

March 27, 1995

SPECIFIC AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF BELGIUM AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES ON COOPERATION IN THE HELD OF AGRARIAN REFORM IN THE PROVINCES OF NEGROS ORIENTAL, BOHOL AND CEBU, REGION VII, THE PHILIPPINES

The Government of the Kingdom of Belgium, hereinafter referred to as "the Government of Belgium"

and

the Government of the Republic of the Philippines, hereinafter referred to as "the Government of the Philippines,"

Considering the Agreement on Economic, Industrial, Scientific, Technical and Development Cooperation between the Belgo-Luxembourg Economic Union and The Republic of the Philippines, signed on January 15,1987;

Considering the Memorandum of Understanding on Cooperation between the Republic of the Philippines and the Kingdom of Belgium, signed in Brussels on September 15,1994;

HAVE AGREED AS FOLLOWS:

ARTICLE 1. DEFINITION OF THE PROJECT

The Government of Belgium and the Government of the Philippines agree to join in the implementation of an "Agrarian Reform Support Project in the Provinces of Negros Oriental, Bohol and Cebu, Region VII, The Philippines", hereinafter called "the Project".

The Project is fully described in the Technical and Financial File which is attached to this Agreement and which forms an integral part of it.

The Project is planned for a period of three years.

The total Project cost is estimated at 210 million Belgian Francs or 182 million pesos. The total Belgian contribution is estimated at 140 million Belgian Francs (120 million pesos); this contribution consists in grants in cash of 125,861/000 BEF and in a contribution in kind of 14,271,472 BEF.

The contribution of the Government of the Philippines is estimated at 37 million Pesos, equivalent to 43 million Belgian Francs.

The contributions of Local Financial Intermediaries, the Local Government Units and the Project Beneficiaries are respectively estimated at 18.5 million pesos (20 million Belgian Francs), 4 million pesos (4.5 million Belgian Francs) and 2.5 million pesos (2.9 million Belgian Francs).

ARTICLE 2. RESPONSIBILITIES

2.1 The Government of Belgium nominates the Belgian Administration for Development Cooperation, hereinafter referred to as "BADC", as the coordinating agency responsible for the Belgian contribution to the project. BADC is represented in the Philippines by the Development Cooperation Division of the Belgian Embassy in Manila.

2.2 The Government of the Philippines nominates the Department of Agrarian Reform, hereinafter called DAR, as the Executing Agency, responsible for the Filipino contribution to the project.

2.3 Project activities shall be carried out by the Project Office (PO) which will be established in Dumaguete.

ARTICLE 3. CONTRIBUTION OF THE GOVERNMENT OF BELGIUM

The Government of Belgium shall make the following contribution to the Project:

3.1 Personnel

3.1.1 Permanent Adviser

- to recruit for the full duration of the Project one full time qualified Belgian Adviser. His application shall be sent for approval to DAR. In case of striking shortcomings of the expert both BADC and DAR are entitled to request the other party to withdraw him;
- to bear the salary costs of the permanent Adviser;
- to bear the costs of accommodation and of traveling on duty of the permanent Adviser, according to the Belgian regulations;

3.1.2 Belgian Short-Term Expert

- to recruit one Belgian Short-Term Consultant for the Consulting Mission and to bear the costs of his traveling, accommodation and fees according to the Belgian regulations;

3.1.3 Filipino personnel

- to bear part of the personnel costs for the land transfer component, for the institutional strengthening component and for the productivity component as detailed in the Technical and Financial File;
- to bear the costs of the traveling, the accommodation and the fees, according to the Filipino regulations, for the local Short-Term Consultant for the evaluation mission, as described in Article 6 hereafter;
- to bear the salary of one Financial Controller in the Project Office;
- to contract a national NGO/Farmer's Organization (FO)/or any other legitimate and qualified institution which will provide

the Project Manager and 3 specialists in agronomy/agricultural economics, training, monitoring and evaluation;

3.2 Equipment

- to procure and to bear the entire cost of the equipment as detailed in the Technical and Financial File;
- to bear the costs of the CEF transportation of the equipment, imported from Belgium, to Cebu port or airport;

All equipment purchased by BADC remains the property of Belgium during the implementing period of the Project. At the end of the Project, the Government of Belgium and the Government of the Philippines will agree on the transfer of the property of this equipment to the Philippines.

3.3 Infrastructure

- to bear the costs of the Project Office in Dumaguete as described in the Technical and Financial File;

3.4 Operational and Recurrent Costs

- to bear a part of operational and recurrent costs for the land transfer component for the institutional strengthening component and for the productivity component, as described in the Technical and Financial File;

ARTICLE 4. CONTRIBUTION OF THE GOVERNMENT OF THE PHILIPPINES

The Government of the Philippines shall make the following contributions to the project:

4.1 In general:

- to provide all necessary assistance to the permanent Adviser and to the Belgian and local consultants in order to perform their project activities;
- to provide to the permanent Adviser, to the Belgian and local consultants, all available information and documentation which might be relevant to the project;
- to facilitate the execution of the project, its sustainability and continuity at the end of the Belgian contribution;

4.2 Personnel

4.2.1 Permanent Adviser

- to exempt the permanent Adviser from internal taxes;
- to exempt the permanent Adviser from payment of custom duties and other taxes on his personal effects imported "within six months .after his first arrival;