

AGREEMENT ON DEVELOPMENT COOPERATION

BETWEEN THE

GOVERNMENT OF NEW ZEALAND

AND THE

GOVERNMENT OF PAPUA NEW GUINEA

PREAMBLE

The Government of New Zealand and the Government of Papua New Guinea (hereinafter referred to as 'the Parties')

COMMITTED to maintaining and strengthening the close and friendly relations between Papua New Guinea and New Zealand,

NOTING the mutual benefits to be gained from full consultation and from arrangements made between the two countries that contribute to the economic and social development of Papua New Guinea,

SEEKING to improve the efficiency, effectiveness and equitability of project based development assistance to Papua New Guinea,

RECOGNISING their mutual interest in formalising arrangements for the conduct of development cooperation between them,

HAVE AGREED AS FOLLOWS:

Article 1

PRINCIPLES OF DEVELOPMENT COOPERATION

1. The Government of New Zealand and the Government of Papua New Guinea agree to cooperate in the administration of such development assistance as New Zealand may from time to time offer to Papua New Guinea.
2. Any such development cooperation between the Parties shall be programmed in such a manner that it:
 - (a) contributes towards social and economic development and self-reliance in Papua New Guinea,
 - (b) allows for effective and efficient forward planning and project implementation in accordance with policies and priorities set by the Government of Papua New Guinea,
 - (c) acknowledges the agreed importance of human resource development and institutional strengthening to the development of Papua New Guinea, and
 - (d) is consistent with the policies on development cooperation of both Parties.
3. Any development cooperation undertaken in accordance with this Agreement shall be subject to the provisions of the attached Annex except to the extent that they are expressly excluded by the Parties in respect of specific projects.

Article 2

CONSULTATION AND REVIEW

1. The Parties note the importance of the annual development assistance talks, and the role of a project coordinating group, in promoting the progress of the country programme.
2. The Parties shall undertake periodic reviews, jointly or separately, to ensure the effective implementation of development cooperation arrangements, specific programmes and projects.
3. Such reviews may be undertaken through the coordinating authority of each State, and/or within the framework of the Consultative Group on Papua New Guinea, and/or by taking account of available economic reviews on Papua New Guinea or by such other means as may be determined by the Parties.

Article 3

AMENDMENT AND IMPLEMENTATION


1. Upon the request of either Government the Parties shall consult regarding any matter relating to the interpretation or implementation of this Agreement and shall jointly endeavour in a spirit of cooperation and mutual trust to resolve any difficulties or misunderstandings which may arise.
2. This Agreement may be amended at any time by mutual agreement.

Article 4

ENTRY INTO FORCE AND DURATION

1. This Agreement shall enter into force from the date on which the Parties inform each other by an exchange of notes that their constitutional and other requirements for the entry into force of the Agreement have been fulfilled.
2. Either Party may terminate this Agreement by written notification through the diplomatic channel of its intention to do so. Such notification shall take effect six months from the date of receipt by the other Party.
3. Notwithstanding paragraphs 2 and 3 of this Article, activities undertaken pursuant to this Agreement shall continue to be governed by its terms until their completion.

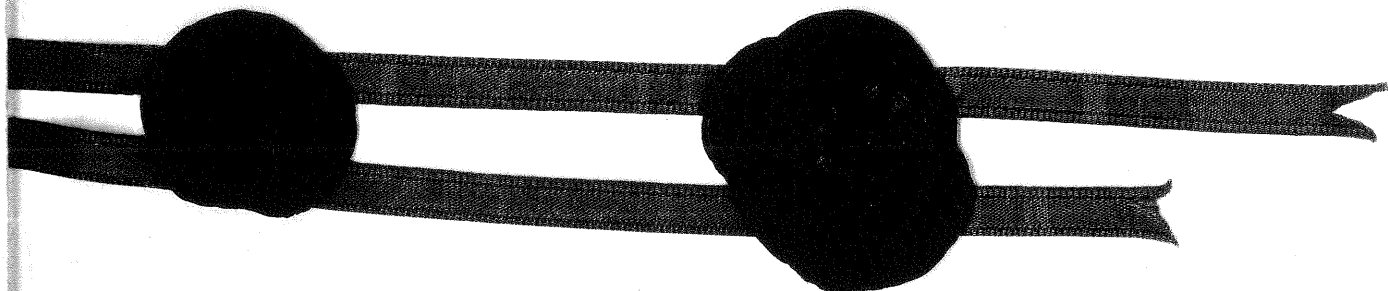
DONE at Wellington, in duplicate, this ~~ten~~ ¹² day of December, 1991.



FOR THE GOVERNMENT
OF NEW ZEALAND



FOR THE GOVERNMENT
OF PAPUA NEW GUINEA



ANNEX

Procedures and Conditions Applying to Jointly Programmed Development Assistance

1. Definitions

In this Annex:

- (a) "New Zealand institution" means any New Zealand body engaged in a project in Papua New Guinea to which this Annex applies;
- (b) "New Zealand personnel" means persons who are not Papua New Guinean by nationality or by grant of permanent residence, who are working in Papua New Guinea on a project to which this Annex applies and whose salaries or other costs are funded from the New Zealand contribution to that project;
- (c) "dependent" means the spouse (legal or de facto) or child (under the age of 18 years) of New Zealand personnel or any other person recognised by the Parties as a dependent of a member of New Zealand personnel;
- (d) "personal, professional and technical material" means equipment and other goods purchased or imported by New Zealand personnel or New Zealand institutions for their professional use while engaged in a project to which this Annex applies;
- (e) "project" includes programmes and projects arranged pursuant to the Agreement on Development Cooperation, and all other development cooperation activities arranged between the Parties; and
- (f) "project supplies" means equipment, material and other goods supplied for a project to which this Annex applies, the cost of which is funded from the New Zealand contribution to the project.

2. Application

The provisions of this Annex shall apply to all development cooperation projects arranged between the Parties, unless they mutually decide otherwise.

3. Contributions of the Government of New Zealand

The contributions of the Government of New Zealand to development projects may include, but not be limited to the following:

- (a) the cost of professional and other services required for development projects;
- (b) the cost of providing project supplies and the cost of transportation of project supplies to the port of entry in Papua New Guinea; and,
- (c) the cost of international travel and domestic travel, living allowances, fees and other associated costs within New Zealand in relation to student scholarships and training awards.

4. Contributions of the Government of Papua New Guinea

The contributions of the Government of Papua New Guinea may include, but not be limited to the following:

- (a) facilitation of entry by New Zealand personnel and their dependents into Papua New Guinea;
- (b) facilitation of transportation within Papua New Guinea in accordance with the requirements of development projects arranged between the Parties;
- (c) facilitation of travel within Papua New Guinea by New Zealand personnel in the performance of their duties;
- (d) grant of permission to use means of communication in Papua New Guinea appropriate to the needs of the development projects involved;
- (e) provision of appropriate furnished accommodation and office premises, and office services on the sites of development projects where such premises and services are needed by New Zealand institutions and personnel to implement development projects;
- (f) provision of reports, records, maps, statistics and other information related to development projects and likely to assist New Zealand personnel in the implementation of such projects; and,

- (g) the cost of domestic travel, living allowances, fees and other associated costs within Papua New Guinea in relation to students studying or training in New Zealand on scholarships and training awards.

5. Coordinating Authorities

1. Each Party shall coordinate aid projects through its coordinating authority.
2. Unless the Parties agree otherwise:
 - (a) the Development Cooperation Division of the Ministry of External Relations and Trade shall be the coordinating authority of New Zealand; and
 - (b) the Office of International Development Assistance of the Department of Finance and Planning shall be the coordinating authority of Papua New Guinea.

6. Responsibility

1. There shall be a project coordinating group, which shall be subject to the direction of the Parties in accordance with Article 2 of this Agreement, comprising representatives of the Office of International Development Assistance of the Department of Finance and Planning; of the New Zealand High Commission in Port Moresby and of other Government departments or agencies with an interest in the country programme, who shall have responsibility for the monitoring of specific projects established in the annual country programme.
2. Unless otherwise agreed between the Parties, the group shall meet at least every three months and shall have inter alia the following functions:
 - (a)
 - (i) contribute to the review of implementation, monitoring, evaluation and appraisal processes used for existing projects;
 - (ii) discuss the terms of reference, selection of and performance of project personnel;
 - (iii) report to Parties on the progress of all projects.
 - (b)
 - (i) make recommendations to the Parties on new projects;

- (ii) make recommendations to the Parties on the utilisation and availability of project funds during the course of the annual country programme;
- (iii) where appropriate make recommendations to the Parties on the terms of reference, selection of and performance of project personnel;
- (iv) where appropriate, make recommendations to the Parties on changes in the level of the programme budget, allocations to particular projects and future developments for the country programme.

7. Duties, Levies and Taxes on New Zealand Institutions

The Government of Papua New Guinea shall extend to New Zealand institutions the same exemptions in duties, levies and taxes that are extended to New Zealand personnel pursuant to paragraph 11 of this Annex.

8. Remittance of Funds

The Government of Papua New Guinea, in accordance with its laws, shall permit New Zealand personnel and New Zealand institutions to repatriate their funds and facilitate and assist in that repatriation.

9. Project Supplies and Personal, Professional and Technical Material

1. Unless otherwise agreed by the Parties, ownership of project supplies shall vest in Papua New Guinea on completion of the project.
2. In respect of project supplies and personal, professional and technical material, whether imported from outside or procured within Papua New Guinea, the Government of Papua New Guinea shall:
 - (a) exempt New Zealand personnel and institutions from customs duties, excise duties, sales tax, and other duties, taxes, levies and other charges of a similar nature upon these items;
 - (b) facilitate the movement of project supplies by providing appropriate customs and wharfage facilities in the port closest to the project site and shall be responsible for the expeditious transport of such supplies to the site;

- (c) unless provided otherwise by mutual arrangement between the Parties, provide expeditious transport to the site of the project; and
 - (d) exempt New Zealand personnel and institutions from, or take responsibility for, all levies, duties, fees and taxes on project supplies purchased in or imported into Papua New Guinea.
3. Project supplies provided for a specific project to which this Annex applies shall be available only for the purpose of that specific project and shall not be withdrawn from that use without the mutual agreement of the coordinating authorities.
4. The coordinating authority of New Zealand shall exercise administrative control over such supplies for the duration of the project or until both authorities agree that they may be released from the project.

10. Intellectual Property

Recognising that it will be desirable to use or exploit advances or discoveries which may be made in the course of a development project subject to this Agreement, all intellectual property thus resulting shall be distributed equitably between the Parties.

11. Duties, Levies and Taxes for New Zealand Personnel

1. The Government of Papua New Guinea shall facilitate the recruitment and employment by the Government of New Zealand or its coordinating authority or representative, of personnel required for the projects to which this Annex applies, by:
- (a) granting exemption to New Zealand personnel from income or other taxes on salaries and allowances;
 - (b) granting exemption to New Zealand personnel from import duties and other charges on personal and household effects imported at the time of first taking up duty in Papua New Guinea or during the period of six months after that date;
 - (c) granting to New Zealand personnel all rights and entitlements accorded to the aid personnel of any other donor country or international development agency;
 - (d) expediting the issue of all documentation required by New Zealand personnel and their dependents, for their entry into, and for the performance of their duties in, Papua New Guinea; and

(e) granting exemption from import duty or any charge levied on one motor vehicle per person if that vehicle is imported or purchased within six months of taking up duty in Papua New Guinea. If that motor vehicle is sold to a person without similar privileges before the expiration of two years after the date of importation or purchase of the vehicle, the person shall pay an amount equivalent to the import duty and import levy that was payable on the vehicle at the date on which it was imported or purchased.

2. New Zealand personnel shall not engage in any form of employment in Papua New Guinea other than that provided for by the terms of their commissions.
3. Dependents of New Zealand personnel shall not engage in any form of regular employment in Papua New Guinea without the prior written approval of the Government of Papua New Guinea through the Secretary of Foreign Affairs.

12. Export of Personal, Professional and Technical Material and Personal and Household Effects

In respect of the export from Papua New Guinea of personal, professional and technical material and personal and household effects at the end of the assignment of New Zealand personnel and their dependents, the Government of Papua New Guinea shall:

- (a) exempt them from export duties and any charges levied; and
- (b) expedite their clearance through customs.

13. Facilitation of Development Activities

1. The Government of Papua New Guinea shall facilitate the implementation of the projects to which this Annex applies by taking all necessary measures, including the issue of visas, work permits, licences and other necessary documents to New Zealand institutions, personnel and their dependents.
2. The Government of Papua New Guinea shall issue to New Zealand personnel and their dependents multiple exit and re-entry visas which shall be valid for the duration of their assignment.

3. The Government of Papua New Guinea shall accord New Zealand personnel and New Zealand institutions any benefits not specifically provided for in this Annex, which are granted by the Government of Papua New Guinea to personnel and institutions from countries other than New Zealand carrying out similar development projects in Papua New Guinea.
4. The Government of Papua New Guinea shall make available to New Zealand institutions and New Zealand personnel and their dependents details of local laws, regulations and relevant Government policy guidelines which may affect them in the performance of their duties and for the duration of their assignment in Papua New Guinea.

14. Claims

The Government of Papua New Guinea shall:

- (a) bear all risks associated with projects carried out in Papua New Guinea to which this Annex applies,
- (b) be responsible for dealing with claims which may be brought by third parties against the Government of New Zealand, the servants or representatives of the Government of New Zealand, New Zealand personnel and their dependents or New Zealand institutions, and
- (c) hold harmless the Government of New Zealand, the servants or representatives of the Government of New Zealand, New Zealand personnel or their dependents, or New Zealand institutions in case of any claim resulting from projects to which this Annex applies, except where it is mutually decided by the Parties that such claims arise from negligence or wilful misconduct on the part of servants or representatives of the Government of New Zealand or New Zealand personnel or their dependents.

15. Security

The Government of Papua New Guinea shall extend to New Zealand personnel and their dependents such security arrangements as are available to all persons and property in Papua New Guinea, including security arrangements available to other foreign development assistance projects and personnel attached to those projects and their dependents.

16. Subsidiary Arrangements

1. In relation to projects subject to the provisions of this Annex the coordinating authorities may, by mutual agreement, enter into specific arrangements for ease of implementation of the projects.
2. Such arrangements would be made through the Project Coordinating Group which meets at three monthly intervals.