

Exchange of Notes at Beijing
May 21, 2002
Entered into force May 21, 2002

Exchange of Notes between
the Government of the Republic of Korea
and
the Government of the People ' s Republic of China
concerning the Afforestation Project of the Western Region of China

(Korean Proposing Note)

Beijing, May 21, 2002

Excellency,

I have the honor to refer to the recent discussions held between the representatives of the Governments of the Republic of Korea and the People ' s Republic of China concerning the Afforestation Project of the Western Region of China (hereinafter referred to as "the Project") to be provided by the Korean Government through the Korea International Cooperation Agency (hereinafter referred to as "KOICA") with a view to strengthening the friendly and cooperative relations between the two countries, and, as a result of this discussions, to propose on behalf of the Government of the Republic of Korea as follows:

1. For the purpose of contributing to forestry development in the People ' s Republic of China, the Government of the Republic of Korea shall provide the Government of the People ' s Republic of China with grant aid (hereinafter referred to as "the Grant") including the dispatch of experts, the invitation of trainees and the provision of equipment up to the value of five million US Dollars (\$5,000,000) for the implementation of the Project over the next five years in accordance with the relevant laws and regulations of the Republic of Korea.
2. The Government of the People ' s Republic of China shall take the necessary measures to:
 - (a) ensure the prompt unloading and customs clearance at ports of disembarkation in the People ' s Republic of China of the materials and equipments provided under the Grant and facilitate the internal transportation of such materials and equipments;
 - (b) exempt Korean equipment from customs duties, internal taxes, dues and other fiscal levies which may be imposed in the People ' s Republic of China with respect to the supply of the products and services provided by the Republic of Korea;
 - (c) grant all Korean personnel involved in the Project exemption from customs duties, internal taxes and other charges which may be imposed in the People ' s Republic of China on such materials and equipments as vehicle, furniture and other personal effects, brought by them into Chinese territory in performance of their duties;

- (d) accord all Korean personnel involved in the Project such facilities as may be necessary for their entry into the People ' s Republic of China and their stay therein for the performance of their work;
- (e) ensure that the products purchased under the Grant be maintained and used properly and effectively for the implementation of the Project; and
- (f) bear all expenses, other than those covered by the Grant, necessary for the implementation of the Project.

3. Detailed plans for the Project implementation are stipulated in the Record of Discussion signed between representatives of KOICA and the State Forestry Administration of the People ' s Republic of China on November 26, 2001, which is attached hereto as the Appendix to this Note. The Project shall be implemented in accordance with the "Record of Discussion" and "Minutes of Meetings" which will be later agreed to between the representatives of KOICA and the Forestry Bureau of the respective Autonomous Region or Province of the People ' s Republic of China.

4. The Governments of the Republic of Korea and the People ' s Republic of China shall consult each other on any matter that may arise from or in connection with the present Notes.

If the above understanding is acceptable to the Government of the People ' s Republic of China, I have further the honor to propose that this Note and Your Excellency ' s Note in reply shall be regarded as constituting an agreement between our two Governments on this matter, which shall enter into force on the date of Your Excellency ' s Note in reply and shall be terminated by either Government by giving to the other six months ' prior written notice of its intention to terminate it.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Kim Ha-joong
Ambassador Extraordinary and
Plenipotentiary of the Republic of Korea
to the People ' s Republic of China

His Excellency
Mr. Long Yongtu
Vice Minister of Foreign Trade and
Economic Cooperation of
the People ' s Republic of China

(Chinese Note in Reply)

Beijing, May 21, 2002

Excellency,

I have the honor to acknowledge the receipt of Your Excellency 's Note of today which reads as follows:

“.....(Korean Proposing Note).....“

I have further the honor to confirm Your Excellency that the foregoing proposal is acceptable to the Government of the People 's Republic of China and that Your Excellency 's Note and this Note in reply shall constitute an agreement between our two Governments on this matter, which shall enter into force on the date of this Note in reply and shall be terminated by either Government by giving to the other six months ' prior written notice of its intention to terminate it.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration

Long Yongtu
Vice Minister of Foreign Trade and
Economic Cooperation of
the People 's Republic of China

His Excellency
Mr. Kim Ha-joong
Ambassador Extraordinary and
Plenipotentiary of the Republic of Korea
to the People 's Republic of China

APPENDIX

The Project Document

I . Outline of the Project

1. Title

The Afforestation Project of Western Region in China

2. Objective

- To improve rehabilitation of the deforestation through the support for afforestation in Western Region.
- To promote the environmentally sound and sustainable management of forest ecosystem in Western region.

- To exchange information on forest conservation and sustainable forestry between the two countries.
 - To promote friendly and mutually beneficial relationship between the two countries.
- 3. Period : Five years (2001~2005)
- 4. Scheme of Total Financial Input of the Project
 - (1) The Korean Government: Five Million US Dollars (\$5,000,000)
 - (2) The Chinese Government: To secure and input a sufficient sum for the successful implementation of the Project.
- 5. Project Sites and Both Governments ' Budget
 - (1) Inner Mongolia Autonomous Region (30.00km²) : US\$1,500,000
 - Korean side: US\$1,000,000
 - Chinese side: RMB400,000 (US\$500,000)
 - (2) Gansu Province (15.40km²) : US\$2,880,000
 - Korean side: US\$1,000,000
 - Chinese side: RMB1,500,000 (US\$1,880,000)
 - (3) Xinjiang Autonomous Region (12.00km²) : US\$1,801,700
 - Korean side: US\$1,000,000
 - Chinese side: RMB640,000(US\$801,700)
 - (4) Other 2 (two) Regions
 KOICA and State Forest Administration will cooperate in selecting two additional Project sites
 - Korean side: US\$2,000,000
 - Chinese side: remaining budget required for the Project
- 6. Cooperation between both Governments
 - (1) The Governments of the Republic of Korea and the People ' s Republic of China will cooperate together in the following project activities for the purpose of attaining project objectives:
 - (a) Financial support for afforestation
 - (b) Provision of Equipment
 - (c) Dispatch of Korean Experts
 - (d) Invitation of Chinese Trainees
 - (2) KOICA, on behalf of the Korean Government, and Forestry Bureau of the respective Autonomous Region or Province on behalf of Chinese provincial implementing agency will exchange a Minute of Meeting (M/M) on the details of each site of the Project.
- 7. Implementing Agencies
 - Korean side : Korea International Cooperation Agency(KOICA)
 - Chinese side : State Forestry Administration (SFA)

II. Undertakings of the Respective Governments

1. Undertakings of the Republic of Korea
 In accordance with the laws and regulations in effect in Korea, the Korean Government will assist the Chinese Goernment through KOICA in the following. The details

of the following can be amended by mutual agreement, if necessary.

- (1) Financial support for afforestation
 - To support expenses for afforestation of the project area
- (2) Establishment of the Implementation Plan on the Project
 - To provide technical advice for an annual implementation plan of the Project
- (3) Provision of Equipment
 - To provide equipment necessary for the implementation of the Project. In principle, Korean products are to be provided.
- (4) Dispatch of Korean Experts
 - To dispatch Korean experts in the field of forestry management and afforestation.
 - To dispatch Korean experts in the field of soil saving and etc.
 - To dispatch a Project Manager for comprehensive management such as site checking on project progress and providing technical advice.
- (5) Invitation of Chinese Trainees to Korea
 - To invite Chinese trainees in the field of forestry management and afforestation.
 - To invite Chinese trainees in the field of soil saving, nursery practice and etc.

2. Undertakings of the People ' s Republic of China

The Chinese Government will take necessary measures for the successful implementation of the Project in the following:

- (1) Administrative Measures
 - (a) To make necessary arrangements to secure the budget for the undertakings of Chinese Government.
 - (b) To designate the responsible organization and personnel on the Chinese side for preparation and implementation on the Project.
 - (c) For the purpose of promoting the Project, the Chinese Government will take appropriate measures to publicize the Project to the Chinese people.
- (2) Measures for the equipment granted by the Korean Government
 - (a) To provide prompt customs clearance and exemption from harbor dues, import duties, other taxes and public charges.
 - (b) To bear the costs of unloading, inland transportation and insurance for the equipment from the Port of Discharge to the project site in China.
 - (c) To bear the costs of storage, operation, maintenance and repair of the equipment.
 - (d) To supply or replace equipment, instruments, vehicles, spare parts and other materials required for the implementation of the Project other than those granted by the Korean Government.
 - (e) To utilize the equipment exclusively for the Project.
- (3) Measures for the Korean Experts and Project Manager
 - (a) To secure their safety and provide them with medical assistance when necessary
 - (b) To grant them privileges, exemptions and benefits no less favorable than those granted to the experts of other countries performing similar missions.
 - (c) To exempt taxes, duties, levies and other charge imposed under the Chinese laws and regulations in respect of the equipment, materials and supplies such as vehicle, urniture and other personal effects, brought by them into Chinese territory, which may be subsequently withdrawn there from unless mutually agreed upon.

- (d) To provide necessary Chinese experts and a sufficient number of administrative and auxiliary personnel.
 - (e) To provide site map of the Project, relevant data, statistics and documents which may be required in carrying out the tasks assigned to them, subject to the laws and regulation of China.
 - (f) To provide offices, furniture, telephone lines, stationery and other assistance they may require in carrying out their duties.
 - (g) To issue necessary entry and exit visas, travel documents, etc. required for their stay in China.
 - (h) To issue necessary permits and authorizations required for carrying out the Project.
 - (i) To arrange necessary meetings with the concerned Ministries and Agencies.
 - (j) To protect the Korean experts from any claim against them resulting from, occurring in the course of, or otherwise connected with the performance of the tasks assigned to them in China except for those arising from willful misconduct or gross negligence on their part.
- (4) Measures for Chinese Trainees
To nominate, one month in advance, candidates qualified for training to be conducted in Korea, ensuring that the nominees have sufficient knowledge of English and work as full-time staff for the Project.
- (5) Financial Measures for Afforestation
- (a) To present KOICA, at the beginning stage of afforestation each year with a detailed implementation plan including budget for afforestation.
 - (b) To present KOICA, at the final stage of afforestation each year with the report of afforestation outputs and settlement of account on the cash by KOICA after having confirmation of Korean experts.
 - (c) To present a final report to KOICA including afforestation outputs through the Project Manager.
- (6) Measures for Afforestation
- (a) To complete Chinese undertakings including road work, ground leveling work, water tanks and etc., based on Master Plan
 - (b) To present KOICA with a detailed work-flow chart and input plan (manpower, materials, etc.), on Korean inputs.
- (7) Other Expenses
To bear expenses necessary, other than the undertakings of the Korean Government, for the implementation of the Project.

III. Coordinating Committee

1. Purpose

For efficient implementation of the Project, both Governments will establish a Coordinating Committee at the start of the Project according to the following composition:

- Chinese side
 - Representative from the Ministry of Foreign Trade and Economic Cooperation
 - Representative from the State Forestry Administration
 - Representative from the Forestry Bureau of respective Autonomous Regions or Provinces
- Korean side
 - Representative from the Korean Embassy in China
 - Representative from KOICA

- Other experts appointed by KOICA for the Project

2. Major Functions

- (a) To check the progress of project implementation.
- (b) To adjust the project implementation schedule in consideration of budget, manpower and other conditions.
- (c) To take necessary measures to cope with unexpected occurrences which may occur in the course of project implementation.

IV. Installation of a Memorial

A memorial for the Project will be installed at the Project site after the afforestation is completed. The specifications of the memorial (i. e. form, size, location and wording) will be mutually agreed upon by both sides.

V. Initiation of the Project

The Project will be initiated by the Exchange of Note or a Note Verbale between the Korean Embassy in China on behalf of the Government of the Republic of Korea and the Ministry of Foreign Trade and Economic Cooperation on behalf of the Government of the People ' s Republic of China.

VI. Mutual Consultation

There will be mutual consultation between both Governments on any major issues arising from, or in connection with this Project Document.

VII. Evaluation of the Project

Evaluation of the Project will be undertaken by a joint investigatory team appointed by both Governments after the completion of the Project. A final report will be published based on the opinions of the said Coordinating Committee and other Project participants.

- Attached :
- 1. Tentative Implementation Schedule for the Project
 - 2. Annual Budget Estimation of Korean side for the Project

< Annex 1 >

Tentative Implementation Schedule for the Project

Country	Activities/Year	2001	2002	2003	2004	2005
			1-6	7-12	1-6	7-12 1-6 7-12 1-6 7-12
Korea	Conclusion of R/D					
	Exchange of Note					
	Conclusion of Minute of Meeting					
	Selection of New Project Sites					
	Invitation of Trainees					
	Dispatch of Experts & Project Manager					
	Provision of Equipment					
	Reforestation & Management					
China						
	Exchange of Note					
	Conclusion of Minute of Meeting					
	Selection of New Project Sites					
	Reforestation & Management					
	Construction of Facilities					

< Annex 2 >

Annual Budget Estimation of Korean Side for the Project

(Unit : US Dollar)

Years Activities	Total	2001	2002	2003	2004	2005
Invitation of Trainees	350,000	-	140,000	80,000	80,000	50,000
Dispatch of Experts	600,000	-	150,000	150,000	150,000	150,000
Disptch of Project Manager	450,000	80,000	80,000	90,000	100,000	100,000
Provision of Equipment	500,000	-	400,000	100,000	-	-
Reforestation & Management	3,050,000	-	1,000,000	1,000,000	650,000	400,000
Evaluation for Project	50,000	-	10,000	10,000	15,000	15,000
Total	5,000,000	80,000	1,780,000	1,430,000	995,000	715,000

* Above budget estimation is subject to change during actual process of the Project within total budget.