

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
GOVERNMENT OF CANADA AND THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES FOR THE PHILIPPINES SMALL-
SCALE FISHERIES DEVELOPMENT PROJECT - PHASE II**

SECTION 2.02

PHILIPPINES designates the Ministry of Agriculture and Food/Bureau of Fisheries and Aquatic Resources (MAF/BFAR) with the Ministry of Agriculture and Food Regional Office No. 7 (MAF RO #7) Cebu City, as the implement or of its obligations under this Memorandum of Understanding.

**ARTICLE III
THE PROJECT**

SECTION 3.01

CANADA and PHILIPPINES shall participate in a project to continue to assist PHILIPPINES in the improvement of real incomes and the socio-economic well-being of small-scale fishermen in the coastal barrios in and around the municipality of Bayawan in the Province of Negros Oriental in the Philippines through rational development of their fisheries (hereinafter called the "Project").

SECTION 3.02

The objective of the Project is to introduce new fishing techniques such as fish fry collection coupled with fishponds and seed banks, fish processing technology, and improved distribution and marketing systems and to sustain the socio-economic gains achieved over the longer term and ensure the Bayawan Fishermen's Marketing Cooperation Inc. (hereinafter called "BFMCI") is a viable, self-sufficient organization which increases the fishermen's financial returns from their catch and provides supplies and services at a reduced cost to its members.

SECTION 3.03

A brief description of the activities to be implemented by the Project is set out in Annex "A".

**ARTICLE IV
PLAN OF OPERATION**

SECTION 4.01

For implementation of the Project, CANADA and PHILIPPINES will develop a Plan of Operation which will constitute an operational document between MAF/BFAR and CIDA. The Plan of Operation will be agreed upon by CIDA and MAF/BFAR within ninety (90) days from the date of this Memorandum of Understanding and may be revised as agreed between CIDA and MAF/BFAR, The Plan of Operation will contain, inter alia, the following:

- (a) a detailed description of the Project;

- (b) an outline of the methods and means to be used to carry out the Project;
- (c) a schedule for the implementation of the Project activities;
- (d) the reporting requirements for the Project;
- (e) the resources required for the Project;
- (f) the nature, timing and responsibilities for Project evaluations and the means by which they shall be made; and
- (g) a statement of additional obligations, duties and responsibilities of CANADA and PHILIPPINES together with their contributions,

ARTICLE V CONTRIBUTION OF CANADA

SECTION 5.01

The contribution of CANADA shall consist of the provision of training, equipment, materials and supplies, technical assistance and the professional services of a Canadian Executing Agency, all as more particularly set forth in the Plan of Operation. The total value of CANADA'S contribution shall not exceed nine hundred and thirteen thousand Canadian dollars (cdn. \$913,000).

ARTICLE VI CONTRIBUTION OF PHILIPPINES

SECTION 6.01

The contribution of PHILIPPINES, through MAF RO # 7 shall, consists of the provision of qualified staff to operate the Fish Seed and Fish Farm, BFAR extension officers, travel costs of such officials, the costs of constructing a jetty or dredging the river at the BFMCI site and other costs associated with BFAR coordination and monitoring, all as more particularly set forth in the Plan of Operation. The total value of PHILIPPINES contribution shall be at minimum seven hundred and eighteen thousand six hundred and fifty Philippine pesos (P718,650.00). The general responsibilities of PHILIPPINES are set out in Annex "B".

SECTION 6.02

CANADA and PHILIPPINES agree that MAF RO #7 will be tasked with executing the Canadian financed local cost activities such as the operation of the Project Monitoring Team, local training, Philippines Consultants, and evaluation, all as more particularly set out in Annex "B".

ARTICLE VII DEFINITIONS OF CANADIAN FIRMS AND PERSONNEL

SECTION 7.01

For the purpose of this Memorandum of Understanding:

- (a) "Canadian firm" means Canadian or other non-Philippine firms or institutions engaged in the Project;

(b) "Canadian personnel: means Canadian or non-Philippine or other non-permanent residents of the Philippines, who are working in the Philippines on the Project;

(c) "Dependant" means:

(i) the spouse of a member of the Canadian personnel, including a person of the opposite sex with whom the member of the Canadian personnel has lived and publicly represented as his/her spouse for a period of not less than one year before the commencement of his/her period of service in the Philippines;

(ii) a child of the member of the Canadian personnel, or his/her spouse who is:

1. under twenty-one years of age and dependent on the member of the Canadian personnel or his/her spouse for support, or
2. twenty-one years of age or older and dependent on the member of the Canadian personnel or his/her spouse for support by reason of mental or physical incapacity.

ARTICLE VIII INDEMNITY

SECTION 8.01

PHILIPPINES shall indemnify and save harmless CANADA, Canadian firms and Canadian personnel from civil liability, for acts or omissions occurring in the course of the performance of their duties in the execution of the Project except for acts arising from gross negligence or willful misconduct of Canadian firms or Canadian personnel.

ARTICLE IX TAX AND OTHER EXEMPTIONS

SECTION 9.01

PHILIPPINES shall exempt Canadian firms and Canadian personnel and their dependants from taxes imposed on income, provided such income arises outside of the Philippines or from Canadian aid funds as provided in this Memorandum of Understanding. In addition, PHILIPPINES shall exempt Canadian firms and Canadian personnel, including their dependants, from any obligations to present written declarations in relation to these exemptions.

SECTION 9.02

PHILIPPINES shall exempt Canadian firms and Canadian personnel from import duties, customs tariffs and all other duties, charges or levies on technical and professional equipment for use in the Project by Canadian personnel, or persons designated by PHILIPPINES provided that exemption from such duties, tariffs, charges or levies shall only apply to goods or equipment procured from outside the Philippines.

SECTION 9.03