

Memorandum of Understanding (MOU)

Between Ministry of Finance of Lao PDR And Ministry of Finance of Vietnam

According to the international cooperation plan between the Lao People's Democratic Republic hereinafter referred to as (the Lao PDR) and the Socialist Republic of Vietnam hereinafter referred to as (Vietnam) with the main objective is to maintain and strengthen a long standing relationship, special solidarity and a wide range of cooperation of the two countries;

Based on a great achievement in terms of cooperation made by the two countries (during 2011-2015) and based on the MOU signed dated 12 December 2011 at Hanoi Capital City between the two ministries on the international cooperation plan (2016-2020) to which agreed at the 12th Steering Committee on International Cooperation Plan between the two ministries took place on 18 December 2015 at Vinh Phuc, Vietnam.

Continue to build on international relationship, cooperation, mutual assistance in area of financial sector between the two countries;

The Ministry of Finance of Lao PDR hereinafter referred to as (**Lao side**) and the Ministry of Finance of Vietnam hereinafter referred to as (**Vietnam side**) agreed to endorsed the five year international cooperation plan (from date 01/01/2016 until 31/12/2020) here reach the following understanding:

Article 1: Objectives of Cooperation

To further undertaking the international cooperation plan in order to improve and streamline capacity building of the ministry of finance of the Lao PDR in terms of financial supervision in order to maintain the economic fundamental of the Lao side and ensure effective international integration. This international cooperation plan has maintain the long standing valuable relationship between the two parties, two government and resident of the two countries as a whole and further develop an existing relationship, cooperation, mutual assistance of the two ministries in particular. In addition, this international cooperation plan contributes a favorable condition and facilitates the two entrepreneur's activities of the two countries that invest within the Lao side and Vietnam side.

Article 2: Scope of the Project

2.1. Increase mutual capacity building of each organization and improve policy system;

- 2.2. Improve capacity building of personnel, especially to improve fundamental capacity building of staff and education level;
- 2.3. Provide general in-kind contribution and material that support the implementation of work as need depends on each other capability;
- 2.4. Take place activity(s) to support each other staff capacity building between the two ministries.

Article 3: Scope of Cooperation in Priority Areas

- 3.1. Establish a future financial strategic plan for the Lao PDR and other future development plan;
- 3.2. Revolutionize financial institution and finalize the legislation work plan for the Lao side;
- 3.3. **Increase capacity building:** by growing number of personnel in the training center of the Lao side; and to conduct a personnel selection process on whom graduated from the Lao training center to have a chance to experience and work at each department of Vietnam via internship program, and increase number of graduate Bachelor and Doctoral degree;
- 3.4. Increase coordination, exchange of working experience at the ministerial level, conduct bilateral discussion focus on essential topic(s) and other thematic topic(s) based on Minister direction of the two sides, in a case where the Laos leader (at the ministerial level) shall have any particular topic for discussion and advice then the Vietnam side is more than welcome to response as requested;
- 3.5. Increase and invest in the fundamental material, provide in-kind contribution in area of education fundamental under the supervision of the ministry of finance, provide assistance to the Lao side in the priority area in consistent with the agreement and depends on capability of budget allocation of each side to the projects under the scope of right of the Lao-Vietnam cooperation committee, the two side will coordinate each other to notify the Lao-Vietnam cooperation committee when the Lao side propose for assistance to the Vietnam side. As per the existing projects, the two will make further implementation and ensure effectiveness outcome, hand over the completed project(s), utilize the approved project(s) based on current progression, other materials has been hand over to the Lao side as planed;
- 3.6. Continue to conduct activities for civil servant in financial area of the two countries; the implementation method may be combined with the academic work.

Article 4: Scope and Cooperation Framework

Under the MOU signed on bilateral cooperation year 2016-2020, the two sides will create a medium-term cooperation plan (3 years), the plan will be exchange, review, and agree at the Lao-Vietnam committee meeting each year, as this will be a reference to come up with bilateral

cooperation plan of each year under the request of assistance made by the Lao side and depends on the capability of the Vietnam side in terms of assistance to be provided.

Article 5: Cooperation Methodology

5.1. Exchange of high-level leaders: implement under the approved bilateral cooperation plan each year between the two ministries of finance;

5.2. To send a working group and expert from the Vietnam side to Lao side to work with relevant department, other staff in Laos in order to implement the bilateral cooperation plan (to explore, provide consultancy on policy, take place seminar, improve human resource, training, increase and invest in the fundamental material and provide in-kind contribution align on the cooperation plan of each year, and as actual request made by the Lao side. In special case, under the request made by the Lao side, the Vietnam side is willing to take into consideration by sending technical expert(s) to base in Lao for long-term period (1 year or above);

5.3. Take lesson learn, exchange of experience regarding financial supervision of Vietnam side including exchange of information in regular basis and to send relevant staff, working group from Lao side to Vietnam to take lesson learn, train, research, seminar, exchange of lesson based on the bilateral cooperation plan of each year of relevant department and working group of the two sides, with an aims to increase number of graduate staff in financial area in a level of Bachelor and Doctoral degree;

5.4. Take place activities for staff, civil servant from financial area under the approved bilateral cooperation plan of each year.

Article 6: Bilateral Cooperation between Financial Cabinet in Provincial Level

Support and create opportunity for financial cabinet in provincial area, especially provincial that joint border with Lao-Vietnam to take place activities, cooperation, provide mutual assistance in an area of information exchange, lesson learns on supervision work and personnel improvement.

Article 7: Expenditure

7.1 For the Lao side travel to Vietnam: the Lao side will handle for traveling arrangement (round-trip air ticket), the Vietnam side will handle expenditure on hotel, per diem, traveling cost within the country, interpretation cost (if require) and other associated cost occur in Vietnam;

7.2. For the Vietnam side travel to Lao: the Vietnam side will handle for traveling arrangement (round-trip air ticket), per diem and hotel cost. The Lao side will assign staff to work with the Vietnam mission and will handle for interpretation cost, traveling cost within the country and responsible for a temporary place to house the Vietnam mission;

7.3. Infrastructure project(s) in Lao PDR: any associated cost relating to infrastructure projects will be implementing in accordance with an existing policies of Vietnam and Lao sides, in order to ensure consistency of financial disciplinary stated in the MOU signed by both countries.

Article 8: Implementation

8.1. Maintains the implementation mechanism through the Lao-Vietnam cooperation committee of the two ministries of finance;

8.2. Improve effectiveness of implementation outcome of this cooperation plan under direction, increase number of achievements but in line with the austerity policy, and promote a constructive manner, actively coordinate among department of the two sides, increase coordination of the two sides in terms of instruction, increase monitoring process and evaluate outcome of implementation and improve cooperation methodology that align on actual direction and detail outcome of the cooperation plan each year:

- The implementation shall conduct based on the need of the Lao side with an intention to assist the Lao side to achieve their target, and shall align on the government priorities;
- An actual outcome of each activity shall be determined, and propose to the Lao side for approval and then submit to the Vietnam side for consideration and assistance;
- The relevant department of each side shall create their own implementation plan and submit to the committee of both side for consideration (through the contact point unit) and actively coordinate and exchange view with the person in charge at the ministry of finance of Lao side regarding the cooperation details in order for coordination and conduct implementation together;
- Each activity of mutual implementation shall be evaluated by the Lao side and submit to the Vietnam side for consideration. The evaluation form shall be under the Vietnam side responsibility only and send to the Lao side for implementation;
- The International Relations Department of both sides shall actively assist the committee to summarize the needs, create a cooperation plan for each year, as well as evaluate the implementation outcome of relevant department;

8.3. Assigned to the cooperation committee between the two ministries of finance to coordinate with relevant department of both sides to undertake this MOU. Each year, the steering committee will conduct an exchange meeting; the objective is to review this medium-term plan and to agree with the implementation plan of each year. During the course of implementation period, if an additional requirement occurs or if there is an intention for revision of this MOU, the steering committee of both sides will have to reach an agreement with the substance of the propose amendment prior to submitting the proposal to both committee for approval.

8.4. Upon completion of this five years implementation, both sides will conduct bilateral meeting to summarize, evaluate the outcome of the implementation and exchange view of future cooperation plan.

Article 9: Effective

This MOU shall enter into force upon the date of signed and will remain effective for five years, from 01/01/2016 until 31/12/2020. With respect to the 2016 cooperation plan was endorsed at the 12th steering committee meeting between the ministry of finance of the Lao PDR and the ministry of finance of Vietnam, took place at Vinh Phuc, Vietnam, dated 18/12/2015 in which this cooperation plan is part of this MOU.

This MOU was created in Vientiane Capital of the Lao PDR; dated 03 April 2016 available in four copies, consist of two languages: Vietnamese and Lao languages (2 copies for Vietnamese language and 2 copies for Lao language). All copies are equally valuable, each side maintain 02 copies.

Ministry of Finance of Vietnam
Minister

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Minister