

No. 18317

**INTERNATIONAL FUND
FOR AGRICULTURAL DEVELOPMENT
and
PHILIPPINES**

Loan Agreement—*Magat River Multipurpose Stage II Irrigation Project* (with General Conditions applicable to Loan and Guarantee Agreements of the Fund dated 11 April 1978). Signed at Rome on 26 January 1979

Authentic text: English.

Registered by the International Fund for Agricultural Development on 26 February 1980.

**FONDS INTERNATIONAL
DE DÉVELOPPEMENT AGRICOLE
et
PHILIPPINES**

Accord de prêt — *Deuxième phase du projet d'irrigation à objectifs multiples du fleuve Magat* (avec Conditions générales applicables aux accords de prêt et de garantie du Fonds en date du 11 avril 1978). Signé à Rome le 26 janvier 1979

Texte authentique : anglais.

Enregistré par le Fonds international de développement agricole le 26 février 1980.

LOAN AGREEMENT¹ (*MAGAT RIVER MULTIPURPOSE STAGE II IRRIGATION PROJECT*) BETWEEN REPUBLIC OF THE PHILIPPINES AND INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Dated 26 January 1979

Loan No. 8-PHI

LOAN AGREEMENT

AGREEMENT, dated as of 26 January 1979, between the REPUBLIC OF THE PHILIPPINES (hereinafter called the Borrower) and the INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (hereinafter called the Fund).

WHEREAS:

(A) The Borrower has requested the Fund to assist in the financing of an irrigation project by extending a loan (the Fund Loan) as hereinafter provided; and

(B) By Agreement of even date² herewith (hereinafter called the Bank Loan Agreement), the International Bank for Reconstruction and Development (the Bank) has agreed to make a loan (hereinafter called the Bank Loan) to the Borrower in an aggregate principal amount equivalent to twenty-one million dollars (\$21,000,000) to assist in financing the same project on the terms and conditions therein set forth; and

(C) The Borrower, the Bank and the Fund have entered into an agreement of even date herewith (hereinafter called the Joint Project Agreement) providing for the allocation, withdrawal and use of the Bank Loan and the Fund Loan and execution of the Project to be financed thereby, as such Project is described in Schedule 2 of said Joint Project Agreement, as well as other matters relating thereto;

WHEREAS the Fund has agreed, on the basis of *inter alia* of the foregoing, to extend the Fund Loan to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

*Article 1. GENERAL CONDITIONS; DEFINITIONS;
COOPERATING INSTITUTION*

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Fund, dated 11 April 1978,³ with the same force and effect as if they were fully set forth herein, subject, however, to the addition in Section 4.01 thereof of the following new paragraph:

“(d) In various currencies equivalent to an amount in United States dollars” (said General Conditions Applicable to Loan and Guarantee Agreements of the Fund being hereinafter called the Fund General Conditions).

¹ Came into force on 25 April 1979 by notification from the Fund to the Government of the Philippines, in accordance with its section 5.01 and with sections 10.01 and 10.02 of the General Conditions.

² United Nations, *Treaty Series*, vol. 1198, No. I-19111.

³ See p. 135 of this volume.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the Fund General Conditions have the respective meanings therein set forth except that the terms “Loan Agreement”, “Loan” and “Loan Account” as defined pursuant to Sections 2.01 (3), 2.01 (4) and 2.01 (5) respectively of said Fund General Conditions are herein replaced by the terms “Fund Loan Agreement”, “Fund Loan” and “Fund Account” respectively.

Section 1.03. The Bank is appointed as the Cooperating Institution for the administration of the Fund Loan, with the responsibilities set forth in Article V of the Fund General Conditions, and the Joint Project Agreement shall be the Loan Administration Agreement defined in the General Conditions.

Article II. THE FUND LOAN

Section 2.01. The Fund agrees to lend to the Borrower, on the terms and conditions in the Fund Loan Agreement set forth or referred to, an amount in various currencies equivalent to ten million dollars (\$10,000,000).

Section 2.02. The amount of the Fund Loan may be withdrawn from the Fund Account and used for the Project in accordance with the Provisions of the Joint Project Agreement.

Section 2.03. The Closing Date shall be 31 December 1983 or such later date as the Fund shall establish. The Fund shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay interest at the rate of four percent (4%) per annum on the principal amount of the Fund Loan withdrawn and outstanding from time to time.

Section 2.05. Except as the Fund and the Borrower shall otherwise agree, a charge at the rate of 0.5% per annum shall be paid by the Borrower to the Fund on the principal amount outstanding of any special commitment entered into by or on behalf of the Fund, at the request of the Borrower pursuant to Section 6.02 of the Fund General Conditions.

Section 2.06. The Borrower shall repay the principal amount of the Fund Loan in equal semi-annual instalments payable on each 1 January and 1 July commencing 1 July 1984 and ending 1 January 1999.

Section 2.07. The interest and any other charges on the Loan shall be payable semi-annually on 1 January and 1 July each year.

Article III. EXECUTION OF THE PROJECT

Section 3.01. The Borrower shall punctually perform all its obligations set forth in the Joint Project Agreement as if they were fully set forth herein.

Article IV. REMEDIES OF THE FUND

Section 4.01. For the purposes of Section 9.02 of the Fund General Conditions, the following additional events are specified pursuant to paragraph (1) thereof:

(i) Subject to subparagraph (ii) of this paragraph:

(A) The right of the Borrower to withdraw the proceeds of the Bank Loan made to the Borrower for the financing of the Project shall have been suspended,

cancelled or terminated in whole or in part, pursuant to the terms of the Bank Loan Agreement, or

(B) The Bank Loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if:

(A) Such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under the Bank Loan Agreement, and

(B) Adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 4.02. For the purposes of Section 9.07 of the Fund General Conditions, the following event is specified pursuant to paragraph (d) thereof, namely, that the event specified in paragraph (i) (B) of Section 4.01 of this Agreement shall occur.

Article V. EFFECTIVE DATE; TERMINATION

Section 5.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 10.01 (e) of the Fund General Conditions:

(i) The execution and delivery on behalf of the Borrower of the Joint Project Agreement has been duly authorized or ratified by all necessary governmental action; and

(ii) The execution and delivery of the Bank Loan Agreement on behalf of the Borrower has been duly authorized or ratified by all necessary governmental action and all other conditions precedent to the effectiveness of the Bank Loan pursuant to the Bank Loan Agreement (other than the effectiveness of this Agreement) have been duly fulfilled.

Section 5.02. The date of 26 April 1979 is hereby specified for the purposes of Section 10.04 of the Fund General Conditions.

Article VI. REPRESENTATIVES OF THE BORROWER; ADDRESSES

Section 6.01. The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Fund General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 12.02 of the Fund General Conditions:

For the Borrower:

Minister of Finance
Ministry of Finance
Manila
Philippines

Cable Address:

MINFIN
Manila

Telex:

7550-CBP-PH
026-CB-CONF

For the Fund:

International Fund for Agricultural Development
Via del Serafico 107
00142 Rome
Italy

Cable address:

IFAD
Rome

Telex:

614160 IFAD Rome
614162

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names in Rome, Italy, as of the day and year first above written.

Republic of the Philippines:

By: CESAR VIRATA
Authorized Representative

International Fund for Agricultural Development:

By: A. SUDEARY
President
