

Specific Agreement

between

the Government of the Kingdom of Belgium

and

the Government of the Socialist Republic of  
Viet Nam

concerning

the "support to the innovation and  
development of Business Incubators Policy  
Project (BIPP)"



The Government of the Kingdom of Belgium, hereinafter referred to as "Belgium"  
and

The Government of the Socialist Republic of Viet Nam, hereinafter referred to as  
"Viet Nam"

Hereinafter jointly referred to as "the Parties"

- 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 Viet Nam" signed in Hanoi on October 11<sup>th</sup>, 1977;
- Considering the Agreed Minutes of the Meeting of the 6<sup>th</sup> Joint Commission on Development Cooperation between Viet Nam and Belgium held in Hanoi on June 21<sup>st</sup> 2011.

HAVE AGREED AS FOLLOWS:

### **Article 1. Object of the Agreement**

This Specific Agreement specifies the institutional, administrative and budgetary commitments agreed upon by the Parties with regard to the implementation of the "**support to the innovation and development of Business Incubators Policy Project (BIPP)**", hereinafter referred to as "the Project".

The global objective of the Project is to contribute to the socio-economic development strategy of Vietnam and assist Viet Nam to continue its economic growth to become an industrialized nation by the year 2020 through a strong force of Science & Technology (S&T) enterprises.

The specific objective of the Project is to support the Ministry of Science and Technology in developing an enabling environment for S&T Small and Medium Enterprises (SMEs) based on an improved legal framework and a set of coherent mechanisms for starting and operating S&T incubators to enhance the S&T SME sector.

The Project is fully described in the Technical and Financial File, hereinafter referred to as "the TFF", attached hereto, and being an integral part of this Specific Agreement.

### **Article 2. Responsibilities of the Parties**

2.1. Viet Nam designates:

2.1.1 The Ministry of Planning and Investment, hereinafter referred to as "MPI", as the agency responsible for the overall supervision of the implementation of the present Agreement;

2.1.2 The Ministry of Science and Technology, hereinafter referred to as "MoST", as the agency responsible for the Vietnamese financial contribution, the implementation and coordination of the Project under the modality as described in chapter 5 of the TFF.

2.2. Belgium designates:

2.2.1 The Directorate General for Development Cooperation of the Federal Public Service of Foreign Affairs, Foreign Trade and Development Cooperation, hereinafter referred to as "DGD", as the agency responsible for the Belgian contribution to the Project. DGD is represented in Viet Nam by the Head of Development Cooperation at the Belgian Embassy in Hanoi;

2.2.2 The Belgian Development Agency - a public law company with social purposes, hereinafter referred to as "BTC", as the executing agency responsible for the coordination, implementation and monitoring of the Project. BTC is represented in Viet Nam by its Resident Representative in Hanoi;

### **Article 3. Financial contribution of the Parties**

Belgium undertakes to contribute to the Project, with a grant limited to **4.000.000 (four million) euros**.

Viet Nam undertakes to contribute to the Project, with an amount of **400.000 (four hundred thousand) euros**.

The detailed contribution of both sides and its use are described in the TFF.

### **Article 4. Contribution and obligations of Viet Nam**

Viet Nam shall take all institutional, administrative and budgetary measures under the Vietnamese laws and regulations required for the proper and smooth implementation of the project, as well as to ensure the sustainability of the project's results.

Viet Nam shall therefore:

- Give free access to all documentation required for the implementation of the project's activities in accordance with Vietnamese laws and regulations;
- Allow the project to open necessary bank accounts as specified in the TFF;
- Keep equipment purchased with project resources within the project and assure their proper utilization and maintenance;
- Grant immunities and privileges to the international project personnel as described in the Prime Minister's Decision No. 119/2009/QĐ-TTg of

01/10/2009, promulgating the regulation on foreign experts implementing ODA programs/projects;

- Provide all usual assistance to the international experts in order for them to accomplish their tasks relevant to the project's implementation;
- Appoint qualified Government staff to the positions and bear their salaries and possible allowances as described in the TFF;
- Provide to all project staff adequate office space that is necessarily furnished and equipped;
- Contribute to the operational and maintenance costs of the project as described in the TFF;
- Be responsible for the financial and technical management of the funds received as financial support for the project implementation in line with the specifications of the TFF.

#### **Article 5. Contributions and obligations of Belgium**

Belgium shall contribute to the proper and smooth implementation of the project by providing the inputs detailed in the TFF.

BTC shall therefore:

- Be responsible for the financial and technical management of the Belgian managed budget lines;
- Be responsible for the organisation of the external audits and evaluations as detailed in the TFF;
- Bear the salary, the social insurance, the travel expenses and the accommodation for the international experts and their family members (if and when appropriate);
- Bear the gross salaries for BTC's employed Vietnamese project staff as specified in the TFF, the costs for duty travel and all other expenses related to the execution of their functions within the limits stipulated in the UN-EU guidelines for financing of local costs in development cooperation with Viet Nam - Version 2012, issued by UN Agencies, the Embassies of the EU Member States and the EC Delegation to Viet Nam and the Ministry of Planning and Investment of Vietnam, or the subsequent revisions;
- Assure timely transfer of funds to the project's accounts for correct implementation of the project, based on verifications that the prior conditions for transfers are fulfilled;
- Provide various kinds of services and equipment as planned in the TFF.

#### **Article 6. Management, Steering and Monitoring of the Project**

In line with the Hanoi Core Statement on Aid Effectiveness, both parties will work in a spirit of enhanced mutual accountability and transparency.

- 6.1 The Ministry of Science and Technology (MoST) shall setup a Project Management Unit (PMU) to be hosted at the Department of Organization and Personnel. The PMU will be responsible for daily management of the project activities. The MoST will guarantee that this PMU is fully operational during the whole duration of the project, with the minimum staffing as defined in the TFF. The composition and responsibilities of the PMU are further detailed in the TFF.
- 6.2 The Parties agree to set up a Project Steering Committee (PSC) in charge of guiding and directing the organisational, technical and financial management of the project. Composition, frequency of the meetings, mandate and responsibilities of this PSC are specified in the TFF.
- 6.3 Based on the evaluation of the situation and the progress in implementation, the PSC is entitled to modify the TFF as far as such modifications do not alter the general and specific objectives of the project (Article 1), the total budget (defined in Article 3 and the TFF) or the duration of this Specific Agreement (Article 12.1). Such modifications, if needed, will be the subject by an Exchange of Letters through diplomatic channels as stipulated in Article 12.2.
- 6.4 A copy of the progress report for the PSC and of the agreed minutes of the PSC Meetings will be transmitted to the Head of Development Cooperation at the Belgian Embassy in Hanoi.

#### **Article 7. Coordination mechanism**

- 7.1 The MoST, through the PMU, will guarantee a smooth coordination among relevant agencies for all activities of the project.
- 7.2 Synergies with the support of Belgium to the Green Growth Strategy of Vietnam will be promoted and coordinated by the Project.

#### **Article 8. Property of the project's results and exchange of information**

- 8.1 All documents and data resulting from the activities of the project are the property of both Governments and shall mention their bilateral origin.
- 8.2 Each Party shall forward to the other Party all information deemed relevant to the smooth and efficient implementation of the project.

#### **Article 9. Taxes and import duties**

- 9.1 No part of the Belgian contribution shall be used to pay any taxes, customs, import duties or other tax-related fees (including VAT) on supplies or equipment, labour and services.
- 9.2 The Government of Vietnam exempt all goods, equipment and services purchased for non-refundable ODA projects from all custom duties and taxation in accordance with Vietnamese laws and regulations. The



administrative procedures for tax exemption or tax and duties reimbursement will be assumed by the Vietnamese partner.

If full exemption is not possible under the Vietnamese laws and regulations whatever remaining taxes or duties are claimed, they will be taken in charge by the Vietnamese partner.

#### **Article 10. Use of possible budget balance**

- 10.1 Financial commitments made for the execution of contracts signed before the end of the project will remain available until final acceptance as foreseen in the contract.
- 10.2 Any balance left of the Belgian contribution, with regard to non-used funds in own-management shall be cancelled at the end of the Project.
- 10.3 Any positive balance left after expiration of the Specific Agreement of the Belgian contribution on a national account set-up to implement this Project will be considered and decided for reprogramming into one of the priority sectors based on unanimous decision by the signatories of the Specific Agreement.

#### **Article 11. Reports, controlling and evaluation**

- 11.1 All procedures regarding the administrative and operational reporting, as well as on the accounting and financial reporting are described in the TFF and are in line with the Vietnamese regulations.
- 11.2 Each Party can at anytime, with a prior notice in a timely manner to the other Party, proceed, jointly or separately, to review or assess the Project. The Parties shall inform each other about the results and possible recommendations of these control and evaluation exercises.

#### **Article 12. Duration, cancellation, modification and litigation**

- 12.1 This Specific Agreement shall enter into force on the date of its signature by both Parties and shall remain in force **72 (seventy two) months**. The Project duration is foreseen for **60 (sixty) months** counting from the signing date of this Specific Agreement.
- 12.2 The provisions of this Specific Agreement may be modified by mutual agreement between the Parties, by an Exchange of Letters through diplomatic channels.
- 12.3 Any dispute related to the application and interpretation of this Specific Agreement shall be settled by bilateral negotiations between the Parties.
- 12.4 This Specific Agreement may be terminated by each of the Parties, through diplomatic channels, subject to a three months' written notice.

**Article 13. Addresses**

All notifications related to this Specific Agreement and, more specifically, any notification pertaining to its modification or interpretation shall be handled through diplomatic channels at the following addresses.

For Belgium, to:

Embassy of Belgium  
9<sup>th</sup> Floor, 49 Hai Ba Trung Street  
Hanoi – Viet Nam

For Vietnam, to:

Ministry of Planning and Investment  
6B Hoang Dieu Street  
Hanoi – Viet Nam

and

Ministry of Foreign Affairs  
1 Ton That Dam Street  
Hanoi – Viet Nam

and

Ministry of Science and Technology  
113 Tran Duy Hung Street  
Hanoi – Viet Nam

All notifications related to the technical execution of this Agreement will also be addressed to:

BTC Resident Representative  
Apartment F7, Coco Village  
14 Thuy Khue Street  
Hanoi – Viet Nam

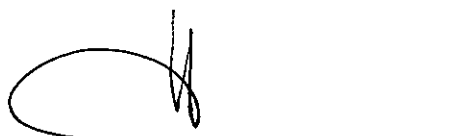
and

Ministry of Science and Technology  
Department of Organization and Personnel  
113 Tran Duy Hung Street  
Hanoi – Viet Nam

Done in Hanoi on 20/01/2014 in duplicate in the English and Vietnamese languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

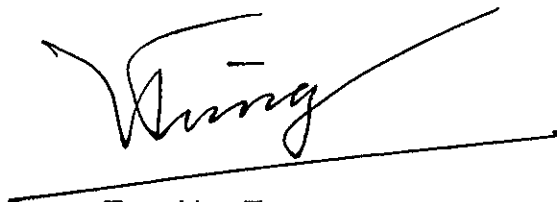
In witness whereof the undersigned, being duly authorized thereto by their respective Government, have signed the present Specific Agreement.

For the Government  
of the Kingdom of Belgium



Johan Vande Lanotte  
Deputy Prime Minister  
and Minister of Economic Affairs

For the Government  
of the Socialist Republic of Viet Nam



Tran Van Tung  
Vice Minister  
Ministry of Science and Technology