

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE
GOVERNMENT OF CANADA CONCERNING THE POLICY, TRAINING
AND TECHNICAL ASSISTANCE FACILITY PHASE II (PROJECT NO.
734/20859)**

The Government of the Republic of the Philippines (hereinafter called the "PHILIPPINES"), and the Government of Canada (hereinafter called "CANADA") desiring to collaborate on the implementation of a Canadian development assistance project to the PHILIPPINES have reached the following understanding:

**ARTICLE I
NATURE OF THE MEMORANDUM OF UNDERSTANDING**

SECTION 1.01

This Memorandum of Understanding does not constitute an international treaty. It is a subsidiary arrangement pursuant to the objectives and purposes of the General Agreement on Development Cooperation between the PHILIPPINES and CANADA dated 13th day of November 1987 and is intended to set out the responsibilities of the two governments in relation to the Project.

**ARTICLE II
RESPONSIBLE AUTHORITIES**

SECTION 2.01

The PHILIPPINES designates the National Economic and Development Authority (hereinafter called "NEDA") as the agency responsible for the implementation of its obligations under this Memorandum of Understanding.

SECTION 2.02

CANADA designates the Canadian International Development Agency (hereinafter called "CIDA") as the agency responsible for the implementation of its obligations under this Memorandum of Understanding.

**ARTICLE III
THE PROJECT**

SECTION 3.01

The PHILIPPINES and CANADA shall participate in a program to strengthen the capacity of selected Government institutions to efficiently and effectively manage the development process (hereinafter called the "Project"). The objective of the Project is to assist selected, key Government of the Philippines (GOP) departments and agencies to develop their self-sustaining capacities to formulate, plan, implement, monitor and evaluate socio-economic and administrative policies and reform programs.

ARTICLE IV

PROJECT IMPLEMENTATION PLAN

For implementation of the Project, the PHILIPPINES and CANADA will develop a Project Implementation Plan (PIP) which will constitute an operational document between NEDA and CIDA. A duly approved Project Implementation Plan will be completed and signed within thirty (30) days from the date of the first meeting of the new Project Steering Committee, and will be attached hereto as Annex "A" and will contain, inter alia, the following:

- (a) project background and description including the Logical Framework Analysis (LFA) and CIDA's programming priorities and cross-cutting themes;
- (b) PTAF I Impact Assessment;
- (c) GOP departments and agencies which have been identified and targeted for PTAF II involvement;
- (d) project output and activity matrix, this section provides (in chart form) a description of each output indicated in the LFA including what activities are required, the resources needed to achieve the output, who is responsible for the activity, and a description of the Canadian Executing Agency (CEA) management and administrative activities;
- (e) project organization and management structure;
- (f) project steering committee, this section describes the operation of the PTAF Steering Committee (PSC), its members, its role and frequency of meetings;
- (g) project budget
- (h) project schedule;
- (i) project reports; and
- (j) unanticipated issues uncovered during the inception period which may have an effect on project implementation and annex.

ARTICLE V

CONTRIBUTION OF CANADA

SECTION 5.01

The contribution of CANADA shall consist of the provision of funds for specific project activities as well as the provision of professional services of a Canadian Executing Agency to assist in the execution of the project, all as set forth in Annex "A". The total value of CANADA'S contribution shall not exceed Ten Million Canadian Dollars (CDN\$ 10,000,000).

SECTION 5.02

The proceeds of CANADA'S contribution shall not be used by the PHILIPPINES to pay any taxes, fees, customs duties or any other levies such as value added tax charges imposed directly or indirectly by the PHILIPPINES on any goods, materials,