AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE KINGDOM OF NORWAY REGARDING THE PHILIPPINE COASTAL FLEET RENEWAL PROJECT.

The Government of the Republic of the Philippines (hereinafter referred to as "the Philippines") and the Government of the Kingdom of Norway (hereinafter referred to as "Norway") desiring to co-operate in the implementation of the Coastal Fleet Renewal Project and thereby strengthen the friendly relations that exist between the Philippines and Norway,

have agreed as follows;

ARTICLE I OBLIGATIONS OF NORWAY

Norway shall:

- 1. During the years 1987-1988, subject to Parliamentary appropriations, within the financial limit of NOK 6,000,000,-(six million) commission a firm of consultants (hereinafter referred to as "the Consultants") to carry out the studies and training in connection with the Coastal Fleet Renewal Project referred to in Section 3 of Annex I to this Agreement (hereinafter referred to as "the Studies").
- 2. Norway will effect payments under this Agreement directly to the Consultants in accordance with the provisions contained in the Contract to be entered into between Norway and the Consultants. The Contract shall be forwarded to the Philippines for information.

The Consultants shall be responsible to Norway for the conduct, execution and quality of the services.

ARTICLE II OBLIGATIONS OF THE PHILIPPINES

The Philippines shall:

- i) Provide and bear the costs of necessary office space, telecommunication and support personnel to the Consultants.
- ii) Assign a competent counterpart team who shall i.a. assist the Consultants in scheduling and participate in trips and meetings and gathering of additional data.
- iii) Provide the Consultants with all transport data, ongoing and longterm port development plans, national economic development plans and maritime industry development plans.
- iv) Exempt the Consultants and their employees from the payment of any income or other tax on, or calculations in relation to income payable under Philippine Law in respect of emoluments paid by Norway.