

No. 21308

**PHILIPPINES
and
FINLAND**

**Agreement on a study concerning production of sylvicultural biomass and its utilization for energy production.
Signed at Manila on 2 September 1980**

Authentic text: English.

Registered by the Philippines on 15 November 1982.

**PHILIPPINES
et
FINLANDE**

Accord sur une étude concernant la production de biomasses sylvicoles et leur utilisation pour la production d'énergie. Signé à Manille le 2 septembre 1980

Texte authentique : anglais.

Enregistré par les Philippines le 15 novembre 1982.

AGREEMENT¹ ON A STUDY CONCERNING PRODUCTION OF SILVICULTURAL BIOMASS AND ITS UTILIZATION FOR ENERGY PRODUCTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE REPUBLIC OF FINLAND

Whereas, the Government of the Republic of the Philippines (hereinafter referred to as “the Government of the Philippines”) and the Government of the Republic of Finland (hereinafter referred to as “the Government of Finland”) are desirous of enhancing the existing cordial relations between their two countries and in promoting for mutual benefit the economic and social cooperation between the two States;

Whereas, the Government of the Philippines has embarked on an important development scheme concerning the development of silvicultural biomass energy and the Government of Finland has proposed to provide goods and services as mutually agreed upon to carry out an important aspect of the scheme;

Now, therefore, the Government of the Philippines and the Government of Finland have agreed to cooperate in performing a study concerning production of silvicultural biomass and its utilization for energy production (hereinafter referred to as “the Study”), as follows:

Article I. THE SCOPE OF THE STUDY

1. The purpose of the Study is to evaluate the feasibility of producing a fast-growing hardwood called Giant Ipil-ipil, and using it as raw materials for:

- (a) Thermal power plants producing electric energy;
- (b) Other energy utilization of Giant Ipil-ipil, such as:
 - Ethanol production through hydrolysis;
 - Charcoaling;
 - Co-firing.

2. The Study will cover methods and costs of producing fuel wood, the technical and economical aspects of electricity generation as well as an estimation of the overall profitability of the project, and will outline other alternative uses of Giant Ipil-ipil for energy production.

3. The Study plans and the activities for implementation thereof shall be embodied in an executive program to be mutually agreed upon by both parties of this Agreement.

Article II. COMPETENT AUTHORITIES

1. The Ministry for Foreign Affairs of Finland, represented in the Philippines by the Embassy of Finland, and the National Science Development Board of the Philippines shall be the competent authorities of the two governments for the implementation of this Agreement.

2. The executive agency on behalf of the National Science Development Board of the Philippines is Manila Seedling Bank Foundation, Inc.

¹ Came into force on 2 September 1980 by signature, in accordance with article VII (1).

3. In matters pertaining to the substance of the Study, the Finnish Consultant mentioned in article III, paragraph 2, and the executive agency mentioned in article II, paragraph 2, have however the right under this Agreement to represent the respective competent authorities.

Article III. CONTRIBUTION OF THE GOVERNMENT OF FINLAND

1. The Government of Finland shall contribute on a grant basis towards the costs of the Study up to a maximum of six hundred thousand (FIM 600,000) Finnish marks, equivalent to one hundred fifty-eight thousand US dollars (\$158,000).

2. For the performance of the Study, the Government of Finland will conclude, in consultation with the appropriate Philippine authorities, a consultancy contract with competent Finnish companies (hereinafter referred to as "the Consultant").

Article IV. CONTRIBUTION OF THE GOVERNMENT OF THE PHILIPPINES

1. The Government of the Philippines shall render such assistance and take such action as may from time to time be required for the smooth and expeditious execution of the Study.

2. The Government of the Philippines shall provide the Consultant with relevant data and information necessary for the implementation of the Study, subject to existing rules and regulations. Such data and information shall include:

- Necessary maps concerning specific topography, vegetative cover, land use, soil maps and similar data;
- Aerial photography of specified areas suitable for this Study;
- All weather and geological statistics and maps which are available from the required areas;
- Any research data related to this Study.

3. The Government of the Philippines shall assist the Consultant to have access to sites and premises and appropriate guidance needed for the studies.

4. The Government of the Philippines shall provide and shoulder the reasonable local costs for the execution of the Study as specified in the executive program.

Article V. STATUS OF THE CONSULTANT

1. The Government of the Philippines shall exempt the Consultant from income tax or any other direct tax with respect to any emolument paid to him from funds or resources outside the Philippines for the services in the Philippines under this Agreement.

2. All materials and equipment brought to the Philippines by the Consultant for temporary use under this Agreement shall be exempted from all customs duties, taxes and other charges, provided that they are re-exported at the completion of the Study or donated to the Philippine Government.

3. With respect to the Finnish personnel, except those granted permanent resident status, working in the Philippines under this Agreement the Government of the Philippines shall:

- 3.1. Grant free of charge and without undue delay multiple entry and exit visas and other necessary permits and authorizations;
- 3.2. Accord exemption from customs duties and taxes in respect of personal and household effects, except motor vehicles, brought into the Philippines upon their initial entry for their exclusive use, provided that these effects on the completion of the project shall be re-exported;
- 3.3. Exempt the Finnish personnel from personal income tax and any other direct tax in respect of any emolument paid to them from funds or resources outside the Philippines for the services in the Philippines;
- 3.4. Impose no currency or foreign exchange restriction on funds introduced into the Philippines from external sources for their personal use and allow the exchange as well as the exportation of such funds, subject to existing rules and regulations of the Central Bank of the Philippines;
- 3.5. In the event of arrest or detention for any reason whatsoever of the Finnish personnel or of criminal proceedings being instituted against them, immediately notify through the Ministry of Foreign Affairs, the Embassy of Finland in the Philippines;
- 3.6. In case of any damage to a third party caused by Finnish personnel resulting directly from an act or omission in the performance of their duties in the Philippines under this Agreement, be liable in their place, and any claim against Finnish personnel shall to that extent be excluded unless such damage has arisen from the gross negligence or willful or criminal conduct on the part of the Finnish personnel; and
- 3.7. In the event of an international crisis affecting the safety of foreign nationals in the Philippines accord the same repatriation facilities to Finnish personnel as to international civil servants of similar rank.

Article VI. GENERAL PROVISIONS

1. The executive program referred to in article I, paragraph 3, shall be approved by both parties not later than thirty (30) days from the date of signing of this Agreement.

2. The two governments shall make available to each other necessary information and data as the other may reasonably request in connection with the Study.

3. After the completion of the Study the Consultant shall submit appropriate final report thereon to the National Science Development Board of the Philippines, the Manila Seedling Bank Foundation, Inc., and the Ministry for Foreign Affairs of Finland.

4. The National Science Development Board of the Philippines shall submit to the Ministry for Foreign Affairs of Finland through the Ministry of Foreign Affairs of the Philippines an evaluation report after the completion of the Study.

5. This Agreement may be amended or modified by mutual negotiations between the competent authorities.

6. Any dispute arising out of this Agreement shall be settled through diplomatic channels.

7. All information and data received by a party from the other party for the performance of the Study shall be confidential and restricted to the use of the parties of this Agreement, unless otherwise agreed upon.

Article VII. ENTRY INTO FORCE, VALIDITY AND TERMINATION

1. This Agreement shall enter into force upon the signing of the Agreement, and shall remain valid until the submission of the evaluation report on the Study.

2. This Agreement may be terminated by either of the parties with a three-month prior notice in writing through diplomatic channels, to the other party.

DONE in Manila on this 2nd day of September 1980 in two original copies in the English language.

[Illegible]

Minister, National Science
Development Board

For the Government
of the Republic of the Philippines

[Illegible]

Chargé d'affaires *ad interim*

For the Government
of the Republic of Finland