

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS
AND
THE GOVERNMENT OF CANADA
CONCERNING THE
ASEAN INSTITUTE OF FOREST MANAGEMENT PROJECT PHASE II

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The Association of Southeast Asian Nations (hereinafter called "ASEAN") comprising the Government of Brunei Darussalam (hereinafter called "BRUNEI DARUSSALAM"), the Government of the Republic of Indonesia (hereinafter called "INDONESIA"), the Government of Malaysia (hereinafter called "MALAYSIA"), the Government of the Republic of Philippines (hereinafter called "PHILIPPINES"), the Government of the Republic of Singapore (hereinafter called "SINGAPORE") and the Government of the Kingdom of Thailand (hereinafter called "THAILAND") and the Government of Canada (hereinafter called "CANADA"), desiring to record an understanding concerning a Canadian development assistance Project in the ASEAN region have agreed as follows:

ARTICLE 1
NATURE OF THE MEMORANDUM OF UNDERSTANDING

SECTION 1.01

This Memorandum of Understanding is intended only to set out the responsibilities of the Parties in relation to the Project.

SECTION 1.02

This Memorandum of Understanding shall be deemed :-

- a. In respect of INDONESIA, to be a subsidiary arrangement made pursuant to General Agreement on Development Cooperation between the Governments of Canada and the Republic of INDONESIA, dated May 21, 1991.
- b. In respect of MALAYSIA, to be a subsidiary arrangement made pursuant to the General Agreement on Development Cooperation between the Governments of Canada and Malaysia dated May 16, 1986. Annex B, Article I, sections 1, 2, 3 and 12 and Article III of the GADC shall however not apply.
- c. In respect of THAILAND, to be a subsidiary arrangement made pursuant to the General Agreement on Development Cooperation between the Governments of Canada and Thailand dated January 5, 1983.

SECTION 1.03

For the purpose of this Memorandum of Understanding, BRUNEI DARUSSALAM , PHILIPPINES and SINGAPORE will assist Canadian personnel who may be required from time to time to liaise and/or work with Government officials in order to further the program's objectives (more particularly set forth in Annex B).

ARTICLE II

RESPONSIBLE AUTHORITIES

SECTION 2.01

CANADA designates the Canadian International Development Agency (hereinafter called "CIDA") as the agency responsible for the implementation of its obligations under this Memorandum of Understanding.

SECTION 2.02

ASEAN designates Malaysia as their representative for the purpose of this Memorandum of Understanding.

SECTION 2.03

Malaysia designates the Forestry Department of Peninsular Malaysia (FD) as the agency responsible for the implementation of its obligations under this Memorandum of Understanding.

ARTICLE III

THE PROJECT

SECTION 3.01

ASEAN and CANADA shall participate in the implementation of the ASEAN Institute of Forest Management Project - Phase II (hereinafter referred to as the "Project"). The Project is more particularly described in Annex A hereto.

ARTICLE IV

GOVERNING BODY

Section 4.01

The Project Steering Committee (hereinafter referred to as the Committee) will be the governing body of the Institute. The role and functions of this Committee, its organization and its responsibilities concerning the Institute are described in detail in the Management Plan, which forms Annex B of this Memorandum.

ARTICLE V
MANAGEMENT PLAN

SECTION 5.01

For implementation of the Project, CIDA and FD have developed a Management Plan which constitutes an operational document between FD and CIDA. This Management Plan is appended hereto as Annex B.

ARTICLE VI
CONTRIBUTION OF CANADA

SECTION 6.01

The contribution of CANADA shall consist of the provision of advisors, equipment, materials and training, and monitoring and evaluation of the Project, all as more particularly set forth in Annex B. The total value of CANADA's contribution shall not exceed eight million, seven hundred and thirty-eight thousand Canadian dollars (CDN \$8,738,000).

SECTION 6.02

The proceeds of the contribution of CANADA shall not be used to pay any taxes, fees, customs duties or any other levies or charges imposed directly or indirectly by any of the member countries of ASEAN on any goods, materials, equipment, vehicles and services purchased or acquired for, or related to, the execution of the Project.

ARTICLE VII
CONTRIBUTION OF ASEAN

SECTION 7.01

Malaysia will:

- (a) Receive in trust and on behalf of ASEAN member countries, all Canadian contributions to be provided for the Institute.

- (b) Ensure that all activities undertaken by the Institute are diligently carried out.
- (c) Provide necessary space, facilities and furnishings as a grant for the Institute, and also an annual grant adequate to cover the cost of necessary staff and the operational costs of the Institute including the cost of maintenance, utilities, local travel and per diems for Institute Staff, operational and maintenance costs of vehicles and other such associated costs.
- (d) Provide all non-salary emoluments to the ASEAN Deputy Director of the AIFM, at the standard of his/her grade equivalent in the Malaysian Civil Service;
- (e) Provide sufficient additional staff to the Institute for effective and timely execution of the Project, including not less than nine professional staff, nine technicians, and a librarian.
- (f) Consistent with the Project purpose to develop the ability of the Institute to provide expertise to ASEAN countries, undertake to provide appropriate career framework for Institute staff trained during both Phase I and Phase II of the project, including the arrangement of service requirements for scholars according to Malaysian policy;
- (g) Consistent with the objective of technical and financial sustainability of the Institute and ASEAN requirements, have the Institute communicate with ASEAN Dialogue Partners and international agencies for the purpose of arranging technical and financial support for additional programs during the Project term, and for follow-up programs.

SECTION 7.02

Other ASEAN member countries will:

- (a) Bear the travel, hotel and per diem costs of their representatives attending the Project Steering Committee Meetings.
- (b) Bear the cost of salaries of at least one professional from

- their respective countries to participate in Research and Development activities of the Institute on a fellowship basis.
- (c) Bear the cost of general support to be provided for Project activities in their respective countries.
 - (d) Provide exemption from customs duties and taxes on all equipment and material imported into the country for use of the Project.
 - (e) On a rotating basis, second a deputy director to the Institute, salaried by and according to the equivalent level in his/her home country.

ARTICLE VIII INFORMATION

SECTION 8.01

ASEAN and CANADA shall ensure that this Memorandum of Understanding is carried out with due diligence and efficiency and each shall furnish to the other all such information relating to the Project as shall reasonably be requested.

ARTICLE IX COMMUNICATIONS

SECTION 9.01

Any communications or documents given, made or sent by the Parties to this Memorandum of Understanding, shall be in writing and shall be deemed to have been duly given, made or sent at the time of its delivery by hand, mail, telegram, cable or radiogram if given, made or sent to the following addresses:

ASEAN: Director-General of Forestry
Forestry Department Headquarters
Jalan Sultan Salahuddin
50660 Kuala Lumpur
Malaysia

Telefax: (602) 292-5657

CANADA: The Director
ASEAN Regional Development
Cooperation Program
Canadian High Commission
80 Anson Road
#15-02 IBM Towers
Singapore 0207

Cable Address: DOMCAN

Telefax: 222-7439

Telex: RS 21277 DOMCAN

SECTION 9.02

Any one of the Parties hereto may, by written notice to the other Party hereto, change the address to which any notice or request intended for the Party so giving such notice shall be addressed.

Section 9.03

All communications and documents submitted to CANADA shall be in either the English or the French language, and those submitted to ASEAN shall be in the English Language.

ARTICLE X INTERPRETATION

SECTION 10.01

Differences which may arise in the Application of the provisions of this Memorandum of Understanding shall be settled by means of negotiations between CANADA and ASEAN or by any other manner

mutually agreed upon by their respective Governments.

ARTICLE XI
ENTIRE UNDERSTANDING

SECTION 11.01

This Memorandum of Understanding together with Annexes A and B which form an integral part hereof constitutes the entire understanding between the Parties with respect to the Project.

ARTICLE XII
CONSULTATION

SECTION 12.01

CANADA and ASEAN will endeavour to consult each other in respect of any matter that may arise from time to time in connection with this Memorandum of Understanding.

ARTICLE XIII
GENERAL PROVISIONS

SECTION 13.01

This Memorandum of Understanding shall come into force and effect on the date of signature and shall expire on the 26th day of July 1997. This Memorandum of Understanding may be amended from time to time, as deemed necessary, by mutual agreement by an exchange of letters between CIDA and ASEAN.

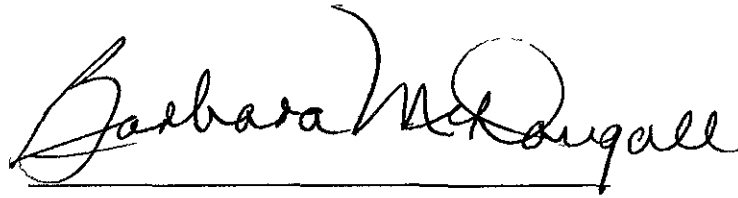
IN WITNESS WHEREOF, the undersigned have signed this Memorandum of Understanding in duplicate in Manila on the 26th day of July, 1992.

ON BEHALF OF THE ASSOCIATION
OF SOUTHEAST ASIAN NATIONS

A handwritten signature in black ink, appearing to read 'Abdullah Bin Haji Ahmad Badawi', written over a horizontal line.

DATUK ABDULLAH BIN HAJI AHMAD
BADAWI, MINISTER OF FOREIGN
AFFAIRS, MALAYSIA

ON BEHALF OF THE GOVERNMENT
OF CANADA

A handwritten signature in black ink, appearing to read 'Barbara J. McDougall', written over a horizontal line.

THE HONOURABLE BARBARA J.
MCDUGALL, SECRETARY OF STATE
FOR EXTERNAL AFFAIRS AND
INTERNATIONAL TRADE, CANADA

ANNEX A

DESCRIPTION OF PROJECT

The objective of the Project is to develop within the ASEAN Institute of Forest Management (AIFM) the leading edge expertise required by ASEAN countries to upgrade their capabilities in sustainable forest management, and to disseminate it to national forest administrations through pilot projects and other appropriate means. This will be done by:

- (1) developing the capacity of the AIFM to assist ASEAN member countries in adapting methods of securing forest resource information and in applying them in sustainable forest management;
- (2) providing training to key personnel;
- (3) functioning as an information and networking centre.

The Project will undertake a pilot project in each forested ASEAN country, each of which will represent different ASEAN resource management challenges. The development of high calibre skills by both AIFM and key national forest agency staff will take place through hands-on participation in each pilot project, which will be managed by the host countries.

Most of the Canadian services to the Project are for training which will mostly be directed to the AIFM staff and fellows. However, provision is made for the Canadian Specialists to assist AIFM staff in the training of key persons from ASEAN countries in the technologies and systems developed through the AIFM.

A current technical library will be established at the AIFM, which will have the capability to access libraries and data bases throughout the world.

Malaysia on behalf of ASEAN has designated FD as the ASEAN executing agency for the project. FD will in turn delegate the authority for day to day project operations to AIFM. A Canadian executing agency (CEA) will be contracted by CIDA to assist in the implementation and management of Canada's responsibilities to the Project.

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ANNEX B

MANAGEMENT PLAN

