PROJECT AGREEMENT

BETWEEN

THE GOVERNMENT OF SWITZERLAND

AND

THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM

represented by
the Ministry of Education and Training

ON

Project

Capacity Building for Education, Training and Research in Environmental Science and Technology in Northern Viet Nam

Phase 2 (01.05.2003 - 30.4.2007)

ARTICLE 1

FRAMEWORK OF THE AGREEMENT

Within the Framework and in respect of the Agreement concerning Development Cooperation signed by both Government on 7th June 2002 in Bern, the Government of Switzerland (hereinafter referred to as the "Swiss Government") and the Government of the Socialist Republic of Viet Nam represented by the Ministry of Education and Training (hereinafter referred to as the "Government of Vietnam") bearing regard to the ties of friendship existing between the two countries and with the objective of developing their scientific and technical cooperation, have agreed to the following:

ARTICLE 2

FIELD OF COOPERATION

The Swiss Government shall support the Government of Viet Nam in its effort aimed at contributing to Vietnam's socio-economic transformation process *to develop environmental science and technology engineering to reduce environmental degradation.*

This cooperation shall be known as "Capacity Building for Education, Training and Research in Environmental Science and Technology in Northern Viet Nam" (herein after referred to as "the Project").

ARTICLE 3

SPECIFIC OBJECTIVES

3.1. The Development goal of the project is as follows:

"The environment of Viet Nam is protected and improved, enhancing the quality of life and health of the people, especially the poor, and ensuring sustainable growth"

The project objective is set as follows:

"Research in environmental science and technology in the partner institutes has the capacities and the managerial competence to identify and solve problems related to rapid urbanisation and industrialisation"

3.2. The specific objectives of the Project are as the following:

Objective 1: To strengthen scientific skills of CETASD in the field of environmental chemistry in aquatic systems and drinking water treatment technology, enabling them to provide policy makers with reliable data and propose adequate scientific solutions.

Objective 2: To improve CEETIA's capacity to a) identify and analyse the problems related to macro-pollutants and b) to propose solutions for the design, operation and maintenance, and monitoring of technical systems in water, sanitation and solid waste management.

Objective 3: To strengthen the organisational, managerial and administrative skills of both the centers - CETASD and CEETIA.

Objective 4: To position CETASD as one of the leading centres for research in environmental science and technology and CEETIA as one of the leading centers for research and teaching in water supply, sanitation and solid waste management (SWM) in Northern Viet Nam.

Project components are carefully implemented according to the Project Document.

3.3. The details of the project, its objectives and the results to be expected are given in the Project Document (Annex 1) which forms an integral part of this Agreement.

ARTICLE 4

ORGANIZATIONAL AND MANAGEMENT STRUCTURES

4.1. The Swiss Government shall participate in the Project through the Swiss Agency for Development and Cooperation (hereinafter referred to as "SDC") which shall entrust EAWAG (Swiss Federal Institute for Environmental Science and Technology), with the implementation of the Project.

4.2. The Government of Vietnam shall participate in the Project through the Ministry of Education and Training, which shall entrust the Centre for Environmental Technology and Sustainable Development (CETASD) under Hanoi University of Science (HUS) and the Centre for Environmental Engineering of Towns and Industrial Areas (CEETIA) under Hanoi University of Civil Engineering (HUCE) as the implementing project partners.

4.3 The Project shall be under the supervision of a Project Steering Committee (PSC) that consists of:

- The Vice Minister of Ministry of Education and Training (MOET) as Chairman of the PSC
- The Vice Minister of Ministry of Natural Resources and Environment (MONRE)
- A representative of Ministry of Planning and Investment (MPI)
- A representative of SDC

The following ex-officio members are additionally invited to the PSC- Meetings:

- The director of HUS
- The director of HUCE
- The project Coordinator of the implementation agency (EAWAG)
- The project leader of the project at CETASD
- The project leader of the project at CEETIA

- A representative of the Organisational Development (OD) institute.

With the consensus of the members of the PSC, representatives of other Government or non-Government institutions or further resource persons may be invited to participate in PSC meetings

4.4 The functions of the Project Steering Committee (PSC) are as follows:

- Overall guidance of the project
- Discuss and decide on policy issues regarding the project
- General coordination of the project
- Evaluation and approval of the Yearly Plans of Operation (YPO) and budgets
- Approval of amendments of the YPO and workplans
- Review key policy issues raised by project results and feedback
- Develop proposals for further project research development

4.5 The PSC shall meet at least once a year. Decisions are taken by consensus.

4.6 Project Advisory Boards (PAB) shall be established for each of the two implementing centres with the aim to facilitate the exchange of the information between researchers and their beneficiaries and to give useful inputs for the on-going research and for further pilot research projects. The advisory board meetings will be organised by the project leader of each centre and is limited to ten persons from:

- Administration (e.g. VEPA, DONRE)
- Ministry of Industry
- Public service suppliers (e.g. Hanoi Water Business Company)
- Science/Engineering
- SDC
- EAWAG

The advisory board of each centre shall meet at least twice a year and shall be chaired by a representative from EAWAG.

4.7 The duties of the national project leaders and Swiss project coordinator are as follows:

- Implement the project according to the project document, the working procedures and the decisions taken by PSC
- Prepare the Steering Committee meetings, submit project reports and the required documents for approval, including budgets, yearly plans of operation and financial status reports
- Define milestones for pilot research project outputs, monitor the project implementation, conduct half yearly progress meetings
- Maintain regular contact with all involved project partners, as well as relevant agencies and projects
- Organisation of the meeting of the Advisory Boards (selection of representatives for the beneficiaries).

ARTICLE 5

CONTRIBUTIONS

5.1. The Government of Switzerland shall commit funds in form of a non-reimbursable grant up to a maximum of USD 2'045'000 for the following (more detailed budget in Annex 2):

		USD
a)	Project activities (including result research projects, training of staff and scientists and upgrading of equipment for partners, and organisational development)	1'349'000
b)	Costs for reviews and planning	80'000
c)	Contribute technical assistance amounting to a maximum of:	616'000
	TOTAL	**2'045'000**

5.2 The Government of Vietnam shall:

- ensure that the HUS and HUCE specially encourage the upgrade and improvement of their infrastructure (e.g. buildings, laboratories, libraries, equipment, etc.) according to the standard required for assuring an optimum output of the ESTNV-project as designed in the project document,
- provide the necessary number of good professional staff in order to fulfil all tasks described in the Project Document and pay their salaries;
- request that participants in the training program are required by CETASD/CEETIA to sign a binding agreement guaranteeing their return to the Centres after completing the training program for a period of two years for every year in the program and to pay back twice the amount of the study costs, if they leave the university earlier,
- provide the necessary legal, organisational and technical support to the ESTNV-project to enable the implementation of all tasks and activities mentioned in the Project Document,
- enable unrestricted access of the Technical Assistance experts to all relevant documents, data and records necessary for carrying out the task of monitoring, analysis and evaluation of the implementation and impact of the ESTNV-project.

ARTICLE 6

BUDGET AND PROCUREMENT

6.1. The yearly Project budget shall be based on a yearly plan of operation to be approved by the Project Steering Committee.

6.2. All procurement of goods and services from abroad to be financed by the Swiss Government shall be made by EAWAG according to their own rules and procedures. EAWAG can authorise the National Project Leaders to make local payments and procurements.

ARTICLE 7

ACCOUNTING AND AUDITING

7.1. CETASD and CEETIA shall maintain a separate USD account for the project for the expenditure to be financed by the Swiss Government.

7.2. An independent international auditing company based in Hanoi will conduct yearly audits of the Swiss funds in accordance with rules and regulations of SDC and provide, together with the SDC Hanoi financial adviser, management support on a need basis.

ARTICLE 8

REPORTING

The two National Project Leaders and the Swiss Coordinator are responsible for the timely and adequate preparation and submission to the PSC of half-yearly and yearly progress reports, of half-yearly financial statements, and of yearly budgets and plans of operation.

ARTICLE 9

OWNERSHIP

9.1. For the duration of the Project investment and equipment (hereafter referred to as "items") provided by the Swiss Government shall remain at the unrestricted disposal of the Project and shall not be diverted to other purposes without prior approval of the Project Steering Committee. If, for any reason whatsoever, items or parts thereof become useless for the project, these may be sold if the Project Steering Committee so agrees. The utilisation of the proceeds of such sales shall be agreed upon by the Project Steering Committee.

9.2. Items financed under the Swiss contribution shall become the property of the Project Partners (CETASD and CEETIA) or the Government of Vietnam upon entry into the respective inventory, at the end of the project.

9.3. The equipment/ material/ vehicles used during the first phase of the project will continue to be used by the CETASD and CEETIA during the project duration.

ARTICLE 10

PUBLICATION AND INTELLECTUAL PROPERTY RIGHTS

10.1. Results of collaborative research will be published in the public interest as mutually agreed upon. The results of the cooperative work will be published jointly by the scientists working for the participating organisations/agencies.

10.2. Intellectual property rights, in particular copyright, of material such as information, software and designs, made available by CETASD, CEETIA or EAWAG and participating organisations/agencies to be used to carry out activities under this agreement shall remain with the originating party.

Copyright of the information, as well as the rights to any other intellectual property, developed jointly by CETASD, CEETIA and EAWAG, and participating organisations/agencies shall be jointly owned by the parties.

The CETASD, CEETIA and EAWAG will provide SDC with copies of any report or paper published as the result of the grant and will acknowledge the role of SDC in support of the project in any report or paper published.

ARTICLE 11

SETTLEMENT OF CONFLICTS, TERMINATION

11.1. Any difference or dispute arising out of the interpretation or implementation of this Agreement shall be settled amicably by consultation between the two Governments.

11.2. In the event of default by one of the contracting Parties or one of their executing representatives in the fulfillment of the basic principles or any commitment or obligation under this Agreement, the other contracting Party may give notice to suspend the application of the Agreement. Should the reason for the suspension continue beyond 6 months the said contracting Party may terminate the Agreement immediately. The contracting Parties shall try to settle the cause of suspension through negotiations and diplomatic means.

11.3. If the essential elements to which Article 1 refers are not respected, either or both of the parties may take appropriate measures. Before doing so, save in cases of special urgency, the party taking measures shall provide the other party with all the information necessary for a thorough examination of the situation with a view to finding a solution.

In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement. Such measures shall be notified immediately to the other party.

For the purposes of correct interpretation and practical application of the present agreement, the parties agree that "special urgency" in the sense of Paragraph 1 of the present Article shall exist if one of the parties commits a

grave violation of any essential element or objective of the agreement to which Article 1 refers.

ARTICLE 12

FINAL PROVISIONS

12.1. The present Agreement shall come into force upon signature and cover the period from April 1st, 2003 until March 31st, 2007. It shall remain valid until the fulfilment of all mutual obligations.

12.2. This Agreement may be terminated at any time by either Government by means of written notice given at least six months in advance.

12.3. Amendments to this Agreement shall be effected by means of exchange of letters between the two Governments.

12.4. The annexes 1 and 2 (Project Document and Budget) form an integral part of this Agreement.

Done in Hanoi on ...January...19th, 2003 in two original copies in the English language.

ON BEHALF OF THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM	ON BEHALF OF THE GOVERNMENT OF SWITZERLAND
Mr. Tran Van Nhung Vice Minister Ministry of Education and Training	Mr. Walter Meyer Country Director/ Counsellor SDC/ Embassy of Switzerland

ANNEXES

Annex 1: Project Document
Annex 2: Budget (item 13.3 and annex 7 of the Project Document)

BỘ NGOẠI GIAO

Số : 34/2004 /LPQT

SAO Y BẢN CHÍNH

Hà Nội, ngày 14 tháng 4 năm 2004

TL. BỘ TRƯỞNG BỘ NGOẠI GIAO
KT. Vụ trưởng Vụ Luật pháp và Điều ước quốc tế
Phó Vụ trưởng

Nguyễn Hoàng Anh

Nơi nhận :

- Văn phòng Quốc hội (để báo cáo),
- Văn phòng Chủ tịch nước (để báo cáo),
- Văn phòng Chính phủ (để báo cáo và đăng Công báo)
- Bộ Kế hoạch và Đầu tư,
- Bộ Giáo dục và Đào tạo,
- Bộ Khoa học và Công nghệ,
- Bộ Tài nguyên và Môi trường,
- Bộ Tài chính,
- Ngân hàng Nhà nước Việt Nam,
- Đại sứ quán Việt Nam tại Liên bang Thụy Sỹ,
- Vụ Châu Âu 2,
- Vụ Luật pháp và Điều ước quốc tế, Bộ Ngoại giao,
- Lưu trữ, Bộ Ngoại giao. ✓

Thỏa thuận giữa Chính phủ nước Cộng hoà xã hội chủ nghĩa Việt Nam và Chính phủ Liên bang Thụy Sỹ về Dự án "Tăng cường năng lực giáo dục, đào tạo và nghiên cứu khoa học và công nghệ môi trường tại miền Bắc Việt Nam có hiệu lực từ ngày 19 tháng 1 năm 2004.