

GENERAL AGREEMENT ON DEVELOPMENT COOPERATION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF AUSTRALIA

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THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF AUSTRALIA,

DESIRING to strengthen the existing cordial relations between the two countries and their peoples, and

DESIRING to foster development cooperation between the two countries in conformity with the socio-economic development programs of the Government of the Republic of the Philippines,

HAVE AGREED as follows:

ARTICLE 1

OBJECTIVE

Both Governments shall cooperate in a Program of development cooperation to encourage equitable economic and social development in the Philippines.

ARTICLE 2

ACTIVITIES OF THE PROGRAM OF DEVELOPMENT COOPERATION

The Government of Australia and the Government of the Republic of the Philippines shall under this Agreement promote a Program of development cooperation between their two countries. The Program may include the following forms of assistance:

- (a) the sending of missions to the Philippines to study and analyze opportunities for Australian assistance;
- (b) the granting of scholarships to nationals of the Republic of the Philippines for studies and professional training in Australia, the Philippines or a third country;
- (c) the assignment of Australian experts, advisers and other specialists to the Philippines;
- (d) the provision of equipment, materials, goods and services required for the successful execution of development projects in the Philippines;
- (e) the development and carrying out of collaborative research, studies and projects designed to contribute to the attainment of the objectives of this Agreement;
- (f) the encouragement and promotion of relations between firms, institutions and persons of the two countries;
- (g) promotion of sound development of trade and industry; and
- (h) any other form of assistance, reportable as official development assistance (ODA) under the OECD Development Assistance Committee (DAC) guidelines as may be determined by the two Governments.

ARTICLE 3

DEFINITIONS

In this Agreement:

- (a) "Australian institutions, firms and organizations" means Australian institutions, firms or organizations engaged in a development activity under this Agreement;
- (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 an activity under this Agreement and whose salaries or other costs are funded from the contribution of the Government of Australia to the activity;
- (c) "dependant" means the spouse and unmarried minor children of a member of the Australian personnel or any other person recognized by the two Governments as a 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 while engaged in an activity under this Agreement and paid for from funds provided by the Government of Australia;
- (e) "project supplies" means equipment, material and other goods supplied for the execution of development activities under this Agreement, the cost of which is funded from the contribution of the Government of Australia to the activity,
- (f) "services" means services performed by individuals or by general partnerships registered in the Philippines;
- (g) "intellectual property" shall include the rights relating to:
 - (i) literary, artistic and scientific works, usually referred to as copyright;
 - (ii) inventions in all fields of human endeavor, usually referred to as patents;
 - (iii) scientific discoveries;
 - (iv) trademarks, service marks and commercial names and designations;
 - (v) protection against unfair competition; and
 - (vi) all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields including any rights in intellectual activity arising solely or partly by the restraint of confidence,
- (h) "personal and household effects" means equipment and other goods imported by members of the Australian personnel or Australian institutions, firms and organizations for the personal use of Australian personnel and their dependants while engaged in an activity under this Agreement; and
- (i) "activity" means any discrete unit of development assistance which may include any one or more of the forms of assistance described in Article 2.

ARTICLE 4

COORDINATING AUTHORITIES

1. The Australian International Development Assistance Bureau of the Department of Foreign Affairs and Trade shall be the coordinating authority for the Government of Australia. The National Economic and Development Authority shall be the coordinating authority for the Government of the Republic of the Philippines.
2. The two coordinating authorities shall be responsible for the planning and coordinating of the Program of development cooperation. Their functions shall include but not be limited to:

- (a) establishing priorities for the Program;
- (b) choosing activities for implementation under the Program;
- (c) reviewing and reporting on progress in the Program to the two Governments; and
- (d) recommending to the two Governments any appropriate changes to the Program including budget and future development.

ARTICLE 5

SUBSIDIARY ARRANGEMENTS

1. In support of the objectives of this Agreement, the Government of Australia and the Government of the Republic of the Philippines, or their agencies, statutory authorities or organizations, may conclude subsidiary arrangements in respect of specific activities.

2. Subsidiary arrangements shall make specific reference to this Agreement and the terms of this Agreement shall, unless otherwise stated, apply to such subsidiary arrangements. Wherever possible, such subsidiary arrangements shall set out:

- (a) the name and duration of the activity;
- (b) a description of the activity and statement of its objectives;
- (c) the nominated implementing agencies in both countries;
- (d) potential benefits of the activity;
- (e) details of the contributions to the activity by the two Governments and other donors including:
 - (i) financial contributions;
 - (ii) materials, services and equipment to be supplied;
 - (iii) the numbers and areas of expertise of Australian, Filipino and other personnel to be engaged; and
 - (iv) estimated annual budgets;
- (f) arrangements for management and control, including those for reporting;
- (g) timetable for implementation; and
- (h) procedures for evaluations and review.

ARTICLE 6

RESPONSIBILITIES

The Government of Australia shall assume the responsibilities described in Annex A and the Government of the Republic of the Philippines shall assume the responsibilities described in Annex B in respect of any specific activity established under a subsidiary arrangement unless otherwise indicated in such subsidiary arrangement. Annexes A and B shall be integral parts of this Agreement.

ARTICLE 7

PROJECT SUPPLIES AND PROFESSIONAL AND TECHNICAL MATERIAL AND SERVICES

1. In respect of project supplies and professional and technical material and services whether to be imported from outside or procured within the Philippines, the Government of the Republic of the Philippines shall:

(a) for direct supplies of domestic goods and services, subject them to zero rate for purposes of Value Added Tax (VAT); exempt direct importation of goods from import duties, VAT and other taxes imposed in the Philippines (or pay such duties thereon); and be responsible for inspection fees, storage charges and all other levies, fees and charges;

(b) facilitate the expeditious clearance and release of imported goods including the provision of appropriate customs and wharfage facilities in the port of entry closest to the site of the activity; and

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

2. Project supplies provided by the Government of Australia for a specific activity under this Agreement shall be available for the unrestricted use of that specific activity and shall not be withdrawn from that use without the consent of the Government of Australia.

3. The disposal of vehicles provided for activities executed under this Agreement shall be the subject of discussions between the two Governments and shall take into account the transport requirements of other activities assisted by the Government of Australia under the Program of development cooperation.

ARTICLE 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 dependants, which accompany such persons or arrive within six (6) months from the date of their arrival in the Philippines, the Government of the Republic of the Philippines shall:

(a) provide exemption from customs duties, other duties, taxes, levies, and other charges of similar nature; and

(b) expedite their clearance through customs

ARTICLE 9

MOTOR VEHICLES FOR PERSONAL USE

1. The Government of the Republic of the Philippines shall exempt each member of the Australian personnel from the payment of customs duties, excise tax and Value Added Tax (VAT) in respect of one motor vehicle imported into the Philippines or purchased locally for their personal use once every five (5) years provided that:

(a) such imported motor vehicle has been used by the person concerned in the country of his or her last posting or such motor vehicle is purchased locally or from a third country within the period of six (6) months from the date of his or her arrival in the Philippines;

(b) no transfer of ownership shall be made within a period of three (3) years from the time such motor vehicle was registered, unless the member of the Australian personnel is posted to another country or his or her contract in the Philippines has expired;

(c) the motor vehicle conforms with existing regulations on the allowable imported motor vehicles; and

(d) if the motor vehicle is sold or otherwise disposed of to non-exempt entities or personnel, it shall be subject to the normal duties and other charges at the rate in force on the date the exemption was given and on its entered value at the time of disposal.

2. In the event of fire, theft, substantial damage or destruction, the exemptions under this Article may be re-exercised at any time during the assignment of the person concerned.

ARTICLE 10

EXPORT OF PROFESSIONAL AND TECHNICAL MATERIAL AND PERSONAL AND HOUSEHOLD

EFFECTS

In respect of the export from the Philippines at the end of the assignment of Australian personnel, of professional and technical material, personal and household effects and motor vehicles for personal use, the Government of the Republic of the Philippines shall:

- (a) provide exemption from customs duties, other duties, taxes, levies and other charges of similar nature; and
- (b) expedite clearance through customs and other export controls.

ARTICLE 11

ADDITIONAL ADVANTAGES

In addition to the advantages under this Agreement, the Government of the Republic of the Philippines shall accord Australian personnel, institutions, firms and organizations the treatment not specifically provided for in this Agreement, which is granted by the Government of the Republic of the Philippines to personnel, institutions, firms and organizations from countries other than Australia, who are working in the Philippines under technical cooperation programs.

ARTICLE 12

CLAIMS

The Government of the Republic of the Philippines shall deal with any claim which may be brought by third parties against Australian personnel and Australian firms, institutions and organizations and shall hold harmless said Australian personnel and Australian firms, institutions and organizations from civil liability for acts or omissions occurring in the course of the performance of their duties in the execution of any specific activity established under any subsidiary arrangement except for their acts arising from gross negligence or willful misconduct.

ARTICLE 13

INTELLECTUAL PROPERTY

The issue of intellectual property rights acquired in the course of implementation of this Agreement or arising directly or indirectly from collaborative research projects under or relating to this Agreement shall be the subject of a separate agreement between the Government of Australia and the Government of the Republic of the Philippines. Negotiations on such an agreement shall commence at a date to be mutually determined by the Government of Australia and the Government of the Republic of the Philippines.

ARTICLE 14

TAXES ON INCOME

The Government of the Republic of the Philippines shall exempt Australian personnel and Australian firms, institutions and organizations from income taxes or other similar taxes on income or profits, salaries, wages and other remuneration paid for by the Government of Australia and derived from work performed under this Agreement in the Philippines. Furthermore, Australian personnel and Australian firms, institutions and organizations shall be exempt from these taxes on income derived from work performed outside the Philippines which income is not transferred into the Philippines.

ARTICLE 15

REMITTANCE OF FUNDS

The Government of the Republic of the Philippines shall facilitate repatriation by Australian personnel, firms,

institutions and organizations of their funds in accordance with rules and procedures laid down by the Central Bank of the Philippines and consistent with the rights and obligations of the Philippines as a member of the International Monetary Fund.

ARTICLE 16

LOCAL LAWS AND REGULATIONS

The Government of the Republic of the Philippines shall inform and keep advised Australian personnel and Australian firms, institutions and organizations of local laws and regulations which may concern them in the performance of their duties.

ARTICLE 17

CONSULTATIONS

1. There shall be an annual meeting of senior officials from the two Governments to consider:

- (a) the direction, composition and contribution of Australian development cooperation to the development of the Philippines;
- (b) the effectiveness of the administration of development cooperation; and
- (c) future development cooperation between the two countries.

2. The two coordinating authorities and other institutions and organizations of both countries which have an interest in development cooperation may attend the meeting.

3. The two Governments shall consult at any time upon the request of either Government regarding any matter arising under this Agreement or under any subsidiary arrangement and shall endeavor in a spirit of cooperation and mutual trust to resolve all difficulties or misunderstandings which may arise.

ARTICLE 18

FINANCIAL COMMITMENTS

1. Each Government's contribution to the Program of development cooperation and to individual activities within the Program shall be conditional upon annual parliamentary or congressional appropriations.

2. Program or activity financial disbursement estimates shall be indicative planning figures and not financial commitments.

ARTICLE 19

DURATION

1. This Agreement shall enter into force on the day on which the two Governments exchange Notes notifying each other of the fulfillment of their respective constitutional and other requirements to give effect to the Agreement.

2. The Agreement shall remain in force initially for five (5) years and thereafter until terminated by either Government with not less than six (6) months prior written notice.

3. The terms of this Agreement shall nevertheless continue to apply to development activities being carried out pursuant to this Agreement and begun prior to the receipt of the termination Notice referred to in paragraph 2 of this Article, until the completion of those activities.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

DONE in duplicate at Sydney on this twenty-eighth day of October, one thousand nine hundred and ninety-four.

(Sgd.)

(Sgd.)

FOR THE GOVERNMENT OF
THE REPUBLIC OF THE PHILIPPINES:

FOR THE GOVERNMENT OF
AUSTRALIA:

ANNEX A

RESPONSIBILITIES OF THE GOVERNMENT OF AUSTRALIA

1. Unless provided otherwise, the contributions of the Government of Australia for development activities shall be as follows:

(a) the cost of professional and other services required for the execution of development activities, including the following costs relating to Australian personnel:

(i) their salaries, fees, travel expenses between Australia and the Philippines, accommodation and living expenses and any other allowances; and

(ii) the cost of shipping their personal and household effects, including professional and technical materials between their normal place of residence and the port of entry and departure in the Philippines;

(b) the cost of providing activity supplies or commodities and the cost of their transportation to the port of entry in the Philippines;

(c) contributions related to Filipino scholarship holders up to levels set for all holders of Australian aid funded scholarship awards such as:

(i) registration and tuition fees;

(ii) a book and equipment allowance;

(iii) a living allowance, including provision for accommodation costs and a clothing allowance;

(iv) medical and hospital expenses;

(v) economy-class fares for international or domestic travel outside the Philippines by air or any other approved means of transportation, in compliance with the requirements of the scholarship programs; and

(vi) cost of shipping of their personal effects outside the Philippines.

2. Contracts for the purchase of Australian-funded supplies or commissioning of services required to execute activities referred to in Article 2 shall be signed in the name of the Government of Australia or one of its agencies.

3. The Government of Australia shall provide the Government of the Republic of the Philippines in a timely manner, with the names of the Australian personnel and their dependants entitled to the rights and privileges set forth in this Agreement.

ANNEX B

RESPONSIBILITIES OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES

Unless provided otherwise, the contributions of the Government of the Republic of the Philippines shall be as follows:

- (a) all agreed counterpart costs in support of activities included in the Program of development cooperation;
- (b) transport of Australian personnel and supplies within the Philippines in accordance with the execution requirements of development activities;
- (c) facilitation of travel within the Philippines of Australian personnel in the performance of their duties;
- (d) permission to use means of communication in the Philippines appropriate to the needs of the development activities involved;
- (e) permits, licenses and other documents necessary to enable Australian personnel and Australian firms, institutions and organizations to perform their duties in the Philippines;
- (f) visas for Australian personnel and their dependants, and import and export permits for personal, professional and technical material, and the personal and household effects of Australian personnel;
- (g) provision of furnished office premises and office services, from existing resources wherever possible, where such premises and services are needed by Australian personnel and Australian firms, institutions and organizations to carry out their duties;
- (h) reports, records, maps, statistics and other information related to development activities and likely to assist Australian personnel in carrying out their duties;
- (i) provision of security arrangements for Australian personnel and property on sites of activities and elsewhere when they are involved in official activities in accordance with the present Agreement. The nature of such security arrangements shall be mutually determined by the two Governments;
- (j) maintenance of the salaries of public sector holders of Australian aid funded scholarship awards; and
- (k) other measures within its jurisdiction which may facilitate the execution of development activities.

WHEREAS the Government of Australia desires to conclude a General Agreement on Development Cooperation between the Government of Australia and the Government of the Republic of the Philippines:

NOW THEREFORE THESE PRESENTS CERTIFY that the Honourable GORDON NEIL BILNEY, Minister for Development Cooperation and Pacific Island Affairs, has been duly named, constituted and appointed by the Government of Australia as its plenipotentiary and representative having full power and authority to sign the General Agreement on its behalf.

IN WITNESS WHEREOF, I, GARETH JOHN EVANS, Minister for Foreign Affairs have hereunto set my hand and affixed my seal

DONE at this 16th day of October, One thousand nine hundred and ninety-four.

Minister for Foreign Affairs of Australia

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