

Specific Agreement

between

the Government of the Kingdom of Belgium

and

the Government of the Socialist Republic of
Viet Nam

concerning the project

"Support for responsive accountable local
governance in Nghe An province
(RALG-Nghe An)"



The Government of the Kingdom of Belgium, hereinafter referred to as "Belgium"
and

The Government of the Socialist Republic of Viet Nam, hereinafter referred to as
"Viet Nam"

Hereinafter jointly referred to as "the Parties"

- Considering the "Accord Cadre de Coopération Economique, Industrielle et Technique entre le Gouvernement du Royaume de Belgique et le Gouvernement de la République Socialiste du Viet Nam" signed in Hanoi on October 11th, 1977;
- Considering the Agreed Minutes of the Meeting of the 6th Joint Commission on Development Cooperation between Viet Nam and Belgium held in Hanoi on June 21st 2011.

HAVE AGREED AS FOLLOWS:

Article 1. Object of the Agreement

This Specific Agreement specifies the institutional, administrative and budgetary commitments agreed upon by the Parties with regard to the implementation of the Project "Support for responsive accountable local governance in Nghe An province (RALG-Nghe An)", hereinafter referred to as "the Project".

The General Objective of the Project is: Accelerated social and economic development in Nghe An province through more responsive, transparent and accountable local governance.

The Specific Objective of the Project is: Improved citizen-government interaction leading to improved service delivery and increased citizen satisfaction.

The Project is fully described in the Technical and Financial File, hereinafter referred to as "the TFF", attached hereto, and being an integral part of this Specific Agreement.



Article 2. Responsibilities of the Parties

2.1. Viet Nam designates:

2.1.1 The Ministry of Planning and Investment, hereinafter referred to as "MPI", as the agency responsible for the overall supervision of the implementation of the present Agreement;

2.2.2 The People's Committee of Nghe An province, hereinafter referred to as "Nghe An PPC", as implementing agency, responsible for the Vietnamese contribution, technical coordination and follow up of the Project in accordance with the implementation modality as described in the TFF.

2.2. Belgium designates:

2.2.1 The Directorate General for Development Cooperation and Humanitarian Aid under the Federal Public Service of Foreign Affairs, Foreign Trade and Development Cooperation, hereinafter referred to as "DGD", as the agency responsible for the Belgian contribution to the Project. DGD is represented in Viet Nam by the Development Counsellor of the Belgian Embassy in Hanoi;

2.2.2 The Belgian Development Agency - a public law company with social purposes, hereinafter referred to as "BTC", as the executing agency responsible for the coordination, implementation and monitoring of the Project. BTC is represented in Viet Nam by its Resident Representative in Hanoi.

Article 3. Financial contribution of the Parties

Belgium undertakes to contribute to the Project, with a grant limited to **1.000.000 (one million) euros**.

Viet Nam undertakes to contribute to the Project, with an amount of **150.000 (one hundred and fifty thousand) euros**.

The detailed contribution of both sides and its use are described in the TFF.

Article 4. Contribution and obligations of Viet Nam

Viet Nam shall take all institutional, administrative and budgetary measures under the Vietnamese laws and regulations required for the proper and smooth implementation of the project, as well as to ensure the sustainability of the project's results.

Viet Nam shall therefore:

- Give free access to all documentation required for the implementation of the project's activities in accordance with Vietnamese laws and regulations;
- Allow the project to open necessary bank accounts as specified in the TFF;
- Keep equipment purchased with project resources within the project and assure their proper utilization and maintenance;
- Grant immunities and privileges to the international project personnel as described in the Prime Minister's Decision No. 119/2009/QĐ-TTg of 01/10/2009, promulgating the regulation on foreign experts implementing ODA programs/projects;
- Provide all usual assistance to the international experts in order for them to accomplish their tasks relevant to the project's implementation;
- Appoint qualified Government staff to the positions and bear their salaries and possible allowances as described in the TFF;
- Provide to all project staff adequate office space that is necessarily furnished and equipped;
- Contribute to the operational and maintenance costs of the project as described in the TFF;
- Be responsible for the financial and technical management of the funds received as financial support for the project implementation in line with the specifications of the TFF.

Article 5. Contributions and obligations of Belgium

Belgium shall contribute to the proper and smooth implementation of the Project by providing the inputs detailed in the TFF.

BTC shall therefore:

- Be responsible for the financial and technical management of the Belgian managed budget lines;
- Be responsible for the organisation of the external audits and evaluations as detailed in the TFF;
- Bear the salary, the social insurance, the travel expenses and the accommodation for the international experts and their family members (if and when appropriate);
- Bear the gross salaries for BTC's employed Vietnamese project staff as specified in the TFF, the costs for duty travel and all other expenses related to the execution of their functions within the limits stipulated in the UN-EU

Guidelines for financing of local costs in development cooperation with Viet Nam – version 2012, issued by UN Agencies, the Embassies of the EU Member States and the EC Delegation to Viet Nam and the Ministry of Planning and Investment of Viet Nam, or the subsequent revisions;

- Assure timely transfer of funds to the project's accounts for correct implementation of the project, based on verifications that the prior conditions for transfers are fulfilled;
- Provide various kinds of services and equipment as planned in the TFF.

Article 6. Management, Steering and Monitoring of the Project

In line with the Hanoi Core Statement on Aid Effectiveness, both parties will work in a spirit of enhanced mutual accountability and transparency.

- 6.1 Nghe An PPC shall set up a Project Management Unit (PMU) - the administrative entity responsible for the coordination, implementation and monitoring of the Project. Nghe An PPC will guarantee that the PMU is fully operational during the whole duration of the Project with the minimum staffing as described in the TFF. The composition and responsibilities of the PMU as well as details on the management modalities regarding human resources, financial management, procurement and reporting are further described in the TFF.
- 6.2 The Parties agree to setup a Project Steering Committee (PSC) in charge of guiding and directing the organisational, technical and financial management of the Project. Composition, frequency of the meetings, mandate and responsibilities of this PSC are specified in the TFF.
- 6.3 Based on the evaluation of the situation and the progress in implementation, the PSC is entitled to modify the TFF as far as such modifications do not alter the specific objective of the Project (Article 1), the total budget (defined in Article 3 and the TFF) or the duration of this Specific Agreement (Article 10.1). Such modifications, if needed, will be the subject of an Exchange of Letters through diplomatic channels as stipulated in Article 10.2.
- 6.4 A copy of the progress report for the PSC and of the agreed minutes of the PSC Meetings will be transmitted to the Belgian Embassy in Hanoi.

Article 7. Property of the project's results and exchange of information

- 7.1 All documents and data resulting from the activities of the project are the property of both Governments and shall mention their bilateral origin.

- 7.2 Each Party shall forward to the other Party all information deemed relevant to the smooth and efficient implementation of the project.
- 7.3 The project shall promote the public awareness and visibility of the project's results and contributions made by both governments as deemed appropriate and useful.

Article 8. Taxes and import duties

- 8.1 No part of the Belgian contribution shall be used to pay any taxes related to the purchase of equipment, goods and services in accordance with the current tax law of Viet Nam.
- 8.2 The Government of Viet Nam exempts all goods, equipment and services purchased for non-refundable ODA projects from all custom duties and taxation in accordance with Vietnamese laws and regulations. The administrative procedures for tax exemption or tax and duties reimbursement will be assumed by the Vietnamese partner.

If full exemption is not possible under the Vietnamese laws and regulations whatever remaining taxes or duties are claimed, they will be taken in charge by the Vietnamese partner.

Article 9. Reports, controlling and evaluation

- 9.1 All procedures regarding the administrative and operational reporting, as well as on the accounting and financial reporting are described in the TFF and are in line with the Vietnamese regulations.
- 9.2 Each Party can at anytime, with a prior notice in a timely manner to the other Party, proceed, jointly or separately, to review or assess the Project. The Parties shall inform each other about the results and possible recommendations of these control and evaluation exercises.

Article 10. Duration, suspension, denunciation, modifications, disputes and use of possible budget balance

- 10.1 The present Specific Agreement shall enter into force on the date of its signature by both Parties and expire on June 30th, 2019. Contracts should be committed on June 30th 2018 at the latest. The ultimate date for payment linked to these contracts is March 30th 2019.
- 10.2 The present Specific Agreement may be amended or ended by an Exchange of Letters.
- 10.3 After the financial closure of the intervention, any unspent funds will be

recovered by the Belgian State.

To this end, the Vietnamese Party commits itself to refund to the BTC the bank balances and ineligible amounts within three months of the Steering Committee's approval of the financial closure.

- 10.4 Either Party may suspend the implementation of the present Agreement. If one of the Parties deems that the other has failed to implement one of its fundamental obligations under the present Agreement, an obligation arising from the respect of human rights, democratic principles or the rule of law, as well as in cases of corruption, it shall notify the other Party of the relevant information required for a thorough examination of the situation, as well as of its intention to suspend the present Agreement in case of absence of an acceptable solution within three months. The Parties shall consult and determine the appropriate actions to be taken, within three months of the notification.
- 10.5 Either Party may suspend the implementation of the present Agreement in case of force majeure during the duration of this force majeure. The Party invoking a case of force majeure shall notify the other Party of the relevant information required for a thorough examination of the situation in order to find an acceptable solution for the Parties. The Parties shall consult and determine the appropriate actions to be taken, within three months of the notification.
- 10.6 Any dispute concerning the interpretation or application of this Agreement will be resolved through negotiation.

Article 11. Addresses

All notifications related to this Specific Agreement and, more specifically, any notification pertaining to its modification or interpretation shall be handled through diplomatic channels at the following addresses.

For Belgium, to:

Embassy of Belgium
9th Floor, 49 Hai Ba Trung Street
Hanoi - Viet Nam

For Viet Nam, to:

Ministry of Planning and Investment
6B Hoang Dieu Street
Hanoi - Viet Nam

and



Ministry of Foreign Affairs
1 Ton That Dam Street
Hanoi - Viet Nam

All notifications related to the technical execution of this Agreement will also be addressed to:

BTC Resident Representative
Apartment F7, Coco Village
14 Thuy Khue Street
Hanoi - Viet Nam

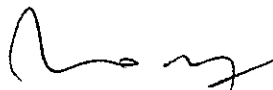
and

Nghe An Provincial People's Committee
3 Truong Thi Street, Vinh City
Nghe An province - Viet Nam

Done in Hanoi on 10/11/2016 in duplicate in the English and Vietnamese languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

In witness whereof the undersigned, being duly authorized thereto by their respective Government, have signed the present Specific Agreement.

For the Government
of the Kingdom of Belgium



JEHANNE ROCCAS
Ambassador of Belgium
to Viet Nam

For the Government
of the Socialist Republic of Viet Nam



NGUYEN THE PHUONG
Vice Minister
Ministry of Planning and Investment

