

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE
GOVERNMENT OF AUSTRALIA RELATING TO THE PHILIPPINES-
AUSTRALIA TECHNICAL AND VOCATIONAL EDUCATION PROJECT**

1. GENERAL

1.1 This Memorandum expresses the understandings of the Government of the Republic of the Philippines and the Government of Australia concerning the responsibilities and contributions respectively of the two Governments with regard to the implementation of the Philippines-Australia Technical and Vocational Education Project.

1.2 This Project and its objectives and the responsibilities and contributions of the two Governments are described further in Annexes 1 to 4 of this Memorandum of Understanding.

1.3 The Project is concerned with improvements to the DECS controlled technical education, post-secondary sub-sector. Within this sub-sector, the Project focuses upon: (i) training of technicians in the seven technological fields; (ii) training of tradespersons in twelve trade areas of study; and (iii) associated training, planning and support services.

2. DEFINITIONS

In this Memorandum of Understanding:

(a) "Australian institutions, firms and organizations" means Australian institutions, firms and organizations engaged in the Project;

(b) "Australian personnel" means Australian nationals or permanent residents or other persons who are not nationals or permanent residents of the Philippines who are working in the Philippines on the Project and whose salaries and other costs are funded from the contribution of the Government of Australia to the Project;

(c) "dependent/dependant" means the spouse or unmarried minor children of a member of the Australian personnel or any other person recognized by the two Governments as a dependent/dependant of a member of the Australian personnel;

(d) "professional and technical material" means equipment and other goods imported by members of the Australian personnel or Australian institutions, firms and organizations for their professional use in carrying out their assigned duties under the Project and paid for from funds provided by the Government of Australia;

(e) "project supplies" means equipment, materials and other goods supplied for the execution of the Project, the cost of which is funded from the contribution of the Government of Australia to the Project;

(f) "motor vehicles" means motor vehicles supplied for the execution of the Project, the cost of which is funded from the contribution of the Government of Australia to the Project;

(g) "services" means services performed by individuals or by general professional partnerships registered in the Philippines as detailed in Annex 1;

(h) personal and household effects" means equipment and other goods imported by Australian personnel or Australian institutions, firms and organizations for the personal use of Australian personnel and their dependents/dependants while engaged in the Project.

3. AUTHORITIES AND COORDINATION

The Executing Authorities for this Project will be:

3.1 For the Government of the Republic of the Philippines: the Department of Education, Culture and Sports through the Educational Development Projects Implementing Task Force (EDPITAF); and for the Government of Australia: the Australian International Development Assistance Bureau (AIDAB) of the Department of Foreign Affairs and Trade.

AIDAB may nominate suitably qualified agents to undertake any part of its functions on its behalf.

3.2 Project coordination will be achieved through the Project Management Committee (PMC). This Committee will assess progress and provide policy and planning direction to the Project. A representative of the Australian Embassy will be a member of the PMC when the Project is discussed. The PMC will meet and discuss the Project at least twice in a year. Additional meetings of the PMC may be requested by the DECS or by the Australian Embassy.

4. CONTRIBUTIONS

The contributions of the Government of the Republic of the Philippines and the Government of Australia, as described in Annexes 1 to 4, are estimated to value 131.79 million Philippine pesos and 22.13 million Australian dollars respectively. The financial contribution of the Government of the Republic of the Philippines will be subject to its annual congressional appropriations. The financial contribution of the Government of Australia will be subject to the normal annual parliamentary approval of appropriations.

5. PERSONNEL

5.1 Personnel provided by the Government of Australia to the Project will be responsible for ensuring the effectiveness of the contribution of the Government of Australia to the Project and will have an advisory and consultative role.

5.2 The Australian Team Leader will have administrative control with respect, to duties, discipline, leave and other administrative issues, concerning personnel funded by the Government of Australia (including Philippine nationals employed as consultants) to achieve Project objectives and subject to the laws and regulations of the Republic of the Philippines.

6. PROJECT REVIEW

A major review of progress of the Project may be made at times arranged between, and mutually convenient to, the two Governments. Such a review would be undertaken by a joint investigation team appointed by the two Governments and independent of staff involved in the Project,

7. PROJECT SUPPLIES, MOTOR VEHICLES AND PROFESSIONAL AND TECHNICAL MATERIAL AND SERVICES

7.1 In respect of project supplies, motor vehicles and professional and technical material and services whether to be imported into and/or procured within the Philippines, the Government of the Republic of the Philippines will:

(a) be responsible for the payment of import duties. Value Added Tax (VAT) and other duties and taxes imposed in the Philippines; and be responsible for inspection fees, storage charges and all other levies, fees and charges:

(b) facilitate the expeditious clearance and release of imported project supplies and motor vehicles including the provision of appropriate customs and wharfage facilities in the port, of entry closest to the site of the Project; and

(c) unless provided otherwise, provide expeditious internal transport to the site of the Project,

7.2 Project supplies and motor vehicles provided by the Government of Australia for the Project will be available for the unrestricted use of the Project and will not be withdrawn from that use without the consent of the Government of Australia.

7.3 Motor vehicles provided by the Government of Australia will be under the administrative control of the Australian Team Leader for the duration of the Project. At the completion of the Project, all motor vehicles will be handed over to the Philippine Executing Authority in furtherance of the objectives of the Project or other Australian-assisted projects in the education sector.

8. IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

In respect of the importation into the Philippines of bona fide personal and household effects for the personal use of Australian personnel or their dependents/dependants, which accompany such persons or arrive within six months from the date of their first arrival in the Philippines, the Government of the Republic of the Philippines will:

(a) be responsible for the payment of all customs duties, other duties, taxes, levies and other charges of similar nature; and

(b) expedite their clearance through customs,

9. MOTOR VEHICLES FOR PERSONAL USE

9.1 Subject to 9.3, the Government of the Republic of the Philippines will be responsible for the payment of all customs duties, VAT and excise tax in respect of one motor vehicle imported into the Philippines or purchased locally by Australian personnel for their personal use once during the project period provided that: