



Australian Government

AusAID

11 October 2010

Mr Rizalino Rivera
Undersecretary for Regional Operations
Department of Education
Meralco Avenue, Ortigas Center
Pasig City

Dear Undersecretary Rivera

Strengthening Implementation of Basic Education in Selected Provinces in Visayas Project (STRIVE)

This Exchange of Letters (EOL) between the Department of Education (DepEd) and the Australian Agency for International Development (AusAID) seeks to amend the Subsidiary Arrangement (SA) in relation to Strengthening Implementation of Basic Education in Selected Provinces in Visayas (STRIVE) Project, as provided in Clause 8 of the SA.

On the basis of approval to extend Stage 2 by the Government of the Republic of the Philippines (GRP) and by the Government of Australia (GOA) on 2 August 2010, we propose to amend the SA on the following:

Remove existing Clause 4.1, 4.2, 5.4 and 9.1 and replace with the following. These clauses specify changes in the amounts, timelines and handover arrangements.

“4.1 The contributions of the GOA and GRP for Stage I are as described in Annex 2A to this Arrangement. These contributions are estimated to value \$ 4,738,922.54 Australian Dollars and 10,673,020.00 Philippine Pesos, respectively over a period of 22 months. The contributions of the GOA and GRP for Stage II are as described in Annex 2B to this Arrangement. These contributions are estimated to value \$19,113,252.77 Australian Dollars and 128,000,000.00 Philippine Pesos, respectively over a period of 45 months unless otherwise arranged by the Parties. The financial contribution of the GOA will be subject to the normal annual Parliamentary approval of appropriations. The contributions of the GRP represent costed items for office space, utilities, co-located staff and training related costs. The GRP contributions will be subject to the annual approval of appropriations.

“4.2 Consistent with Project objectives and subject to the laws and regulations of the GRP, the contributions of the GOA and the GRP to Stage 2 has been determined and was approved by GRP on 12 June 2007 and by GOA on 6 July 2007 and subsequently revised by GRP and GOA on 2 August 2010. Details of these contributions are added to this Arrangement as Annexures.

“5.4 Motor vehicles provided by the GOA for the Project’s use will be registered and insured jointly in the names of the Australian Embassy, representing AusAID and the Project. At the end of the Project’s life span, all motor vehicles will be handed over to the Department of Education and transferred to their asset register.

“9.1 This **ARRANGEMENT** will take effect from the date of its signature. Implementation of Stage 1 will commence on October 3, 2005 and will be completed 31 July 2007. Implementation of Stage 2 will commence on 1 August 2007 and will be completed on 30 April 2011 or on such date as may be mutually decided by the two Governments.”

Remove existing Clause 1.1 of Annex One B and replace with the following:

ANNEX ONE B PROJECT DESCRIPTION – STAGE 2

Introduction

“1.1 The GOA will provide a grant of A\$ 19,113,252.77 for the STRIVE Project over 45 months commencing in 1 August 2007. The Project is designed to support and strengthen regional and sub-regional DepED systems and capacity for current and future planning and implementation of the national education reform program under BESRA in the Visayas.”

Remove existing Clause 2.1 of Annex Two A and 2.1 and 2.2 of Annex Two B and replace with the following:

ANNEX TWO A GENERAL RESPONSIBILITIES OF THE GOVERNMENT OF AUSTRALIA

“2.1 The GOA will make contributions totalling an estimated A\$ 4,738,922.54 to the Project over 22 months commencing in October 2005. “

ANNEX TWO B

GENERAL RESPONSIBILITIES OF THE GOVERNMENT OF AUSTRALIA

Stage 2

“2.1 The GOA will make contributions totalling an estimated A\$ 19,113,252.77 to the Project over 45 months commencing in 1 August 2007.

“2.2 The contributions of the GOA, listed by the type of inputs are set out below:

(a) Personnel

The GOA will provide all costs for Australian and other full-time senior management as well as long/short-term personnel dedicated to the **Project**

Core In-country International Team:

(1) Project Director/M & E Adviser (Team Leader) to be based in Manila who will provide full-time oversight and will handle the daily operational management of the Project for 45 months;

(1) Deputy Director/Change Management Adviser (Deputy Team Leader) to be based in Manila for 45 months ;

(1) INSET Systems Adviser to be based in Iloilo for 12 months and in Cebu for 3.5 months;

(1) LRMD Systems Adviser to be based in Cebu for 15.5 months;

(1) ICT/Education Systems Adviser to be based in Manila for 15.5 months;

(1) Administrative and Operations Manager for 22.5 months

Long-term and Short-term Project Personnel

International and Filipino personnel with the following technical expertise: INSET, LRMD/ICT, SBM/QA, ICT/EMIS, Access/ADM, ALS, M&E, Facilities/Building Engineer, and Project Staff.

In-Australia Support Team:

(1) Technical Director for 1.4 months (31 days) in Australia , 2.5 months (54 days) in the Philippines.

(1) Finance Manager for 1.4 months (31 days) in Australia, 1.2 months (27 days) in the Philippines.

Remove existing Annex Three B and replace with the following:

**ANNEX THREE B
GENERAL RESPONSIBILITIES OF THE
GOVERNMENT OF THE PHILIPPINES**

Stage 2

“3.1 The GRP will make counterpart contributions to the **Project** totalling an estimated Php28,000,000.00 over a period of 45 months. These contributions may be subject to change by consultation between the Parties. The contributions of the GRP are set out below:

(a) Personnel

Counterpart staff (technical, secretarial and administrative support staff) from DepED. These staff would include a senior manager who will be the Philippine Project Manager as counter to the IPD. The GRP will identify suitably qualified individuals for the “backfilling” of positions vacated by individuals assigned to work on project activities.

(b) Training

The precise details of proposed training and Philippine support will be outlined the Annual Plans. However, in principle, the GRP will meet the following training costs:

In-Philippines

- Miscellaneous costs of conducting training programs and workshops in the Philippines such as provision of support personnel and other local costs; and
- Costs of local participation in training programs such as costs of local land travel and per diems of trainees.

In-Australia

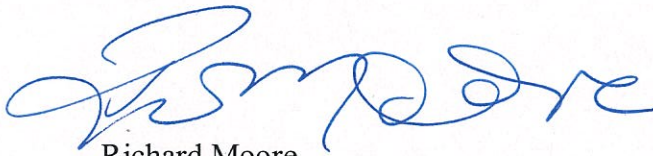
- Costs associated with obtaining satisfactory travel clearances and documentation from the GRP; and
- Costs associated with participants’ surface travel in the Philippines to reach their point of embarkation (in the main expected to be Manila), including pre-departure travel taxes.

(c) Other

Provision of suitable office space in DepED National Office, DepEd Regional Offices in Regions VI, VII, and VIII, including provision of janitorial, maintenance, electricity and water and an appropriate number of telephone lines. (The costs of handsets, on-going line rental, and monthly billing costs will be borne by the GOA).”

Subject to your agreement to these changes, both copies of this letter are to be signed on behalf of the DepEd for the Government of the Philippines. One signed original copy of this letter will be returned to AusAID, This letter, signed in duplicate, constitutes an understanding between the parties.

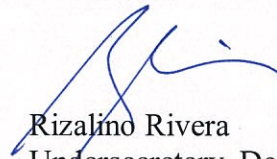
Yours sincerely



Richard Moore
Deputy Director General, AusAID
For the Government of Australia

2/10/10

Conforme:



Rizalino Rivera
Undersecretary, Department of Education
**For the Government of the Republic of
the Philippines**