

May 03, 1996

**AGREEMENT BETWEEN THE GOVERNMENT OF THE KINGDOM OF
NORWAY AND THE GOVERNMENT OF THE REPUBLIC OF THE
PHILIPPINES REGARDING ASSISTANCE TO THE MARITIME
INDUSTRY AUTHORITY (MARINA)**

WHEREAS the Government of the Kingdom of Norway ("Norway"), upon request from the Government of the Republic of the Philippines ("the Philippines"), desires to assist MARINA in meeting the requirements related to the implementation of the revised STCW (Standard of Training Certification and Watchkeeping for Seafarers) Convention, and to strengthen the friendly relations which exist between the Philippines and Norway,

NOW, THEREFORE, Norway and the Philippines have reached the following understanding:

**Article I
SCOPE AND OBJECTIVES**

1.This Agreement sets forth the terms and procedures for Norway's assistance to MARINA during the planned period 1996 to 1999, as outlined in Annex I to this Agreement (the "Project").

2.The Project is further outlined in the "Project Document for the Project Proposal to Implement the Revised 1978 STCW Convention" of 25 November 1995 ("the Project Document").

3.The goal of the Project is to enable MARINA to meet the requirements related to the implementation/coming into force of the revised STCW Convention on 1 February 1997 by strengthening its institutional capability, to improve the standard of maritime training, education and certification, and to ensure that the Philippines can satisfactorily comply with the requirements of the revised Convention on 1 August 1998.

4.The objectives of the Project is to ensure availability of adequately trained/competent staff to implement the revised STCW Convention, to implement Regulation 1/8 (Quality Standards) of the revised STCW Convention, to establish a Quality Standard System for administration of the Training and Certification System and to institutionalise a mechanism to ensure effective interlinkages with relevant government agencies to improve and maintain the integrity of STCW related-documents (such as certificates).

**Article II
CO-OPERATION - PRESENTATION - ADMINISTRATION**

1.The Philippines and Norway shall co-operate fully to ensure that the purpose of the Project is successfully accomplished. To that effect each Party shall furnish to the other Party such information as may reasonably be required pertaining to the Project.

2. In matters relating to the implementation of this Agreement the Norwegian Agency for Development Co-operation, ("NORAD") and MARINA shall be the competent representatives of Norway and the Philippines respectively.

3. MARINA shall have the overall responsibility for the implementation of the Project.

4. Representatives of the Philippines and Norway shall have annual consultations to review the implementation of the Project and discuss and agree upon annual work plans and budgets. The basis for the consultations shall be the documentation specified in Art. VI, para. 3 below.

These consultations shall be held in August. Central elements of the discussions and all decisions shall be recorded in Agreed Minutes.

5. The audit referred to in Art. VI, para. 4 below shall be governed by Philippine government auditing rules and regulations.

The Philippines will enter into a contract with the Norwegian Maritime Directorate ("the Technical Adviser") for advisory services and assistance during the implementation of the Project. The contract, including terms of reference as well as any amendments of the contract, shall be approved by Norway before entering into force.

Costs connected with the contracts mentioned above shall be covered by the Grant.

Article III

CONTRIBUTIONS AND OBLIGATIONS OF NORWAY

1. Norway shall, subject to Parliamentary appropriations, and on the terms and conditions set forth herein, provide a financial grant not exceeding NOK 5,200,000 (Norwegian kroner five million two hundred thousand) ("the Grant") to be used exclusively to finance the Project.

2. Norway reserves the right to withhold disbursements at any time in cases of:

- substantial deviations from agreed plans and budgets occur;
- resources to be allocated by the Philippines are not provided as agreed;
- reports are not delivered as agreed in Article VI;
- the Project develops unfavourably in terms of the objectives of the Agreement.

Before withholding any disbursements from the Grant, the Parties shall consult with a view to reach a solution in the matter.

3. Any accrued interest on the Grant may be used according to the objectives of the Project as agreed by the Parties.

4. Any funds not fully utilised for one activity may upon written agreement between the Parties be utilised for the benefit of other activities within the scope of the Project.

Article IV

CONTRIBUTIONS AND OBLIGATIONS OF PHILIPPINES

The Philippines shall make all reasonable efforts to facilitate the successful implementation of the Project, and shall hereunder:

1. Provide Philippine Peso 11.775 Million (equivalent to about NOK 2.88 Million at $PI00 = NOK 0.24478$) to cover the activities as specified in the Project Document, Art VI, C including such facilities, services and arrangements to be agreed upon in the contract with the Consultant referred to in Art. II, para. 5 above;
2. Have the overall responsibility for the planning, administration and implementation of the Project, including all categories of works, repair and maintenance of equipment, spare parts, goods and materials made available under this Agreement;
3. Provide, immediately as and when needed, all financial and other resources, that may be required over and above the Grant to secure the successful implementation of the Project;
4. Keep specified accounts for all expenditures charged to the Project;
5. Ensure that the use of the Grant is in the plans of MARINA;
6. Furnish the Technical Adviser with all such data and information relevant to the Project as may be reasonably requested with a view to secure a successful implementation of the Project.
7. Seek exemption for or pay any customs duties, sales taxes and other taxes, fees and levies on all equipment, materials and supplies, whether new or used, financed by the Grant and imported into the Philippines for the benefit of the Project. However, in case any item is exempted from import duties or levies and the same is disposed of in the Philippines other than to a person or organization entitled to a similar exemption, such person or organization will be liable to pay import duties and : levies at the rate required by Philippine law.
8. Seek exemption for or pay the Technical Adviser and/or his employees any income tax or any other revenue tax payable under the laws of the Philippines in respect of the I emoluments paid by NORAD, if applicable;
9. Assist in granting all necessary visas, permits, import licences, and foreign exchange : permissions that may be required in connection with the implementation of the : Project;
10. Promptly inform Norway of any condition which interferes or threatens to | interfere with the successful implementation of the Project;
11. Permit representatives of Norway to visit any part of the Philippines for purposes related to this Agreement and examine any relevant records, goods and documents.

Article V PROCUREMENT

1. The Philippines undertakes to effect certain procurements of goods referred to in the Project Document and is responsible for the contracts to be signed.

The contracts shall be submitted to Norway for information.