(Vietnamese Note)

Tokyo, October 8, 2018

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honour to refer to the recent discussions held between the representatives of the Government of Japan and of the Government of the Socialist Republic of Viet Nam (hereinafter referred to as "the Recipient") concerning Japanese economic cooperation to be extended with a view to promoting the economic and social development of the Socialist Republic of Viet Nam. I have further the honour to propose on behalf of the Government of Japan the following understanding:

1. (1) For the purpose of contributing to the implementation of the Project for Enhancing Laboratory Capacities of the Reference Testing and Agrifood Quality Consultancy (RETAQ) Center for Ensuring Safety of Agricultural and Fisheries Foods (hereinafter referred to as "the Project") by the Recipient, the Government of Japan has decided that a grant up to one billion two hundred and four million Japanese Yen (¥1,204,000,000) (hereinafter referred to as "the Grant") will be extended to the Recipient, subject to the relevant laws and regulations and budgetary appropriations of Japan.

(2) The Grant will be made available by concluding a grant agreement between the Recipient or its designated authority and the Japan International Cooperation Agency (JICA) (hereinafter referred to as "the G/A").

(3) The terms and conditions of the Grant as well as the procedures for its utilization will be governed by the G/A within the scope of the present understanding.

2. The Grant will be available during such period as may be specified in the G/A, provided that the period will be between the date of entry into force of the G/A and December 31, 2024. The period may be extended by mutual consent between the authorities concerned of the two Governments.

His Excellency
Mr. Kunio Umeda
Ambassador Extraordinary and Plenipotentiary
of Japan to the Socialist Republic of Viet Nam

3. The Grant shall be used by the Recipient properly and exclusively for the purchase of such products and/or services necessary for the implementation of the Project as may be specified in the G/A (hereinafter respectively referred to as the "Products" and the "Services").

4. The Recipient or its designated authority shall enter into contracts in Japanese Yen with Japanese nationals for the purchase of the Products and/or the Services (The term "Japanese nationals" in the present understanding means Japanese physical persons or Japanese juridical persons controlled by Japanese physical persons and registered in Japan.). Such contracts will be verified by JICA to be eligible for the Grant.

5. The Grant will be executed by JICA, in accordance with the provisions of the G/A, by making payments in Japanese Yen to an account to be opened in the name of the Recipient at a bank in Japan designated by the Recipient or its designated authority.

6. (1) The Recipient shall take necessary measures:

(a) to ensure that customs duties, internal taxes and other fiscal levies which may be imposed in the country of the Recipient with respect to the purchase of the Products and/or the Services be exempted or be borne by its designated authority and shall not be covered by the Grant;

(b) to give due environmental and social consideration in the implementation of the Project;

(c) to ensure that the Products and/or the Services be maintained and used properly and effectively for the implementation of the Project;

(d) to secure (a) lot(s) of land necessary for the implementation of the Project and to clear the site(s);

(e) to provide facilities for distribution of electricity, water supply and drainage and other incidental facilities necessary for the implementation of the Project outside the site(s);

(f) to ensure prompt unloading, customs clearance and internal transportation in the country of the Recipient of the Products;

(g) to accord the Japanese physical persons and/or physical persons of third countries whose services may be required in connection with the supply of the Products and/or the Services such facilities as may be necessary for their entry into the country of the Recipient and stay therein for the performance of their work; and

(h) to bear all the expenses, other than those covered by the Grant, necessary for the implementation of the Project.

(2) While ensuring fair treatment of sources of information, the Recipient shall provide the Government of Japan with necessary information, including information on corrupt practice, related to the Project.

(3) With regard to the shipping and marine insurance of the Products, the Recipient shall refrain from imposing any restrictions that may hinder fair and free competition among the shipping and marine insurance companies.

(4) The Products and/or the Services shall not be exported or re-exported from the country of the Recipient.

7. The two Governments shall consult with each other in respect of any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Recipient the foregoing understanding shall constitute an agreement between the two Governments, which shall enter into force on the date of Your Excellency's Note in reply."

I have further the honour to confirm on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding and to agree that Your Excellency's Note and this Note in reply shall constitute an agreement between the two Governments, which shall enter into force on the date of this Note in reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.



NGUYEN QUOC CUONG
Ambassador Extraordinary and
Plenipotentiary of the Socialist Republic
of Viet Nam to Japan

Record of Discussions

With reference to the Exchange of Notes between the Government of the Socialist Republic of Viet Nam (hereinafter referred to as "the Recipient") and the Government of Japan dated October 8, 2018 concerning Japanese economic cooperation to be extended with a view to promoting the economic and social development of the Socialist Republic of Viet Nam (hereinafter referred to as "the Exchange of Notes"), the representatives of the Vietnamese Delegation and of the Japanese Delegation wish to record the following:

1. With regard to paragraph 3 of the Exchange of Notes, the representative of the Japanese Delegation stated that the Government of Japan understands that the Recipient will take necessary measures to prevent any offer, gift or payment, consideration or benefit which would be construed as a corrupt practice in the country of the Recipient from being made as an inducement to or reward for the award of the contracts referred to in paragraph 4 of the Exchange of Notes.

2. The representative of the Vietnamese Delegation stated that the Vietnamese Delegation has no objection to the statement by the representative of the Japanese Delegation referred to above.

Tokyo, October 8, 2018

NGUYEN QUOC CUONG
Ambassador Extraordinary and Plenipotentiary of the Socialist Republic of Viet Nam to Japan

梅田邦夫

KUNIO UMEDA
Ambassador Extraordinary and Plenipotentiary of Japan to the Socialist Republic of Viet Nam

(Draft of Note Verbale for non-military use)

With reference to the Exchange of Notes between the Government of Japan and the Government of the Socialist Republic of Viet Nam dated October 8, 2018 concerning Japanese economic cooperation to be extended with a view to promoting the economic and social development of the Socialist Republic of Viet Nam, the Ministry of Agriculture and Rural Development of the Socialist Republic of Viet Nam has the honour to inform the Embassy that products and/or services purchased under the Japanese grant shall not be used for military purposes.