

AGREEMENT ON TECHNICAL COOPERATION BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF THE REPUBLIC OF PALAU

The Government of Japan and the Government of the Republic of Palau,
Desiring to strengthen further the friendly relations existing between
the two countries by the promotion of technical cooperation, and

Considering mutual benefits derived from promoting the economic and
social development of their respective countries,

Have agreed as follows:

ARTICLE I

The two Governments shall endeavor to promote technical cooperation
between the two countries.

ARTICLE II

Separate arrangements which govern specific technical cooperation
programs carried out under this Agreement shall be agreed upon between the
competent authorities of the two Governments. The competent authority of
the Government of Japan is the Ministry of Foreign Affairs, and the
competent authority of the Government of the Republic of Palau is the
Ministry of State.

ARTICLE III

The following forms of technical cooperation will be carried out by the
Japan International Cooperation Agency (hereinafter referred to as "JICA")

at its own expense in accordance with the laws and regulations in force in Japan as well as with the arrangements referred to in Article II:

- (a) providing technical training to Palauan nationals;
- (b) dispatching experts (hereinafter referred to as the "Experts") to the Republic of Palau;
- (c) dispatching Japanese volunteers with a wide range of technical skills and abundant experience (hereinafter referred to as the "Senior Volunteers") to the Republic of Palau;
- (d) dispatching Japanese missions (hereinafter referred to as the "Missions") to the Republic of Palau to conduct surveys of economic and social development projects of the Republic of Palau;
- (e) providing the Government of the Republic of Palau with equipment, machinery and materials; and
- (f) providing the Government of the Republic of Palau with other forms of technical cooperation as may be decided upon by mutual consent between the two Governments.

ARTICLE IV

The Government of the Republic of Palau shall ensure that the techniques and knowledge acquired by Palauan nationals as well as the equipment, machinery and materials provided as a result of the Japanese technical cooperation as set forth in Article III contribute to the economic and social development of the Republic of Palau, and are not utilized for military purposes.

ARTICLE V

In case JICA dispatches the Experts, the Senior Volunteers and the Missions, the Government of the Republic of Palau shall:

1. (1) (a) exempt the Experts, the Senior Volunteers and members of the Missions from taxes including income tax, and fiscal charges imposed on or in connection with salaries and any allowances remitted to them from abroad;
- (b) exempt the Experts, the Senior Volunteers, members of the Missions and their families from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation of:
 - (i) luggage;
 - (ii) personal effects, household effects and consumer goods; and
 - (iii) one motor vehicle per Expert, per family of the Expert, per Senior Volunteer and per family of the Senior Volunteer assigned to stay in the Republic of Palau;
- (c) exempt the Experts, the Senior Volunteers and their families who do not import any motor vehicle into the Republic of Palau from taxes including value added tax and fiscal charges in respect of the local purchase of one motor vehicle per Expert, per family of the Expert, per Senior Volunteer and per family of the Senior Volunteer; and
- (d) exempt the Experts, the Senior Volunteers and their families from the registration fee of the motor vehicles mentioned in (b) (iii) and (c).

(2) (a) provide at its own expense suitable office and other facilities including telephone and facsimile services necessary for the performance of the duties of the Experts, the Senior Volunteers and the Missions as well as to bear the expenses for their operation and maintenance;

(b) provide at its own expense the local staff (including adequate interpreters, if necessary) as well as Palauan counterparts to the Experts, the Senior Volunteers and the Missions necessary for the performance of their duties;

(c) bear expenses of the Experts and the Senior Volunteers for:

(i) daily transportation to and from their place of work;

(ii) their official travels within the Republic of Palau; and

(iii) their official correspondence;

(d) provide the convenience for acquisition of appropriate housing accommodation for the Experts, the Senior Volunteers and their families; and

(e) provide the convenience for receiving medical care and facilities for the Experts, the Senior Volunteers, members of the Missions and their families.

(3) (a) permit the Experts, the Senior Volunteers, members of the Missions and their families to enter, leave and sojourn in the Republic of Palau for the duration of their assignment therein, offer them the convenience for procedures of alien registration requirements, and exempt them from consular fees;

- (b) issue identification cards to the Experts, the Senior Volunteers and members of the Missions to secure the cooperation of all governmental organizations necessary for the performance of their duties;
 - (c) offer the Experts, the Senior Volunteers and their families the convenience for acquisition of car driving license; and
 - (d) carry out other measures necessary for the performance of the duties of the Experts, the Senior Volunteers and the Missions.
2. The motor vehicles mentioned in paragraph 1 shall be subject to payment of taxes including customs duties if they are subsequently sold or transferred within the Republic of Palau to individuals or organizations not entitled to exemption from such taxes or similar privileges.
3. The Government of the Republic of Palau shall accord the Experts, the Senior Volunteers, members of the Missions and their families such privileges, exemptions and benefits as are no less favorable than those accorded to experts, senior volunteers, members of missions and their families of any third country or of any international organization performing a similar mission in the Republic of Palau.

ARTICLE VI

The Government of the Republic of Palau shall bear claims, if any arises, against the Experts, the Senior Volunteers and members of the Missions resulting from, occurring in the course of, or otherwise connected with, the performance of their duties, except when the two Governments agree that

such claims arise from gross negligence or willful misconduct on the part of the Experts, the Senior Volunteers or members of the Missions.

ARTICLE VII

1. (1) In case JICA provides the Government of the Republic of Palau with equipment, machinery and materials, the Government of the Republic of Palau shall exempt such equipment, machinery and materials from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation. The equipment, machinery and materials mentioned above shall become the property of the Government of the Republic of Palau upon being delivered c. i. f. at the port of the disembarkation to competent authorities of the Government of the Republic of Palau.
- (2) In case JICA provides the Government of the Republic of Palau with equipment, machinery and materials, the Government of the Republic of Palau shall exempt such equipment, machinery and materials from taxes including value added tax and fiscal charges in respect of the local purchase.
- (3) The equipment, machinery and materials mentioned in sub—paragraph (1) and (2) shall be utilized for the purpose specified in the arrangements referred to in Article II unless otherwise agreed upon between the competent authorities of the two Governments.
- (4) The expenses for the transportation within the Republic of Palau of the equipment, machinery and materials mentioned in sub—paragraph (1)

and (2) and the expenses for their replacement, maintenance and repair shall be borne by the Government of the Republic of Palau.

2. (1) The equipment, machinery and materials, prepared by JICA, necessary for the performance of the duties of the Experts, the Senior Volunteers and members of the Missions shall remain the property of JICA unless otherwise agreed upon between the competent authorities of the two Governments.

(2) The Government of the Republic of Palau shall exempt the Experts, the Senior Volunteers and members of the Missions from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation of the equipment, machinery and materials mentioned in sub—paragraph (1).

(3) The Government of the Republic of Palau shall exempt the Experts, the Senior Volunteers and members of the Missions from taxes including value added tax and fiscal charges in respect of the local purchase of the equipment, machinery and materials mentioned in sub—paragraph (1).

ARTICLE VIII

The Government of the Republic of Palau shall maintain close contact, through organizations designated by it, with the Experts, the Senior Volunteers and members of the Missions.

ARTICLE IX

1. It is confirmed that JICA may maintain its overseas office in the Republic of Palau (hereinafter referred to as the "Office") with a resident representative and his/her staff to be dispatched from Japan (hereinafter referred to as the "Representative" and the "Staff" respectively) who perform the duties to be assigned to them by JICA relative to the technical cooperation programs under this Agreement in the Republic of Palau.
2. The Government of the Republic of Palau shall:
 - (1) (a) exempt the Representative, the Staff and their families from taxes including income tax and fiscal charges imposed on or in connection with salaries and any allowances remitted to them from abroad;
 - (b) exempt the Representative, the Staff and their families from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation of:
 - (i) luggage;
 - (ii) personal effects, household effects and consumer goods; and
 - (iii) one motor vehicle per Representative, per Staff, per family of the Representative and per that of the Staff assigned to stay in the Republic of Palau;
 - (c) exempt the Representative, the Staff and their families who do not import any motor vehicle into the Republic of Palau from taxes including value added tax and fiscal charges in respect of the local

purchase of one motor vehicle per Representative, per Staff, per family of the Representative and per that of the Staff;

(d) exempt the Representative, the Staff and their families from the registration fee of the motor vehicles mentioned in (b) (iii) and (c) ;

(e) permit the Representative, the Staff and their families to enter, leave and sojourn in the Republic of Palau for the duration of their assignment therein, offer them the convenience for procedures of alien registration requirements, and exempt them from consular fees;

(f) issue identification cards and special passes to the Representative and the Staff to enter airport/seaport beyond passport control point to receive and send off the Experts, the Senior Volunteers and members of the Missions;

(g) offer the Representative, the Staff and their families the convenience for acquisition of car driving license; and

(h) carry out other measures necessary for the performance of the duties of the Representative and the Staff.

(2) (a) exempt the Office from consular fees, taxes including customs duties and fiscal charges, as well as from the requirements of obtaining import license and certificate of foreign exchange coverage, in respect of the importation of the equipment, machinery, motor vehicles and materials necessary for activities of the Office;

(b) exempt the Office from taxes including value added tax and fiscal charges in respect of the local purchase of the equipment, machinery, motor vehicles and materials necessary for the functions of the Office; and

(c) exempt the Office from taxes including income tax and fiscal charges imposed on or in connection with office expenses remitted from abroad.

3. The motor vehicles mentioned in paragraph 2 shall be subject to payment of taxes including customs duties if they are subsequently sold or transferred within the Republic of Palau to individuals or organizations not entitled to exemption from such taxes or similar privileges.
4. The Government of the Republic of Palau shall accord the Representative, the Staff and their families as well as the Office such privileges, exemptions and benefits as are no less favorable than those accorded to representatives, staff and their families as well as offices of any third country or of any international organization performing a similar mission in the Republic of Palau.

ARTICLE X

The Government of the Republic of Palau shall take necessary measures to ensure security of the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and their families staying in the Republic of Palau.

ARTICLE XI

The Government of Japan and the Government of the Republic of Palau shall consult with each other in respect of any matter that may arise from or in connection with this Agreement.

ARTICLE XII

1. The provisions of this Agreement shall also apply, after the entering into force of this Agreement, to the specific technical cooperation programs which have commenced prior to the entering into force of this Agreement, and to the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and their families staying in the Republic of Palau as well as to the equipment, machinery and materials related to the said programs.
2. The termination of this Agreement shall neither affect the specific technical cooperation programs being carried out until the date of the completion of the said programs, unless otherwise decided upon by mutual consent between the two Governments, nor affect the privileges, exemptions and benefits accorded to the Experts, the Senior Volunteers, members of the Missions, the Representative, the Staff and their families staying in the Republic of Palau for the performance of their duties in connection with the said programs.

ARTICLE XIII

1. This Agreement shall enter into force on the date of the signature thereof.
2. This Agreement shall remain in force for a period of one year, and shall be automatically renewed every year for another period of one year each, unless either Government has given to the other Government at least six months' written advance notice of its intention to terminate the Agreement.

IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Agreement.

DONE in duplicate in the Japanese and English Languages, both texts being equally authentic, at Koror on February 10, 2005.

For the Government
of Japan:

For the Government
of the Republic of Palau: