SUBSIDIARY ARRANGEMENT

Between The Government Of Australia

And The Government Of Vietnam

Relating To The Small Activities Scheme

1. GENERAL

This is a Subsidiary Arrangement under the umbrella Memorandum of Understanding signed by both governments and expresses the understandings of the Government of Australia (GOA) and the Government of Vietnam (GOV) concerning the responsibilities and contributions of the two Governments in regard to the utilisation of the Small Activities Scheme (hereafter referred to as SAS). SAS is program of direct assistance from GOA to provide a specific flexible mechanism of support for small discrete developmental activities as an integral part of Australia's program of development assistance to Vietnam. The scheme will be operated by the AIDAB representative at the Australian Embassy in Hanoi as described in the SAS Guidelines at Annex A to this Subsidiary Arrangement.

2. EXECUTING AUTHORITIES

The Executing Authorities for administration of SAS will be:

For the GOV: State Planning Committee (SPC)

For the GOA: The Australian International Development Assistance Bureau of the Department of Foreign Affairs and Trade (AIDAB)

3. CONTRIBUTION

The Government of Australia will provide grants for implementation of the Scheme from the bilateral allocation for development assistance to Vietnam. The annual allocation of funds by the Government of Australia will be subject to normal annual parliamentary approval of appropriations and will be at a level discussed during the High Level Consultations (HLCs) and approved by the Australian Minister or his delegate in AIDAB.

The amount may be reviewed annually in the context of Annual HLCs.

The Scheme is a flexible funding mechanism and the actual level of disbursement will depend on program commitments in the year of operation and the development of a satisfactory pipeline of small activities proposals which fall within the agreed guidelines.

Final responsibility for utilisation of SAS and the approval for individual SAS activities will rest with the AIDAB Office of the Australian Embassy in Hanoi. The AIDAB office will keep the SPC informed of approvals issued and consult on an 'as required' basis..

4. IDENTIFICATION AND SELECTION OF SAS ACTIVITIES

(a) SAS activities must be consistent with the objectives of the country program and may include government, non-government, private sector, community based and regional or international projects and non-academic training either in-country or in Australia.

(b) Each SAS activity should be executed on the basis of a single design document and an appraisal prepared at the AIDAB Office in Hanoi. A check list to assist in the identification and appraisal of small projects is attached at Annex B.

(c) Individual activities under this scheme may be identified by the staff at the AIDAB Office in Hanoi, AIDAB (Canberra), GOV, and/or other agencies or groups operating or administering activities in the Socialist Republic of Vietnam.

5. FUNDING

(a) The value of single activities which can be funded under this scheme will be in the order of AUD$10,000 to AUD$100,000.

(b) SAS activities should normally involve a single payment. Where this is not possible, complex or protracted payment arrangements should be avoided.

(c) Where approved activities have not been funded in one year due to a lack of funds, they may be carried forward as priority activities for the following year, subject to the availability of funds.

6. IMPLEMENTATION

(a) Appraisal and monitoring of SAS activities under this Subsidiary Arrangement will be the responsibility of the AIDAB representative, Australian Embassy in Hanoi who will consult as necessary with SPC.

(b) With respect to all SAS activities under this Subsidiary Arrangement, all relevant AIDAB procurement, contract, audit, acquittal, reporting procedures and standards will be observed as outlined in the umbrella MOU between Australia and Vietnam signed on 27 May 1993.

7. MONITORING

Both Governments will jointly monitor the Scheme and consult on a regular basis. Such consultation will generally take place during the annual HLCs, but ad hoc consultations will also be held at the request of either party.

8. EVALUATION

An evaluation of administrative arrangements and the effectiveness of SAS may be arranged at times mutually convenient to both Governments party to this Subsidiary Arrangement. The evaluation will be undertaken by a joint investigation team appointed by the two Governments.

9. SETTLEMENT OF DIFFERENCES

Both parties undertake to settle amicably by consultation any differences arising under or in relation to this Subsidiary Arrangement.

10. SECURITY

The GOV will arrange for protective services necessary to ensure the safety of:

(a) the person and property of Australian Project personnel and dependants; and

(b) Australian Project supplies

11. AMENDMENTS

Amendments to this Subsidiary Arrangement may be made at any time by an arrangement in writing between the two Governments.

12. DURATION

This Subsidiary Arrangement will take effect from the date of its signature and the Scheme will be deemed to have commenced from that date. The Australian contribution to the Scheme and all undertakings given herein will cease on such date as may as may subsequently be arranged between the two Governments.

Annexes A, B and C to this Subsidiary Arrangement form an integral part of it.

SIGNED at Hanoi, in duplicate, this 10th day of March 1995

For the Government of the Socialist Republic of Vietnam

For the Government of Australia

ANNEX A

SAS - GUIDELINES

INTRODUCTION

The Small Activities Scheme (SAS) is a component of the Australia - Vietnam development cooperation program administered by the Australian International Development Assistance Bureau (AIDAB). The Scheme is intended as a quick disbursing mechanism for funding relatively small but effective development activities at minimal administrative cost.

OBJECTIVES

The objective of the scheme is to limited funding assistance for small scale, high priority development activities.

The SAS grants will be available to government and non-government organisations and individuals engaged in developmental activities in Vietnam on a non-profit basis. It will also provide a means of using existing AIDAB-funded project personnel in Vietnam to extend the benefits of larger technical cooperation activities to other communities or provinces. Where appropriate the scheme may also be used to support small activities which would extend commercial opportunities and contacts in both countries.

ADMINISTRATION

General administration of this scheme is the responsibility of the Counsellor, Development Cooperation, Australian Embassy, Hanoi.

FUNDING

A notional allocation for the SAS of AUD$100,000 will be provided in each financial year. The cumulative value of commitments under the SAS in any one year may not exceed the agreed annual allocation for the scheme without approval of the Vietnam Country Program Manager.

The Counsellor (DC), Australian Embassy, Hanoi may approve any single activity up to the value of AUD$100,000. Approval of single activities over this value must be cleared with the Vietnam Country Manager, Canberra and would require specific endorsement by the SPC.

The value of single activities which can be funded under this scheme will be in the order of AUD$10,000 to AUD$100,000.

Each SAS activity should normally involve a single payment, where this is not possible complex or protracted arrangements should be avoided.

Where approved activities have not been implemented in one year due to a lack of funds, they may be carried forward as priority activities for the following year, subject to availability of funds. Administrative costs, ie project management and personnel costs, office maintenance and other administrative expenses and overheads should not exceed 25% of the total amount of grant being requested.

IDENTIFICATION AND SUBMISSION

Activities proposed for funding under the Scheme may be identified either by the Vietnamese side (SPC and/or relevant line agencies and NGOs) or the Australian side (AIDAB and/or Australian NGOs/companies/consultants). Project proposals submitted to the AIDAB Office will be assessed on their individual merit consistent with overall objectives of the Vietnam - Australia development cooperation program.

ELIGIBILITY

SAS is primarily aimed at supporting community-based development projects/activities that are participatory in nature and have involved beneficiaries in their identification, design and management. However given the flexible nature of SAS, other developmental activities such as training programs, workshops, conference participation, small feasibility studies for both commercial and non-profit ventures, will also be eligible for funding.

Examples of types of activities which may be funded under the scheme include:

- small central, provincial government or local/municipal developmental projects in priority sectors such as health, agriculture, environment, women in development, micro-enterprise development etc;
- community self-help program;
- small activity proposals originating from Australian NGOs/individuals and their counterparts in Vietnam on an non-profit basis;
- 'satellite' activities which use existing Australian-funded project personnel to carry out related but discrete development activities not included in the original project design;
- institutional strengthening and capacity building projects including training of trainers and workshops;
- applications for conference participation both in Vietnam and in other countries.

Funding may also be provided for the following:

- Provision of some materials and equipment;
- research activities;
- Provision of short-term Australian consultancies/expert advice; short-term in-country training/conferences for relevant representatives from Vietnam;
- Small scale development activities promoting commercial cooperation between Australia and Vietnam;
- other activities as agreed between GOA and GOV.

As a general rule the following activities will not be funded:

- payment of foreign consultants and advisors, where they constitute the major cost component;
- academic training in Australia;
- items of a recurrent nature such as spare parts, supplies, maintenance and repairs, etc;
- pure research projects;
- projects requesting mainly administrative or office establishment costs.

COUNTERPART CONTRIBUTION

A counterpart contribution of some 20% of the total project cost would normally be required from the proposing organisation or from the beneficiaries themselves. The counterpart contribution does not necessarily have to be in the form of cash but could be provision of food used during training, labour, raw materials and/or existing assets and services may be costed and valued.

PROJECT PROPOSAL FORMAT

Proposed activities should be clearly defined with specific outputs.

The activity identification documents, which should normally not exceed 5 - 10 pages, will address the issues detailed in the Checklist for Identification and Appraisal of Activities (Annex B).

SELECTION CRITERIA

Activities must be:

- consistent with Australian development cooperation criteria;
- consistent with the objectives of the Vietnam country program;
- normally designed to be completed within one year of implementation;
- capable of being executed on the basis of a single design document which will be appraised at the post.

Preference will be given to those activities:

- located in poorer, remote and minority group areas;
- involving significant Vietnamese counterpart contribution and appropriate technology
- demonstrating long term sustainability and an efficient and effective administrative capability
- having clearly stated goals and well-defined and quantifiable objectives, implementation schedule and monitoring and evaluation strategy
- using innovative and participatory approaches which have potential for wider application in other communities

The following issues must be taken into account:

a. **Developmental Value**: SAS activities should be of high developmental value in terms of promoting employment opportunities, education, health, role of women and disadvantaged people, and environmental sustainablity.

b. **Self Help and Sustainability**: It is essential that SAS projects be orientated towards self-help and be sustainable. This is particularly important for those activities which are aimed at raising the income of people. Submissions should demonstrate a commitment on the part of the local authorities and/or people who will be the beneficiaries.

c. **Profiles/Locality**: SAS projects should be in those activities and locations that project an appropriate image of Australia and Australian development assistance objectives. Ideally, SAS projects should leave some form of physical reminder of the Australian effort in that area. Existing Australian Developmental Cooperation projects (and personnel) should be utilised to identify and promote prospective projects.

APPRAISAL AND SELECTION

Each proposal for funding under this scheme will appraised on the basis of the Checklist for Identification and Appraisal of Activities (Annex B) by the Australian Embassy Hanoi, which will produce a brief appraisal document prior to activity approval.

Projects which are approved will usually be funded within one month. A letter advising of the approval and of the conditions will be sent to the nominated bank account. Projects which are unsuccessful will be informed accordingly in writing.

MONITORING AND REPORTING

Activity implementation will conform with standard government operations and procedures.

The Following Reports are required from the recipient organisation once the project funding is approved.

a. progress report (six months after funds are received)

b. completion report

Monitoring visits to observe the implementation and progress of activities may be conducted by the staff from the AIDAB Office where it is deemed appropriate. In certain cases, participation of SPC may also be invited.

Continued funding of activities experiencing problems will be determined by the AIDAB Representative in consultation with SPC.

The AIDAB Office will compile an annual report on SAS activities for the information of both AIDAB Canberra and SPC.

FINANCIAL REQUIREMENT

There is a financial requirement for recipients of funds to provide regular acquittals to the AIDAB Office and at the conclusion of the activity.

The acquittals need not include detailed breakdown of activity expenditure, but a statement notifying the amount received and the expenditure in accordance with the activity purpose should be provided (Annex C).

Auditor's reports may be requested by the AIDAB Representative or SPC.

COMPLETION

On completion of each activity, the implementing organisation shall submit to the AIDAB Representative a project completion report and final acquittal of funds.

CONTACT

Further information can be obtained from the AIDAB Office at the address indicated below:

Counsellor
Development Cooperation
Australian Embassy
79 Ly Thuong Kiet Street
Hanoi

ANNEX B

Checklist for Identification and Appraisal of Small Activities Scheme Projects

1. Activity, description, objectives.

Brief activity details include duration and phasing, components, costs, contact person, other national and donor inputs and location.

2. Activity rationale

- appropriateness to solving the problem within an economic, financial, socio-political and technological context;
- other policy issues such as poverty alleviation, health, commercial and environmental analysis;
- likely benefits to women and proportion of the budget which will benefit women;
- linkage with country strategy, program.

3. Expected outcomes including performance indicators

4. Agency and issues:

- name of implementing agency;
- capacity of implementing agency (physical, human, financial);
- capacity for enhancement by this activity (training, facilities).

5. Timing and cost commitments (for appraisal and monitoring):

- summary network showing key activities, timing and resources;
- cost implications (Australia, recipient government/local);
- recurrent costs for recipients.

6. Recommendation

ANNEX C

Small Activities Scheme Activity Aquittal Report

Activity Name:.....

Period: From:.....To:.....

Estimated cost: A$.....

Approved activity expenditure:

	Estimate	Actual
Materials	.....	.....
Labour	.....	.....
Other	.....	.....
Total to date	.....	.....

Performance indicators:	Percent completed
1.	.....
2.	.....
3.	.....

I certify that the above statement of expenditure accurately represents approved costs incurred on the above activity for the period and that progress on the activity is as stated.

Name:..... Signature.....

Activity Coordinator

Date:.....

Witnessed

Name:..... Signature.....

Date:.....
