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U.S.A.I.D. Project No. 492-0452

AMENDMENT NO. 12

TO THE

PROJECT GRANT AGREEMENT

BETWEEN THE

REPUBLIC OF THE PHILIPPINES

AND THE

UNITED STATES OF AMERICA

FOR THE

PHILIPPINE ASSISTANCE PROGRAM SUPPORT PROJECT

Dated: July 13, 2000

**PHILIPPINE ASSISTANCE PROGRAM SUPPORT PROJECT
AMENDMENT NO. 12 TO PROJECT GRANT AGREEMENT NO. 492-0452**

THIS AMENDMENT NO. 12, is entered into as of the 13th day of
July, 2000, between the REPUBLIC OF THE PHILIPPINES (the
"Grantee") and the UNITED STATES OF AMERICA, acting through the United States
Agency for International Development ("U.S.A.I.D.").

WHEREAS, the Grantee and U.S.A.I.D. entered into project Grant Agreement
No. 492-0452 (the "Agreement") on January 30, 1990, whereby U.S.A.I.D. agreed to
provide an initial increment of \$9,000,000 in Grant Funds for the Philippine Assistance
Program Support Project (the "Project").

WHEREAS, through previous amendments to the Agreement, the amount of
Grant funds was increased to \$79,084,443.

WHEREAS, U.S.A.I.D. desires to increase further the amount of Grant funds by
\$4,000,000.

NOW, THEREFORE, the Grantee and U.S.A.I.D. hereby agree to amend the
Agreement as follows:

1. Paragraph (a) of Section 3.1 ("The Grant") is amended by deleting the phrase "Seventy-Nine Million, Eighty-Four Thousand, Four Hundred Forty-Three United States Dollars (US\$79,084,443) ('Grant')" and substituting the phrase "Eighty-three Million, Eighty-Four Thousand, Four Hundred Forty-Three United States Dollars (US\$83,084,443) ('Grant')."

2. Paragraph (b) of Section 3.2 ("Grantee Resources for the Project") is amended in its entirety to read as follows:

"Resources provided or caused to be provided by the Grantee for the Project will not be less than the equivalent of US\$ 27,494,814 in cash and/or "in kind". An additional Pesos 39,414,594 (US\$ 1,477,500) will be in cash expenditures to offset value-added tax (VAT) charges, including expanded VAT charges, assessed on Grant-financed goods and services during the life of the Agreement."

3. Annex I ("Amplified Project Description") is hereby amended by changing the title of Section II.B from "Evaluation and Audit" to "Program Management, Monitoring, Evaluation and Audit" and adding the following after the last paragraph:

"Funds obligated for program management, monitoring, evaluation and audit may be unilaterally committed by U.S.A.I.D. for its administrative and operating costs related to the implementation of activities covered under this Agreement (including personnel costs, rent, utilities, furniture, equipment, and other support costs)."

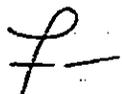
4. Annex 1 ("Amplified Project Description") is further amended by deleting Attachment 1 thereto ("Financial Plan") and substituting therefor the new version of Attachment 1 which is attached hereto.

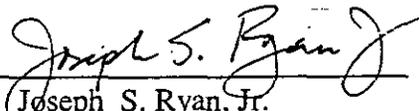
Except as expressly amended herein, the Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF THE PHILIPPINES

UNITED STATES OF AMERICA

By: 
Felipe M. Medalla
Director-General
National Economic and
Development Authority

By: 
Joseph S. Ryan, Jr.
Acting Mission Director
United States Agency for
International Development

Amendment No. 12
Attachment 1

Illustrative

PHILIPPINE ASSISTANCE PROGRAM SUPPORT PROJECT
REVISED FINANCIAL PLAN (in US Dollars)
PROJECT NO. 492-0452

PROJECT ELEMENT	OBLIGATION AS OF AMEND NO. 11	ADJUSTMENT IN OBLIGATION	REVISED LIFE-OF-PROJECT AMOUNTS	
			AID	GOP/PRIVATE SECTOR 1/
1. CCPAP Activities	28,500,000	(784,288)	27,715,712	9,464,871
2. Energy	9,650,000		9,650,000	643,000
3. Economic Development	40,684,443	4,184,288	44,868,731	18,864,443
4. Program Management, Monitoring, Evaluation and Audit	250,000	600,000	850,000	-
TOTAL	79,084,443	4,000,000	83,084,443	28,972,314
				112,056,757

(Either party may unilaterally, with written notice to the other, adjust line items in this budget to a maximum of 15 percent per line item provided, however, that the total obligated amount as shown in the budget is not exceeded; the total contribution by the Grantee is not reduced; and the amount budgeted for evaluation and audit is not reduced.)

1/ Includes an amount of Pesos 39,414,594 (US \$1,477,500) in cash expenditures required to cover estimated value-added taxes (VAT), including VAT charges on USAID-financed goods and services pursuant to Article 3.2 (b) of the Grant Agreement. Also includes for the economic development element, contribution from the private sector in the amount of \$6.514 million.