

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE GOVERNMENTS OF THE MEMBER COUNTRIES OF THE  
ASSOCIATION OF SOUTHEAST ASIAN NATIONS  
AND  
THE GOVERNMENT OF AUSTRALIA  
ON THE  
ASEAN-AUSTRALIA ECONOMIC COOPERATION PROGRAM (AAECP)

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The Governments of Brunei Darussalam, the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand, being member countries of the Association of Southeast Asian Nations (hereinafter referred to as "ASEAN") of the one part and the Government of Australia (hereinafter referred to as "Australia") of the other part:

RECOGNIZING the mutual benefits derived by ASEAN and Australia through the establishment in 1974 of the ASEAN-Australia Economic Cooperation Program (hereinafter referred to as "AAECP");

NOTING the significant contribution of the AAECP to the strengthening of ties and the continuing links of friendship between the member countries of ASEAN and Australia;

DESIRING to develop and broaden economic, scientific and technical cooperation and human resources development (hereinafter referred to as "HRD") between ASEAN and Australia to attain growth and prosperity in their respective economies; and

WISHING to provide a more effective administration of the AAECF;

HAVE REACHED THE FOLLOWING UNDERSTANDINGS:

#### PARAGRAPH I

##### For the Purposes of this Memorandum

1. "Australian personnel" refers to citizens and/or permanent residents of Australia or citizens and/or permanent residents of countries other than Australia who are working on a project or activity under the AAECF and who have been properly endorsed by Australia for such project or activity. This phrase, however, will not be construed to include citizens and/or permanent residents of a member country of ASEAN who may be participating in a project or activity under the AAECF being hosted by such member country.

2. "Dependents" refers to the spouse and minor children of Australian personnel referred to in the preceding paragraph.

3. "Human Resources Development (HRD)" refers to all activities which will seek to enhance ASEAN's human and institutional resource capacities at the regional and national levels, including manpower training and development in the economic and non-economic areas, transfer of technology and know-how. HRD activities may include researches, studies, surveys, workshops/seminars/conferences, exchange programs, etc.

## PARAGRAPH II

### Goals and Objectives

1. The Parties will pursue the following goals and objectives of the AAACP:

- (a) Promote intra-ASEAN regional cooperation;
- (b) Promote economic, scientific and technical cooperation and HRD between ASEAN and Australia through development projects;
- (c) Promote mutual understanding, mutual benefit, and effective relations between the member countries of ASEAN and Australia; and
- (d) Promote the building and strengthening of institutions

within the ASEAN region and the respective member countries of ASEAN.

### PARAGRAPH III

#### Management and Administration

1. A Joint Planning Committee (hereinafter referred to as "JPC"), directly responsible to the ASEAN-Australia Forum (hereinafter referred to as "Forum"), will be established to manage and administer the AAECF.

2. The Terms of Reference of the JPC will be:

- (a) To develop and recommend to the Forum a five-year program of the AAECF on the basis of the project proposals presented by ASEAN;
- (b) To assist and advise the relevant ASEAN body, upon its request, in identifying and developing projects and activities for funding under the AAECF including the development of appraisal and evaluation criteria;
- (c) To make a periodic evaluation of the performance of the AAECF and recommend to ASEAN and Australia through appropriate channels the necessary modifications thereto; and

- (d) To meet annually prior to the Forum or as and when necessary.

3. The JPC will be composed of the following:

- (a) A representative each from the Government designated from time to time as the ASEAN country coordinator for Australia (hereinafter referred to as "the ASEAN country coordinator") and Australia who will act as Co-Chairmen, respectively;
- (b) A representative each from the ASEAN country coordinator and Australia who will act as Co-Secretaries;
- (c) One representative from each member country of ASEAN, one representative from the ASEAN Secretariat and one representative from the Australian International Development Assistance Bureau who will act as members; and
- (d) Upon determination by the JPC, representatives from relevant ASEAN Committees and Australia.

4. A Project Coordinator from ASEAN will be identified for each project or activity under the AAECP and will coordinate financial arrangements including the acquittal of disbursements. The Project Coordinator will be directly responsible to the JPC.

#### PARAGRAPH IV

##### Projects and Activities

1. Projects and activities to be conducted under the AAECF will focus on the areas of trade and investment promotion, science and technology, and agro-based projects, with special reference to HRD.
2. The process of identifying, developing and submitting projects and activities under the AAECF will conform with the established ASEAN procedures and machinery. Subject to paragraph III (2) (b) the JPC will consider only those projects and activities which have been considered and approved by the ASEAN Standing Committee.
3. The AAECF will be limited to the implementation of few large projects in order to provide cost-effective use of funds. The commercial potential of proposed projects will be considered in the selection process under the AAECF.
4. The implementation of an approved project or activity under the AAECF will be initiated by an exchange of notes between the ASEAN country coordinator and the Australian government.

## PARAGRAPH V

### Funding and Financial Organization

1. The Government of Australia will exert its best efforts to ensure that the funding on the AAECF will be maintained at A\$ 7 million per annum in real terms as of FY 1989-90 subject to its annual parliamentary appropriations.
2. The Project Coordinator referred to under paragraph III (4) will report to the JPC on a quarterly basis any interest accruing from the funds allocated to any project or activity under the AAECF which falls within his purview.
3. Financial disbursement estimates for projects and activities under the AAECF will merely serve as indicative planning figures and will not be considered as absolute financial commitments.

## PARAGRAPH VI

### General Provisions

1. The cooperation in the areas of trade and investment promotion, science and technology, and agro-based projects, with special reference to HRD pursued under this Memorandum of Understanding (hereinafter referred to as "MOU") will be in addition to any existing bilateral arrangements between the

individual member countries of ASEAN and Australia.

2. The privileges and immunities that the Australian personnel may enjoy in the implementation of the AAECF will be subject to the relevant government policies, rules, regulations and practices of the ASEAN member country hosting a particular project or activity under the AAECF. The details of the privileges and immunities will be mutually decided by Australia and the ASEAN member countries concerned and set out in an exchange of notes between that ASEAN member and Australia.

3. The member countries of ASEAN will exert their best efforts to facilitate the implementation of projects or activities under the AAECF, including the issuance of necessary visas, work permits, licenses and other documents to Australian personnel participating in any project or activity under the AAECF and their dependents.

4. The Parties will resolve, in the spirit of cooperation and mutual trust, any and all difficulties which may arise under this MOU. Upon the request of one of the Parties, mutual consultations on matters of interest in relation to the AAECF may be held between the Parties.



## PARAGRAPH VII

### Amendment

This MOU may be amended by an exchange of notes between the Parties.

## PARAGRAPH VIII

### Entry into Effect

1. This MOU will enter into effect on signature and will be effective for a period of five (5) years.
2. The Parties may terminate this MOU at any time by giving a six-month advance notice in writing through normal diplomatic channels except that any termination or expiration of this MOU will neither affect the financial commitments nor any projects and activities initiated before such termination or expiration.

## PARAGRAPH IX

### Extension


This MOU may be extended by an exchange of notes between the Parties.


IN WITNESS WHEREOF the undersigned, being duly authorized thereto by ASEAN and Australia, have signed this MOU.

SIGNED in Bangkok, Thailand this Ninth day of July One Thousand Nine Hundred and Eighty-Eight.

For Australia:

For ASEAN:

  
\_\_\_\_\_  
BILL HAYDEN  
Minister for Foreign Affairs  
and Trade of Australia

  
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RAUL S. MANG LAPUS  
Secretary of Foreign Affairs  
of the Philippines

