



Foreign &
Commonwealth
Office



Memorandum of Understanding

The Government of the United Kingdom of Great Britain and Northern Ireland (the Government) represented by the Prosperity Fund Department of the Foreign and Commonwealth Office (*the FCO*)

and

The United Nations Conference on Trade and Development (UNCTAD) (*the Grant Recipient*)

(together called the Participants)

WHEREAS the Prosperity Fund's Global Trade Programme is providing technical assistance to develop the National Trade Repository (NTR) in Vietnam, which will be a central repository of all regulations businesses need to comply with to trade. The Vietnamese government are committed to delivering the Vietnam NTR as part of their responsibility as ASEAN Chair in 2020 and have requested assistance from the UK to deliver this commitment. As part of this assistance, the Prosperity Fund's Global Trade Programme is delivering a research project to identify regulations to be included in the NTR. As part of this research project, the FCO has requested UNCTAD, who carried out non-tariff measure (NTM) data collection in all ten ASEAN countries in 2015 and 2018, to support an analysis of NTMs in Vietnam with NTM data. The data are to be made available for the National Trade Repository (NTR) in Vietnam.

The Participants have reached the following understandings:

1. Purpose

- (1) The purpose of this memorandum is to provide support to the United Nations Conference on Trade and Development (UNCTAD) to enable it to provide the technical assistance referred to in **Annex A**. The objectives and activities of the project, which is entitled Vietnam National Trade Repository Research Project, are set out in **Annex A**.
- (2) The Grant Recipient will be awarded the funding in line with the commitments set out in this memorandum.
- (3) The Grant Recipient accepts the funding, which will be used to implement the project activities as set out in **Annex A**.

- (4) The Grant Recipient will not undertake any activities as part of this project other than those described in **Annex A** without the prior written approval of the FCO, and will use the funding from the FCO solely for the purposes of the project.

2. Duration

This memorandum will come into effect upon signature by both Participants and provides funds for the period from September 1st until 30th October.

3. Financial arrangements

- (1) Summary of the financial arrangements:

- (a) The total amount of the cost of the Project eligible for financing is \$28,250 (\$25,000 + \$3,350 admin fee).
- (b) Subject to paragraph 6 below, the FCO will provide up to a maximum of \$28,250 towards the total costs of the project, of which \$28,250 will be paid in the 2020/21 financial year. Financing by the FCO for subsequent years of the project is not guaranteed and will depend on the availability of funding to the FCO.
- (c) Payment will be made in accordance with the following payment schedule

	<u>Date payment is due:</u>	<u>Currency/Amount:</u>
1.	Upon execution of this memorandum	\$ 28250 USD (total amount)

- (d) The Participants recognize the importance of procurement good practice when using funds provided by the FCO for any procurement that is necessary to implement the project.
- (e) The funding will be received, administered, used and expended, and will be implemented, by the Grant Recipient in accordance with its Financial and Staff regulations, rules, policies, and procedures, including the single audit principle.
- (f) The Grant Recipient will maintain an accurate record of expenditure and will retain all invoices, receipts and accounting records in accordance with its document retention schedule and make these available for inspection by the Grant Recipient's independent external auditor, the United Nations Board of Auditors, which is appointed by the General Assembly of which the Government is a member, as required.
- (g) In the event of any unforeseen circumstances relating to, or having an effect on the value of, the funding, including unforeseen increases in expenditures or commitments, inflationary factors or fluctuations in exchange rates, the Grant Recipient may seek further financing from the Government. Should further financing not be available or forthcoming from the Government, the activities under the Programme may be altered, reduced, suspended or terminated by the Grant Recipient, after discussion and in agreement with the Government. Neither the Government nor the Grant Recipient will be liable to make available such further financing.

(h) All direct costs of the project will be paid for from the funding. Furthermore, the funding will be subject to a recovery by the Grant Recipient for its direct costs in an amount of 13% (thirteen percent) of the total expenses incurred from the funding.

(2) Details of Bank Account that funds will be paid into.

Account Name: United Nations CHUB8
Account Number: 240-C0590163.1
Bank Name: UBS AG
Bank Address: Rue du Rhone 8, 1211 Genève 2, Switzerland
Swift Code: UBSWCHZH80A
IBAN: CH31 0024 0240 C059 0163 1
Bank clearing code: 240
Reference:
Currency: US\$

4. Reporting

- (1) Within 3 months of the project completion date, the Grant Recipient will provide a brief narrative report of the activities undertaken under the project. This assessment should also compare progress against the indicators of success recorded in the original project form.
- (2) Within 3 months of the project completion date, the Grant Recipient will submit a statement setting out how the project funds were spent, including details of consultant's fee and travel expenses, where applicable. Spend of FCO funds will be clearly disaggregated from other donor funds.
- (3) Within 3 months of the project completion date the Grant Recipient will submit a final report to the FCO containing a summary of activities and outputs, including an assessment against project indicators, and a breakdown of all project expenditure.
- (4) Continuation of the project in subsequent years will be dependent on satisfactory progress against the original project bid being demonstrated through the above mentioned reports.
- (5) Any unspent funding remaining at the scheduled end of the project will be returned to the FCO unless specifically decided between both parties in writing.

5. Aid Diversion

- (1) For purposes of this paragraph 5, "**Aid Diversion**" means any event, including fraud, corruption, bribery, theft, terrorist financing, money laundering and other misuse of funds that prevents the funding being directed to the outputs and activities of the project, or funding being directed to the outcomes or recipients intended.
- (2) Participants will inform each other of any actual or credible allegations related to Aid Diversion in the case of the Grant Recipient by contacting the FCO's Anti-Fraud and Corruption Unit (AFCU) at afcu@fco.gov.uk or +44 (0)7771 573944 (where all information will be treated confidentiality) or by informing the FCO staff responsible for managing this memorandum.

- (3) The Participants have a zero-tolerance approach towards Aid Diversion, including any associated inappropriate behaviour. Both Participants will fully co-operate with investigations into actual or credible allegations, whether led by the FCO or the Grant Recipient.
- (4) Subsequent to consultations, the FCO may recover from the Grant Recipient all or part of the funding paid under this memorandum in the event of Aid Diversion.
- (5) The Participants acknowledge their commitment to the international fight against terrorism and the FCO's policy to seek to ensure that none of its resources are used, directly or indirectly, to provide support to individuals or entities associated with terrorism or crime of any sort. In accordance with this policy, the Grant Recipient will (and will procure that its downstream partner(s)) comply with its obligations under applicable counter terrorist financing and other crime legislation.

6. Due Diligence

- (1) Subject to its rules and regulations and without prejudice to its privileges and immunities, the Grant Recipient will co-operate fully with any due diligence assessment by the FCO or its agents, before and/or during project implementation, of the Grant Recipient's own internal controls and systems.
- (2) In utilising the funding the Grant Recipient will exercise the same care in the discharge of its functions under this arrangement as it exercises with respect to the administration and management of its own resources and affairs. This will include assessing the internal controls and systems of any downstream delivery partners. These assessments will be shared with the FCO, upon request and should determine the:
 - reliability and integrity of the downstream delivery partners' financial controls, systems and processes;
 - effectiveness and efficiency of downstream delivery partner's project operations;
 - procedures for safeguarding project assets, and;
 - compliance with national legislation, regulation, rules, policies and procedures

7. Accountability and Indemnity

- (1) The FCO will not be responsible for the activities of any person, organisation or company engaged by the Grant Recipient or its agencies as a result of this memorandum, nor will the FCO be responsible for any costs incurred by the Grant Recipient or its agencies in terminating the engagement of the aforementioned persons, organisations or companies.
- (2) Although accountable to the FCO for the appropriate use of funding and delivery of project objectives, the Grant Recipient will retain ultimate responsibility for the use of funding and will as such be solely responsible for any adverse effects of aid expenditure that have an undesired or unexpected result upon recipients.

8. Safeguarding and Code of Conduct Clauses

- (1) The Grant Recipient will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the delivery of this memorandum by both its employees and any downstream delivery partner.

- (2) The Participants have a zero-tolerance approach towards sexual exploitation, abuse and harassment. The Grant Recipient will immediately contact FCO's Anti-Fraud and Corruption Unit at afcu@fco.gov.uk or call +44 (0)7771 573944 to report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to this memorandum. The Grant Recipient should assess credibility based, inter alia, on the source of the allegation, the content, and the level of detail or evidence provided. All sexual activity with children (persons under the age of 18) is prohibited, regardless of the age of majority, or age of consent locally.
- (3) Both Participants will fully co-operate with investigations into such events, whether led by FCO or any of its duly authorised representatives or agents, or the Grant Recipient.

9. Termination

- (1) Either Participant may terminate this memorandum at any time by giving at least one (1) months written notice to the other Party.
- (2) The FCO may end its participation in this arrangement by giving one month's written notice to the Grant Recipient, in the following circumstances:
 - a) Failure to implement the project according to this memorandum
 - b) A significant failure by the Grant Recipient to meet any of the commitments in this memorandum
 - c) Force majeure
 - d) Where any changes occur which, in the opinion of the FCO, impair significantly the value of the contribution of the project towards the programme objective.
- (3) All remaining funds other than those irrevocably committed in good faith before the date of termination, in line with project objectives and approved between the Participants as being required to finalise activities, will be returned to the FCO.

10. Equipment

On completion of the project, any items of equipment with an initial value of one thousand pounds (£1,000) or more and a useful life of more than one year at the end of the grant funding period will remain the property of the FCO unless the Participants make an alternative arrangement. Where such an arrangement is made, it will be agreed by both Participants and recorded in writing. There is no plan or intention to buy any equipment financed by this project.

11. Transparency

- (1) The FCO may request information about the implementation and operation of the project. Where the FCO makes such a request, the FCO will provide the Grant Recipient with the reason for its request.
- (2) The Grant Recipient is committed to the principle of transparency and, subject to its rules and regulations and without prejudice to its privileges and immunities, the Grant Recipient will make available to the FCO such information, as may be requested, relating to the implementation and the operations of the project.

12. Intellectual Property

Any intellectual property rights which arise in the course of the implementation of the project by the Grant Recipient will belong to the Grant Recipient, provided that the Grant Recipient hereby grants the FCO a worldwide, perpetual, royalty free licence to use such intellectual property rights for any purpose directly connected with the project.

13. Dispute settlement

Any dispute that may arise as to the interpretation or application of this memorandum will be settled by consultation between the Participants.

14. Contact information

The Grant Recipient will provide the FCO with contact details for its representative with responsibility for addressing normal day to day enquiries.

15. Responsibility for Staff

- (1) The Grant Recipient will provide adequate supervision of and care for its staff, authorised agents and representatives.
- (2) If the Grant Recipient's staff or authorised agents and representatives are based in living or working accommodation owned/occupied or controlled by the FCO or using transport or other facilities provided by the FCO, these individuals will observe such instructions and requirements of accommodation and access to facilities as apply to FCO staff.
- (3) In the event of paragraph 15(2), including where Grant Recipient staff use FCO managed or controlled facilities in a manner that is consistent with the purposes for which funding is provided under this memorandum, it does not discharge the Grant Recipient's more general and continuing obligations the Grant Recipient has to these individuals in its role as an employer or as a result of any other relationship.

16. Amendment of this memorandum

Any amendment to this memorandum will be decided upon by both Participants, recorded in writing and attached to this memorandum.

Signed on behalf of the FCO:

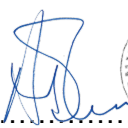
Signature: 

Name: India Brattan

Position: Economist (C4)

Date: 10/09/2020

Signed on behalf of the Grant Recipient:

Signature:  

Name: Adnan T. Issa

Position: Chief, Resources Management Service

Date: 21/09/2020

Annex A The Project Terms of Reference

1. Objectives

To support conducting the Global Trade Programme's Vietnam NTR research project, for which details are provided in the 'Vietnam NTR research proposal', attached to this MoU.

2. Resources

UNCTAD shall commit qualified resources to the extent of 3 full-time-equivalent personnel to the NTR1 project, over the period of 8 weeks. UNCTAD supports the project with about 1 person for 3 months full-time-equivalent for coordination, IT support etc. on a voluntary basis without any obligation on UNCTAD side. Deployment of these resources within the scope of NTR1 will be directed by the project Team Leader, after consultation with the UNCTAD engagement counterpart.

3. Activities

UNCTAD will support the Vietnam NTR research project with the following contributions:

- a. NTM data collection for mid-2020 in Vietnam, considering especially the update to the 2018 data available publicly already. UNCTAD will work closely with consultants in Vietnam, and with some assistance in Geneva. UNCTAD will receive the funding necessary to arrange the availability of this resources, according to the budget in Annex B.
- b. UNCTAD will offer training to government officials in various ministries involved in NTMs (i.e. all ministries that issue regulations and requirements that need to be met by exporters and importers, including those and the ministries of Trade, Industry, Finance or Commerce, but also those that issue regulations in the areas of food, health, environment, safety, quality, etc. that are mandatory for imported or exported goods). UNCTAD will draw on its resources developed in the past and will also develop *ad hoc* materials for this technical assistance. Courses will be developed online, and through its consultant in Vietnam.
- c. UNCTAD will implement the NTM data collection using TRAINS Online, a tool specially designed for this purpose. This has no additional cost, and logging for authorized team members will be provided. This tool may remain in Vietnam for their use after this intervention, as considered necessary and useful. TRAINS Online has another module that is currently under development which allows for sharing the information in a user-friendly manner with the public, or alternatively with restricted government offices, as desired. The extent to which this module will be useful for Vietnam will be discussed after this first phase of technical assistance, and considering resources available. This is relevant in the context of the demo portal mentioned in the "Vietnam NTR research proposal", Part 2.
- d. UNCTAD will coordinate with UK representatives during the training and data collection period in what pertains to development of capacities or institutional mapping in Vietnam for establishing strategies for future updates of the NTM data. The *ad hoc* training will bear in mind the specific circumstances of Vietnam, and this effort of data collection is expected to involve the government of Vietnam more actively than in the past. This involvement may remain as new created capacity in Vietnam. UNCTAD has experience in establishing trade portals which integrate an NTM dimension. Following this past experience, some government officials in different ministries get involved in forwarding (or internally notifying) about new regulations, offering also some general information in each case, while there is still need for assistance to complete the NTM

process of data collection. This can be a realistic compromise to be discussed in due time.

- e. The NTM data collection process involves the following 4 steps:
 1. Training on NTM data collection (level of technicality varies by group)
 2. Setting up the system for data collection (including the identification of the most recent HS nomenclature, opening a data set in the collection system, identifying roles for collectors and quality controllers in TRAINS Online, etc.)
 3. Accompany data collection process, UNCTAD being constantly with the team to ensure high quality standardized approach:
 - i. Regulations collection (To be done with active involvement of government officials in different ministries),
 - ii. NTM coding, and
 - iii. HS coding
 4. Validation of data: Final data checking and quality control. Ideally with the government in a validation workshop. Dissemination of data is done in agreement with the country.

Annex B Activity Based Budget

For data collection and preparation of the contributions a global amount of 28,250 USD will be made available by the FCO to UNCTAD. The voluntary contribution will be administered by UNCTAD in accordance with applicable UN Rules, Regulations and Procedures. The set amount is to be deposited in the bank account of the **Multi Donor Trust Fund**.

Please see '3. Financial arrangements for bank account details.

Activity	Budget
Vietnam consultant	10 000 USD
HS coding / software maintenance	5 000 USD
Geneva consultant / support	10 000 USD
Admin fee (13%)	3 250 USD
Total	28 250 USD