EMBASSY OF JAPAN
HANOI

Hanoi, October 29, 2009

Excellency,

I have the honour to refer to the recent discussions held between the representatives of the Government of Japan and of the Government of the Socialist Republic of Viet Nam concerning Japanese economic cooperation to be extended with a view to strengthening friendly and cooperative relations between the two countries and also to promoting the increase of food production in the Socialist Republic of Viet Nam with special emphasis on underprivileged farmers, and to propose on behalf of the Government of Japan the following understanding:

1.(1) For the purpose of contributing to the implementation of the food security project for underprivileged farmers (hereinafter referred to as "the Project") by the Government of the Socialist Republic of Viet Nam, the Government of Japan has decided that a grant of three hundred and sixty million Japanese Yen (¥360,000,000) (hereinafter referred to as "the Grant") be extended to the Government of the Socialist Republic of Viet Nam, in accordance with the relevant laws and regulations of Japan.

(2) The Grant will be made available by concluding a grant agreement between the Government of the Socialist Republic of Viet Nam or its designated authority and the Japan International Cooperation Agency (JICA) (hereinafter referred to as "the G/A").

(3) The terms and conditions of the Grant as well as the procedures for its utilization will be governed by the G/A within the scope of the present understanding.

His Excellency
Mr. VU VAN NINH
Minister of Finance
of the Socialist Republic of Viet Nam

2. The Grant will be available during such period as may be specified in the G/A, provided that the period will be between the date of entry into force of the G/A and October 31, 2010.

3. The Grant and its accrued interest shall be used by the Government of the Socialist Republic of Viet Nam properly and exclusively for the purchase of such products and services necessary for the implementation of the Project (hereinafter respectively referred to as "the Products" and "the Services") as well as such fees necessary for the implementation of the Project as may be specified in the G/A.

4. For the effective, smooth and appropriate purchase of the Products and the Services and for other necessary supports to the Government of the Socialist Republic of Viet Nam, the Government of the Socialist Republic of Viet Nam shall conclude an employment contract with an independent and competent agent (hereinafter referred to as "the Agent") to act on behalf of the Government of the Socialist Republic of Viet Nam in accordance with the provisions of the G/A. The said employment contract will be approved by JICA in a written form to be eligible for the Grant and its accrued interest.

5. The Grant will be executed by JICA, in accordance with the provisions of the G/A, by making payments in Japanese Yen to an account to be opened in the name of the Government of the Socialist Republic of Viet Nam at a bank in Japan designated by the Government of the Socialist Republic of Viet Nam or its designated authority.

6.(1) The Government of the Socialist Republic of Viet Nam shall take necessary measures:

(a) to ensure prompt unloading and customs clearance at ports of disembarkation in the Socialist Republic of Viet Nam and internal transportation therein of the Products;

(b) to refund the amount remaining in the account referred to in paragraph 5 to JICA subject to the conditions provided for in the G/A;

(c) to ensure that customs duties, internal taxes and other fiscal levies which may be imposed in the Socialist Republic of Viet Nam with respect to the purchase of the Products and the Services as well as the employment of the Agent be exempted ;

(d) to accord Japanese nationals and / or nationals of third countries, including such nationals employed by the Agent, whose services may be required in connection with the supply of the Products and the Services such facilities as may be necessary for their entry into the Socialist Republic of Viet Nam and stay therein for the performance of their work (The term "nationals"

whenever used in the present understanding means Japanese physical persons or Japanese juridical persons controlled by Japanese physical persons in the case of Japanese nationals, and physical or juridical persons of third countries in the case of nationals of third countries.);

(e) to present, through the Agent, to JICA a report prepared in a written form acceptable to JICA on the transactions on the account referred to in paragraph 5 subject to the conditions provided for in the G/A;

(f) to ensure that the Products be maintained and used properly and effectively for the implementation of the Project;

(g) to bear all the expenses, including the expenses for the storage and the distribution of the Products, other than those covered by the Grant and its accrued interest, necessary for the implementation of the Project; and

(h) to give due environmental and social consideration in the implementation of the Project.

(2) While ensuring fair treatment of sources of information, the Government of the Socialist Republic of Viet Nam shall provide the Government of Japan with necessary information, including information on corrupt practice, related to the Project.

(3) With regard to the shipping and marine insurance of the Products, the Government of the Socialist Republic of Viet Nam shall refrain from imposing any restrictions that may hinder fair and free competition among the shipping and marine insurance companies.

(4) The Products shall not be re-exported from the Socialist Republic of Viet Nam.

7.(1) The Government of the Socialist Republic of Viet Nam or its designated authority shall deposit all the proceeds from the sales and the lease of the Products in an account to be opened in the name of the Government of the Socialist Republic of Viet Nam or its designated authority. The amount of the proceeds to be deposited and other conditions related to the deposit will be specified in the G/A.

(2) The Government of the Socialist Republic of Viet Nam or its designated authority shall consult with the Government of Japan through JICA in respect of the utilization of the fund deposited in accordance with the provisions of sub-paragraph (1) above, prior to such utilization.

8. The two Governments shall consult with each other in respect of any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding shall constitute an agreement between the two Governments, which shall enter into force on the date of Your Excellency's Note in reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

MITSUO SAKABA
Ambassador Extraordinary
and Plenipotentiary of Japan

Agreed Minutes on Procedural Details

With reference to paragraph 4 of the Exchange of Notes between the Government of the Socialist Republic of Viet Nam and the Government of Japan dated October 29, 2009 concerning Japanese economic cooperation to be extended with a view to strengthening friendly and cooperative relations between the two countries and also to promoting the increase of food production in the Socialist Republic of Viet Nam with special emphasis on underprivileged farmers (hereinafter referred to as "the Exchange of Notes"), the representatives of the Government of the Socialist Republic of Viet Nam and of the Government of Japan wish to record the following procedural details:

The Government of the Socialist Republic of Viet Nam shall conclude an employment contract, in principle within two months after the date of entry into force of the grant agreement referred to in sub-paragraph (2) of paragraph 1 of the Exchange of Notes, with Japan International Cooperation System (JICS) which is the independent and competent agent referred to in paragraph 4 of the Exchange of Notes.

Hanoi, October 29, 2009

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Minister of Finance
of the Socialist Republic of Viet Nam

MITSUO SAKABA
Ambassador Extraordinary
and Plenipotentiary of Japan

Record of Discussions

With reference to the Exchange of Notes between the Government of the Socialist Republic of Viet Nam and the Government of Japan dated October 29, 2009 concerning Japanese economic cooperation to be extended with a view to strengthening friendly and cooperative relations between the two countries and also to promoting the increase of food production in the Socialist Republic of Viet Nam with special emphasis on underprivileged farmers (hereinafter referred to as "the Exchange of Notes"), the representatives of the Vietnamese Delegation and of the Japanese Delegation wish to record the following:

1. With regard to paragraph 3 of the Exchange of Notes, the representative of the Japanese Delegation stated that the Government of Japan understands that the Government of the Socialist Republic of Viet Nam will take necessary measures to prevent any offer, gift or payment, consideration or benefit which would be construed as a corrupt practice in the Socialist Republic of Viet Nam from being made as an inducement to or reward for the award of the contracts that the independent and competent agent referred to in paragraph 4 of the Exchange of Notes will enter into for the purchase of the products and services referred to in paragraph 3 of the Exchange of Notes.

2. The representative of the Vietnamese Delegation stated that the Vietnamese Delegation has no objection to the statement by the representative of the Japanese Delegation referred to above.

Hanoi, October 29, 2009

VU VAN NINH
Minister of Finance
of the Socialist Republic of Viet Nam

MITSUO SAKABA
Ambassador Extraordinary
and Plenipotentiary of Japan