

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE KINGDOM OF NORWAY REGARDING ASSISTANCE TO THE PHILIPPINE COAST GUARD ("PCG") TO UPGRADE THE PHILIPPINE NATIONAL OIL SPILL CONTINGENCY PLAN ("PNOCP")

WHEREAS, the Government of the Republic of the Philippines ("the Philippines") has requested the Government of the Kingdom of Norway ("Norway") for assistance to upgrade the Philippine National Oil Spill Contingency Plan ("the Project");

WHEREAS, Norway has decided to comply with the request;

NOW, THEREFORE, the Philippines and Norway have reached the following understanding which shall constitute an Agreement between the Contracting Parties.

ARTICLE I
Scope, Goal and Objectives

1. This Agreement sets forth the terms and procedures for Norway's financial and technical assistance to the implementation of the Project as set out in the Project Summary "Upgrading of Philippine National Oil Spill Contingency Plan" dated August 1997 attached to this Agreement as Annex I.

The Project is further described in the Project Summary attached to this Agreement as Annex I.

2. The Goal of the Project is to establish the necessary legislative framework, organizational structures, manpower skills, technical standards and operational procedures for the development of an effective revised National Oil Spill Contingency Plan ("NOSCP") in the Philippines, resulting in reduced environment damage caused by oil spill in the marine environment.

3. The Objectives of the Project are to:

- Establish a Project Steering Committee involving concerned government departments/ agencies and the Philippine Coast Guard ("PCG") to co-ordinate and supervise the overall efforts to revise the NOSCP and, if appropriate serve as a standing committee for such purposes.
- Harmonize national legislation and national standards on oil spill contingency planning (for the offshore oil exploration and exploitation activities, refineries and oil terminals) in accordance with international legislation and international standards
- Develop a cost recovery mechanism, through legislation, whereby the industry partly compensates the cost incurred in maintaining an oil spill emergency preparedness system related to risks caused by the activity of the industry
- Upgrade the NOSCP to include a) offshore / ship accident and environment risk assessment, and b) Marina Resource Data Base System

Prepare concrete suggestions for the development of a revised NOSCP to be carried out by PSG

- Improve training schemes for oil spill combating personnel and in particular on the scene commanders including maintenance and cleaning of oil spill combat equipment after use.
- Assess the existing national oil spill recovery capacity and prepare for the specifications of any additional oil spill recovery vessels and equipment needed to meet future Project needs.

ARTICLE II IMPLEMENTING ARRANGEMENTS

1. Norway and the Philippines shall cooperate fully and maintain all communication lines open to ensure that the objectives of the Project are successfully attained.

2. In matters relating to the implementation of this Agreement, the Norwegian Agency for Development Cooperation ("NORAD") and PCG shall be competent to represent Norway and the Philippines respectively.

3. Representatives from Norway and the Philippines shall meet in January 2000 (the Project Meeting") to review the implementation of the project and to assess the priorities and the financial requirements for the 2000 financial year. On the basis of the proposals and the reports referred to in Article VI, the Contracting Parties shall discuss and decide upon a work plan and a budget for the coming financial year. Central elements of the discussions and all decisions from the Project Meeting shall be recorded in Agreed Minutes.

The Project meeting shall be called by the PCG and chaired by the representative of PCG. If for any reason, and by any of the Parties, during the Project period it is established that a second Project meeting is required, then the Parties shall meet in March 2000, and agree on the time and venue for the second Project Meeting. The reporting procedures and content as referred to in this Agreement for the January 2000 Project Meeting shall also apply for a possible Project Meeting

4. The Philippines through the Philippine Coast Guard, shall enter into the following contracts (collectively "the Contracts")

- A negotiated Contract with a reputable "Norwegian Classification Society" (the Consultant) regarding the implementation of the Project
- Contracts with the Norwegian Maritime Directorate and the Norwegian Pollution Control Authority (collectively "the Advisers") regarding advisory services to the Steering Committee during the project period.

The Contracts shall be submitted to Norway for approval before entering into force.

ARTICLE III Contributions and Obligations of Norway

1. Norway shall, subject to Parliamentary appropriations and on the terms and procedures set out or referred to herein, provide a financial grant not exceeding NOK 5,000,000 (Norwegian kroner five million) ("the Grant"), to be used exclusively to finance the project in the planned period 2000-2001.

2. Norway reserves the right to withhold disbursements at any time in case, i.a.,