

January 30, 1989

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF
THE PHILIPPINES AND THE GOVERNMENT OF THE FEDERATED
STATES OF MICRONESIA (FSM) CONCERNING ECONOMIC AND
TECHNICAL COOPERATION**

The Government of the Republic of the Philippines and Government of the Federated States of Micronesia;

Desiring to consolidate the ties of friendship and understanding between their two peoples and to develop economic and technical cooperation between their two countries in accordance with their development needs and objectives on equitable and mutually beneficial bases;

Have agreed as follows:

ARTICLE I

The Government of the Republic of the Philippines and the Government of the Federated States of Micronesia shall promote and expand economic and technical cooperation between their countries on the basis of partnership, shared responsibility and mutual benefit in accordance with the laws, rules and regulations in force in their respective countries.

ARTICLE II

Under the terms of this Agreement, economic and technical cooperation would be pursued to encourage and expand the following:

1. sound development of trade;
2. cooperation in projects in agriculture and other sectors of industry;
3. investment promotion and facilitation; and
4. promotion, encouragement and protection of labor and employment.

ARTICLE III

Within the framework of this Agreement, the forms of cooperation shall include the following:

1. services of advisers, consultants and technicians;
2. training opportunities (both academic and technical) which are needed by either country for its development efforts;
3. implementation of development projects of interest to both Governments;
4. exchange of information regarding invitation to public or government tenders for supplies and services in identified areas or products of interests;
5. exchange of information/undertaking of joint studies and research; and

6. other forms as may be deemed desirable and are agreed to by both Governments.

ARTICLE IV

Recognizing the mutual benefit accruing from investments, the two Governments agree to facilitate the flow of investments between them in accordance with their respective social and economic development plans and investment laws and regulations of the host country.

ARTICLE V

To implement the economic and technical cooperation provided for in Article II, the two Governments shall negotiate and conclude specific project arrangements in accordance with the Provisions of this Agreement.

The specific project arrangements shall contain, among others, detailed descriptions of activities/projects to be jointly undertaken, the manner in which the activities shall be carried out, the contributions of the cooperating agencies, the allocation of costs, and the rights, privileges and obligations of the project personnel.

ARTICLE VI

Advisers, consultants and technicians referred to in Article II of this Agreement, provided they are not nationals of the host country, shall be entitled to the rights and privileges that are no less favorable than those granted to advisers, consultants and technicians of other countries under similar agreements.

ARTICLE VII

Payment for all transactions resulting from the present Agreement shall be in freely convertible currency and in accordance with the foreign exchange regulation of each country.

ARTICLE VIII

Each Government shall facilitate entry into and exit from its territory of personnel and equipment of the other party working on or used in joint projects and programs and extend the necessary assistance to accomplish their mission in accordance with the laws, rules and regulations in force in their respective countries.

ARTICLE IX

The provisions of the present Agreement shall not limit the right of either Government to adopt or execute measures for reasons of public health, morals, order or security.

ARTICLE X

Representatives of the two Governments shall meet at the request of either of them, to discuss matters of mutual interest concerning the implementation of this Agreement, to consider necessary measures aimed at the expansion of economic, technical and scientific cooperation, to work out the proper forms of such cooperation and to propose appropriate solutions to any difficulty encountered in the implementation of the Agreement.