Hanoi, April 23, 2021

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 (hereinafter referred to as "the Recipient") concerning Japanese economic cooperation to be extended with a view to promoting the economic and social development of the Socialist Republic of Viet Nam, and to propose on behalf of the Government of Japan the following understanding:

1. For the purpose of contributing to the implementation of the Economic and Social Development Programme (hereinafter referred to as "the Programme") by the Recipient, the Government of Japan shall extend to the Recipient, subject to the relevant laws and regulations and budgetary appropriations of Japan, a grant of five hundred million Japanese Yen (¥500,000,000) (hereinafter referred to as "the Grant").

2. (1) The Grant and its accrued interest shall be used by the Recipient properly and exclusively for the purchase of the products and/or services necessary for the implementation of the Programme, enumerated in a list to be mutually agreed upon between the authorities concerned of the two Governments (hereinafter respectively referred to as the "Products" and the "Services"), as well as for the payment of such fees necessary for the implementation of the Programme, provided that the Products are produced in eligible source countries and the Services are provided by nationals of eligible source countries.

(2) The list mentioned in sub-paragraph (1) above will be subject to modifications which may be agreed upon between the authorities concerned of the two Governments.

(3) The scope of the eligible source countries mentioned in sub-paragraph (1) above shall be agreed upon between the authorities concerned of the two Governments.

His Excellency
Mr. TRAN HONG HA
Minister of Natural Resources and Environment
of the Socialist Republic of Viet Nam

3. (1) The Recipient shall open a yen ordinary deposit account at a bank in Japan in the name of the Recipient (hereinafter referred to as "the Account") within fourteen days after the date of entry into force of the present understanding and shall notify in writing the Government of Japan of the completion of the procedure for opening the Account within seven days after the date of the opening of the Account.

(2) The sole purpose of the Account is to receive the payment in Japanese Yen by the Government of Japan referred to in paragraph 4 as well as to make payments necessary for the purchase of the Products and/or the Services, and such other payment as may be agreed upon between the authorities concerned of the two Governments.

4. The Government of Japan shall execute the Grant by making payment in Japanese Yen of the amount referred to in paragraph 1 to the Account during the period between the date of receipt of the written notification referred to in sub-paragraph (1) of paragraph 3 and March 31, 2022. The period may be extended by mutual consent between the authorities concerned of the two Governments.

5. (1) The Recipient shall take necessary measures:

(a) to ensure that the Grant and its accrued interest are completely disbursed from the Account to be ready for the purchase of the Products and/or the Services and for the payment of the fees referred to in sub-paragraph (1) of paragraph 2 within a period of twelve months after the date of the execution of the Grant unless the period is extended by mutual consent between the authorities concerned of the two Governments and to refund the remaining amount upon the completion of the Programme to the Government of Japan;

(b) to ensure that customs duties, internal taxes and other fiscal levies which may be imposed in the country of the Recipient with respect to the payment carried out for and the income accruing from the supply of the Products and/or the Services are exempted or borne by its designated authority and shall not be covered by the Grant;

(c) to give due environmental and social consideration in the use of the Grant and its accrued interest;

(d) to present to the Government of Japan a report prepared in a written form acceptable to the Government of Japan on the transactions on the Account together with copies of contracts, vouchers and other documents concerning the relevant transactions without delay when the Grant and its accrued interest are completely used for the purchase of the Products and/or the Services and for the payment of the fees referred to in sub-paragraph (1) of paragraph 2, or upon request by the Government of Japan;

(e) to ensure that the Products and/or the Services are maintained and used properly and effectively for the implementation of the Programme, and are not used for military purposes;

(f) to ensure that the Products and/or the Services are utilized, in principle, by end-users including the Recipient itself, for non-commercial purposes;

(g) to ensure prompt unloading, customs clearance and internal transportation in the country of the Recipient of the Products;

(h) to accord the Japanese physical persons and/or physical persons of third countries, whose services may be required in connection with the supply of the Products and/or the Services such facilities as may be necessary for their entry into the country of the Recipient and stay therein for the performance of their work;

(i) to ensure the safety of persons engaged in the implementation of the Programme in the country of the Recipient;

(j) to bear all the expenses, other than those covered by the Grant and its accrued interest, necessary for the implementation of the Programme; and

(k) to provide the Government of Japan with a final report on the Programme upon its completion.

(2) While ensuring fair treatment of sources of information, the Recipient shall provide the Government of Japan with necessary information, including information on corrupt practice, related to the Grant and its accrued interest.

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

(4) The Products and/or the Services shall not be exported or re-exported from the country of the Recipient.

6. Further procedural details for the implementation of the present understanding shall be agreed upon through consultation between the authorities concerned of the two Governments.

7. 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 Recipient 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.

山田滝雄

YAMADA TAKIO
Ambassador Extraordinary and
Plenipotentiary of Japan
to the Socialist Republic of Viet Nam