

Loan Agreement No. PH-P252

LOAN AGREEMENT

For

Pasig-Marikina River Channel Improvement Project (Phase III)

Between

JAPAN INTERNATIONAL COOPERATION AGENCY

And

THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES

Dated March 30, 2012

Table of Contents

Article I Loan

Section 1. Amount and Purpose of Loan

Section 2. Use of Proceeds of Loan

Article II Repayment, Interest and Commitment Charge

Section 1. Repayment of Principal

Section 2. Interest and Method of Payment thereof

Section 3. Commitment Charge and Method of Payment thereof

Section 4. Adjustment of Payment Date

Section 5. Repayment, Payment and Prepayment to be Made on Banking
Business Day

Section 6. Insufficient Payment

Article III Particular Covenants

Section 1. General Terms and Conditions

Section 2. Procurement Procedure

Section 3. Disbursement Procedure

Section 4. Administration of Loan

Section 5. Notices and Requests

Schedule 1 Description of Project

Schedule 2 Allocation of Proceeds of Loan

Schedule 3 Amortization Schedule

Schedule 4 Procurement Procedure

Schedule 5 Transfer Procedure

Schedule 6 Reimbursement Procedure

Loan Agreement No. PH-P252, dated March 30, 2012, between the JAPAN INTERNATIONAL COOPERATION AGENCY and THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES

On the basis of the Exchange of Notes between THE GOVERNMENT OF JAPAN and THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES dated on March 29, 2012 concerning a Japanese loan to be extended with a view to promoting the economic stabilization and development efforts of the Republic of the Philippines,

the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") and THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES (hereinafter referred to as the "**Borrower**"), herein represented by the Department of Finance, herewith conclude the following Loan Agreement (hereinafter referred to as the "**Loan Agreement**", which includes all agreements supplemental hereto).

Article I

Loan

Section 1. Amount and Purpose of Loan

JICA agrees to lend the Borrower an amount not exceeding ELEVEN BILLION EIGHT HUNDRED THIRTY SIX MILLION Japanese Yen (¥11,836,000,000) as the principal for the implementation of Pasig-Marikina River Channel Improvement Project (Phase III) described in Schedule 1 attached hereto (hereinafter referred to as the "Project") on the terms and conditions set forth in the Loan Agreement and in accordance with the relevant laws and regulations of Japan (hereinafter referred to as the "Loan"); provided, however, that when the cumulative total of disbursements under the Loan Agreement reaches the said limit, JICA shall make no further disbursement.

Section 2. Use of Proceeds of Loan

- (1) The Borrower shall cause the proceeds of the Loan to be used for the purchase of eligible goods and services necessary for the implementation of the Project from suppliers, contractors or consultants (hereinafter collectively referred to as the "Supplier(s)") of the eligible nationality described in Section 2. of Schedule 4 attached hereto (hereinafter referred to as the "Eligible Nationality") in accordance with the allocation described in Schedule 2 attached hereto.
- (2) The final disbursement under the Loan Agreement shall be made within the period from the effective date of the Loan Agreement to the same day and month seven (7) years after the effective date of the Loan Agreement unless otherwise agreed upon between JICA and the Borrower (hereinafter referred to as the "Disbursement Period"), and no further disbursement shall be made by JICA after the Disbursement Period has expired.
- (3) Notwithstanding the stipulation in sub-section (2) above, if the expiry date of the Disbursement Period is not a banking business day in Japan, the immediately succeeding banking business day in Japan shall be deemed the expiry date of the Disbursement Period.

Article II

Repayment, Interest and Commitment Charge

Section 1. Repayment of Principal

The Borrower shall repay the principal of the Loan to JICA in accordance with the Amortization Schedule as set forth in Schedule 3 attached hereto.

Section 2. Interest and Method of Payment thereof

- (1) The Borrower shall pay the interest to JICA semi-annually at the rate of two-tenths percent (0.2%) per annum on the principal corresponding to categories (a) and (b) below disbursed (hereinafter referred to as the "Principal (I)") and outstanding:
 - (a) the principal of the Loan allocated to Category (A) (provided for in Section 1. of Schedule 2 attached hereto); and
 - (b) any principal reallocated from Category (C) (provided for in Section 1. of Schedule 2 attached hereto) and disbursed with respect to paragraph (1) (a) above.
- (2) The Borrower shall pay the interest to JICA semi-annually at the rate of one-hundredth percent (0.01%) per annum on the principal corresponding to categories (a) and (b) below disbursed (hereinafter referred to as the "Principal (II)") and outstanding:
 - (a) the principal of the Loan allocated to Category (B) (provided for in Section 1. of Schedule 2 attached hereto); and
 - (b) any principal reallocated from Category (C) (provided for in Section 1. of Schedule 2 attached hereto) and disbursed with respect to paragraph (2) (a) above.
- (3) The Borrower shall pay the interest on the Loan to JICA on March 20 and September 20 each year (hereinafter each referred to as the "Payment Date").
- (4) Such interest shall be payable in arrears on each Payment Date:
 - (a) (in case of the initial payment of the interest with respect to any

disbursement) for the period from and including the day on which the first disbursement is made under the Loan Agreement up to but excluding the first Payment Date on or after the day on which the first disbursement is made; and

- (b) (in case of each subsequent payment of the interest with respect to any disbursement) for the period from and including the immediately preceding Payment Date up to but excluding such each Payment Date.

Section 3. Commitment Charge and Method of Payment thereof

- (1) The Borrower shall pay commitment charge (hereinafter referred to as the "**Commitment Charge**") to JICA semi-annually at the rate of one-tenth percent (0.1%) per annum on the total unused balance of the amount which falls under Categories (A), (B) and (C) as set forth in Schedule 2 of the Loan Agreement for the period from and including one hundred twenty (120) days after the date of signature of the Loan Agreement (hereinafter referred to as the "**Accrual Date**") up to and including the date of the completion of the disbursement of proceeds of the Loan (hereinafter referred to as the "**Completion Date**").
- (2) Such Commitment Charge shall be payable in arrears on each Payment Date:
 - (a) (in case of the initial payment of the Commitment Charge) for the period from and including the Accrual Date up to but excluding the first Payment Date on or after the Accrual Date;
 - (b) (in case of each subsequent payment of the Commitment Charge other than the last payment) for the period from and including the immediately preceding Payment Date up to but excluding such each Payment Date; and
 - (c) (in case of the last payment of the Commitment Charge) for the period from and including the Payment Date immediately preceding the Completion Date up to and including the Completion Date.

Section 4. Adjustment of Payment Date

Notwithstanding Section 2. (3) and Section 3. (2) above, for each of the following cases, each payment that is required to be paid on each Payment Date shall instead become due and payable on the corresponding date of the month which is one (1) month after such each Payment Date:

- (1) if any Payment Date of the interest falls during the period from and including the day on which the first disbursement is made up to and including the Completion Date;
- (2) if the Payment Date of the first payment of the interest on or after the Completion Date falls during the period from and including the Completion Date up to and including the corresponding date of the month which is two (2) months after the Completion Date;
- (3) if any Payment Date of the Commitment Charge falls during the period from and including the Accrual Date up to and including the Completion Date; and
- (4) if the Payment Date of the last payment of the Commitment Charge falls during the period from and including the Completion Date up to and including the corresponding date of the month which is two (2) months after the Completion Date.

Section 5. Repayment, Payment and Prepayment to be Made on Banking Business Day

If any repayment, payment and/or prepayment to be made by the Borrower under the Loan Agreement falls due on any day which is not a banking business day in Japan, such payment shall be made on the immediately succeeding banking business day in Japan.

Section 6. Insufficient Payment

If the amount of any payment made by the Borrower under the Loan Agreement is less than the total amount due and payable, the Borrower agrees that the amount of the payment made shall be applied and appropriated in the following order: (i) the overdue charge, (ii) the Commitment Charge, (iii) the Prepayment Premium, as set forth in Section 1. (3) of Article III of the Loan Agreement, (iv) the interest and (v) the principal. Notwithstanding the foregoing, JICA may apply and appropriate the amount of the payment received to the order decided by itself at its sole discretion.

Article III

Particular Covenants

Section 1. General Terms and Conditions

Other terms and conditions generally applicable to the Loan Agreement shall be set forth in JICA's General Terms and Conditions for Japanese ODA Loans, dated March 2009 (hereinafter referred to as the "General Terms and Conditions"), with the following supplemental stipulations:

- (1) The term "principal" wherever mentioned in the General Terms and Conditions shall be replaced by "Principal (I) and Principal (II)."
- (2) The following sub-section shall be added to Section 2.01. of the General Terms and Conditions:

(m) "Discount Rate" means the yield rate of the Japanese government bonds, as of forty (40) days prior to the Requested Prepayment Date, as set forth in Section 1. (3) of Article III of the Loan Agreement, for the term, which is no more than, and the nearest to, the period from but excluding the Requested Prepayment Date to and including the scheduled date of repayment of principal in accordance with the amortization schedule attached to the Loan Agreement or the scheduled date of payment of interest thereof, as applicable; provided, however, the above mentioned period shall be calculated on a monthly basis and a fraction of one (1) month shall be rounded up to one (1) month. Notwithstanding the above, if the foregoing period is less than three (3) months, the term applicable to the yield rate of the Japanese government bonds above, shall be three (3) months, or any other similar rate reasonably decided by JICA.

- (3) The following shall be substituted for Section 3.02. of the General Terms and Conditions:

Section 3.02. Repayment

- (1) The principal of the Loan shall be repayable in accordance with the amortization schedule attached to the Loan Agreement.
- (2) When all disbursements to be made under the Loan Agreement have

been completed, :

- (a) if there has been any reallocation between Categories which caused any changes in the amounts of Principal (I) and Principal (II), the amortization schedule attached to the Loan Agreement shall be recalculated and amended by JICA based on the amounts of Principal (I) and Principal (II) after such reallocation (hereinafter referred to as the "**Recalculated Schedule**"); and
 - (b) if the cumulative total of all disbursements is less than the full amount of the Loan stipulated therein, the difference between the full amount of the Loan and the cumulative total of all disbursements shall be deducted proportionately from all subsequent installments of repayment of the principal, as indicated in the amortization schedule attached to the Loan Agreement, or the Recalculated Schedule, if any reallocation as stipulated in paragraph (a) was made, as applicable, excluding any installments of repayment of the principal for which JICA has already issued the notice set forth in Section 3.08. (hereinafter referred to as the "**Subsequent Installments**");
 - (c) provided, however, that all fractions of less than ONE THOUSAND Japanese Yen (¥ 1,000.-) of such Subsequent Installments after the calculations in accordance with paragraph(s) (a) and/or (b) above, shall be added to the first installment of the Subsequent Installments.
- (3) The Borrower may, upon giving a written notice to JICA not less than forty (40) days prior to the requested date of prepayment (hereinafter referred to as the "**Requested Prepayment Date**"), prepay in whole or in part the principal of the Loan outstanding as of the Requested Prepayment Date together with the interest accrued thereon and a prepayment premium calculated as set forth below (hereinafter referred to as the "**Prepayment Premium**"). The prepaid amount of the principal of the Loan shall be applied to the installments of repayment of the principal in inverse order of maturity, in principle. The amount of the Prepayment Premium shall be equal to the amount calculated by deducting the amount (a) from the amount (b) as set forth below, respectively:
- (a) the amount of the principal of the Loan to be prepaid;
 - (b) the sum of the respective amounts of the following items (i) and (ii) below, each discounted at the applicable Discount Rate, for the period from but excluding the Requested Prepayment Date to and including the scheduled date of repayment of principal in accordance with the

amortization schedule attached to the Loan Agreement (for item (i) below) or the scheduled date of payment of interest thereof (for item (ii) below), as applicable; provided, however, the above mentioned period shall be calculated on a monthly basis and a fraction of one (1) month shall be rounded up to one (1) month:

- (i) the amount of the principal of the Loan to be prepaid; and
- (ii) the amount of the interest which would accrue on the amount of (i) above, at the interest rate applicable to the principal of the Loan, on the assumption that such principal amount would have been repaid in accordance with the amortization schedule attached to the Loan Agreement.

- (4) Notwithstanding the stipulation in paragraph (3) above, if the amount of (a) in paragraph (3) above is greater than, or equal to, the amount described in (b) in the same paragraph, no Prepayment Premium shall be charged in respect of the principal of the Loan to be prepaid hereunder.
 - (5) Any payment made prior to the due date specified in the amortization schedule then applicable without the notice mentioned in paragraph (3) above shall not be deemed prepayment of the Loan and the Borrower shall not be discharged from the payment of the interest up to the date immediately prior to the due date.
- (4) Section 3.04. (1) of the General Terms and Conditions shall be read as follows: Should repayment of the principal or payment of the interest or any other charges (the term "charges" as used in this Section excludes the Commitment Charge and the Prepayment Premium) required under the Loan Agreement be delayed, the interest specified in Section 3.03. of the General Terms and Conditions shall cease to accrue on such overdue amount of the principal on and after the due date and an overdue charge calculated at a rate of two percent (2%) per annum over and above the interest rate specified in the Loan Agreement (hereinafter referred to as the "**Overdue Charge**") shall be payable on the overdue amount of the principal, the interest or any other charges required under the Loan Agreement for a period from the due date to the day immediately preceding the day of actual payment thereof, both inclusive.
- (5) Section 3.05. of the General Terms and Conditions shall be read as follows:
Section 3.05. Computation of Interest, Commitment Charge and Overdue Charge
Interest, the Commitment Charge and the Overdue Charge shall accrue

on a day to day basis and be computed on the basis of three hundred and sixty-five (365) days and the actual number of days elapsed.

(6) With regard to Section 3.06. of the General Terms and Conditions, the Borrower shall have all repayments of the principal and payments of the interest and other charges on the Loan credited to "JICA-Loan" account No. 0207787 with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Head Office, Japan.

(7) The first paragraph of Section 5.06. (1) of the General Terms and Conditions shall be read as follows:

When (i) the full amount of Categories (A), (B) and (C) as set forth in Section 1. of Schedule 2 under the Loan Agreement has been disbursed, (ii) the Disbursement Period has expired, or (iii) the Borrower notifies JICA that no further disbursement is required for the Project as set forth in the following paragraph, JICA shall send the Borrower a Notice of Completion of Disbursement (Form No. 3 attached hereto) in duplicate.

(8) The second paragraph of Section 5.06. (1) of the General Terms and Conditions shall be read as follows:

When the cumulative total of disbursement is less than the total amount of Categories (A), (B) and (C) as set forth in Section 1. of Schedule 2 under the Loan Agreement and no further disbursement is required for the Project, the Borrower shall give a written notice to JICA not less than thirty (30) days prior to the requested date of completion of disbursement.

(9) The following section shall be added to Article V of the General Terms and Conditions:

Section 5.07. Conditions Precedent for Making Disbursement

JICA is not obligated to make any disbursement unless all of the conditions set forth in each of the following items are satisfied at the time of making each disbursement. The satisfaction of such conditions shall be determined by JICA.

(a) The documents set forth in Sections 5.03. and 5.04. of the General Terms and Conditions satisfy the requirements set forth in such sections (and are satisfactory to JICA).

(b) No order or notice of provisional attachment, preservative attachment, or attachment (including any such procedure taken outside Japan) has been

sent out by a court of competent jurisdiction, with respect to any receivables held by the Borrower against JICA.

- (c) No event that triggers the remedies of JICA set forth in Section 6.01. of the General Terms and Conditions has occurred.
 - (d) The Borrower has not breached any provision of the Loan Agreement, and there is no threat that such breach may occur on or after the relevant disbursement.
- (10) Section 6.04. of the General Terms and Conditions shall be read as follows:
Regarding repayment of principal and payment of interest or any other charges required under the Loan Agreement, the Borrower shall undertake not to treat debts to JICA less favorably than any other external debts other than short-term debts.

Section 2. Procurement Procedure

The guidelines for procurement and for the employment of consultants mentioned in Section 4.01. of the General Terms and Conditions shall be as stipulated in the Procurement Procedure attached hereto as Schedule 4.

Section 3. Disbursement Procedure

The disbursement procedure mentioned in Section 5.01. of the General Terms and Conditions shall be as follows:

- (1) Transfer Procedure attached hereto as Schedule 5 shall apply for disbursement of the proceeds of the Loan for the payments to be made to the Supplier(s) of the Eligible Nationality.
- (2) Notwithstanding the provision of sub-section (1) above, Reimbursement Procedure attached hereto as Schedule 6 may apply for disbursement of the proceeds of the Loan for the payments made to the Supplier(s) of the Eligible Nationality with respect to the portion of the contract stated in Philippine Peso.

Section 4. Administration of Loan

- (1) The Borrower shall authorize the Department of Public Works and Highways

(hereinafter referred to as the "Executing Agency") as the executing agency.

- (2) The Borrower shall cause the Executing Agency to employ consultants for the implementation of the Project.
- (3) Should the funds available from the proceeds of the Loan be insufficient for the implementation of the Project, the Borrower shall cause the Executing Agency to make arrangements promptly to provide such funds as shall be needed.
- (4) The Borrower shall cause the Executing Agency to furnish JICA with progress reports for the Project on a quarterly basis (in March, June, September and December of each year) until the Project is completed, in such form and in such detail as JICA may reasonably request.
- (5) Promptly, but in any event not later than six (6) months after completion of the Project, the Borrower shall cause the Executing Agency to furnish JICA with a project completion report in such form and in such detail as JICA may reasonably request.
- (6) The Borrower shall make sure that ex-post procurement audit be carried out by independent auditors to be employed by JICA in order to ensure fairness and competitiveness of the procurement procedure.

Section 5. Notices and Requests

The following addresses are specified for the purpose of Section 9.03. of the General Terms and Conditions:

For JICA

Postal address:

JAPAN INTERNATIONAL COOPERATION AGENCY

JICA PHILIPPINES OFFICE

40th Floor, Yuchengco Tower, RCBC Plaza, Ayala Avenue, Makati City,
Philippines

Attention: Chief Representative

For the Borrower

Postal address:

DEPARTMENT OF FINANCE

DOF Building, BSP Complex, Roxas Boulevard, Manila, Philippines

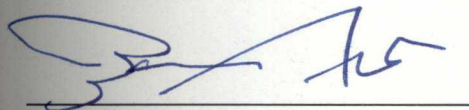
Attention: Secretary of Finance

If the above addresses and/or names are changed, the party concerned shall immediately notify the other party hereto in writing of the new addresses and/or names.

IN WITNESS WHEREOF, JICA and the Borrower, acting through their duly authorized representatives, have caused the Loan Agreement to be duly executed in their respective names and delivered at the office of the JAPAN INTERNATIONAL COOPERATION AGENCY, Chiyoda-ku, Tokyo, Japan, as of the day and year first above written.

For

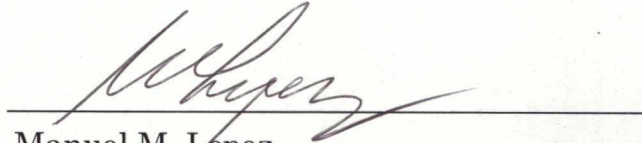
JAPAN INTERNATIONAL
COOPERATION AGENCY



Izumi Arai
Vice-President

For

THE GOVERNMENT OF
THE REPUBLIC OF THE PHILIPPINES



Manuel M. Lopez
Ambassador Extraordinary and
Plenipotentiary of the Republic of
the Philippines to Japan

Schedule 1

Description of Project

Section 1. Outline of the Project

(1) Objective:

The objective of the Project is to mitigate flood damage in Metro Manila caused by channel overflow of the Pasig-Marikina River by implementing river channel improvement works together with non-structural measures in consideration with the flood risk management, and thereby contributing to the sustainable urban economic development of Metro Manila.

(2) Location:

Metro Manila

(3) Executing Agency:

Department of Public Works and Highways (DPWH)

(4) Scope of the Work:

(a) Civil Works

(b) Consulting Services

The proceeds of the Loan are available for the above items (a) and (b).

Any balances remaining on the aforementioned items are to be financed by the Borrower.

Section 2. Disbursement within the limit of the Japanese Government's annual budgetary appropriations for JICA

Disbursement of the proceeds of the Loan shall be made within the limit of the Japanese Government's annual budgetary appropriations for JICA.

Schedule 2

Allocation of Proceeds of Loan

Section 1. Allocation

Category	Amount of the Loan Allocated (in million Japanese Yen)	% of Expenditure to be Financed
(A) Civil Works	10,264	100%
(B) Consulting Services	1,059	100%
(C) Contingencies	513	—
(D) Unavailable Balance	0	—
<hr/>		
Total	11,836	

Note: Items not eligible for financing are as shown below.

- (a) General administration expenses
- (b) Taxes and duties
- (c) Purchase of land and other real property
- (d) Compensation
- (e) Other indirect items

With regard to disbursement in any of Categories (A) and (B), the amount to be disbursed shall be calculated from the eligible expenditure by multiplying with the percentage of the respective Category stipulated in this section, unless otherwise agreed upon between JICA and the Borrower.

Section 2. Reallocation upon change in cost estimates

- (1) If the estimated cost of items included in any of Categories (A) and (B) shall increase, the amount equal to the portion, if any, of such increase to be

financed out of the proceeds of the Loan, will be allocated by JICA, at the request of the Borrower to such Category from other Categories except Category (D), subject, however, to the requirements for contingencies, as determined by JICA, in respect of the cost of items in the other Categories.

- (2) If the estimated cost of items included in any of Categories (A), (B) and (C) shall decrease, the amount then allocated to, and no longer required for, such Category may be reallocated by JICA at the request of the Borrower not less than thirty (30) days prior to the requested date of such reallocation to Category (D). The amount of Category (D) shall not be reallocated to other Categories.

Schedule 3

Amortization Schedule

1. Repayment of Principal (I)

Due Date	Amount (in Japanese Yen)
On March 20, 2022	176,680,000
On each March 20 and September 20 beginning September 20, 2022 through March 20, 2052	176,672,000

The loan amount allocated to Category (C) as stipulated in Section 1. of Schedule 2 of the Loan Agreement is tentatively included in the "Principal (I)."

2. Repayment of Principal (II)

Due Date	Amount (in Japanese Yen)
On March 20, 2022	17,400,000
On each March 20 and September 20 beginning September 20, 2022 through March 20, 2052	17,360,000

Schedule 4

Procurement Procedure

Section 1. Guidelines to be used for procurement under the Loan

- (1) Procurement of all goods and services, except consulting services, to be financed out of the proceeds of the Loan shall be in accordance with the Guidelines for Procurement under Japanese ODA Loans dated March 2009 (hereinafter referred to as the “**Procurement Guidelines**”).
- (2) Employment of consultants to be financed out of the proceeds of the Loan shall be in accordance with the Guidelines for the Employment of Consultants under Japanese ODA Loans dated March 2009 (hereinafter referred to as the “**Consultant Guidelines**”).

Section 2. Eligible Nationality

- (1) The Eligible Nationality of the Supplier(s) shall be the following:
 - (a) Japan in the case of the prime contractor; and
 - (b) All countries and areas in the case of the sub-contractor(s).
- (2) With regard to sub-section (1) above, in case where the prime contractor is a joint venture, such joint venture will be eligible provided that the nationality of the lead partner is Japan, that the nationality of the other partners is Japan and/or the Republic of the Philippines and that the total share of work of Japanese partners in the joint venture is more than fifty percent (50%) of the contract amount.
- (3) With regard to sub-sections (1) and (2) above,
 - (a) For goods and services, except consulting services, (i) the prime contractor or, in the case of a joint venture, the lead partner and other partners regarded as the Japanese partners shall be nationals of Japan or juridical persons incorporated and registered in Japan, and have their appropriate facilities for producing or providing the goods and services in Japan and actually conduct their business there; and (ii) in the case of a joint venture, the partners except Japanese partners shall be nationals of the Republic

of the Philippines or juridical persons incorporated and registered in Japan or the Republic of the Philippines, and have their appropriate facilities for producing or providing the goods and services in Japan or the Republic of the Philippines and actually conduct their business there.

(b) When consulting firms are employed, the prime contractor or, in the case of a joint venture, the lead partner and other partners regarded as the Japanese partners shall satisfy all of the following conditions:

- (i) A majority of the subscribed shares shall be held by Japanese nationals;
- (ii) A majority of the full-time directors shall be Japanese nationals; and
- (iii) Such firms shall be incorporated and registered in Japan.

(c) When consulting firms are employed, the partners except Japanese partners of a joint venture, shall satisfy all of the following conditions:

- (i) A majority of the subscribed shares shall be held by nationals of Japan or the Republic of the Philippines;
- (ii) A majority of the full-time directors shall be nationals of Japan or the Republic of the Philippines; and
- (iii) Such firms shall be incorporated and registered in Japan or the Republic of the Philippines.

(4) The total costs of goods and services procured from Japan shall not be less than thirty percent (30%) of the total amount of contracts to be financed under Category (A) as stipulated in Section 1. of Schedule 2 of the Loan Agreement.

(5) With regard to sub-section (4) above, the goods procured from the eligible local manufacturing company(ies) (hereinafter referred to as the "**Eligible Local Manufacturing Company(ies)**") invested by Japanese companies can be regarded and counted as Japanese origin if such Eligible Local Manufacturing Company(ies) satisfy(ies) the following conditions:

- (a) Juridical persons incorporated and registered in the Republic of the Philippines, and which have their appropriate facilities for producing or providing the goods and services in the Republic of the Philippines and actually conduct their business there;
- (b) Not less than ten percent (10%) of shares are held by a single Japanese company; and
- (c) The proportion of the shares held by the Japanese company mentioned in (b) above (or the company having the largest share among Japanese companies if more than one Japanese company meet the condition stated

in (b) above) is the same as or greater than that of the shares held by any company of a third country.

- (6) With regard to sub-section (4) above, the goods procured from the eligible development partners' manufacturing company(ies) (hereinafter referred to as the "Eligible Development Partners' Manufacturing Company(ies)") invested by Japanese companies can be regarded and counted as Japanese origin if such Eligible Development Partners' Manufacturing Company(ies) satisfy(ies) the following conditions:
- (a) Juridical persons incorporated and registered in a country or area on DAC List of ODA Recipients effective at the time of conclusion of the Loan Agreement and which have their appropriate facilities for producing or providing the goods and services in the country or area and actually conduct their business there;
 - (b) Not less than one-third of shares are held by a single Japanese company; and
 - (c) The proportion of the shares held by the Japanese company mentioned in (b) above (or the company having the largest share among Japanese companies if more than one Japanese company meet the condition stated in (b) above) is the same as or greater than that of the shares held by any company of a third country.

Section 3. JICA's review of decisions relating to procurement of goods and services (except consulting services)

- (1) In the case of contracts to be financed out of the proceeds of the Loan allocated to Category (A), as specified in Section 1. of Schedule 2 attached hereto, the following procedures shall, in accordance with Section 4.02. of the General Terms and Conditions, be subject to JICA's review and concurrence. For such contracts, the single-stage: two-envelope bidding procedure, as provided for in Section 2.03(1) of the Procurement Guidelines, should be adopted. The Borrower shall cause the Executing Agency to comply with the following procedures.
- (a) With regard to any contract the value of which is estimated to be not less than FIVE HUNDRED MILLION Japanese Yen (¥ 500,000,000):
 - (i) If the Borrower wishes to adopt procurement procedures other than

International Competitive Bidding, the Borrower shall cause the Executing Agency to submit to JICA a Request for Review of Procurement Method(s) (as per Form No.1 attached hereto). The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents related to the procurement methods as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower of its concurrence by means of a Notice regarding Procurement Method(s).

- (ii) When the pre-qualified firms have been selected, the Borrower shall cause the Executing Agency to submit to JICA, for JICA's review and concurrence, a list of those firms and a report on the selection process, with the reasons for the choice made, attaching all relevant documents, together with a Request for Review of Result of Pre-qualification. The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents related to the pre-qualification as JICA may reasonably request. When JICA has no objection to the said documents, JICA shall inform the Borrower accordingly by means of a Notice regarding Result of Pre-qualification.
- (iii) When the single-stage two-envelope bidding procedure is adopted, the Borrower shall cause the Executing Agency, before opening price proposals, to submit to JICA, for JICA's review and concurrence, the analysis of technical proposals, together with a Request for Review of Analysis of Technical Proposals. The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such relevant documents as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly by means of a Notice regarding Analysis of Technical Proposals.
- (iv) Before sending a notice of award to the successful bidder, the Borrower shall cause the Executing Agency to submit to JICA, for JICA's review and concurrence, the analysis of bids and proposal for award, together with a Request for Review of Analysis of Bids and Proposal for Award. (When the step stipulated in sub-paragraph (iii) above is taken, "Analysis of Bids" shall be read hereafter as "Analysis of Price Proposals.") The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents related to the award, such as tender documents as JICA may reasonably request. When JICA has no objection to the

said documents, JICA shall inform the Borrower accordingly by means of a Notice regarding Analysis of Bids and Proposal for Award.

- (v) When, as provided for in Section 5.10 of the Procurement Guidelines, the Borrower wishes to reject all bids or to negotiate with the lowest evaluated bidder (or, failing a satisfactory result of such negotiation, with the next-lowest evaluated bidder) with a view to obtaining a satisfactory contract, the Borrower shall cause the Executing Agency to inform JICA of its reasons, requesting prior review and concurrence. When JICA has no objection, it shall inform the Borrower of its concurrence. In the case of re-bidding, all subsequent procedures shall be substantially in accordance with the sub-paragraphs (i) through (iv).
- (vi) Promptly after executing a contract, the Borrower shall cause the Executing Agency to submit to JICA, for JICA's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No.2 attached hereto). The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents related to the contract as JICA may reasonably request. When JICA determines the contract to be consistent with the Loan Agreement, JICA shall inform the Borrower accordingly by means of a Notice regarding Contract.
- (vii) Any modification or cancellation of a contract reviewed by JICA shall require the prior written concurrence of JICA thereto; provided, however, that any change which does not constitute an important modification of the contract and which does not affect the contract amount shall not require such concurrence of JICA.
- (viii) Notwithstanding the provision of sub-paragraph (vii) above, with respect to the adjustment of the contract amount made in accordance with the price adjustment clauses (including the price escalation clauses or re-measurement under the original design) set forth in the original contract which has already been reviewed and concurred by JICA, the Borrower may make an adjustment to the contract amount pursuant to the original contract by submitting to JICA promptly the post-fact notification reporting the adjustment made on the contract amount, instead of obtaining the prior written concurrence of JICA.

- (b) With regard to any contract the value of which is estimated to be not less than ONE BILLION Japanese Yen (¥ 1,000,000,000):

In addition to all the procedures stipulated in (a)(i) through (a)(viii) above, the following step shall be taken.

Before advertisement and/or notification of pre-qualification, the Borrower shall cause the Executing Agency to submit to JICA, for JICA's review and concurrence, the pre-qualification evaluation criteria, together with a Request for Review of Pre-qualification Evaluation Criteria. The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents related to the pre-qualification as JICA may reasonably request. When JICA has no objection to the said criteria, JICA shall inform the Borrower accordingly by means of a Notice regarding Pre-qualification Evaluation Criteria. Any further modification by the Borrower of the said criteria shall require the prior written concurrence of JICA thereto. When JICA deems it necessary, JICA's review of and concurrence regarding the pre-qualification documents shall be required.

- (c) With regard to any contract the value of which is estimated to be not less than THREE BILLION Japanese Yen (¥ 3,000,000,000):

In addition to all the procedures stipulated in (a)(i) through (a)(viii) and (b) above, the following step shall be taken.

Before inviting bids, the Borrower shall cause the Executing Agency to submit to JICA, for JICA's review and concurrence, the bid evaluation criteria, together with a Request for Review of Bid Evaluation Criteria. The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents related to the tender as JICA may reasonably request. When JICA has no objection to the said criteria, JICA shall inform the Borrower accordingly by means of a Notice regarding Bid Evaluation Criteria. Any further modification by the Borrower of the said criteria shall require the prior written concurrence of JICA thereto. When JICA deems it necessary, JICA's review of and concurrence regarding the tender documents shall be required.

- (d) With regard to any contract the value of which is estimated to be less than FIVE HUNDRED MILLION Japanese Yen (¥ 500,000,000):

- (i) The Borrower shall cause the Executing Agency, promptly after executing a contract, to submit to JICA, for JICA's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No.2 attached hereto). When JICA determines the contract to be consistent with the Loan Agreement, JICA shall inform the Borrower accordingly by means of a Notice regarding Contract. The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents related to the contract as JICA may reasonably request.
 - (ii) Any modification or cancellation of a contract reviewed by JICA shall require the prior written concurrence of JICA thereto; provided, however, that any change which does not constitute an important modification of the contract and which does not affect the contract amount shall not require such concurrence of JICA.
 - (iii) Notwithstanding the provision of sub-paragraph (ii) above, with respect to the adjustment of the contract amount made in accordance with the price adjustment clauses (including the price escalation clauses or re-measurement under the original design) set forth in the original contract which has already been reviewed and concurred by JICA, the Borrower may make an adjustment to the contract amount pursuant to the original contract by submitting to JICA promptly the post-fact notification reporting the adjustment made on the contract amount, instead of obtaining the prior written concurrence of JICA.
- (2) With regard to Section 2. (4) of this Schedule, the minimum percentage of goods and services to be procured from Japan, the Eligible Local Manufacturing Company(ies) and the Eligible Development Partners' Manufacturing Company(ies) shall be stipulated in the bidding documents of each contract.
- (3) The following declarations as to the origin of goods and services and the eligibility of Supplier(s), signed and dated by the Supplier(s), shall be attached to each contract:
- "I, the Undersigned, hereby certify that the total costs of goods and services procured from Japan, the Eligible Local Manufacturing Company(ies) and the Eligible Development Partners' Manufacturing Company(ies) are () percent

(%) of the amount of the contract.”

“I, the Undersigned, further certify that, (name of the prime contractor) has been incorporated and registered in Japan, has its appropriate facilities for producing or providing the goods and services in Japan and actually conducts its business there.”

- (4) In the case where the prime contractor is a joint venture, the following declarations, signed and dated by the joint venture, shall be attached to each contract instead of the declaration stated in sub-section (3) above:

“I, the Undersigned, hereby certify that the total costs of goods and services procured from Japan, the Eligible Local Manufacturing Company(ies) and the Eligible Development Partners’ Manufacturing Company(ies) are () percent (%) of the amount of the contract.”

“I, the Undersigned, further certify that the total share of work of Japanese partners in the joint venture is more than fifty percent (50%) of the contract amount; that lead partner and other partners regarded as Japanese partners have been incorporated and registered in Japan, have their appropriate facilities for producing or providing the goods and services in Japan and actually conduct their business there; and that the partners except Japanese partners have been incorporated and registered in Japan or the Republic of the Philippines, have their appropriate facilities for producing or providing the goods and services in Japan or the Republic of the Philippines and actually conduct their business there.”

Section 4. JICA’s review of decisions relating to employment of consultants

- (1) In the case of contracts to be financed out of the proceeds of the Loan allocated to Category (B), as specified in Section 1. of Schedule 2 attached hereto, the following procedures shall, in accordance with Section 4.02. of the General Terms and Conditions, be subject to JICA’s review and concurrence. The Borrower shall cause the Executing Agency to comply with the following procedures.

- (a) Before proposals are invited from consultants, the Borrower shall cause the Executing Agency to submit to JICA, for JICA’s review and concurrence, a Short List of Consultants and the Request for Proposals, together with a Request for Review of these documents. The Borrower shall cause the Executing Agency to submit to JICA, for JICA’s reference,

such other documents as JICA may reasonably request. When JICA has no objection to the said documents, JICA shall inform the Borrower accordingly by means of a Notice regarding the Short List of Consultants and the Request for Proposals. Any further modification by the Borrower of the said documents shall require the prior concurrence of JICA.

- (b) When Quality- and Cost- Based Selection (QCBS), as provided for in Section 3.02 of the Consultant Guidelines, is adopted, the Borrower shall cause the Executing Agency, before opening financial proposals, to submit to JICA, for JICA's review and concurrence, the Borrower's analysis of technical proposals, together with a Request for Review of Evaluation of Technical Proposals. The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly by means of a Notice regarding Evaluation of Technical Proposals.
- (c) Before initiating contract negotiations with the highest-ranked consultant, the Borrower shall cause the Executing Agency to submit to JICA, for JICA's review and concurrence, the results of the Borrower's evaluation of proposals, together with a Request for Review of Evaluation Report on Consultants' Proposals. The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents as JICA may reasonably request. When JICA has no objection to the said documents, JICA shall inform the Borrower accordingly by means of a Notice regarding Evaluation Report on Consultants' Proposals.
- (d) If the Borrower wishes, as provided for in Section 3.02(4) of the Consultant Guidelines, to use single-source selection, the Borrower shall cause the Executing Agency to inform JICA in writing of its reasons, for JICA's review and concurrence, together with the Letter of Invitation and the Terms of Reference. After obtaining the concurrence of JICA, the Borrower may send the Letter of Invitation and the Terms of Reference to the consultant concerned. If the Borrower finds the proposal of the consultant to be satisfactory, it may then negotiate the conditions (including the financial terms) of the contract.
- (e) Promptly after executing a contract, the Borrower shall cause the

Executing Agency to submit to JICA, for JICA's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No.3 attached hereto). The Borrower shall cause the Executing Agency to submit to JICA, for JICA's reference, such other documents as JICA may reasonably request. When JICA determines the contract to be consistent with the Loan Agreement, JICA shall inform the Borrower accordingly by means of a Notice regarding Contract.

- (f) Any modification or cancellation of a contract reviewed by JICA shall require the prior written concurrence of JICA thereto; provided, however, that any change which does not constitute an important modification of the contract and which does not affect the contract amount shall not require such concurrence of JICA.
 - (g) Notwithstanding the provision of paragraph (f) above, with respect to the adjustment of the contract amount made in accordance with the price adjustment clauses (including the price escalation clauses or re-measurement under the original design) set forth in the original contract which has already been reviewed and concurred by JICA, the Borrower may make an adjustment to the contract amount pursuant to the original contract by submitting to JICA promptly the post-fact notification reporting the adjustment made on the contract amount, instead of obtaining the prior written concurrence of JICA.
- (2) The following declaration as to the eligibility of the consulting firm, signed and dated by the consulting firm, shall be attached to each contract:
- "I, the Undersigned, hereby certify that (name of the prime contractor) is incorporated and registered in Japan; that a majority of its subscribed shares is held by Japanese nationals; and that a majority of its full-time directors is Japanese nationals."
- (3) In the case where the prime contractor is a joint venture, the following declaration, signed and dated by the lead partner of the joint venture, shall be attached to each contract instead of the declaration stated in sub-section (2) above:
- "I, the Undersigned, hereby certify that the total share of work of Japanese partners in the joint venture is more than fifty percent (50%) of the contract amount; that the lead partner and other partners regarded as Japanese

partners have been incorporated and registered in Japan; that a majority of their subscribed shares is held by Japanese nationals; and that a majority of their full-time directors is Japanese nationals.”

“I, the Undersigned, further certify that the partners except Japanese partners have been incorporated and registered in Japan or the Republic of the Philippines; that a majority of their subscribed shares is held by nationals of Japan or the Republic of the Philippines; and that a majority of their full-time directors is nationals of Japan or the Republic of the Philippines.”

Date:

Ref. No.

JAPAN INTERNATIONAL COOPERATION AGENCY
JICA PHILIPPINES OFFICE
Attention: Chief Representative

Ladies and Gentlemen:

REQUEST FOR REVIEW OF PROCUREMENT METHOD(S)

Reference : Loan Agreement No . PH-P252, dated March 30, 2012, for
Pasig-Marikina River Channel Improvement Project (Phase III)

In accordance with the relevant provisions of the Loan Agreement under
reference, we hereby submit for your review the Procurement Method(s) as per
attached sheet.

We should be grateful if you would notify us of your concurrence.

Very truly yours,

For: _____
(Name of the Borrower)

By: _____
(Authorized Signature)

1. Name of the Project

Pasig-Marikina River Channel Improvement Project (Phase III)

2. Method(s) of Procurement

- Limited International (Local) Bidding
- International (Local) Shopping
- Direct Contract
- Others ()

3. Reason(s) for Selection of Method(s) of Procurement in Detail

(For example: technical considerations, economic factors, experiences and capabilities)

4. Name and Nationality of the Supplier

(in the cases of Limited International (Local) Bidding and Direct Contracting)

5. Estimated Contract Amount

Foreign Currency
Local Currency

6. Main Items Covered by the Contract

7. Type of Contract

- Turnkey Contract
- Design-Build Contract
- Civil Works Contract
- Procurement of Goods/Equipment/Materials
- Procurement of Services
- Others

8. Schedule

- i) Date of Contract
- ii) Shipping Date and/or Date for Commencement of Works/Services
- iii) Completion Date (for delivery or construction)

Date:
Ref. No.

JAPAN INTERNATIONAL COOPERATION AGENCY
JICA PHILIPPINES OFFICE

Attention: Chief Representative

Ladies and Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

Reference : Loan Agreement No . PH-P252, dated March 30, 2012, for
Pasig-Marikina River Channel Improvement Project (Phase III)

In accordance with the relevant provisions of the Loan Agreement under reference, we hereby submit for your review a certified copy of the Contract attached hereto. The details of the Contract are as follows:

1. Number and Date of Contract: _____
2. Name and Nationality of the Supplier: _____
3. Address of the Supplier: _____
4. Name of the Purchaser: _____
5. Contract Amount: _____
6. Eligible Expenditure: _____
7. Amount of Financing Applied for: _____
(representing ___ % of eligible expenditure)
8. Description and Origin of the Goods: _____
9. (In case the Supplier is a joint venture) Name, Nationality and Address of each company of the Joint Venture:
(A company): _____
(B company): _____

We should be grateful if you would notify us of your concurrence to the Contract by sending us a Notice regarding Contract.

Very truly yours,

For: _____
(Name of the Borrower)

By: _____
(Authorized Signature)

Date:
Ref. No.

JAPAN INTERNATIONAL COOPERATION AGENCY
JICA PHILIPPINES OFFICE

Attention: Chief Representative

Ladies and Gentlemen:

REQUEST FOR REVIEW OF CONTRACT (for consulting services)

Reference : Loan Agreement No . PH-P252, dated March 30, 2012, for
Pasig-Marikina River Channel Improvement Project (Phase III)

In accordance with the relevant provisions of the Loan Agreement under reference, we hereby submit for your review a certified copy of the Contract attached hereto. The details of the Contract are as follows:

1. Number and Date of Contract: _____
2. Name and Nationality of the Consultant: _____
3. Address of the Consultant: _____
4. Name of the Employer: _____
5. Contract Amount: _____
6. Eligible Expenditure: _____
7. Amount of Financing Applied for: _____
(representing ___% of eligible expenditure)
8. (In case the Consultant is a Joint Venture) Name, Nationality and Address of each company of the Joint Venture:
(A company): _____
(B company): _____

We should be grateful if you would notify us of your concurrence to the Contract by sending us a Notice regarding Contract.

Very truly yours,

For: _____
(Name of the Borrower)

By: _____
(Authorized Signature)

Schedule 5

Transfer Procedure

Transfer Procedure set forth in two types herein shall be applied for disbursement of the proceeds of the Loan for the payments to be made to the Supplier(s) of the Eligible Nationality.

The designated foreign exchange bank in Tokyo, wherever mentioned in this Schedule, shall be The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan (hereinafter referred to as the "**Paying Bank**").

The authorized foreign exchange bank in the territories of the Borrower mentioned in this Schedule, shall be Bangko Sentral ng Pilipinas (hereinafter referred to as the "**Central Bank**").

Type A : In case where the currency used for the actual payment to the Supplier(s) is an internationally traded foreign currency acceptable to JICA other than Philippine Peso.

1. Request for Disbursement

- (1) When the Borrower receives Claims for Payment from the Supplier(s) through the Executing Agency (as per Form CFP attached hereto), the Borrower shall request JICA to make disbursement for a sum not exceeding the amount actually claimed by the Supplier(s) by sending to JICA a Request for Disbursement in accordance with the Form TRF attached hereto. Each request shall be accompanied by the following documents:
 - (a) Summary Sheet of Payments as per Form TRF-a attached hereto
 - (b) A copy of Transfer Instruction Type A addressed to the Paying Bank, as per attached Form JICA-TI-A
 - (c) Claims for Payment evidencing the amount to be paid to the Supplier(s)
 - (d) The following supporting documents evidencing each payment and its usage:
 - (i) For payments to the supplier(s) against shipment/delivery of goods:
- supplier's/suppliers' invoice specifying the goods, with their

quantities and prices, which have been or are being supplied/shipped;

- bill of lading or similar document evidencing shipment/delivery of the goods listed on the invoice.
- (ii) For payments for consulting services:
- the claim put in by the consultant(s) indicating, in sufficient details, the services rendered, period covered and amount payable to them.
- (iii) For payments under civil works contracts:
- the claim, bill or invoice of the contractor(s) showing, in sufficient detail, the work performed by the contractor(s) and amount claimed therefor, certified by the chief engineer or project officer of the Executing Agency assigned to the Project to the effect that the work performed by the contractor(s) is satisfactory and in accordance with the terms of the relevant contract; such certificate made separately may be sufficient.
- (iv) For payments for other services rendered:
- the claim, bill or invoice specifying the nature of services rendered and amounts charged therefor.
- (2) The amount stated in the Request for Disbursement shall be in Japanese Yen or other internationally traded foreign currency acceptable to JICA as stipulated by the Supplier(s).
- (3) The Borrower shall send to the Paying Bank Transfer Instruction Type A (as per Form JICA-TI-A) accompanied by a copy of the Request for Disbursement and Claims for Payment.

2. Disbursement

- (1) When JICA finds the Request for Disbursement in order and in conformity with the provisions of the Loan Agreement, JICA shall make disbursement in Japanese Yen. Disbursement will be made within fifteen (15) business days from the date of receipt of the Request for Disbursement by paying into the non-resident Yen account in the name of the Central Bank, which shall be opened in advance with the Paying Bank on behalf of the Borrower, in accordance with the relevant laws and regulations of Japan.
- (2) In case where the amount stated in the Request for Disbursement is in an

internationally traded foreign currency acceptable to JICA other than Japanese Yen, the amount of disbursement in Japanese Yen shall be calculated at the T/T selling rate quoted by the Paying Bank two (2) business days before the day when the disbursement is made.

3. Payment to the Supplier(s)

Immediately after the proceeds of the Loan disbursed by JICA has been credited to the non-resident Yen account of the Central Bank mentioned in 2. above, the Borrower shall cause the Paying Bank to debit the same amount against the above-mentioned account for transfer to the corresponding account(s) of the Supplier(s) as specified in the Claims for Payment. At the same time, the Borrower shall cause the Paying Bank to inform the Central Bank by cable advice of the above-mentioned transfer.

4. Delegation of Authority

- (1) The Borrower hereby designates the Central Bank as its agent for the purposes of taking any action or entering into any agreement required or permitted under this Transfer Procedure.
- (2) Any action taken or agreement entered into by the Central Bank pursuant to the authority conferred on the Central Bank shall be fully binding on the Borrower and shall have the same force and effect as if such action was taken or such agreement was entered into by the Borrower.
- (3) The authority conferred on the Central Bank may be revoked or modified by agreement between the Borrower and JICA.

5. Arrangement

The Borrower shall cause the Central Bank to make a necessary arrangement with the Paying Bank containing the following in accordance with the authorization conferred on the Central Bank set forth in 4. above:

- (1) To open a non-resident Yen account of the Central Bank on behalf of the Borrower with the Paying Bank.

- (2) Immediately after the disbursement made by JICA has been credited to the non-resident Yen account of the Central Bank mentioned in 2. above, the Paying Bank shall transfer the disbursed amount to the corresponding account(s) of the Supplier(s) pursuant to the Transfer Instruction Type A issued by the Borrower.
- (3) Notwithstanding the stipulation in (2) above, when the Paying Bank has not received the Transfer Instruction from the Borrower by the time JICA makes the disbursement, the Paying Bank may transfer the disbursed amount to the corresponding account of the Supplier(s) pursuant to a copy of the Transfer Instruction which JICA has received from the Borrower.
6. JICA shall not be liable for any loss incurred by the Borrower and/or the Supplier(s) at the time of exchange owing to any difference between payment claims from the Supplier(s) to the Borrower and the actual payments to the Supplier(s).

Type B: In case where the currency used for the actual payment to the Supplier(s) is Philippine Peso.

1. Request for Disbursement

- (1) When the Borrower receives Claims for Payment from the Supplier(s) through the Executing Agency (as per Form CFP attached hereto), the Borrower shall request JICA to make disbursement for a sum not exceeding the amount actually claimed by the Supplier(s) by sending to JICA a Request for Disbursement in accordance with the Form TRF attached hereto. Each request shall be accompanied by the following documents:
 - (a) Summary Sheet of Payments as per Form TRF-a attached hereto
 - (b) A copy of Transfer Instruction Type B addressed to the Central Bank as per attached Form JICA-TI-B
 - (c) Claims for Payment evidencing the amount to be paid to the Supplier(s)
 - (d) The following supporting documents evidencing each payment and its usage:
 - (i) For payments to the supplier(s) against shipment/delivery of goods:
 - supplier's/suppliers' invoice specifying the goods, with their

quantities and prices, which have been or are being supplied/shipped;

- bill of lading or similar document evidencing shipment/delivery of the goods listed on the invoice.

(ii) For payments for consulting services:

- the claim put in by the consultant(s) indicating, in sufficient details, the services rendered, period covered and amount payable to them.

(iii) For payments under civil works contracts:

- the claim, bill or invoice of the contractor(s) showing, in sufficient details, the work performed by the contractor(s) and amount claimed therefor, certified by the chief engineer or project officer of the Executing Agency assigned to the Project to the effect that the work performed by the contractor(s) is satisfactory and in accordance with the terms of the relevant contract; such certificate made separately may be sufficient.

(iv) For payments for other services rendered:

- the claim, bill or invoice specifying the nature of services rendered and amounts charged therefor.

(2) The amount stated in the Request for Disbursement shall be in Japanese Yen or other internationally traded foreign currency acceptable to JICA, converted at the T/T buying rate quoted by the Central Bank on the day immediately preceding the day on which the Request for Disbursement is made. The amount to be paid in Philippine Peso and the exchange rate used for conversion to Japanese Yen or other internationally traded foreign currency shall be described in the Summary Sheet of Payments as per Form TRF-a together with the evidence of such conversion rate.

(3) Notwithstanding the stipulation in (2) above, the reference rate quoted by the Central Bank on major newspapers may be used as well.

(4) The Borrower shall submit to the Central Bank Transfer Instruction Type B (as per Form JICA-TI-B) accompanied by the copy of Request for Disbursement and Claims for Payment.

2. Disbursement

(1) When JICA finds the Request for Disbursement in order and in conformity

with the provisions of the Loan Agreement, JICA shall make disbursement in Japanese Yen. Disbursement will be made within fifteen (15) business days from the date of receipt of the Request for Disbursement by paying into the non-resident Yen account in the name of the Central Bank, which shall be opened in advance with the Paying Bank on behalf of the Borrower, in accordance with the relevant laws and regulations of Japan.

- (2) In case where the amount stated in the Request for Disbursement is in a currency other than Japanese Yen, the amount of disbursement in Japanese Yen shall be calculated at the T/T selling rate quoted by the Paying Bank two (2) business days before the day when the disbursement is made.

3. Payment to the Supplier(s)

Immediately after the proceeds of the Loan disbursed by JICA have been credited to the non-resident Yen Account of the Central Bank mentioned in 2. above, the Borrower shall cause the Paying Bank to debit the same amount against the above-mentioned account for transfer to the Central Bank Regular Account under a cable advice to the Central Bank. After receiving cable advice from the Paying Bank, the Borrower shall cause the Central Bank to credit immediately the amount in Philippine Peso actually claimed by the Supplier(s) to the corresponding account(s) of the Supplier(s) as specified in the Claims for Payment.

4. Delegation of Authority

- (1) The Borrower hereby designates the Central Bank as its agent for the purposes of taking any action or entering into any agreement required or permitted under this Transfer Procedure.
- (2) Any action taken or agreement entered into by the Central Bank pursuant to the authority conferred on the Central Bank shall be fully binding on the Borrower and shall have the same force and effect as if such action was taken or such agreement was entered into by the Borrower.
- (3) The authority conferred on the Central Bank may be revoked or modified by agreement between the Borrower and JICA.

5. Arrangement

- (1) The Borrower shall cause the Central Bank to make a necessary arrangement with the Paying Bank containing the following in accordance with the authorization conferred on the Central Bank set forth in 4. above:
 - (a) To open a non-resident Yen account of the Central Bank on behalf of the Borrower with the Paying Bank.
 - (b) To let the Paying Bank make cable advice to the Central Bank of the disbursement by JICA.
- (2) The Borrower shall make a necessary arrangement with the Central Bank containing the following in accordance with the authorization conferred on the Central Bank set forth in 4. above.

After receiving cable advice from the Paying Bank, the Central Bank shall immediately credit the amount in Philippine Peso actually claimed by the Supplier(s) to the corresponding account(s) of Supplier(s) pursuant to the Transfer Instruction Type B issued by the Borrower.

6. JICA shall not be liable for any loss incurred by the Borrower and/or the Supplier(s) at the time of exchange owing to any difference between payment claims from the Supplier(s) to the Borrower and the actual payments to the Supplier(s).

Request for Disbursement

Date:

Loan Agreement No.:

Application Serial No.:

To: JAPAN INTERNATIONAL COOPERATION AGENCY
JICA PHILIPPINES OFFICE
Attention: Chief Representative

Ladies and Gentlemen:

1. Pursuant to the Loan Agreement No. PH-P252, dated March 30, 2012, between the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") and THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES, the undersigned hereby requests for disbursement under the said Loan Agreement, of the sum of _____ (say _____) for the payment of expenditures as described in the Summary Sheet(s) attached hereto.
2. The undersigned has not previously requested for disbursement of any amount from the Loan for the purpose of meeting the expenditures described in the Summary Sheet(s). The undersigned has not obtained nor will obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the undersigned.
3. The undersigned certifies that:
 - a) the expenditures described in the Summary Sheet(s) are made for the purposes specified in the Loan Agreement;
 - b) the goods and services purchased with these expenditures have been procured in accordance with the applicable procurement procedures agreed with JICA pursuant to the said Loan Agreement and the cost and terms of purchase thereof are reasonable;
 - c) the said goods and services were or will be supplied by the Supplier(s) specified in the attached Summary Sheet(s) and were or will be produced in (or, in the case of services, supplied from) the applicable eligible country(ies) for Japanese ODA Loans.
4. Please disburse the amount herein requested by paying into the non-resident Yen account of Bangko Sentral ng Pilipinas with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan.
5. This request consists of ___page(s) and ___signed and numbered Summary Sheet(s).

Very truly yours,

For: _____
(Name of the Borrower)By : _____
(Authorized Signature)

Date: _____
Application Serial No.: _____Summary Sheet of Payment
(Type A or Type B)

1 JICA L/ANo. and Contract Concurrence No.	2 Description of goods and/or services	3 Name and Nationality of the Supplier	4 L/A Category Name	5-1 Contract Amount in Contract Currency	6-1 Amount to be Paid this time in Contract Currency	7-1 Accumulated Amount in Contract Currency	8 Remarks
				5-2 JICA Amount in Contract Currency	6-2 Amount Applied for JICA Financing this time in Contract Currency	7-2 Accumulated Amount of JICA Financing Already Paid in Contract Currency	
					6-3 Amount to be Paid in Request Currency		

Notes:

- The Amount Applied for JICA financing (6-2) and Amount to be Paid in Request Currency (6-3) is calculated as follows:
(If any disbursement ratio is used for this calculation, please indicate it specifically.)
- Amount Applied for JICA Financing = _____ Philippine Peso equivalent to _____ Japanese Yen
(Exchange Rate: _____ Philippine Pesos per Japanese Yen)
- Amount Applied for JICA financing is equivalent to the claimed amount indicated in the attached copy of the Claims for Payment.
- Exchange Rate shall be rounded off to four (4) decimal places. Disregard Japanese Yen below one (1).
- Column 8 is to indicate whether the payment is an advance payment, or a down payment, or installment (if so, the number of installment and corresponding month/period) or a final payment.

For: (Name of the Borrower)

By: _____
(Authorized Signature)

Transfer Instruction Type A

Date:

Loan Agreement No.:

Application Serial No.:

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan

Pursuant to the Banking Arrangement between The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan and Bangko Sentral ng Pilipinas dated _____, we hereby request you to transfer the amount disbursed by JICA against our Request for Disbursement No. _____ dated _____ to the account of the relevant Supplier mentioned in the Claims for Payment No. _____ dated _____ attached to the Request for Disbursement mentioned above.

For:

(Name of the Borrower)

By:

(Authorized Signature)

encl. Request for Disbursement
Claims for Payment

Transfer Instruction Type B

Date:

Loan Agreement No.:

Application Serial No.:

To: Bangko Sentral ng Pilipinas

Upon receipt of cable advice from the Paying Bank, Bangko Sentral ng Pilipinas shall immediately credit the amount in Philippine Peso actually claimed by the Supplier to the corresponding account of the Supplier.

For:

(Name of the Borrower)

By:

(Authorized Signature)

encl. Request for Disbursement
Claims for Payment

Claims for Payment

Date :

Loan Agreement No.:

Application Serial No. :

To: (Name and Address of the Executing Agency)

We hereby submit Claims for Payment to you for the progress of the work in the following content.

1. Name of Beneficiary:
2. Contract No. and date:
3. Notice regarding Contract No. and date (if any):
4. Description of goods and/or services accomplished:
5. Claimed amount for JICA financing:
6. Accumulated amount already paid:
7. Total amount (5. + 6.):

Please pay the amount claimed in 5. above into the following account.

Account number:

Account holder's name:

Name of the bank of the Supplier:

Address or branch name of the bank of the Supplier:

Cable Address:

For:

(Name of the Supplier)

By:

(Authorized Signature)

Schedule 6

Reimbursement Procedure

Reimbursement Procedure for Japanese ODA Loans dated October 2008 (as amended) (hereinafter referred to as the “**Reimbursement Procedure**”) shall mutatis mutandis be applied for disbursement of the proceeds of the Loan for the payments made to the Supplier(s) of the Eligible Nationality with respect to the portion of the contract stated in Philippine Peso with the following supplemental stipulations:

1. The designated foreign exchange bank in Tokyo wherever mentioned in this Schedule, including the Reimbursement Procedure, shall be The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo.
2. The authorized foreign exchange bank in the territories of the Borrower mentioned in the Reimbursement Procedure shall be Bangko Sentral ng Pilipinas (hereinafter referred to as the “**Central Bank**”).
3. The supporting documents evidencing each payment and its usage, as mentioned in paragraph 2.(b) of the Reimbursement Procedure, shall be as follows:
 - (1) For payments to supplier(s) against delivery/shipment of goods -
 - (a) supplier's/suppliers' invoice specifying the goods, with their quantities and prices, which have been or are being supplied/shipped;
 - (b) bill of lading or similar documents evidencing shipment/delivery of the goods listed on the invoice;
 - (c) bill of exchange or similar document evidencing the date and amount of payment made to the supplier(s); a simple receipt from the supplier(s) showing the date and amount of payment would also suffice.
 - (2) For payments to supplier(s) made prior to delivery/shipment of goods -
bill of exchange or similar document evidencing the date and amount of payment made to the supplier(s); a simple receipt from the supplier(s) showing the date and amount of payment would also suffice.

- (3) For payments for consulting services -
 - (a) the claim put in by the consultant(s) indicating, in sufficient details, the services rendered, period covered and amount payable to them;
 - (b) cancelled bank check, demand draft or similar document evidencing the date and amount of payment made to the consultant(s); a simple receipt from the consultant(s) showing the date and amount of payment would also suffice.

- (4) For payments under civil works contracts -
 - (a) the claim, bill or invoice of the contractor(s) showing, in sufficient detail, the work performed by the contractor(s) and amount claimed therefor, certified by the chief engineer or project officer of the Executing Agency assigned to the Project to the effect that the work performed by the contractor(s) is satisfactory and in accordance with the terms of the relevant contract; such certificate made separately may be sufficient;
 - (b) cancelled bank check, demand draft or similar document evidencing the date and amount of payment made to the contractor(s); a simple receipt from the contractor(s) showing the date and amount of payment would also suffice.

- (5) For payments for other services rendered -
 - (a) the bill, claim or invoice specifying the nature of services rendered and amounts charged therefor;
 - (b) cancelled bank check, demand draft or similar document evidencing the date and amount of payment made; a simple receipt showing the date and amount of payment would also suffice.

If such services relate to importation of goods (e.g. freight, insurance payments) adequate references shall be given to enable JICA to relate each of these items to the specific goods the cost of which has been or is to be financed by JICA.

4. Notwithstanding the stipulation in paragraph 4. of the Reimbursement Procedure, the reference rate quoted by the Central Bank on major newspapers may be used as well.

5. With regard to paragraph 4. of the Reimbursement Procedure, the amount in the Request for Reimbursement shall be expressed in Japanese Yen. The

amount paid in the currency of the contract and the exchange rate used for conversion to Japanese Yen shall be described in the Summary Sheet of Payments as per Form JICA-SSP together with the evidence of such conversion rate.