

August 18, 1989

**MEMORANDUM OF AGREEMENT BETWEEN THE DEPARTMENT OF
FOREIGN AFFAIRS AND THE NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY FOR THE ADMINISTRATION AND
IMPLEMENTATION OF THE JAPAN SCHOLARSHIP FUND FOR THE
ASEAN YOUTH**

This Memorandum of Agreement is entered into by and between:

THE DEPARTMENT OF FOREIGN AFFAIRS of the Republic
of the Philippines, represented herein by the Secretary of
Foreign Affairs, with office address at Philippine International
Convention Center, Manila, hereinafter referred to as "DFA";

-and-

**THE NATIONAL ECONOMIC AND DEVELOPMENT
AUTHORITY** of the Republic of the Philippines, represented
herein by the Acting Director-General, with office address at
Amber Avenue, Pasig, hereinafter referred to as "NEDA";

-WITNESSETH-

WHEREAS, the Government of Japan has committed itself to finance a youth scholarship program in each of the ASEAN member countries with a view to assisting national efforts through the development of human resources by contributing annually from 1980-1989 to the Association of South East Asian Nations (ASEAN) the amount of US\$1 million for a period of ten years and, thereafter, has declared the intention to add new provisions and to start a new program with a total of US\$10 million in new funding over the next five years starting in 1990;

WHEREAS, by virtue of the aforementioned grant, the Philippines received, through the ASEAN Secretariat in Jakarta, the amount of US\$200,000.00 annually from 1980-1989, which is subject to augmentation under the new provisions and/or new program;

WHEREAS, in order to establish a framework and system relative to the administration of the Philippine component of the Japan Scholarship Fund for the ASEAN Youth (JSFAY), the ASEAN National Secretariat of the Department of Foreign Affairs and the Pamantasan ng Bagong Lipunan (University of Life) of the then Ministry of Human Settlements signed a Memorandum of Understanding dated 23 December 1980;

WHEREAS, after the change in government in the Philippines in early 1986, the organizational and legal status of the Pamantasan ng Bagong Lipunan became untenable with the consequence of impeding its compliance with the stipulation of the Memorandum of Agreement dated 23 December 1980, namely: (a) to convene meetings of the Advisory Council, the body which is responsible for the administration of the Scholarship Fund; and (b) ;to submit the report on the management and disbursement of funds and comprehensive report on the project, which are conditions for the annual disbursement of funds;

WHEREAS, the inability of the Pamantasan ng Bagong Lipunan to perform its role in the administration of said Scholarship Fund has prevented the Philippines from effectively utilizing the funds available under the grant since 1986;

WHEREAS, the DFA, exercising functional supervision over the ASEAN National Secretariat or Office of ASEAN Affairs is charged with the task of ensuring the efficient utilization of the JSFAY and the establishment of the appropriate mechanism for such purpose;

WHEREAS, the NEDA possesses the necessary institutional machinery, manpower and expertise to co-administer and implement the Scholarship Fund in view of the fact that it is mandated to coordinate, monitor and oversee all foreign grants and scholarships with the aim of ensuring that they dovetail with the national development plans;

NOW, THEREFORE, for and in consideration of the foregoing, the DFA and NEDA agree to co-administer and implement the Philippine component of the Japan Scholarship Fund for the ASEAN Youth under the following terms and conditions:

ARTICLE 1. THE PROGRAM

Section 1.1 Name. The Scholarship Program shall be known Fund for the ASEAN Youth (JSFAY).

Section 1.2 Scope - The Program will consist of the formulation of the procedures for the administration of JSFAY, the selection of scholars, courses and schools and the promulgation and implementation of the terms and conditions of the grants as well as the remittances of the grants within a period specified by the Office of ASEAN Affairs : **Provided**, That the elements of the Program may be changed by written agreement of the Parties hereto without need of any amendment to this Agreement.

ARTICLE 2 FUNDING

Section 2.1 Scholarship Expenses. The annual Philippine allocation under the JSFAY shall be used to defray all necessary expenses for the implementation of JSFAY Program.

The Government of the Philippines may, in the future, augment funds to support the activities requiring additional cost relative to the implementation of the Program.

Section 2.2 Disbursements. The first disbursement shall be due from the ASEAN National Secretariat upon submission by the NEDA In writing, satisfactory in form and substance, of the details of the Program that will implement the JSFAY.

Succeeding annual releases shall be undertaken In the procedure aforementioned, with the additional requisite report on the disbursement of the funds and a comprehensive status report of the Program of the preceding year.

ARTICLE 3 INTER-INSTITUTIONAL ARRANGEMENTS

Section 3.1 Composition. There shall be a Committee to be composed of the following: