

Specific Agreement

between

the Government of the Kingdom of Belgium

and

the Government of the Socialist Republic of  
Vietnam

concerning the project

“Technical Support Unit for Water  
Management and Urban Development in  
relation to Climate Change in the provinces of  
Ha Tinh, Ninh Thuan and Binh Thuan”

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

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

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 Vietnam" signed in Hanoi on October 11<sup>th</sup>, 1977;
- Considering the Agreed Minutes of the Meeting of the 6<sup>th</sup> Joint Commission on Development Cooperation between Vietnam and Belgium held in Hanoi on June 21<sup>st</sup> 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 **"Technical Support Unit (TSU) for water management and urban development in relation to climate change in the provinces of Ha Tinh, Ninh Thuan and Binh Thuan"**, hereinafter referred to as "the Project".

The general objective of the Project is to contribute to the sustainable development of Vietnam by enhancing its resilience to climate change.

The specific objective of the Project is to strengthen the capacities in climate change management of Vietnam in relation to Integrated Water Resources Management and Urban Development, in particularly in the provinces of Ha Tinh, Ninh Thuan and Binh Thuan.

This Project, together with the three projects "Integrated water management and urban development in relation to climate change" in Ha Tinh, Ninh Thuan and Binh Thuan provinces, constitute a coherent Programme "Water Management and Urban Development in relation to Climate Change".

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. Vietnam designates:**

- 2.1.1 The Ministry of Planning and Investment, hereinafter referred to as "MPI", as the agency responsible for the Vietnamese contribution, and of the overall supervision of the implementation of the present Agreement;
- 2.2.2 The Department of Science, Education, Natural Resources and Environment within the Ministry of Planning and Investment, hereinafter referred to as "DSENRE", as implementing agency, responsible for technical coordination and follow-up of the Project.

### **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 Vietnam by the Head of Development Cooperation at 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 Vietnam 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**.

Vietnam undertakes to contribute to the Project, with an amount of **400.000 (four hundred thousand) euros**.

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

## **Article 4. Contribution and obligations of Vietnam**

Vietnam shall take all institutional, administrative and budgetary measures required for the proper and smooth implementation of the project, as well as to ensure the sustainability of the project's results.

Vietnam shall therefore:

- Give free access to all documentation required for the implementation of the project's activities;
- 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 Vietnam - Version 2012, issued by UN Agencies, the Embassies of the EU Member States and the EC Delegation to Vietnam and the Ministry of Planning and Investment of Vietnam, 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 The management of the TSU will be composed of a director of the Ministry of Planning and Investment (MPI), a deputy director of the Ministry of Construction (MoC) and a deputy director of the Ministry of Natural Resources and Environment (MoNRE). The daily management of the TSU will be assured by a Vietnamese and an International Coordinators. Details on the management modality regarding human resource, financial management, procurement, and reporting are specified in the TFF.
- 6.2 The Parties agree to set up a Project Steering Committee (PSC) in charge of guiding and directing the organisational, technical and financial management of the TSU. 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 Steering Committee is entitled to modify the TFF as far as such modifications do not alter the specific objectives of the Project (Article 1), the total budget (defined in Article 3 and the TFF) or the duration of this Specific Agreement (Article 12.1). Such modifications, if needed, will be the subject of an Exchange of Letters through diplomatic channels as stipulated in Article 12.2.
- 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 at the Belgian Embassy in Hanoi.
- 6.5 A Technical Advisory Committee (TAC) shall be created to provide advice to three provinces for any technical problems/challenges that go beyond the province capacity or on demand of the provinces. The operating modalities of the TAC shall be defined at the start of the project, in consultation with relevant ministries (MPI, MoNRE and MoC) and the three provinces.

## **Article 7. Coordination mechanism**

- 7.1 The TSU will guarantee the general coherence of the programme involving three provinces and central level. A coordination mechanism shall be defined together with the PCUs of the three provinces and the line ministries at the start of the project.
- 7.2 Synergies with the support of Belgium to the Green Growth Strategy of Vietnam will be promoted and coordinated.

## **Article 8. Property of the project's results and exchange of information**

- 8.1 All documents and data resulting from the activities of the project are the property of both Governments and shall mention their bilateral origin.
- 8.2 Each Party shall forward to the other Party all information deemed relevant to the smooth and efficient implementation of the project.

## **Article 9. Taxes and import duties**

- 9.1 No part of the Belgian contribution shall be used to pay any taxes, customs, import duties or other tax-related fees (including VAT) on supplies or equipment, labour and services.
- 9.2 The Government of Vietnam 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 10. Use of possible budget balance**

- 10.1 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.
- 10.2 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.
- 10.3 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 11. Reports, controlling and evaluation**

- 11.1 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.
- 11.2 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 12. Duration, cancellation, modification and litigation**

- 12.1 This Specific Agreement shall enter into force on the date of its signature by both Parties and shall remain in force **84 (eighty four) months**. The Project duration is foreseen for **72 (seventy two) months** counting from the signing date of this Specific Agreement.
- 12.2 The provisions of this Specific Agreement may be modified by mutual agreement between the Parties, by an Exchange of Letters through diplomatic channels.
- 12.3 Any dispute related to the application and interpretation of this Specific Agreement shall be settled by bilateral negotiations between the Parties.
- 12.4 This Specific Agreement may be terminated by each of the Parties, through diplomatic channels, subject to a three months' written notice.

## **Article 13. 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  
9<sup>th</sup> Floor, 49 Hai Ba Trung Street  
Hanoi – Vietnam

For Vietnam, to:

Ministry of Planning and Investment  
6B Hoang Dieu Street  
Hanoi – Vietnam

and

Ministry of Foreign Affairs  
1 Ton That Dam Street  
Hanoi – Vietnam

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 – Vietnam

and

Department of Science, Education, Natural Resources and Environment  
Ministry of Planning and Investment  
6B Hoang Dieu Street  
Hanoi – Vietnam

Done in Hanoi on 20/06/2013 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 Vietnam

For the Government  
of the Socialist Republic of Vietnam



CAO VIỆT SINH  
Vice Minister  
Ministry of Planning and Investment