

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND AND
THE GOVERNMENT OF CANADA CONCERNING THE PHILIPPINES
CANADA ENVIRONMENTAL AND ECONOMIC MANAGEMENT
PROJECT (PCEEM) MEMORANDUM OF UNDERSTANDING
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE
PHILIPPINES AND THE GOVERNMENT OF CANADA CONCERNING
THE PHILIPPINES CANADA ENVIRONMENTAL AND ECONOMIC
MANAGEMENT PROJECT (PCEEM)**

The Government of the Republic of the Philippines (hereinafter called the "PHILIPPINES"), and the Government of Canada (hereinafter called "CANADA") desiring to record an understanding concerning Canadian development assistance in the Philippines have agreed as follows:

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

SECTION 1.01

This Memorandum of Understanding constitutes a subsidiary arrangement made pursuant to the General Agreement on Development Co-operation between the PHILIPPINES and CANADA , dated 13th day of November 1987, and is intended to set out the responsibilities of the PHILIPPINES and CANADA in relation to the Project described in Article III. It does not constitute an international treaty.

**ARTICLE II
RESPONSIBLE AUTHORITIES**

SECTION 2.1

CANADA designates the Canadian International Development Agency (hereinafter called "CIDA") to assume its responsibilities under this Memorandum of Understanding. CANADA will designate a Canadian Executing Agency (hereinafter called "CEA") to be contracted through the open bidding system to assume the responsibilities related to the implementation of the Project described in Article III.

SECTION 2.02

THE PHILIPPINES designates the Department of Environment and Natural Resources (hereinafter called "DENR") to assume its responsibilities under this Memorandum of Understanding and to chair an Executive Committee which will oversee the implementation of the Project.

**ARTICLE III
THE PROJECT**

SECTION 3.01

The PHILIPPINES and CANADA will participate in the implementation of the Philippines-Canada Environmental and Economic Management Project (hereinafter called "THE PROJECT"). The goal of the Project is to improve the management of the watershed ecosystems in Metro Cebu and Davao City. The purpose of the Project is to strengthen and enhance the capacity of Metro Cebu and Davao City to adopt innovative government, industry, and local community governance systems to address natural resources management problems affecting their respective watershed ecosystems.

SECTION 3.02

The Project is described in Annex "A" of this Memorandum of Understanding.

ARTICLE IV MANAGEMENT PLAN

SECTION 4.01

For the purpose of implementing the Project, CIDA and DENR will review and approve the Management Plan which will constitute an operational document and will govern project activities. The proposed Management Plan will be finalised and signed within one hundred and twenty (120) days from the date of the signature of the CEA contract and when duly signed on behalf of CIDA and DENR will be attached hereto as Annex D and will contain, inter alia, the following:

- a) a detailed description of the Project;
- b) an outline of the methods and means to be used to implement the Project;
- c) a schedule for the implementation of the project activities, including a milestones chart;
- d) the reporting requirements for the Project;
- e) the nature, timing and responsibilities for project evaluations and the means by which they will be made;
- f) the resources required for the Project; and
- g) a statement of additional obligations, duties and responsibilities of CIDA and DENR together with their contributions, financial and otherwise.

The Management Plan may be amended, as required, without recourse to the formal amendment procedure referred to in section 12.02.

ARTICLE V CONTRIBUTION OF CANADA

SECTION 5.01

The contribution of CANADA will consist of the development of the capacity within the Philippines to conduct strategic planning and integrated ecosystem-based natural resources management and monitoring and evaluation of the Project. CANADA'S contribution is described in Annex B of this Memorandum of

Understanding. The total value of CANADA'S contribution will not exceed nine million two hundred thousand Canadian dollars (Cdn\$9,200,000).

SECTION 5.02

The proceeds of CANADA'S contribution will not be used by THE PHILIPPINES to pay any taxes, fees, customs duties or any other levies or charges imposed directly or indirectly by THE PHILIPPINES on any goods, materials, equipment, vehicles and services purchased or acquired for, or in relation to, the implementation of the Project.

ARTICLE VI CONTRIBUTION OF THE PHILIPPINES

SECTION 6.01

The contribution of the PHILIPPINES is described in Annex C of this Memorandum of Understanding. It will consist of one million five hundred thousand Canadian dollars (Cdn\$1,500,000).

ARTICLE VII ENVIRONMENTAL ASSESSMENT

SECTION 7.01

Since this Memorandum of Understanding involves the carrying out of one or more than one project (hereinafter called "The Project") as defined under the Canadian Environmental Assessment Act and its regulations (hereinafter called "the CEAA"), which could have environmental effects, CANADA will ensure that an environmental assessment of the project is conducted in accordance with the CEAA, before CIDA provides financial assistance for the purpose of enabling the project to be carried out. To that effect, the CEA as designated by CIDA will ensure that such assessment is conducted in accordance with the environmental assessment process enacted by the CEAA.

SECTION 7.02

The CEA will immediately provide CIDA with the screening report and all the records relating to the environmental assessment of the project (hereinafter called "the records") in order that CIDA may, as required by the CEAA, decide on a course of action. CIDA will place the records in the public registry kept in Canada as required by the CEAA.

SECTION 7.03

At the time the CEA provides CIDA with the records, and before they are placed in the public registry, the Philippines may request that a record or any part of a record be exempted under the CEAA, or be exempted under the Access to Information Act or the Privacy Act in effect in Canada.

ARTICLE VIII INFORMATION

SECTION 8.01

THE PHILIPPINES and CANADA will ensure that this Memorandum of Understanding is implemented with due diligence and efficiently, and each will furnish to the other all such information relating to the Project as will reasonably be requested.

ARTICLE IX COMMUNICATIONS

SECTION 9.01

Any communications or documents given, made or sent by either the PHILIPPINES or CANADA pursuant to this Memorandum of Understanding, will be in writing and will be deemed to have been duly given, made or sent to the addressee for which they are intended when they have been delivered by hand, mail or facsimile to the following address:

FOR THE PHILIPPINES:

Secretary
Department of Environment and Natural Resources
DENR Building
Visayas Avenue,
Diliman, Quezon City
Facsimile: 632-920-4352

FOR CANADA:

The President
Canadian International Development Agency
200 Place du Portage
Hull, Quebec
K1A 0G4
Facsimile: 819-953-5469

SECTION 9.02

THE PHILIPPINES or CANADA may, by written notice to the addressee hereto, change the address to which all documents or communications are to be submitted.

SECTION 9.03

All communications and documents submitted to THE PHILIPPINES will be the English language and all communications and documents submitted to CANADA will be in either the English or the French language.

ARTICLE X CONSULTATION

SECTION 10.01

THE PHILIPPINES and CANADA will consult each other in respect of any matter that may arise in connection with this Memorandum of Understanding

ARTICLE XI APPLICATION

SECTION 11.01