

MEMORANDUM OF UNDERSTANDING

ASEAN-US PROJECT IN HUMAN RESOURCES DEVELOPMENT

In consideration of the mutual desire of the Association of Southeast Asian Nations (ASEAN) and the United States of America to pursue under the ASEAN-US Dialogue a regional project of assistance to ASEAN for human resources development (HRD), we have the honor to state that the United States of America, acting through the Agency for International Development (AID), hereby expresses its intent to support the aforementioned project, as described in Annex 1 hereto. The furnishing of such support will be subject to mutually agreed upon detailed arrangements and to the availability of funds in accordance with applicable U.S. law and regulations.

This ASEAN HRD project will seek to increase the human and institutional resource capacities of the ASEAN region in plant protection and quarantine, agricultural economics and planning, health, agricultural engineering, rural development and other priority regional development areas. The project will support training for Masters Degrees at both regional and American institutions as well as diploma and short-term educational activities at regional centers. Beside training scholarships, the project will continue AID support for the ongoing development of selected regional institutions. By strengthening human and institutional resources in the region, this ASEAN-US cooperation will help accelerate the transfer, adaptation and development of technical "know-how" that contributes to regional economic productivity.

For purposes of implementing this Memorandum of Understanding, including entering into project agreements with recipient institutions, the Government of the United States of America shall be represented by AID.

This Memorandum of Understanding shall become effective upon ASEAN's concurrence and shall remain in force unless terminated by either Party upon giving notice of termination of not less than six (6) months.

CONCUR:

Description of Project

1. Project Goal and Purpose

The project goal is to accelerate the transfer, adaptation and development of technology in selected areas that contribute to regional economic productivity. The project's principal purpose is to increase the human and institutional resource capacities of the ASEAN region in plant protection and quarantine, agricultural economics and planning, health, agricultural engineering, rural development and other priority development areas. By increasing human resource and institutional capacities on a regional basis, the project strengthens the development of technical networks devoted to ASEAN cooperation for socio-economic development.

Over a four year period, the project will train an estimated 1,988 ASEAN participants: 360 at the Master's Degree level at regional institutions; 6 at the Master's Degree level in the US; 266 at the Diploma level at regional centers; and 1,356 in short-term training at regional institutions. In addition, the project will involve an estimated 744 ASEAN nationals in regional seminars/workshops/conferences focusing on agriculture, health and other development technologies for adoption at national and regional levels. By project end, participants and seminar attendees will be using acquired technical skills in their respective countries.

Besides scholarship training, the project provides Phase II support for the improvement of implementing institutions under the ASEAN-US Development Cooperation Program. Implementing institutions are shown in the following component summaries.

2. Project Components

A. ASEAN Plant Quarantine Centre and Training Institute - Phase II.

Initial AID assistance to help establish PLANTI began in 1980. The purpose of Phase II assistance is to continue improving the quality of basic plant quarantine (PQ) services in the region. Emphases are on: appropriate training and applied research; PQ information development and dissemination; meeting the phytosanitary requirements of commercial partners to facilitate international trade; and formulating PQ diagnostic, containment and eradication procedures.

AID and ASEAN will assist this effort with resources for training, technical assistance, commodities, staff support and information dissemination. The planned AID financing is estimated at up to US\$4.0 million and that from host country Malaysia and other ASEAN member countries at US\$2.12 million.

B. ASEAN Agricultural Development Planning Center - Phase II.

Initial AID support to help establish ADPC began in 1980. Phase II assistance purports to continue strengthening the capacity of ASEAN member countries to formulate policy and undertake agricultural planning. Emphases are on increasing policy/planning strengths and serving ASEAN country needs on a continuing basis under changing agricultural conditions.

AID and ASEAN will assist this effort with resources for training, selected research and data collection activities, and institutional support for commodity, equipment, staff support and operation/maintenance costs. Planned AID financing is estimated at up to US\$1.75 million and that from host country Thailand and other ASEAN member countries at US\$580,000.

C. Tropical Medicine and Public Health - Phase II. Phase I of AID support for TROPMED -- under the ASEAN-US Development Cooperation program -- began in 1981. Emphasis in Phase II is on continued technical cooperation to: address common regional problems in health and nutrition; keep pace with new technical information; increase access to health services; and help reduce infant, child mortality rates.

AID and ASEAN will assist with resources for training scholarships, regional seminars and operating/support costs. The planned AID assistance is estimated at up to US\$3.0 million, and that from lead country Thailand and TROPMED network at US\$1.45 million.

D. Asian Institute of Technology - Phase II. AIT was awarded one of the first ASEAN-US grants in 1979. Phase II emphasis is on continued regional cooperation and education in priority technical areas. It includes short-term training courses, longer-term Master's Degree activity as well as specially-designed training efforts responsive to ASEAN technical needs and requests. Expected specially-designed activities include a seminar on computerization of tax administration, a marine pollution training effort, a hazardous materials management course, as well as other short-term priority development activities emerging from the ASEAN-US Dialogue and Liaison process.

AID and ASEAN will assist with resources for training scholarships, special courses and operating/support costs. Planned AID assistance is estimated at up to US\$3.4 million, and that from host country Thailand and participating ASEAN countries at US\$1.15 million.

Beside the above four components, it is expected that additional institutions and activities will be added to the project. Further components will be subject to agreement between ASEAN and AID and the availability of funds.

3. Project Financing

It is anticipated that AID and ASEAN member country resources will be allocated to the HRD project as follows:

	In US\$'000		
	<u>AID</u>	<u>ASEAN</u>	<u>TOTAL</u>
a) ASEAN Plant Quarantine Centre and Training Institute - Phase II	4,000	2,120	6,120
b) ASEAN Agricultural Development and Planning Center - Phase II	1,750	580	2,330
c) Tropical Medicine and Public Health - Phase II	3,000	1,450	4,450
d) Asian Institute of Technology - Phase II	3,400	1,150	4,550
Contingency, Inflation, Audit and Evaluation	<u>1,850</u>	<u>700</u>	<u>2,550</u>
TOTAL	<u>14,000</u>	<u>6,000</u>	<u>20,000</u>
Percent Share	<u>70%</u>	<u>30%</u>	<u>100%</u>

AID has authorized up to US\$14 million for the project, of which approximately US\$2.5 million is available for obligation in 1987. Funds are not obligated under the Memorandum of Understanding but will be obligated through separate agreements with the implementing institutions subject to the availability of funds to AID for the purpose and to the mutual agreement of the parties to proceed.

As planned, the project will finance the activities of each project component for a period of approximately four-years beginning on or about July 1, 1987. However, the project assistance completion date under the obligating agreements to be agreed upon will provide for a five year life of project to allow sufficient time for participants in year four to complete their training prior to the PACD of June 30, 1992.

4. Special Concern

To help assure sustainable and viable operations in the cases of PLANTI and ADPC, ASEAN agrees to develop organizational finance plans for these two institutions. Such plans will be developed in collaboration with the organizations and host countries (Malaysia and Thailand) with a view to identifying and securing sources of finance for the recurring and operating expenses of PLANTI and ADPC before the end of project.