

November 29, 1982

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF
THE PHILIPPINES AND THE GOVERNMENT OF THE KINGDOM OF
BELGIUM RELATING TO THE GRANTING OF FINANCIAL
ASSISTANCE BY THE GOVERNMENT OF THE KINGDOM OF
BELGIUM TO THE GOVERNMENT OF THE REPUBLIC OF THE
PHILIPPINES**

The Government of the Republic of the Philippines
and
The Government of the Kingdom of Belgium.

Considering the traditional friendship, between the Republic of the Philippines and the Kingdom of Belgium,

Considering that under the provisions of the Act dated the 3rd June, 1964, amended by the A.R. nr. 75 dated the 10th November 1967, the Minister of Finance of the Kingdom of Belgium and the Minister who is in charge of External Trade Relations, are given power to grant loans to foreign States,

Deeming it desirable that the financial assistance provided for in the present Agreement facilitates the implementation of the Programme relating to the Philippine Development Plan and contributes to the maintenance and expansion of the traditional pattern of trade between the two countries,

Have concluded the following agreement :

**ARTICLE 1
PAYMENTS**

1. The Government of the Republic of the Philippines shall be granted by the Government of the Kingdom of Belgium financial assistance in the form of a non-interest bearing loan amounting to one hundred (100) million Belgian Francs.

2. This financial assistance shall be made available to the Government of the Republic of the Philippines through one payment which shall be made in Belgian Francs into an account in the name of the Government of the Republic of the Philippines, Ministry of Finance, opened with the National Bank of Belgium. This payment will be effected as soon as possible, after the formalities as provided under Article 6 of the present Agreement have been complied with.

**ARTICLE 2
REPAYMENTS**

1. The loan granted under this Agreement shall be repaid by the Government of the Republic of the Philippines to the Government of the Kingdom of Belgium by twenty instalments, each amounting to five million (5,000,000) Belgian Francs.

2. Such repayments shall be effected in Belgian Francs at Brussels to the National Bank of Belgium in its capacity as treasurer to the Belgian State; they shall be effected annually on the 31st December of each year and initially on the 31st December 1993.

ARTICLE 3

ASSIGNMENT OF LOAN

The financial assistance provided under this Agreement shall be used by the Government of the Republic of the Philippines in accordance with the provisions to be determined jointly by an exchange of letters between the Government of the Republic of the Philippines and the Government of the Kingdom of Belgium.

ARTICLE 4

Payments effected in accordance with this Agreement for settlement of the principal shall be free of all existing or future charges or taxes of whatever description, for which such payments could be liable under any legal provisions or regulations of whatever description of the Republic of the Philippines and of the Kingdom of Belgium respectively.

ARTICLE 5

The goods purchased under the terms of the present Agreement shall be transported in equal proportions by Philippine and Belgian Carriers.

ARTICLE 6

The Government of the Republic of the Philippines, Ministry of Finance, represented by the Embassy of the Philippines in Brussels and the National Bank of Belgium, acting as agent of the Government of the Kingdom of Belgium, shall by joint Agreement take the technical measures required for the implementation of the provisions of this Agreement.

ARTICLE 7

The provisions of this Agreement shall become effective at a date to be determined by an exchange of notes establishing that the formalities required by the national legislation of each of the Contracting Parties for the implementation of this Agreement have been complied with.

IN WITNESS WHEREOF, the undersigned, duly empowered to this end, have appended their signatures to this Agreement.

DONE at Manila on the 29th day of November 1982, in two originals, in the English language.

FOR THE GOVERNMENT OF THE FOR THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES KINGDOM OF BELGIUM:

(Sgd.) PACIFICO A. CASTRO

ACTING MINISTER FOR
FOREIGN AFFAIRS

(Sgd.) WILFRIED DE PAUW

AMBASSADOR OF BELGIUM

Manila, 29 November 1982

Excellency,

With a view to implementing the provisions of Article 3 of the Agreement reached today between the Government of the Republic of the Philippines and the Government of the Kingdom of Belgium, I have the pleasure in suggesting that the following technical procedures be adopted:

1. The sums in Belgian Francs made available to the Philippines under Article 1 (hereinafter referred to as "sums in Belgian Francs") shall be used solely for payments in favour of persons and firms whose trading activity is located in Belgium, for the purchase of Belgian capital goods or services related thereto for the implementation of contracts.

2. With a view to a timely allocation of the sums in Belgian Francs, the Government of the Republic of the Philippines shall propose projects to be financed under the loan, through diplomatic channels, to the Government of the Kingdom of Belgium, represented by the Ministry of Foreign Affairs, Foreign Trade and Development Cooperation.

3. The Ministry of Foreign Affairs, Foreign Trade and Development Cooperation of Belgium may request the Government of the Republic of the Philippines to supply any information as may be necessary to ascertain whether the payments due for the performance of the relevant contract are in conformity with the objective of the Agreement.

4. The Government of the Republic of the Philippines, Ministry of Finance, shall forward to the National Bank of Belgium irrevocable payment orders against the sums in Belgian Francs in respect of payments provided for by the above-mentioned contracts.

The execution of these payment orders shall be subordinated to the formal approval by the Belgian Ministry of Foreign Affairs, Foreign Trade and Development Cooperation.

In accordance with the provisions of the Article 6 of the Agreement, the National Bank of Belgium and the Government of the Republic of the Philippines, Ministry of Finance shall by joint agreement take the technical measures required for their execution.

I should be grateful if you would kindly confirm that Your Government agrees with these provisions.

Please accept, Excellency, the assurances of my highest consideration.

His Excellency PACIFICO A. CASTRO

**Acting Minister for Foreign Affairs
Manila**

(Sgd.) WILFRIED DE PAUW
Ambassador of Belgium

Manila, 29 November 1982

Excellency,

I have the honor to acknowledge the receipt of Your Note of today's date which reads as follows:

"With a view to implementing the provisions of Article 3 of the Agreement reached today between the Government of the Republic of the Philippines and the Government of the Kingdom of Belgium, I have the pleasure in suggesting that the following technical procedures be adopted:

1. The sums in Belgian Francs made available to the Philippines under Article 1 (hereinafter referred to as "sums in Belgian Francs") shall be used solely for payments in favour of persons and firms whose trading activity is located in Belgium, for the purchase of Belgian capital goods or services related thereto for the implementation of contracts.
2. With a view to a timely allocation of the sums in Belgian Francs, the Government of the Republic of the Philippines shall propose projects to be financed under the loan, through diplomatic channels, to the Government of the Kingdom of Belgium, represented by the Ministry of Foreign Affairs, Foreign Trade and Development Cooperation.
3. The Ministry of Foreign Affairs, Foreign Trade and Development Cooperation of Belgium may request the Government of the Republic of the Philippines to supply any information as may be necessary to ascertain whether the payments due for the performance of the relevant contract are in conformity with the objective of the Agreement.
4. The Government of the Republic of the Philippines, Ministry of Finance, shall forward to the National Bank of Belgium irrevocable payment orders against the sums in Belgian Francs in respect of payments provided for by the above-mentioned contracts.

The execution of these payment orders shall be subordinated to the formal approval by the Belgian Ministry of Foreign Affairs, Foreign Trade and Development Cooperation.

In accordance with the provisions of the Article 6 of the Agreement, the National Bank of Belgium and the Government of the Republic of the Philippines, Ministry of Finance, shall by joint agreement take the technical measures required for their execution.

I should be grateful if you would kindly confirm that Your Government agrees with these provisions."