

September 14, 1973

**AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND
THE OVERSEAS ECONOMIC COOPERATION FUND OF JAPAN FOR
THE EXPANDED SEED DUCTION AND DISTRIBUTION PROJECT**

Reference: This Agreement is also published IN XII DFA TS NO. 1, P. 34.

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Loan Agreement for the Expanded Seed Production And Distribution Project, dated September 14, 1973, between THE OVERSEAS ECONOMIC COOPERATION FUND and the Republic of the Philippines.

In order to extend a loan for the implementation of the Expanded Seed Production And Distribution Project, in accordance with the provisions of the General Agreement, dated July 14, 1972, between THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and the Republic of the Philippines (hereinafter referred to as the Borrower").

The Fund and the Borrower herewith conclude the following Loan Agreement.

ARTICLE I

THE LOAN

1. Amount and Purpose of the Loan

The Fund agrees to lend the Borrower, for the implementation of the

Expanded Seed Production and Distribution Project as described in Schedule 1 to this Loan Agreement (hereinafter referred to as "the Project"), on the terms and conditions set forth or referred to in this Loan Agreement and in accordance with the relevant laws and regulations of Japan, a principal amount up to the limit of SEVEN HUNDRED AND EIGHTY ONE MILLION ONE HUNDRED AND EIGHTY SEVEN THOUSAND Japanese Yen (Y781,187,000.), provided, however, that in case a cumulative total of disbursement under this Loan Agreement shall have reached the said limit, the Fund shall make no further disbursement.

2. Use of Proceeds of the Loan

(1) The Borrower shall use or cause to be used the proceeds of the Loan for the purchase of Japanese goods' and services necessary for the implementation of the Project in accordance with the allocation set forth in Schedule 2 to this Loan Agreement.

(2) The last disbursement under this Loan Agreement shall be made not later than June 30, 1976, and no further disbursement shall be made by the Fund thereafter, unless otherwise agreed to by the Fund.

ARTICLE II

REPAYMENT AND INTEREST

1. Repayment of Principal

The Borrower shall repay to the Fund the principal of the Loan in accordance with the amortization schedule set forth in Schedule 3 to this Loan Agreement.

I. The Project consists of the following parts:

(1) The Borrower shall pay to the Fund interest semi-annually at the rate of three and a half percent (3.5%) per annum on the principal amount disbursed and outstanding from time to time.

(2) The Borrower shall pay to the Fund on March 20 of any year the amount of interest that has accrued up to March 19 of the year from September 20 of the preceding year, and on September 20 of any year the amount of interest that has accrued up to September 19 of the year from March 20 of the year. Provided that, before the date of the last disbursement of the Loan, the Borrower shall pay to the Fund on April 20 of any year the amount of interest that has accrued up to March 19 of the year from September 20 of the preceding year, and on October 20 of any year the amount of interest that has accrued up to September 19 of the year from March 20 of the year.

ARTICLE III

PARTICULAR COVENANT

1. General Agreement

All the provisions of the General Agreement, dated July 14, 1972, between the Fund and the Borrower are incorporated into this Loan Agreement and makes a part hereof.

2. Minimum Amount of the Contract