

Specific Agreement

between

the Government of the Kingdom of Belgium

and

the Government of the Socialist Republic of
Viet Nam

concerning the project

**"Capacity Development for the Planning
Reform (CDPR)"**

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 "**Capacity Development for the Planning Reform (CDPR)**", hereinafter referred to as "the Project".

The general objective of the Project is to improve the preparation and implementation of the Socio-Economic Development Plan (SEDP) through improved planning and budgeting for pro-poor and pro-growth policies and interventions.

The specific objective of the Project is to strengthen the capacity of (selected) national and sub-national governments in improved planning and budgeting.

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 Vietnamese contribution, and the overall supervision of the implementation of the present Agreement;

2.2.2 The Department of National Economic Issues within MPI, hereinafter referred to as "DNEI", as implementing agency, responsible for 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 of 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 Head of Development Cooperation under 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 **4.000.000 (four million) euros.**

Viet Nam undertakes to contribute to the Project, with an amount of **300.000 (three hundred 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 MPI shall set up a Project Management Unit (PMU) - the administrative entity responsible for the coordination, implementation and monitoring of the Project. MPI 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 11.1). Such modifications, if needed, will be the subject of an Exchange of Letters through diplomatic channels as stipulated in Article 11.2.
- 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 Head of Development Cooperation under 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. Use of possible budget balance

- 9.1 Financial commitments made for the execution of contracts signed before the end of the project will remain available until final acceptance as foreseen in the contract.
- 9.2 Any balance left of the Belgian contribution, with regard to non-used funds in own-management shall be cancelled at the end of the Project.
- 9.3 Any positive balance left after expiration of the Specific Agreement of the Belgian contribution on a national account set-up to implement this Project will be considered and decided for reprogramming into one of the priority sectors based on unanimous decision by the signatories of the Specific Agreement.

Article 10. Reports, controlling and evaluation

- 10.1 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.
- 10.2 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 11. Duration, cancellation, modification and litigation

- 11.1 This Specific Agreement shall enter into force on the date of its signature by both Parties and shall remain in force **60 (sixty) months**. The Project duration is foreseen for **48 (forty eight) months** counting from the signing date of this Specific Agreement.
- 11.2 The provisions of this Specific Agreement may be modified by mutual agreement between the Parties, by an Exchange of Letters through diplomatic channels and being an integral part of this Specific Agreement.
- 11.3 Any dispute related to the application and interpretation of this Specific Agreement shall be settled by bilateral negotiations between the Parties.
- 11.4 This Specific Agreement may be terminated by each of the Parties, through diplomatic channels, subject to a three months' written notice.

Article 12. 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

Department of National Economic Issues
Ministry of Planning and Investment
6B Hoang Dieu Street
Hanoi - Viet Nam

Done in Hanoi on 11/04/2014 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



BRUNO ANGELET
Ambassador of Belgium
to Viet Nam

For the Government
of the Socialist Republic of Viet Nam



NGUYEN CHI DUNG
Vice Minister
Ministry of Planning and Investment