HB2221

Agreement

between

The Government of the Socialist Republic of Vietnam

and

The Government of the Kingdom of Denmark
on

Industrial and Urban Development in Viet Tri City

Upon request from the Government of the Socialist Republic of Vietnam the Government of the Kingdom of Denmark has agreed to provide up to an amount of 18,518,178 DKK on a grant basis for the implementation of the project: "Industrial and Urban Development in Viet Tri City" (hereinafter referred to as "the Project").

The Project forms part of the Programme for Danish Environmental Assistance to Vietnam (DEA Vietnam).

The Government of the Kingdom of Denmark and the Government of the Socialist Republic of Vietnam have agreed that the Project will be carried out in accordance with the provisions of this Agreement and the Project Document attached as Annex I.

The general provisions of this Agreement are set forth in the Agreement on General Terms and Procedures of Development Co-operation between the Government of the Kingdom of Denmark and the Government of the Socialist Republic of Vietnam signed in Hanoi on 25 August 1993.

Article 1

Definitions

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

a) "Competent Authorities" means, in the case of the Government of Denmark, the Ministry of Foreign Affairs, Danish International Development Assistance (Danida), and in the case of the Government of the Socialist Republic of Vietnam, the Ministry of Planning and Investment (MPI) or, for both parties, any other authority empowered to perform the functions presently performed by the said authorities.

b) "The Parties" means the Competent Authorities.

c) "The Project Document" means the document which by signature has been approved by the Vietnamese Competent Authorities and the Royal Danish

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Embassy. The Project Document is attached as Annex I to this Agreement and constitutes an integral part of this agreement. The Project Document contains a systematic description of the Project, which shall govern the project implementation.

Article 2

Objectives of the Project

The overall development objective to which the Project is related is:

- The environment in selected urban areas sustainably improved; pollution from selected industries reduced and occupational health and safety in selected industries enhanced

The immediate objectives of the Project are:

1. Strategy and Action Plans for management of domestic/industrial waste and wastewater and cleaner production within industry in Viet Tri area developed

2. Capacity on environmental planning and management in Provincial authorities, Community representatives and industrial management improved, and co-operation between stakeholders enhanced through visible demo-projects

3. Application for Soft Loan financing of domestic and industrial wastewater treatment facilitated and submitted for approval.

Article 3

Outputs of the Project

In order to achieve the above-mentioned objectives the project aims at accomplishing the following:

Outputs related to Immediate Objective 1:

Output 1.1: Strategy and Action Plan and a draft Project Document for support to Health Care Waste Management in Viet Tri City developed

Output 1.2: Strategy and Action Plan and a draft Project Document for support to Industrial Hazardous Waste Management in Viet Tri City developed

Output 1.3: Strategy and Action Plan and a draft Project Document for support to the Management[1] of Industrial Cleaner Production including Occupational Health and Safety (OHS) for Viet Tri City developed

Output 1.4: Guidelines on Urban Environmental Planning and Management for Viet Tri City implemented.

Outputs related to Immediate Objective 2:

Output 2.1: Capacity in Environmental Monitoring and Pollution Data Management within Phu Tho DOSTE and Viet Tri City Water Supply Company developed

Output 2.2: Awareness and knowledge of environmental problems and solutions - particularly related to household waste and sanitation- at community and ward level increased

Output 2.3 Environmental awareness and knowledge of environmental management within Industrial managers and Provincial authorities increased

Output 2.4: Around 20 small-scale fast-track Cleaner Production demonstration projects at industries in Viet Tri City established

Output 2.5: Green Belt (tree planting) as buffer zone between the domestic and industrial area in Viet Tri City established[2]

Output 2.6: Environmental and sanitary conditions at a number of market places in Viet Tri City improved[2]

Output 2.7: Ward level environmental action plans developed and low-cost environmental demonstration projects established by local communities and ward level representatives working in partnership with relevant authorities

Output 2.8: English language skills of key Project staff improved

Output 2.9: Information and educational material (e.g. brochures, leaflets, videos) on environmental issues produced and disseminated.

Outputs related to Immediate Objective 3:

Output 3.1: Strategy and Action Plan for the Integrated Management of domestic and industrial wastewater developed

Output 3.2: Application for Soft Loan financing of domestic and industrial wastewater treatment facilitated and submitted for approval.

Article 4

Project Document

The Project Document "Industrial and Urban Development in Viet Tri City" is attached as Annex I. The Project Document may be reviewed and updated in connection with joint project reviews. Changes in the Project Document are subject to the approval of the Competent Authorities.

Article 5

Obligations of the Government of Vietnam

Under this Agreement the Government of Vietnam shall:

a) Promptly inform Danida of any condition, which interferes or threatens to interfere with the successful implementation of the Project.

b) Give its advice on all reports, recommendations and other matters properly referred to it for advice by Danida within a reasonable time in order not to delay or disrupt the execution of the services or the works.

c) Ensure the inputs from the People's Committee of Phu Tho province to the project as mentioned in the project document.

d) Be responsible for providing staff salaries, allowances and operational expenses for the counterpart staff engaged in the Project at all levels.

e) Ensure timely settlement of any other related formalities that might keep the project behind schedule.

f) Ensure funds for the payment of all other expenses required for the establishment and operation of the Project, which are not mentioned as items to be provided by the Government of Denmark.

For the success and sustainability of the project the Government of Vietnam shall also ensure that:

g) The Danish grant for the Project will be passed on to the implementing agencies as grant without any repayment conditions to the Vietnamese Government.

h) The implementing agencies will receive adequate working capital from the Government to enable them to maintain the normal operation.

i) Adequate and skilled staff of the implementing agencies will be in place for the project implementation and throughout the project period.

Article 6

Obligations of the Government of Denmark

The Government of Denmark will provide the following for the implementation of the Project

Items	DKK
Vietnamese Long Term Staff	597,720
Vietnamese Short Term Specialists	1,783,458
International Specialist	4,653,000
Office equipment/running costs	300,000
Vehicles (one 4WD and 6 motorcycles)	460,000
Project activities	9,680,000
Contingencies	1,044,000
TOTAL	**18,518,178**

Any proposals for additional components or for reallocation between components shall be subject to approval by both parties.

Any unspent balance or any savings of project funds cannot be spent by the Project without the approval of the Competent Authorities. The amount granted is in Danish Kroner (DKK) and gains due to changes in exchange rates or interest accrued from remittances cannot be spent by the Project. If losses occur due to changes in the exchange rates the Danish Government may consider providing additional funds to cover the gap if requested by the competent Vietnamese authorities.

All equipment will be imported from Denmark or locally purchased through tendering by Danida in consultation with the Project, unless otherwise agreed. The equipment will be delivered c.i.f. to site, and the costs for this are included in the budget for procurement of equipment.

Article 7

Shipment

All shipments covered by this Agreement will be in keeping with the principles of free circulation on ships in international trade in free and fair competition.

Article 8

Importation, import taxes and other public charges and fees

Vehicles, equipment, materials, supplies and spare parts to be purchased for the project will be exempted from any duties, VAT, taxes, and public fees and charges other than user's fee and charges.

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Article 9

Expatriate Personnel

The Government of Vietnam shall issue multiple entry visas for the advisors and their families. The Government of Vietnam shall give assistance in the clearance through customs of their personal belongings. The Government of Vietnam shall facilitate the issue of work and residence permits for Danida's advisers and consultants and their families.

Article 10

Information, monitoring and evaluation.

1. The Parties shall collaborate fully to ensure that the purpose of this Agreement be accomplished. To that end the Parties shall exchange views with regard to matters relating to the Project and provide each other with all data, documentation and information available to them, shall give all appropriate mutual assistance required in the discharging of the Parties' duties and provide all necessary support, in particular in all administrative questions, to facilitate the due implementation of the Project.

2. Joint Danish-Vietnamese reviews of the Project shall be carried out in accordance with the Project Document or at the request of either Party.

3. Danida shall have the right to carry out any technical or financial mission that it considers necessary to follow the execution of the Project. To facilitate the work of the person or persons instructed to carry out such monitoring missions, the Vietnamese Competent Authorities shall provide all relevant assistance, information and documentation.

4. Evaluation of the Project, preferably undertaken jointly by Danida and the Vietnamese Competent Authorities may be carried out at the request of either Party.

5. Danida shall have the right to carry out monitoring and evaluation according to this article after the termination of the Project.

Article 11

Project reporting

The following procedures will be used for reporting from the project:

a) The project manager will submit Inception Report, Quarterly and Annual Progress Reports, Completion Reports to the Steering Committee for approval. The Steering Committee will upon endorsement forward the reports to the Royal Danish Embassy.

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b) Quarterly Financial reports on the use of Danida funds shall be submitted to the Royal Danish Embassy end of each quarter.

c) On completion of the project, the project management shall submit a Final/Completion Report. The report shall be submitted to Danida within one month after termination of the project.

d) The project Steering Committee shall submit the reports as mentioned in a), b) and c) to the relevant Vietnamese authorities in accordance with relevant provisions in the Vietnamese Government Decree on the Management and Utilisation of ODA No. 17/2001/NDD-CP dated 4th May 2001.

All reports and plans shall be drawn up in accordance with Danida's "Guidelines for Sector Programme Support, May 1999."

Article 12

Transfer of ownership

Items provided by the Government of Denmark shall remain the property of the Project and shall always be at the exclusive disposal of the Project during it's implementation.

Mentioned items shall become and remain the property of Vietnam from the date of completion of the project, unless the Parties agree otherwise.

In case of civil works, the works shall become the property of the project on the date of issue by the Consultant of the Taking-over Certificate.

Article 13

Suspension

1. If serious irregularities or suspicion thereof within the project have been ascertained, either Party may suspend project implementation, wholly or in part, until the suspending Party decides to resume implementation.

2. The Government of Denmark may cancel the Agreement if it determines, with respect to any contract to be financed by Danish funds, that corrupt or fraudulent practices were engaged in by representatives of the recipient or of a beneficiary of the funds during procurement or during the execution of the contract without the recipient having taken timely and appropriate action satisfactory to the Government of Denmark to remedy the situation.

Article 14

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Accounting procedures and audit

1. As regards the Danish contribution accounting procedures and audit will be done in accordance with Danida's rules entitled "General Guidelines" attached to this Agreement as Annex 2 and "Decentralised Project Accounting" attached to this Agreement as Annex 3. As regards the Vietnamese contribution Vietnamese relevant rules and regulations will be applied.

2. Within 6 months after the expiry of the Project, audited accounts shall be submitted to Danida and Vietnam's Ministry of Finance and Ministry of Planning and Investment in accordance with Danida's standard format. The Royal Danish Embassy will select an auditor to the Project.

3. Representatives of the Auditor General of Denmark shall have the right to:

a) Carry out any audit or inspection considered necessary as regards the use of Danish funds in the question, on the basis of all relevant documentation.

b) Inspect any accounts and records of suppliers and contractors relating to the performance of the contract, and to perform a complete audit.

Article 15

Other stipulations

A Services Contract will be entered into between Danida and the chosen consultant for the execution of the Project. The consultant shall be selected by Danida in a tender process with close consultation with the People's Committee of Phu Tho. The Services Contract will be based on Danida's conditions of contract currently in force.

Article 16

Entry into force

This Agreement shall enter into force on the date of signature and shall remain in force until the end of the Project.

Article 17

Project duration

The Project will have the duration of 2 years from the starting date. In case of delays in project implementation the project duration may be extended by mutual agreement and within the agreed budget.

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Article 18

Settlement of disputes

1. Any dispute concerning the interpretation or implementation of this Agreement shall be settled by negotiation between the two parties. In case the dispute has not been settled within a time limit of one year, the matter may be referred to arbitration by either Party.

2. The arbitration shall operate according to the following rules: The number of arbitrators shall amount to a total of three, one designated by either of the Parties, i.e. two, and a third designated by the former two. In case of dispute between the former two arbitrators as to the designation of the latter, the latter will be designated by a neutral institution to be identified by the former two. The arbitrage award shall be submitted in written form and must be signed by the three arbitrators. The proceedings to be followed by the Court of Arbitration shall be decided on by the three arbitrators, who shall also determine the distribution between the two parties of the costs relating to arbitration.

Article 19

Termination

This Agreement shall remain in force until the completion of the Project.

The Parties may terminate the Project 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.

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 on this day of 26 November 2001.

For the Government of the Socialist Republic of Vietnam	For the Government of the Kingdom of Denmark
Vu Huy Hoang, Vice Minister Ministry of Planning and Investment Vietnam	Friis Arne Petersen Secretary of State Denmark

BỘ NGOẠI GIAO

Số: 98 /LPQT

SAO Y BẢN CHÍNH
(Để thực hiện)

Hà Nội, ngày 31 tháng 12 năm 2001

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

Nguyễn Duy Chiến

Nơi nhận :

- Văn phòng Chính phủ (để báo cáo),
- Bộ Tài chính,
- Bộ Kế hoạch và Đầu tư,
- Bộ Khoa học, Công nghệ và Môi trường,
- Bộ Công an,
- Tổng cục Hải quan,
- UBND tỉnh Phú Thọ,
- Đại sứ quán Việt Nam tại Đan Mạch,
- Vụ châu Âu 2,
- Vụ LPQT,
- Lưu trữ.

Hiệp định giữa Chính phủ nước Cộng hoà xã hội chủ nghĩa Việt Nam và Chính phủ Vương quốc Đan Mạch về phát triển công nghiệp và đô thị thành phố Việt Trì có hiệu lực từ ngày 26 tháng 11 năm 2001.