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## **EUROPEAN UNION**

**DELEGATION TO VIETNAM** 

Finance, Contracts and Audit Section

Hanoi, 01 March 2011 EM/vdm D(2011) **00127** 

## Note for the attention of ODA financed projects employing local staff.

We refer to the agreed "UN / EU Guidelines For Financing of Local Costs in Development Co-operation with Vietnam", version 2009, published on 03/06/2009.

We have the pleasure to inform you that the Working Group which drew up the above-mentioned Guidelines has been reactivated and has launched, on 28<sup>th</sup> February 2011, a review of the functioning of the these Guidelines with a view to identifying any practical improvements that would facilitate day-to-day implementation. The members of the Working Group is drawn from the United Nations (and its 19 agencies), the Ministry of Planning and Investment, the Ministry of Finance and the Ministry of Foreign Affairs (and associated line Ministries) and the European Union Delegation (and 21 Member States represented in Vietnam).

We would like to give you the opportunity to express your views on any practical improvement of the cost norms, based on your actual experience of the use of the Guidelines over the past two years.

In carrying out the review we would envisage keeping textual modifications of the 2009 Guidelines to a strict minimum and focusing on the practical functioning of the norms set out in Annexes I to VI of the Guidelines.

The working group will carry out a new market survey on the indicators underlying the norms with a view to ensuring that the norms reflect as accurately as possible the actual market situation.

A deadline for completion of this survey has been set at 21st March 2011.

We look forward to receiving your views to the address <u>veronique.de-mesmaeker@eeas.europa.eu</u> so that the guidelines remain a useful tool in implementing ODA activity in Vietnam.

Emmanuel MERSCH

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