOVERNMENT OF BELGIUM)

The Government of Belgium shall make the following contributions to the project:

- a. provide a grant in the amount of BF FORTY MILLION (BF40,000,000.00) for the purpose of carrying out the project;
- b. prepare and send out the calls for tender concerning the materials for the transmission lines of the water supply systems based upon the technical specifications to be provided by the Philippine side;
- c. prepare and support the corresponding orders;
- d. support the transport of supplies and Insurances up to Provincial Engineering Office compound, Provincial Capitol, Cebu City;
- e. obtain its own consultant acceptable for both sides to provide technical assistance during the implementation of the project in order to implement the acceptance and