ORIGINAL

DCI-ASIE/2008/019-692

FINANCING AGREEMENT

between

THE SOCIALIST REPUBLIC OF VIETNAM

and

THE COMMISSION OF THE EUROPEAN COMMUNITIES

"European Poverty Reduction Support Programme in Vietnam (EPRSC)"

EUROPEAN COMMUNITIES
COMMISSION

FINANCING AGREEMENT

Special Conditions

The European Community, hereinafter referred to as "**the Community**", represented by the Commission of the European Communities, hereinafter referred to as "**the Commission**",

of the one part, and

the Government of the Socialist Republic of Vietnam, represented by the Ministry of Planning and Investment, hereinafter referred to as "**the Beneficiary**",

of the other part,

have agreed as follows:

ARTICLE 1 - NATURE AND PURPOSE OF THE OPERATION

1.1. The Community shall contribute to the financing of the following programme:

European Poverty Reduction Support Programme in Vietnam (EPRSP) DCI-ASIE/2008/19692

hereinafter referred to as "the programme" which is described in the Technical and Administrative Provisions in Annex II.

1.2 This programme will be implemented in accordance with the financing agreement and the annexes thereto: the General Conditions (Annex I) and the Technical and Administrative Provisions (Annex II).

ARTICLE 2 – THE COMMUNITY'S FINANCIAL CONTRIBUTION

2.1 The total cost of the programme estimated at **44 000 000 EUR**

with the following components:

2.1.1 Budget support: 43 000 000 EUR
2.1.2 Complementary support: 1 000 000 EUR

2.2 The Community undertakes to finance a maximum of 44 000 000 euro. The breakdown of the Community's financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions in Annex II.

ARTICLE 3 – THE BENEFICIARY'S CONTRIBUTION

3.1 The Beneficiary shall contribute zero euro to the programme

3.2 Where there is a non-financial contribution by the Beneficiary the detailed arrangements shall be set out in the Technical and Administrative Provisions in Annex II.

ARTICLE 4 - PERIOD OF EXECUTION

The period of execution of the financing agreement as defined in Article 4 of the General Conditions shall commence on the entry into force of the financing agreement and end at 72 month after this date.

ARTICLE 5 - ADDRESSES

All communications concerning the implementation of the financing agreement shall be in writing, refer expressly to the programme and be sent to the following addresses:

a) **for the Commission**

The Delegation of the European Commission to Vietnam
Pacific Place Office Building
17th-18th floor
83 B Ly Thuong Kiet Street
Hanoi, Vietnam

b) **for the Beneficiary**

Ministry of Planning and Investment
2 Hoang Van Thu Street
Hanoi, Vietnam

ARTICLE 6 - ANNEXES

6.1 The following documents shall be annexed to this agreement and form an integral part thereof:

Annex I: General Conditions

Annex II: Technical and Administrative Provisions.

6.2 In the event of a conflict between the provisions of the Annexes and those of the Special Conditions of the financing agreement, the provisions of the Special

ARTICLE 8 – ENTRY INTO FORCE OF THE FINANCING AGREEMENT

The financing agreement shall enter into force on the date on which it is signed by the last party.

Done in three original copies in the English language, two copies being handed to the Commission and one to the Beneficiary.

FOR THE COMMISSION

Dirk Meganck
Director
Directorate Asia incl. Central Asia
EuropeAid Cooperation Office

Signature:

Date:

FOR THE BENEFICIARY

Vo Hong Phuc
Minister for Planning and Investment
Ministry of Planning and Investment

Signature:

Date: 25/5/2009

Conditions shall take precedence. In the event of a conflict between the provisions of Annex I and those of Annex II, the provisions of Annex I shall take precedence.

ARTICLE 7 - CONDITIONS APPLYING TO A BUDGET SUPPORT OPERATION

7.1. Given the nature of a budget support operation, the following clauses of the General Conditions shall not be applicable in respect to the amount specified in Article 2.1.1 (Budget support) of these Special Conditions: Articles 2, 4.2 first sentence, 5, 6, 7, 8, 9, 11, 12.2 and 13.2.

7.2. In respect to the amount specified in Article 2.1.1 (Budget support) of these Special Conditions, the following clauses of the General Conditions shall be replaced by the following:

7.2.1 In respect to Article 3.1: The programme shall be implemented by the Commission. This consists of the verification of the compliance with the conditions for payment and the payment of the amounts due for each instalment, in conformity with this financing agreement.

7.2.2 In respect to Article 10: The State of the Beneficiary undertakes to apply its national foreign exchange regulations in a non-discriminatory manner to the payments made under this financing agreement. The foreign exchange transfers will be accounted for under the value date of the notification of credit to the account of the State Bank of Vietnam (SBV) opened for this purpose. The exchange rate will be the buying rate of the Operations Centre of SBV on the date of conversion of funds into Vietnam Dong.

7.3 In respect to the amount specified in Article 2.1.1 (Budget support) of these Special Conditions, Article 4.1 of the General Conditions shall be supplemented by the following: All payment requests submitted by the Beneficiary in accordance with the provisions set out in the Technical and Administrative Provisions (Annex II) shall be eligible for Community financing provided that such requests are submitted by the Beneficiary during the operational implementation phase.

7.4 Article 14.3 of the General Conditions shall mutatis mutandis be applicable in relation to any practices of active or passive corruption whatsoever in relation to the implementation of the operation.