

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE
GOVERNMENT OF AUSTRALIA RELATING TO THE ECONOMIC
POLICIES FOR THE PHILIPPINE SUGAR INDUSTRY**

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 ACIAR Project No. 8903 - ECONOMIC POLICIES FOR THE PHILIPPINE SUGAR INDUSTRY.

1.2 The project aims that to make the most of their sugar producing resources the People of the Philippines must clearly understand the economic structure of their sugar industry and how policies affect production, consumption and trade. The project is further described in Attachment 1 of this Memorandum of Understanding.

2. DEFINITIONS

In this Memorandum:

- (a) "Australian institutions, firms and organizations" means Australian institutions, firms or 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 or other costs are funded from the contribution of the Government of Australia to the project;
- (c) "dependant/dependent" means the spouse or unmarried minor children of a member of the Australia personnel or any other person recognized by the two Governments as a dependant/dependent of a member of the Australian personnel;
- (d) "professional and technical material" means equipment, motor vehicles, 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, material and other goods supplied for the execution of the project, cost of which is funded from the contribution of the Government of Australia to the project;
- (f) "services" means services performed by individuals or by general professional partnerships registered in the Philippines as detailed in Attachment 1; and

(g) "personal and household effects" means equipment, motor vehicles and other goods imported by Australian personnel or Australian institutions, firms and organizations for the personal use of Australian personnel and their dependants while engaged in the project.

3. COORDINATING AUTHORITIES AND IMPLEMENTING AGENCIES

3.1 Each Government will implement the research project through respective Coordinating authorities.

3.2 The Australian Centre for International Agricultural Research, hereinafter referred to as ACIAR, will be the Australian Coordinating Authority. The Department of Foreign Affairs, hereinafter referred to as the DFA, will be the Philippine Coordinating Authority.

3.3 Under the terms of this Memorandum of Understanding, ACIAR nominates the Centre for International Economics, hereinafter referred to as CIE, to carry out the project on its behalf, and the DFA nominates the Philippine Department of Agriculture, hereinafter referred to as PDA, to carry out the project on its behalf, as described and detailed in Attachment 1.

4. CONTRIBUTIONS

4.1 The contributions of the Government of the Republic of the Philippines and that sent to the Philippines by the Government of Australia as described in Attachment 1 are estimated to value Forty two thousand Australian dollars (AUD\$42,000) and Seventy six thousand eight hundred Australian dollars (AUD\$76,800) 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.

4.2 Further to the estimated contributions above, additional funds will be provided by the Government of the Republic of the Philippines for payments of taxes incurred through implementation of the project.

5. PERSONNEL

5.1 The Government of Australia and the Government of the Republic of the Philippines will provide personnel possessing the competence required for the project, including Australian and the Philippine project leaders. The project leaders will have responsibility for effective implementation in their respective countries.

5.2 Personnel composition in CIE and PDA are as described in Attachment 1.

6. IMPLEMENTATION, MONITORING AND REVIEW

6.1 Project implementation will follow the schedule specified in Attachment 1. The project leaders will provide a yearly progress report to ACIAR, copies of which will be forwarded to the DFA.

6.2 The Australian and Philippine project leaders will establish regular consultations on project progress, direction and schedules.

6.3 Philippine project leaders will join the yearly co-ordination meeting of all project leaders from the two countries involved in the project.