Memorandum of Understanding

between

The Government of the Kingdom of the Netherlands

and

The Government of the Socialist Republic of Vietnam

on

The Programme for Cooperation with Emerging Markets (PSOM),

hereafter referred to as "the signatories".

The Signatories have decided as follows:

Paragraph 1
Objectives of the Programme

a This programme aims at supporting private sector development by promoting and supporting economic cooperation between the business sectors of Vietnam and the Netherlands on the basis of equal partnership and mutual benefit with a focus on private investments.

b Support is provided to initiatives of the business communities of the Netherlands and Vietnam in setting up joint innovative pilot-projects in specific sectors, making use of international and local know how, goods and services.

c It is expected that successful try-outs will be continued and/or duplicated by the private sector.

d The business projects are expected to contribute to poverty alleviation. Projects creating substantial local employment, transferring knowledge, making extensive use of local SMEs in the supply chain, operating in geographically disadvantaged regions, generating income for a substantial group of beneficiaries and/or contributing in other ways substantially to poverty alleviation will receive priority in the selection process. Projects however have to be at all times sound business proposals that lead to a sustainable business relation.

Paragraph 2
Budget

Official Development Assistance will be provided by the Government of the Netherlands to provide support to joint Netherlands – Vietnam business projects starting from 2003 under the Programme for Cooperation with Emerging Markets (PSOM) with a target budget of 4 projects per year. The average PSOM contribution per project is expected to be approximately € 500,000. The programme will be operational for at least 2 years and may be extended

which PSOM proposals will be selected and funds are allocated. After submission by Senter of the qualification proposals to the Royal Netherlands Embassy in Hanoi, the latter will submit these proposals to MPI. Within two weeks time, RNE will discuss the proposals with MPI and inform Senter on the outcome. After finalization of the selection procedures, Senter will inform VCCI on the proposals that are awarded financial contribution under PSOM.

Paragraph 7
Monitoring
SENTER will monitor the projects and report half-yearly about the progress made to the Royal Netherlands Embassy in Hanoi and the Ministry of Planning and Investment. Embassy personnel and staff of the Ministry of Planning and Investment will meet at least once a year to discuss the progress of project implementation.

Paragraph 8
Dispute settlement
Any dispute between the signatories concerning the interpretation and/or implementation of this Memorandum of Understanding shall be settled amicably through consultations and/or negotiations.

Paragraph 9
Duration and amendment
The MoU will enter into force on the date of signing and will be effective until 31-12-2004. Further extensions may be decided upon agreed by an exchange of letters.

Done in duplicate in Hanoi on 8.th. August in the year two thousand and three in the English language.

For the Government of the Socialist Republic of Vietnam	For the Government of the Kingdom of the Netherlands on behalf of the Minister for Development Co-operation
Nguyen Bich Dat Vice Minister Ministry of Planning and Investment	Gerben de Jong Ambassador The Netherlands Embassy in Vietnam