KB2963

Agreement

between

The Government of the Socialist Republic of Vietnam

and

The Government of the Kingdom of Denmark

on

Capacity Building for Urban Environmental Planning and Management

Upon request from the Government of the Socialist Republic of Vietnam the Government of the Kingdom of Denmark has agreed to provide up to an amount of 17,192,900 DKK on a grant basis for the implementation of the project: "Capacity Building for Urban Environmental Planning and Management" (hereinafter referred to as "the Project").

The Project forms part of the Programme for Danish Environmental Assistance to Vietnam (DEA Vietnam).

The Government of the Kingdom of Denmark and the Government of the Socialist Republic of Vietnam have agreed that the Project will be carried out in accordance with the provisions of this Agreement and the Project Document attached as Annex.

The general provisions of this Agreement are set forth in the Agreement on General Terms and Procedures of Development Co-operation between the Government of the Kingdom of Denmark and the Government of the Socialist Republic of Vietnam signed in Hanoi on 25 August 1993.

Article 1

Definitions

For the purpose of this Agreement, unless otherwise stated, the terms listed below mean the following:

a) "Competent Authorities" means, in the case of the Government of Denmark, the Ministry of Foreign Affairs, Danish International Development Assistance (Danida), and in the case of the Government of the Socialist Republic of Vietnam, the Ministry of Planning and Investment (MPI) or, for both parties, any other authority empowered to perform the functions presently performed by the said authorities.

b) "The Parties" means the Competent Authorities.

c) "The Project Document" means the document which by signature has been approved by the Vietnamese Competent Authorities and the Royal Danish Embassy. The Project Document is attached as Annex I to this Agreement and constitutes an integral part of this agreement. The Project Document contains a systematic description of the Project, which shall govern the project implementation.

Article 2

Objectives of the Project

The overall development objective to which the Project is related is:

Increased effectiveness and efficiency within urban environmental planning and state management of the urban environment.

The immediate objectives of the Project are:

1. Enhanced capacity for urban environmental planning and management at the Ministry of Construction (MOC).
2. Enhanced capacity for teaching and development of training material related to urban environmental planning and management at Hanoi Architectural University (HAU);
3. Lessons learnt effectively exchanged with other relevant stakeholders in Vietnam.

Article 3

Outputs of the Project

In order to achieve the above-mentioned objectives the project aims at accomplishing the following:

1. Effective methodology for urban environmental planning developed and pilot tested.
2. Well-defined institutional arrangements developed and necessary legislative provision identified.
3. Staff capabilities in MOC, Departments of Construction (DOC) and other relevant agencies upgraded to carry out effective urban environmental planning and management.
4. Capacity of HAU to provide training in urban environmental planning and management enhanced.
5. Lessons learned from the process documented, build into revised materials and training capacity and disseminated.

Article 4

Project Document

The Project Document "Capacity Building for Urban Environmental Planning and Management" is attached as Annex I. The Project Document may be reviewed and implementation schedule be updated in connection with joint project reviews. Changes in the implementation schedule are subject to the approval of by the Parties.

Article 5

Obligations of the Government of Vietnam

Under this Agreement the Government of Vietnam shall:

a) Promptly inform Danida of any condition, which interferes or threatens to interfere with the successful implementation of the Project.

b) Give its advice on all reports, recommendations and other matters properly referred to it for advice by Danida within a reasonable time in order not to delay or disrupt the execution of the services or the works.

c) Ensure the inputs from the Ministry of Construction to the project as mentioned in the project document.

d) Be responsible for providing staff salaries, allowances and operational expenses for the counterpart staff engaged in the Project at central and provincial level.

e) Ensure timely settlement of any other related formalities that might keep the project behind schedule.

f) Ensure funds for the payment of all other expenses required for the establishment and operation of the Project, which are not mentioned as items to be provided by the Government of Denmark.

For the success and sustainability of the project the Government of Vietnam shall also ensure that:

g) The Danish grant for the Project will be passed on to the implementing agencies as grant without any repayment conditions to the Vietnamese Government.

h) The implementing agencies will receive adequate working capital from the Government to enable them to maintain the normal operation.

i) Adequate and skilled staff of the implementing agencies will be in place for the project implementation and throughout the project period.

Article 6

Obligations of the Government of Denmark

The Government of Denmark will provide the following for the implementation of the Project:

Item	Total DKK
A. Investment	**3,210,000**
Office equipment (PC, plotter, software...)	960,000
One Minibus	250,000
Urban Environmental Planning Initiatives	2,000,000
B. Operational costs	**4,651,900**
Project staff	698,400
Travel, study tours, training, materials, etc.	3,012,500
Thai Nguyen Outline Plan	425,000
Other operational costs	516,000
C. Personnel	**8,544,000**
National Consultants	1,344,000
International consultants	7,200,000
Contingency (10% of investment and operational costs)	**787,000**
GRAND TOTAL	**17,192,900**

The total grant is DKK **17,192,900.**

Any proposals for changes to project contents or for reallocation between budget items shall be subject to approval by the Steering Committee unless otherwise decided by the Competent Authorities.

Any unspent balance or any savings of project funds cannot be spent by the Project without the approval of the Competent Authorities. The amount granted is in Danish Kroner (DKK) and gains due to changes in exchange rates or interest accrued from remittances cannot be spent by the Project. If losses occur due to changes in the exchange rates the Danish Government may consider providing additional funds to cover the gap if requested by the competent Vietnamese authorities.

All equipment will be purchased through the Procurement Agent mutually agreed by Danida and the Government of Vietnam based on specifications provided by the Project, unless otherwise agreed. The equipment will be delivered c.i.f. to site, and the costs for this are included in the budget for procurement of equipment.

Article 7

Shipment

All shipments covered by this Agreement will be in keeping with the principles of free

circulation on ships in international trade in free and fair competition.

Article 8

Importation, import taxes and other public charges and fees

Vehicles, equipment, materials, supplies and spare parts to be purchased for the project will be exempted from any duties, VAT, taxes, and public fees and charges other than user's fee and charges.

Article 9

Expatriate Personnel

The Government of Vietnam shall issue multiple entry visas for the advisors and their families. The Government of Vietnam shall give assistance in the clearance through customs of their personal belongings. The Government of Vietnam shall facilitate the issue of work and residence permits for Danida's advisers and consultants and their families.

Article 10

Information, monitoring and evaluation.

1. The Parties shall collaborate fully to ensure that the purpose of this Agreement be accomplished. To that end the Parties shall exchange views with regard to matters relating to the Project and provide each other with all data, documentation and information available to them, shall give all appropriate mutual assistance required in the discharging of the Parties' duties and provide all necessary support, in particular in all administrative questions, to facilitate the due implementation of the Project.

2. Joint Danish-Vietnamese reviews of the Project shall be carried out in accordance with the Project Document or at the request of either Party.

3. Danida shall have the right to carry out any technical or financial mission that it considers necessary to follow the execution of the Project. To facilitate the work of the person or persons instructed to carry out such monitoring missions, the Vietnamese Competent Authorities shall provide all relevant assistance, information and documentation.

4. Evaluation of the Project, preferably undertaken jointly by Danida and the Vietnamese Competent Authorities may be carried out at the request of either Party.

5. Danida shall have the right to carry out monitoring and evaluation according to this article after the termination of the Project.

Article 11

Project reporting

The following procedures will be used for reporting from the project:

a) The project manager will submit Inception Report, semi-annual Progress Reports, Annual Reports and Completion (End of project) Reports to the Steering Committee for approval. The Steering Committee will upon endorsement forward the reports to the Ministry of Planning and Investment and the Royal Danish Embassy.

b) Monthly accounts and Financial Reports will be made to Danida on the use of Danida funds as per Danida accounting procedures

c) The Completion reports shall be submitted to the Ministry of Planning and Investment and the Danish Embassy within one month after termination of the project.

d) The project Steering Committee shall submit the reports as mentioned in a), b) and c) to the relevant Vietnamese authorities in accordance with relevant provisions in the Vietnamese Government Decree on the Management and Utilisation of ODA No. 17/2001/NDD-CP dated 4th May 2001.

All reports and plans shall be drawn up in accordance with Danida's "Aid Management Guidelines" of August 2003.

Article 12

Transfer of ownership

Items provided by the Government of Denmark shall remain the property of the Project and shall always be at the exclusive disposal of the Project during its implementation.

Mentioned items shall become and remain the property of Vietnam from the date of completion of the project, unless the Parties agree otherwise.

In case of civil works, the works shall become the property of the Government of Vietnam on the date of issue by the Consultant of the Taking-over Certificate.

Article 13

Suspension

1. If serious irregularities or suspicion thereof within the project have been ascertained, either Party may suspend project implementation, wholly or in part, until the suspending Party decides to resume implementation.

2. The Government of Denmark may cancel the Agreement if it determines, with respect to any contract to be financed by Danish funds, that corrupt or fraudulent practices were engaged in by representatives of the recipient or of a beneficiary of the funds during procurement or during the execution of the contract without the recipient having taken timely and appropriate action satisfactory to the Government of Denmark to remedy the situation.

Article 14

Accounting procedures and audit

1. As regards the Danish contribution accounting procedures and audit will be done in accordance with Danida's rules entitled "General Guidelines" attached to this Agreement as Annex 3 and "Decentralised Project Accounting" attached to this Agreement as Annex 4. As regards the Vietnamese contribution Vietnamese relevant rules and regulations will be applied.

2. Within 6 months after the expiry of the Project, audited accounts shall be submitted to Danida and Vietnam's Ministry of Finance and Ministry of Planning and Investment in accordance with Danida's standard format.

3. Representatives of the Auditor General of Denmark shall have the right to:

a) Carry out any audit or inspection considered necessary as regards the use of Danish funds in the question, on the basis of all relevant documentation.

b) Inspect any accounts and records of suppliers and contractors relating to the performance of the contract, and to perform a complete audit.

Article 15

Other stipulations

A Services Contract will be entered into between Danida and the chosen consultant for the execution of the Project. The consultant shall be selected in a tender process in close consultation between the Parties. The Services Contract will be based on Danida's conditions of contract currently in force.

Article 16

Entry into force

This Agreement shall enter into force on the date of signature and shall remain in force until the completion of the Project.

Article 17

Project duration

The Project will have the duration of 36 months from the starting date. In case of delays in-project implementation the project duration may be extended by mutual agreement and within the agreed budget.

Article 18

Settlement of disputes

1. Any dispute concerning the interpretation or implementation of this Agreement shall be settled by negotiation between the two parties. In case the dispute has not been sertled within a time limit of one year, the matter may be referred to arbitration by either Party.

2. The arbitration shall operate according to the following rules: The number of arbitrators shall amount to a total of three, one designated by either of the Parties, i.e. two, and a third designated by the former two. In case of dispute between the former two arbitrators as to the designation of the latter, the latter will be designated by a neutral institution to be identified by the former two. The arbitrage award shall be submitted in written form and must be signed by the three arbitrators. The proceedings to be followed by the Court of Arbitration shall be decided on by the three arbitrators, who shall also determine the distribution between the two parties of the costs relating to arbitration.

Article 19

Termination

This Agreement shall remain in force until the completion of the Project.

The Parties may terminate the Projects by agreement through an exchange of letters or unilaterally by a notice of termination. Such notice will come into effect six months after having been received by the other Party.

In witness hereof the Parties hereto, acting through their representatives duly authorised

for this purpose, have caused this Agreement to be signed in two originals in the English language on this day of 12th December 2003 in Hanoi.

For the Government of the Socialist Republic of Vietnam

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Vo Hong Phuc
Minister of Planning and Investment
Vietnam

For the Government of the Kingdom of Denmark

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Bjarne Heeneberg Sorensen
Ambassador of Denmark

BỘ NGOẠI GIAO

Số : 28/2004 /LPQT

SAO Y BẢN CHÍNH

Hà Nội, ngày 23 tháng 3 năm 2004

TL. BỘ TRƯỞNG BỘ NGOẠI GIAO
KT. Vụ trưởng Vụ Luật pháp và Điều ước quốc tế
Phó Vụ trưởng

Nguyễn Hoàng Anh

Nơi nhận :

- Văn phòng Quốc hội (để báo cáo),
- Văn phòng Chủ tịch nước (để báo cáo),
- Văn phòng Chính phủ (để báo cáo và đăng Công báo)
- Bộ Kế hoạch và Đầu tư,
- Bộ Tài chính,
- Bộ Xây dựng,
- Bộ Tài nguyên và Môi trường,
- Ngân hàng Nhà nước Việt Nam,
- Đại sứ quán CHXHCN Việt Nam tại Đan Mạch,
- Vụ Châu Âu 2, Bộ Ngoại giao,
- Vụ Luật pháp và Điều ước quốc tế, Bộ Ngoại giao,
- Lưu trữ, Bộ Ngoại giao.

Hiệp định giữa Chính phủ nước Cộng hòa xã hội chủ nghĩa Việt Nam và Chính phủ Vương quốc Đan Mạch về Dự án Nâng cao năng lực quy hoạch và quản lý môi trường đô thị có hiệu lực từ ngày 12 tháng 12 năm 2003.