HB2695

AGREEMENT
ON
DEVELOPMENT CO-OPERATION
BETWEEN
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM
AND
THE GOVERNMENT OF THE REPUBLIC OF HUNGARY

The Government of the Socialist Republic of Vietnam (hereinafter referred to as "the Beneficiary") and the Government of the Republic of Hungary (hereinafter referred to as "the Donor"), hereinafter jointly referred to as "the Parties";

Reaffirming and strengthening the friendly relations between the Parties;

Confirming that respect for principles of international law, national sovereignty and equality among peoples and nations, democracy and human rights are leading principles in the cooperation between the Parties; and

Desiring to cooperate to strengthen its human resources and public institutions and to promote sustainable and harmonious development in the Socialist Republic of Vietnam, beneficial to all areas of their populations and particularly the most disadvantaged ones;

Have agreed as follows:

ARTICLE 1

Scope of the Agreement

1.1. This Agreement sets out the general terms for development co-operation between the Parties.

1.2. These terms and conditions are applicable to the provision of official development assistance from the Donor in order to enhance the capacity of citizens of the Beneficiary's country for development and to meet their basic needs.

1.3. The special terms and procedures in respect of a particular project, as well as the rights and obligations of the Parties in relation thereto may be agreed upon in a specific agreement related to that project.

In the event of any inconsistency or conflict between the provisions of this Agreement and the provisions of any specific agreement, the latter shall prevail.

1.4. The Parties intend to co-operate closely in order to ensure transparency, accountability, and integrity in the use of public resources and to eliminate any opportunities for corrupt practices that may exist in the framework of their development co-operation.

ARTICLE 2

Co-operation

2.1. Assistance in co-operation

The Parties shall fully co-operate and provide one another with all necessary assistance to ensure the expeditious and smooth implementation of projects.

2.2. Forms of co-operation

The forms of co-operation between the Parties may include:

a. the provision of technical assistance, training, expertise, consultancy and other services to the Beneficiary's authorities, corporations, agencies and other organizations;

b. the provision of resources;

c. the granting of scholarships to citizens of the Beneficiary's country for studying or training in the Donor country;

d. any other forms of co-operation or assistance which may be agreed between the Parties.

2.3. The co-operation between the Parties shall focus on one or more of the following sectors:

a. transfer of Hungarian experiences related to structural and economic changes and institutional reorganization;

b. education and training;

c. agriculture and freshwater fishery;

d. informatics;

e. any other sectors of co-operation as may be agreed upon by the Parties.

2.4. **Identification of co-operation activities**

The identification of each co-operation activity shall be the result of a consultative process between the Parties.

2.5. **Competent agencies**

The Ministry of Planning and Investment of the Beneficiary and the Ministry of Foreign Affairs of the Donor (acting through it's Embassy in Hanoi) shall respectively represent the Parties in the implementation of this Agreement and, unless otherwise agreed in a specific agreement, in relation to the implementation of each project.

2.6. **Corresponding addresses**

For the Beneficiary:

Ministry of Planning and Investment
2 Hoang Van Thu
Hanoi

For the Donor:
Ministry of Foreign Affairs
1027 Budapest
Bem tér 2.

ARTICLE 3

Financing

Appropriation of the Funds

3.1. Donor's financing in this Agreement is non-refundable funds. The funds shall be used exclusively for purposes of the agreed projects and within the framework of those projects. The funds shall be disbursed only in compliance with the provisions of the specific agreements concerning the corresponding projects.

3.2. In case a refundable fund is used, Procurement of Goods and Services and Conditions applicable to personnel shall be agreed by the Parties in a concerning Specific Agreement.

ARTICLE 4

Procurement of Goods and Services

4.1. Procurement of goods, work and services shall be carried out in compliance with the national legal regulations of the Donor.

4.2. Goods and services provided by the Donor's organizations within the framework of the official development assistance pursuant to this Agreement shall be free from customs duties, taxation and any other fees in the country of the Beneficiary.

4.3. The goods provided by the Donor within the framework of this Agreement shall become the property of the Beneficiary after the project is terminated.

ARTICLE 5

Special Agreement

5.1. The amount of the official development assistance and specific conditions of its provision, main conditions of transfer of the funds from the account of the Ministry of Foreign Affairs of the Republic of Hungary, rules applicable to accounting and audit, as well as to monitoring and reporting, the manner of implementation of projects and rules applicable to re-allocation of the funds shall be agreed in the specific agreement concerning the corresponding projects.

5.2. The specific agreement has to refer directly to this Agreement and terms and conditions of this Agreement are applicable for such specific agreement, unless stated otherwise.

ARTICLE 6

Conditions Applicable to Personnel Sent by the Donor

6.1. The Beneficiary shall inform the Hungarian Embassy in Hanoi about any extraordinary situation or about the state of emergency in the country. In case one of the Parties considers similar circumstances for Force Majeure or is of the opinion that these circumstances could jeopardize implementation of projects or programmes of co-operation, any of the Parties could ask for immediate consultations. The Beneficiary shall provide information on all security provisions or other restriction within the framework of these consultations, in connection with individuals that are not citizens of the Beneficiary's country.

6.2. The Donor can, due to security reasons, issue specific instructions for the staff (employees, civil servants). Those instructions can include also the order to leave the Beneficiary's country. The staff (employees, civil servants) that shall abide by such instructions or shall implement other preventive actions which are reasonable under given circumstances, shall not be made responsible for violation of obligations following from their employment contracts.

6.3. Costs that shall incur to the Donor in connection with securing safety of the staff shall be financed from Funds provided by the Donor to the Beneficiary as the official development assistance.

6.4. The Beneficiary bears all risks that follow from or that have originated in connection with activities implemented within the framework of this Agreement. The Beneficiary is responsible mainly for settlement of all complaints that the third Parties shall file against the Donor, against the Donor's official institutions or against the Donor's representatives, as well as companies, institutions or persons that fall under this Agreement and that follow from activities implemented within the framework of this Agreement or that are directly connected with those activities.

6.5. The Beneficiary shall guarantee to the staff (employees, civil servants):

a. prompt arrangements and issue of free-of-charge visas enabling entries, repeated entries into and departures from the country throughout the whole period of their activities and according to the agreement of the related parties;

b. free movement inside the country and the right to enter into the country and to leave the country within the extent necessary for implementation of the project;

c. prompt issue of all necessary permits or licenses, such as, for example, the permit for stay, the working permit and the permit to carry out specialised activities according to the current regulations of the beneficiary party;

d. exemption from the natural persons income tax and any other direct tax from emoluments provided by the Ministry of Foreign Affairs of the Republic of Hungary or by the employer that has undertaken to provide services or to supply goods based on the contract with the Ministry of Foreign Affairs of the Republic of Hungary either directly or as a sub-contractor;

e. access to health care services and facilities of the highest quality available in the country, regardless whether they are public or private. The Donor shall cover the payments duly afterwards. Those costs shall be financed from the Donor's funds earmarked for the project to which the person is allocated;

f. possibilities of repatriation during an internal State crises or an international crises which are equal to possibilities provided to staff of the diplomatic missions;

g. the right to import and re-export free of customs duties the professional equipment and goods that the staff needs for fulfilment of their tasks, according to the current regulations of the beneficiary party.

6.6. The Beneficiary can request withdrawal or replacement of any person from the staff provided by the Donor whose work or behaviour is being considered as not satisfactory.

6.7. The Beneficiary shall accord personnel and their families treatment no less favourable than which it accords to the development co-operation agencies, personnel and their families of any other country or international organisation.

ARTICLE 7

Reservations

7.1. The funds provided by the Donor to the Beneficiary must not be used by the Beneficiary for payments of taxes, customs duties and fees connected with them.

7.2. The Donor reserves the right to request the funds be paid back in their full amount or part of them, in case the Beneficiary did not use the funds for the purpose for which they were earmarked. The Parties shall hold mutual consultations with the purpose of finding a solution before the Donor exercises its right to request the repayment of the full amount of the funds or part of them.

ARTICLE 8

Final Provisions

8.1. Entry into force and termination

8.1.1. This Agreement enters into force after the necessary legal requirements are fulfilled and the Parties officially notify each other

and shall remain in force until terminated by either Party giving to the other not less than six months' prior notice of termination.

8.1.2. Obligations that are already being performed, but not yet completed as of the date of termination of the Agreement, shall be governed by its provisions until their full completion.

8.2. Amendments

Should either Party wish to amend any provision of this Agreement it may request consultations with the other Party. No amendment shall be valid unless agreed in writing between the Parties.

8.3. Settlement of Disputes

Any dispute or difference between the Parties arising from the implementation or interpretation of this Agreement or otherwise in connection with it shall be settled by negotiation between the Parties through diplomatic channels.

In witness whereof the undersigned, being duly authorised by their respective Governments, have signed this Agreement at Hanoi this..20th....day of July 2005, in two originals in the English language.

For the Government of the Socialist Republic of Vietnam	For the Government of the Republic of Hungary
Cao Viet Sinh Vice-Minister, Ministry of Planning and Investment	Somogyi Ferenc Minister of Foreign Affairs