AGREEMENT
BETWEEN
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM AND THE GOVERNMENT OF THE KINGDOM OF DENMARK REGARDING DEVELOPMENT COOPERATION ON ENERGY PARTNERSHIP PROGRAMME BETWEEN VIET NAM AND DENMARK 2020-2025

WHEREAS Upon a request from the Government of the Socialist Republic of Viet Nam (GoV), the Government of the Kingdom of Denmark (GoDK) has agreed to provide an amount of 60.29 million Danish Kroner on a grant basis in support of the Danish Energy Partnership Programme in Viet Nam, as part of the Danish Energy Partnership Programme Phase III, 2020-2025 (DEPPIII) with Vietnam, China, Mexico and South Africa;

WHEREAS the GoV and the GoDK have agreed that the programme will be carried out in accordance with the provisions of this agreement and the programme document, attached herewith as Annex 1;

WHEREAS the general provision of this agreement is set forth in the agreement between the GoV and the GoDK named General Terms and Procedures of Development Cooperation dated 25 August 1993;

WHEREAS commitment to international law and conflict prevention, protecting and promoting human rights, respect for transparent and good governance processes, accountability and the fight against corruption, sound macro-economic policies and the commitment to poverty reduction govern the policies of the GoV and the GoDK, and which are prerequisites for this agreement, and hence constitutes essential elements of this agreement;

WHEREAS the GoV and the GoDK shall abide by the local laws and by applicable international instruments, including the UN Convention on the Rights of the Child and International Labour Organization Conventions which Vietnam and Denmark are party to;

WHEREAS the GoV and the GoDK is committed to the principles of harmonisation and to strive for the highest degree of alignment with the budgetary and accountability system of the implementing partners and the legislation of the GoV so as to enhance effective implementation, to reduce the

administrative burden, to minimise transaction costs and increase transparency and accountability of the support provided;

NOW THEREFORE the GoV and the GoDK have decided as follows:

Article 1

Definitions

For the purpose of this Agreement, unless otherwise stated, the terms listed below mean the following:

a. **"The Parties"** mean the GoV represented by the Ministry of Industry and Trade (MOIT) of Viet Nam, and the GoDK represented by the Embassy of Denmark in Hanoi;

b. **"Danish Parties"** mean the GoDK, represented by the Ministry of Foreign Affairs (MFA), the Ministry of Climate, Energy and Utilities (MCEU), the Danish Energy Agency (DEA) the Embassy of Denmark (EDK) in Vietnam or any other authority empowered to perform the functions exercised by said authorities;

c. **"Vietnamese Parties"** mean the GoV, represented by the MOIT or any other authority empowered to perform the functions exercised by said authorities;

d. **"Vietnamese implementing partners"** refer to MOIT's agencies and departments involved in Programme implementation e.g. the Department of Energy Efficiency and Sustainable Development, the Electricity and Renewable Energy Authority, and the Electricity Regulatory Authority of Viet Nam;

e. **"Joint decision making arrangement"** refers to the overall management of the programme, which are meetings and exchange of letters between the Parties;

f. **"The Programme"** refers to the Danish Energy Partnership Programme Phase III, 2020-2025 in Viet Nam (DEPPIII);

g. **"The Documentation"** refers to the DEPPIII Programme Document which, by signature, has been approved by Danish Parties and Vietnamese Parties and is attached as Annex 1 to this agreement, hence constituting an integral part hereof. The Documentation will be reviewed in connection with Programme's reviews. Changes to the Documentation are

subject to the approval by the joint decision making arrangement. Development objectives described in the Documentation and the total amount of the Danish contribution cannot be changed;

h. **"Programme period"** means the period of programme implementation from the signing date of this agreement until 31 October 2025.

Article 2

Objectives of the programme

1. The objective of the Programme is:

   Viet Nam develops low carbon pathways related to energy in support of their NDC and Viet Nam upscale NDC mitigation targets and related measures by 2025.

   as stated in the Documentation.

2. The immediate objectives of the Programme are:

   - For Development Engagement 1 - Capacity enhanced in energy sector planning and policy development, integrating renewable energy, including offshore wind and energy efficiency technologies, as cost-effective measures of meeting the Vietnamese NDCs while ensuring national security of supply.
   - For Development Engagement 2 - Regulatory framework and flexible options in the power system supports the efficient and secure transition towards clean energy with a rising share of electricity from variable renewable energy sources.
   - For Development Engagement 3: Incentive schemes for energy efficiency in the industrial sector and improved capacity to develop and revise the EE regulatory framework at national level and enforce compliance with EE legal framework at provincial level.

   as stated in the Documentation.

3. GoDK will grant the support on progress attained compared to planned progress described in the Documentation. Progress will be measured through commonly agreed indicators and monitoring systems described in this legal instrument.

4. The immediate objectives can only be adjusted to changes in the programme support context by decision of the joint decision making arrangement described, followed by mutual written agreement between the Parties. Such written agreement shall become addendum to this agreement.

Article 3

Management, Organisation and Consultants

5. The overall oversight and coordination of the Programme is the responsibility of MOIT, MCEU, DEA and EDK. The overall management roles of the programme support rests in the Steering Committee, which is co-chaired by the Minister or Vice Minister of MOIT and the Danish Ambassador to Vietnam. Members of the Steering Committee are representatives from DEA and heads/deputy heads of departments for the development engagement partner institutions under MOIT. The tasks of the Steering Committee are described in the Documentation.

6. MOIT shall assign a programme director who is a focal point of the Vietnamese implementing partners and will participate in the Secretariat to the Steering Committee.

7. The Secretariat to the Steering Committee shall be established to coordinate inputs from the Implementation Groups, ensure quality assurance of materials submitted to the Steering Committee and facilitate decision making processes and resolving issues during programme implementation. The Secretariat shall include the MOIT programme director, the DEA country team leader and the Senior Programme Manager at the EDK.

8. The implementation and management structure of the Programme, including coordination, assessment and procurement of the required technical assistance and the arrangement for the exchange of visits, processing of secondments, as well as dealing with financial and administrative issues, including the provision of resources according to Article 4 and Article 5 of this agreement, among others, is described in the Documentation.

9. The GoV and the GoDK shall maintain close dialogue in order to adjust plans for cooperation year by year and to deepen the related policy dialogue. This dialogue shall take place through the participation of the

Danish Parties in meetings of the Programme Steering Committee, review meetings and other meetings as relevant.

10. The technical assistance shall be provided by the Danish Parties to ensure capacity development and achievement of programme's objectives. The technical assistance shall be delivered by international long-term advisers, experts from the DEA, international and national experts. The two international long-term advisers who are recruited upon close consultation with Vietnamese implementing partners and contracted by the MFA, will be posted to MOIT.

Article 4

Obligations of the Vietnamese parties

11. Under this Agreement, the GoV shall:

    a. Promptly inform the GoDK of any condition which interfere or threaten to interfere with the successful implementation of the Programme;

    b. Within a reasonable time advise on all reports, recommendations and other matters properly referred for advice by the GoDK, in order not to delay or disrupt the execution of the services or the works of the Programme;

    c. Ensure that relevant provisions in the General Terms and Procedures of Development Cooperation dated 25 August 1993 regarding the GoDK execution of activities are honoured;

    d. Ensure that the Vietnamese implementing partners develop annual work plans based on Viet Nam's priorities, within the areas of agreed cooperation in a timely manner as stated in the Documentation;

    e. Ensure that the Vietnamese implementing partners prepare bi-annual progress reports and annual progress reports of the cooperation in a timely manner as stated in the Documentation;

    f. Provide financial contribution of maximum 7.593 billion VND and adequate human resources i.e., skilled staff and salary in the Vietnamese implementing partners throughout the Programme period;

g. Provide adequate project offices and office furniture for the two long-term advisers to be placed at MOIT. Ensure funds for the payment of all other appropriate expenses required for the establishment and operation of the Programme, which are not mentioned as items to be provided by the GoDK;

h. Provide adequate working space for other technical assistance experts including DEA experts, international and local consultants during their missions to Vietnam. Provide resources according to their budget availability, the applicable national legislation and the decision of the Steering Committee in order to ensure the participation of skilled staff while the Programme is in force;

i. Provide assistance to fulfil GoV's procedures for the entry, temporary stay and exit from Viet Nam of the official participants in the Programme, regardless of their nationality according to regulations of the GoV and the regulation mentioned under item (c) above;

j. Provide multiple-entry visas with one-year term of validity for Danish experts, who are staff members of the Danish Energy Agency, Energinet and international consultants and regularly visit Vietnam for Programme implementation purpose, following official invitation of the Vietnamese implementation partners, in accordance with regulations of the GoV;

k. Facilitate the issue of multiple entry and exit visas, work permits and residence permits for the international long-term adviser and his/her family regardless of nationality as well as provide assistance in the clearance through customs of their personal belongings that they are allowed to import according to regulations of the GoV and the regulation mentioned under item (c) above;

l. Duties on taxes, fees and charges related to the implementation of this Agreement is implemented in accordance with the Vietnamese regulations on taxes, fees and charges and in compliance with the regulations of the Agreement between the GoV and the GoDK for the Avoidance of Double Taxation dated 24 April 1996.

m. Ensure timely settlement of any other related formalities that might keep the Programme behind schedule in accordance with assigned mandates and responsibilities of relevant Vietnamese authorities.

Article 5

Obligations of the Danish Parties

12. Under this Agreement, the GoDK shall:

a. Provide 60.29 million Danish Kroner (DKK) for the implementation of the Programme, which is distributed among three Programme's engagements as follow:

- Development Engagement 1 - Capacity Development for long-range energy sector planning: 22.09 million DKK
- Development Engagement 2 - Capacity Development for Renewable Energy Integration into the Power System: 17.65 million DKK
- Development Engagement 3 - Low carbon development in the industrial sector: 20.55 million DKK

b. All commitments of GoDK are made in Danish Kroner. There will be no cash transferred or disbursed directly to the Vietnamese Parties as the technical assistance and other activities will be contracted by the Danish Parties;

c. Procurement of international technical assistance (in any form) will be carried out by DEA in close cooperation with MOIT and EDK and follow Danish procurement rules. Final selection will be done in close cooperation based on no objection from the Vietnamese implementing partners;

d. Procurement of agreed national technical assistance, not covered by the above, will be carried out by the EDK in consultation with DEA and close cooperation with MOIT, and follow Danish procurement rules for local procurement of technical assistance. Final selection will be done by EDK and DEA in close cooperation based on no objection from the Vietnamese implementing partners;

e. Expenses relating to study tours, workshops and seminars will be paid for by the Programme through EDK based on appropriate quotations approved by EDK and documented expenses. Sitting allowance for any workshop or meeting will be paid for out of Vietnamese partners' own budgets;

f. In addition to DEA, national and international short-term experts, the programme will finance two LTAs to be placed in EESD and ERAV. Equipment and facilities for the working offices of the LTAs and technical assistance experts of the Programme (e.g., printer, stationery, etc.) will be provided by the GoDK from the Programme budget. The GoDK will cooperate and communicate fully and in a timely manner with the GoV on all matters relevant to the implementation of the Programme as defined in the Documentation and this agreement;

g. GoDK will not bear any responsibility and/or liability to any third party with regard to implementation of the Programme.

13. In addition to the above committed fund, the GoDK dedicates an unallocated fund for all four countries including Viet Nam, China, Mexico and South Africa. The unallocated fund can be allocated as an addition to the committed fund to each partner country by the following overall guiding principles:

a. Partners in the partner countries can apply for support to interventions beyond their approved results framework, when an unforeseeable and strategic opportunity arises during program implementation.

b. To strengthen participation in dialogues and exchanges of insights around the low carbon energy development agenda through cooperation with stakeholders, outside the core circle of existing partners as part of the Strategic Engagement and Cooperation.

c. Unallocated funds can be mobilised until one year before completion of the programme, to ensure completion of activities.

14. The GoDK shall respect and ensure appropriate compliance of regulations of the GoV i.e., Decree No.56/2020/ND-CP dated 25 May 2020 on Management and Use of Official Development Assistance (ODA) and Concessional Loans of Foreign Donors or other documents on amendment, addition or replacement of this regulation. Ensure timely settlement of any other related formalities that might keep the Programme behind schedule in accordance with assigned mandates and responsibilities of the Danish parties.

Article 6

Obligations of both Parties

15. Both Parties will:

    a. Strengthen aid effectiveness by endeavour to co-ordinate their efforts under this agreement with other development partners, be they states, international organisations or non-governmental organisations;

    b. Use best endeavours to optimise the use of Programme resources.

Article 7

Information, monitoring and evaluation

16. The Parties shall fully collaborate to ensure the accomplishment of the objectives of this Agreement. To this end, the Parties shall exchange views with regard to matters relating to the Programme and provide each other with all available data, documentation and information including financial reports of budget usage; shall provide appropriate mutual assistance required to accomplish their obligations; and provide all necessary support to facilitate the due implementation of the Programme in accordance to their respective authority.

17. The Danish Parties shall have the right to carry out any technical review mission that is considered necessary to monitor the implementation and guarantee a successful completion of the Programme. This includes a mid-term review. In order to facilitate the work of the person or persons instructed to carry out such monitoring missions, the Vietnamese Parties shall endeavour to provide these persons with all relevant assistance, information, and documentation related to the objectives of this agreement in accordance with Vietnamese law and regulation.

18. The Danish Parties shall provide bi-annual budget expenditure reports to the Programme Director and Steering Committee as parts of the overall Programme progress reports.

19. Evaluation of the Programme support, preferably undertaken jointly by the GoV and the GoDK may be carried out at the request of either Party. After the termination of the Programme support, the GoDK reserves the right to carry out evaluation in accordance with this article.

Article 8

Transfer of ownership

20. The Vietnamese implementing partners are responsible for the implementation of the Programme components and shall maintain updated inventories of all equipment financed by earmarked funding from the Programme (e.g. vehicles, computers, furniture and tools).

21. Equipment, material, supplies and facilities purchased by the Programme and used during the implementation of the Programme (e.g. vehicles, computers, furniture and tools), will remain property of MFA until the Parties may agree otherwise, and will not generate liability to the Vietnamese Parties or the Vietnamese implementing partners.

22. Ownership transfer of the above-mentioned assets to the Vietnamese implementing partners may take place during the Programme period. Before the termination of the Programme, the Parties will assess and agree on final transfer of such assets, after a final request on the matter from the Vietnamese implementing partners. Any remaining assets will be disposed of by the Programme.

Article 9

Non-compliance, Suspension, and Force majeure

23. In case of non-compliance with the provisions of this agreement and /or violation of the essential elements mentioned in this agreement, each Party has the right to suspend the Programme by giving a prior written notice to the other Party, indicating its intended termination date. Non-compliance includes inter alia:

    a. If the implementation of the Programme components develops unfavourably in relation to objectives established in Article 2 of this agreement.

    b. The Vietnamese Parties or Danish Parties failed to fulfil their commitments under this agreement.

24. If a serious irregularity in the Programme has been ascertained, either Party may suspend its implementation, wholly or partially, until the Parties jointly decide to resume it.

25. In case of force majeure e.g. severe natural disasters including earth quake, tsunami, storms or floods that create suspension or delay in the Programme implementation and affect the programme effectiveness, the affected Party should promptly inform the other in writing. If substantial delay is caused by such situation, an extension of the programme implementation duration might be discussed and agreed by the Programme Steering Committee and submitted for the approval by the Parties.

Article 10
Settlement of disputes

26. If any dispute arises between the Parties as to the interpretation, application or implementation of this agreement, they will consult each other in order to reach an amicable solution.

Article 11
Corruption

27. No offer of payment, compensation or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, including tendering, award, or execution of contracts. Any such practise will be grounds for the immediate cancellation of this agreement or part of it, and for additional civil and/or criminal action, as may be appropriate. At the discretion of the Danish Parties or Vietnamese Parties, a further consequence of any such practise can be the definite exclusion from any projects funded by them.

28. The GoV and GoDK commit that all persons involved in the Programme activities are under strict obligation to provide information to the EDK and the MOIT any suspicion on or actual cases of:

- Fraud;
- Misuse of funds;
- Corruption;
- Breach of contracts;

- Court cases involving a larger amount of money;
- Loss of funds;
- Possible loss of funds;
- Qualifications or criticism in audit reports and other instances or misuse of funds not mentioned here.

Article 12
Child Labour

29. The Vietnamese party will abide by the local laws, international treaties to which Viet Nam is a member and relevant international instruments, including the UN convention on the Rights of the Child and the International Labour Conventions to which Vietnam is a member, – in particular the Minimum Age Convention, 1973 (No. 138) taking effect for Viet Nam from 24 June 2003 and the Worst Forms of Child Labour Convention, 1999 (No. 182) taking effect for Viet Nam from 19 December 2000. The Vietnamese party will ensure that no-one under 14 years of age or age of the end of compulsory schooling is engaged by organisations working for the Programme.

Article 13
Amendment

30. Any amendment to this agreement shall be agreed, in writing, between the Parties and shall constitute an integral part of this agreement.

Article 14

Entry into Force, Programme duration, Termination

31. This government agreement enters into effect on the date of signature and shall remain in force within 6 months from the end of the Programme.
32. In case of delay in programme implementation, the duration of the Programme Period may be extended by mutual agreement and within the agreed budget and given objectives.
33. The Parties may terminate the Programme by agreement through an exchange of letters or unilaterally by a notice of termination. Such notice

will come into effect six months after having been received by the other Party. The termination of this agreement will not affect the conclusion of the ongoing activities agreed during the validity of this agreement.

In witness hereof the Parties hereto, acting through their representatives duly authorised for this purpose, have caused this Agreement to be signed in two originals in the English language.

Ha Noi, 28th October 2021

For the Government of the Socialist Republic of Viet Nam	**For the Government of the Kingdom of Denmark**
H.E. Mr. Dang Hoang An **Deputy Minister for Industry and Trade**	**H.E. Mr. Kim Højlund Christensen** **Ambassador of Denmark to Viet Nam**

Annex 1: Energy Partnership Programme between Viet Nam and Denmark Programme Document