

October 16, 1994

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

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.