

SPECIFIC AGREEMENT

Between

The GOVERNMENT of the SOCIALIST REPUBLIC OF VIETNAM

And

The GOVERNMENT of the KINGDOM OF BELGIUM

Concerning the Project

TAN HOA-LO GOM CANAL SANITATION AND URBAN UPGRADING
IN HO CHI MINH CITY

EXTENSION PHASE

The Government of the Socialist Republic of Vietnam, hereinafter referred to as
“Vietnam”

And

The Government of the Kingdom of Belgium, hereinafter referred to as
“Belgium”

Considering the "Accord Cadre de Coopération Economique, Industrielle et Technique entre le Gouvernement du Royaume de Belgique et le Gouvernement de la République Socialiste du Vietnam" signed in Hanoi on the 11th of October 1977;

Considering the Minutes of the bilateral discussions on Belgian-Vietnamese development cooperation for the period 1996-1998 signed in Hanoi on the 7th of December 1996;

Considering the Specific Agreement on co-operation for “The Tan Hoa – Lo Gom Canal Sanitation and Urban Upgrading Project in Ho Chi Minh City” signed in Brussels on the 25th of June 1997 and the exchange of letters regarding its administrative extension;

Considering the “Minutes of the Joint Commission between the Socialist Republic of Vietnam and the Kingdom of Belgium” signed in Hanoi on the 25th of July 2000;

Considering the Specific Agreement on “A debt relief of the external debt of the Socialist Republic of Vietnam towards the Kingdom of Belgium”, signed on the 7th of December 2000 and the Counter Value Fund established in the framework of this Agreement.

HAVE AGREED AS FOLLOWS:

ARTICLE 1 - Definition of the Project

- 1.1 This Specific Agreement concerns the cooperation between Vietnam and Belgium with regard to the Project "Tan Hoa – Lo Gom Canal Sanitation and Urban Upgrading in Ho Chi Minh City, Extension Phase", hereinafter called « the Project ».
- 1.2 This Specific Agreement follows the implementation of a Specific Agreement between Belgium and Vietnam signed on the 25th of June 1997, which is considered as the initial phase of the Project.
- 1.3 The general objective of the Project is "To improve the quality of life related to environmental and urban development issues for people living in urban areas".
- 1.4 The specific objectives of the Project are:
- Solid waste collection and dumping have been organized up to acceptable standards and evaluated in view of their replicability;
 - Canal infrastructure and housing facilities in the Tan Hoa-Lo Gom canal area have been improved and evaluated in view of their replicability;
 - The wastewater in the Den canal area has been treated through aerated lagoon technology and evaluated in view of its replicability;
 - Socio-economic support and capacity building have been enhanced.
- 1.5 The global budget is estimated at seventeen million three hundred seventy four thousand seven hundred and eighty five EURO (17,374,785 €), equivalent to 236,818,320,000 VND.
- The Belgian contribution is estimated at 6,090,717 €, in kind.
- The total Vietnamese contribution is estimated at 113,491,122,000 VND, approximately 8,326,568 €. On top of this, an amount of 2,957,500 € will be provided by the Counter Value Fund established in virtue of the Specific Agreement concerning a debt relief of the external debt signed on the 7th of December 2000.
- 1.6 The Project has been fully described in the Technical and Financial File attached hereto, which constitutes an integral part of this Specific Agreement.

ARTICLE 2 - Responsibilities

2.1. The Government of Vietnam designates:

- the Ministry of Planning and Investment as the overall coordinating agency for the implementation of this Agreement;
- the Ministry of Finance as the entity responsible for the financial contribution to the Project from the Counter Value Fund;
- the People's Committee of Ho Chi Minh City, hereinafter referred to as "PCHCMC", as the entity responsible for the remaining part of the Vietnamese financial contribution to the Project and as the Vietnamese executing entity.

2.2. The Government of Belgium designates:

- the Ministry of Foreign Affairs, Foreign Trade and International Cooperation, acting through the Directorate General for International Cooperation (DGIC), as the controlling entity of the present Agreement, responsible for the Belgian financial contribution. DGIC is represented in Vietnam by the Counsellor for International Cooperation, based in Hanoi;
- the Belgian Technical Cooperation, hereinafter referred to as BTC, as the Belgian entity responsible for executing and following up the Project. BTC is represented in Vietnam by its Resident Representative in Hanoi.

ARTICLE 3 – Commitments of the Government of Belgium

3.1. Belgium will take all the institutional, administrative and budgetary measures necessary for the implementation of the Belgian contribution to the Project.

3.2. Belgium will contribute to the implementation of the Project by inputs described in the Technical and Financial File and in particular by the following:

3.2.1. As for international technical advisers:

- to assign the chief technical adviser and the assistant technical adviser after approval by PCHCMC. In case of striking shortcomings, the Project Steering Committee is entitled to request the withdrawal of the adviser involved;

- to bear the salary, the social insurance, the travel expenses and accommodation for these advisers and for their family members within the limits of the BTC regulations applicable to this matter;
- to bear the costs of travelling on duty, including accommodation for these advisers according to BTC regulations.

3.2.2. As for consultancy services:

- to provide consultancy services as deemed necessary for specialised and specific tasks and activities of the Project.

3.2.3. As for Vietnamese Project staff:

- to bear the salaries of the two accountants including social coverage;
- to bear monthly allowances of other Vietnamese Project staff.

3.2.4. As for office equipment:

- to provide office equipment within the limits of the budget.

3.2.5. As for training programmes:

- to bear the costs of training programmes and study tours.

ARTICLE 4 – Commitments of the Government of Vietnam

- 4.1. Vietnam will take all institutional, administrative and budgetary measures required for the Vietnamese contribution to the Project.
- 4.2. Vietnam will contribute to the implementation of the Project by the inputs described in the Technical and Financial File, and in particular by the following:
 - 4.2.1. to facilitate free-of-charge access to all documentation required for the execution of the project activities;
 - 4.2.2. to allow the Project Management Unit referred to in article 5 to open a convertible bank account, administered by the chief technical adviser on behalf of BTC;

4.2.3. As for international experts and consultants:

- to grant immunities and privileges to the international Project personnel as described in the Prime Minister Decision No. 211/1998QD-TTG of the 31st of October 1998, promulgating the regulation on foreign specialists implementing ODA programs and/or projects in Vietnam;
- to assist the international experts and their families (if and when appropriate) with respect to obtaining the necessary visa free of charge and any other documents required for their stay in Vietnam;
- to exempt the international experts and their families from internal taxes on income related to the Project activities and from payment of custom duties and other taxes on their personal effects and vehicle on the condition that it is imported within six months from their arrival and it is re-exported or sold to a person with the same privileges or duty and other taxes in accordance with Vietnamese regulations paid on its assessed value at the time of the sale in Vietnam;
- to provide all usual assistance to the international experts in order for them to accomplish their tasks relevant to the execution of the Project.

4.2.4. As for Vietnamese Project staff:

- to nominate full-time a Vietnamese expert as coordinator after approval by the Belgian authorities;
- to nominate the Vietnamese staff qualified for the functions described in the Technical and Financial File;
- to bear the salaries of the Vietnamese Project staff excluding the two accountants.

4.2.5. As for equipment and consumables:

- to exempt all goods and equipment for the Project from custom duties or any other type of taxation;
- to ensure that all Project vehicles and equipment, provided by Belgium, will be used exclusively for the Project activities;
- to provide office furniture and equipment.

4.2.6. As for operating costs:

- to contribute to operating costs of the Project as described in the Technical and Financial File.

4.2.7. As for infrastructure:

- to provide appropriate premises and office infrastructure;
- to bear the costs of insurance for the office.

ARTICLE 5 – Management of the Project

- 5.1. A Steering Committee shall be set up and mandated as specified in the Technical and Financial File.

The PCHCMC will chair the Steering Committee meetings. The Steering Committee shall meet at least once a year or on demand of one of its members. The Steering Committee will take its decisions by consensus.

- 5.2. A Project Management Unit shall be in charge of the daily management of the Project and of the secretariat of the Steering Committee meetings.

ARTICLE 6 – Reporting and evaluation

- 6.1. The Project shall be subject to a mid-term review mission carried out by external consultants who shall review achievements, progresses and constraints, and make recommendations to the Project Steering Committee. This mid-term review mission is budgeted for in the project. Terms of Reference will be approved by the Steering Committee.

- 6.2. The Project may also be subject to evaluation and audit missions by both parties, jointly or separately, at any moment of the Project's implementation.

- 6.3. All documents and data that proceed from the activities of the Project are the property of both Governments and will mention the bilateral origin of the Project work.

ARTICLE 7 - Duration, extension, cancellation, modifications and litigation

- 7.1. This Agreement has a duration of 50 months starting from the date of its signing. The Project implementation starts on the 1st of October 2001.
- 7.2. This Agreement may be extended or modified by Exchange of Letters communicated through diplomatic channels.
- 7.3. This Agreement may be cancelled by each of both Governments, by verbal note, subject to a three months' notice.
- 7.4. Any dispute relating to the application and interpretation of this Specific Agreement shall be settled by negotiation between both Governments.

ARTICLE 8 - Addresses

Any communication related to the implementation of this Agreement will be addressed to:

a) for Vietnam:

Ministry of Planning and Investment
2 Hoang Van Thu Street
Ba Dinh District
Hanoi - Vietnam

People's Committee of Ho Chi Minh City
86 Le Thanh Ton Street
District 1
Ho Chi Minh City - Vietnam

b) for Belgium:

Embassy of Belgium
DGIC
Hanoi Towers, 9th floor
49 Hai Ba Trung Street
Hoan Kiem District
Hanoi - Vietnam

BTC
57 Tran Phu Street
Ba Dinh District
Hanoi - Vietnam

ARTICLE 9 - Final dispositions

The provisions of this Agreement shall be applied from the date of its signing. The Agreement shall enter into force on the date of notification by the Belgian party of the completion of the internal procedures required for bringing it into force.

In witness whereof the undersigned being duly authorized thereto have signed the present Specific Agreement.

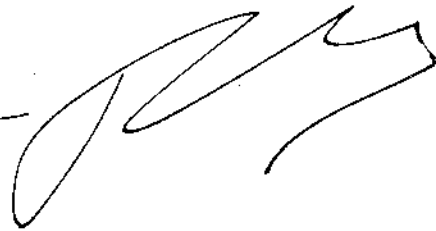
Done in Ho Chi Minh City, on 13 June, 2002 in two originals, in the English language both equally authentic.

For the Government of the
Socialist Republic of VIETNAM



Vu Hung Viet
Vice-Chairman of the People's
Committee of Ho Chi Minh City

For the Government of the
Kingdom of BELGIUM



Philippe Dartois
Ambassador of Belgium to Vietnam

