

MEMORANDUM OF UNDERSTANDING RELATING TO THE NATIONAL COAL LOGISTICS PROJECT (ADDITIONAL TECHNICAL ASSISTANCE) IN THE REPUBLIC OF THE PHILIPPINES

GENERAL

1.1 THIS MEMORANDUM expresses the understandings of the Governments of the Republic of the Philippines and Australia concerning the responsibilities and contributions respectively of the two Governments in regard to the National Coal Logistics Project (Additional Technical Assistance) Located in the Republic of the Philippines which is intended to provide additional technical assistance with aspects of a coal supply and distribution system which aims at facilitating conversion of oil fuel intensive industries to coal as further described and detailed in Annex 1 to this Memorandum.

AUTHORITIES

2.1 The Executing Authorities for this Project will be:

For the Government of the Republic of the Philippines: The Ministry of Energy. For the Australian Government: The Australian Development Assistance Bureau of the Department of Foreign Affairs. The Australian Development Assistance Bureau may nominate suitably qualified agents to undertake any part of Its functions on its behalf.

DURATION

3.1 This Memorandum will take effect from the date of its signature and the Project will be deemed to have commenced from 1 July 1983. The Australian contribution to the Project and all undertakings given herein will cease 2.5 years after the date of signature of this Memorandum or on such other date as may subsequently be arranged between the two Governments.

RESPONSIBILITY

4 .1 Responsibility for development and direction of the Project will be vested in a Joint Policy Board, whose chairman will be the Philippines Minister for Energy. Membership of the Joint Policy Board will also include the Administrator of the National Coal Authority, a representative of the National Economic and Development Authority and a nominee designated by the Australian Development Assistance Bureau.

4.2 The Joint Policy Board will meet at least once each calendar year. Additional meetings may be called at the request of the Chairman. The Joint Policy Board will be responsible for overall decision and policy making with regard to the Project.

4.3 Final responsibility for this project rest with the Government of the Republic of the Philippines.

4.4 There will be a Joint Project Steering Committee charged with executing the decisions of the Joint Policy Board. It will be composed of the Administrator of the

National Coal Authority as Chairman, the National Coal Authority Project Manager and a representative of the Australian Development Assistance Bureau and a representative of the Australian Consultant Team for the National Coal Logistics Project. Other representatives from the various related ministries may be included as required by the Joint Project Steering Committee. The Committee will meet not less than quarterly or as often as convened by the Chairman. The following will be the responsibilities of the Joint Project Steering Committee:

- Co-ordinate the overall implementation of the Project on all administrative levels;
- co-ordinate the disposition and assignment of the joint Project personnel;
- co-ordinate policy implementation and operation of the joint Project Team;
- review and report work progress to the two Governments through the Policy Board;
- determine such alterations to the scope, direction and programming of both the Project components where these are within the agreed budget and submit to the Joint Policy Board recommendations for changes which cannot be determined by the committee;
- resolve problems occurring between the Philippines and Australian field office teams and forward -those which cannot be resolved to the Joint Policy Board;
- submit recommendations on the future development of the Project and other proposed Projects during the implementation of the Project to the Joint Policy Board.

CONTRIBUTIONS

5. The contributions of the Republic of the Philippines and Australian Governments are detailed in Annex II and Annex III and are estimated to values Pesos 5,737,000 and \$A2,000,000.00 respectively. Disbursement of Australian contributions will be subject to the normal annual parliamentary approval of appropriations.

EVALUATION

6.1 An evaluation of progress of the Project may be made at times arranged between, and mutually convenient to the Republic of the Philippines and Australian Governments. Such an evaluation would be undertaken by a joint investigation team appointed by the two Governments and independent of staff involved in the Project and will be co-ordinated by the Ministry of Energy.

6.2 In order to streamline the evaluation of requests for further project assistance or for variations in the scope of assistance the Australian Government will appoint a specialist engineering adviser to advise the Bureau and the Embassy on all aspects of the project and as called on to provide advice and assistance to the National Coal Authority.

PERSONNEL