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AHI FACILITY GRANT NUMBER TF057747-VN

# **Avian and Human Influenza Facility Grant Agreement**

(Vietnam Avian and Human Influenza Control and Preparedness Project)

between

**SOCIALIST REPUBLIC OF VIETNAM**

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**acting as administrator of grant funds  
provided by the European Community  
under the Avian and Human Influenza Facility**

**Dated April 12, 2007**

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**AHI FACILITY GRANT NUMBER TF057747-VN**

**AVIAN AND HUMAN INFLUENZA FACILITY GRANT AGREEMENT**

AGREEMENT dated April 12, 2007, entered into between: SOCIALIST REPUBLIC OF VIETNAM (“Recipient”); and INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as administrator of grant funds provided by the European Community under the Avian and Human Influenza Facility.

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 20, 2006 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, including the Appendix hereto.

**Article II  
The Project**

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through its Ministries of Agriculture and Rural Development and of Health, and the Project Provinces, in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III  
The Grant**

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to ten million United States Dollars (\$10,000,000 ) (“Grant”) to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

**Article IV  
Effectiveness**

4.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Financing Agreement dated the same date as this Agreement, between the Recipient and International Development Association, providing a credit in support of the Project (“Financing Agreement”) has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

**Article V  
Recipient’s Representative; Addresses**

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Governor, or a Deputy Governor, of State Bank of Vietnam.

5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

State Bank of Vietnam  
49 Ly Thai To  
Hanoi, Vietnam

Cable address:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	(84-4) 825 0612

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI) or 64145(MCI)	(1-202) 477-6391

AGREED at Hanoi, Socialist Republic of Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By: /s/ Le Duc Thuy

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of grant funds provided  
by the European Community under the Avian and Human  
Influenza Facility

By: /s/ Hoi-Chan Nguyen

Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to assist the Recipient to increase the effectiveness of public services in reducing the health risk to poultry and to humans from avian influenza in selected provinces, through measures to control the disease at source in domestic poultry, to detect early and respond to human cases of infection, and to prepare for the medical consequences of a potential human pandemic.

The Project consists of the following parts:

#### **Part A: HPAI Control and Eradication in the Agricultural Sector**

1. Carry out a program to strengthen veterinary services, consisting of:
  - (a) assessment of the needs and capacity of the laboratories of selected national, regional and provincial veterinary services institutions to carry out HPAI diagnostic work; development of quality management procedures; and enhancement of the technical, human and financial resources of said institutions to ensure the operational sustainability of their diagnostic laboratories in carrying out HPAI work;
  - (b) provision of biosafe virus isolation capacity to the Regional Animal Health Office No. 6; and
  - (c) expansion of the commune-based HPAI early warning and disease reporting network of the Project Provinces.
2. Carry out a program to enhance disease control, consisting of:
  - (a) control of market-based avian influenza through upgrading of hygiene-related market facilities and enhancement of hygiene and other market procedures at selected live-poultry markets;
  - (b) development and dissemination of procedures to break the infection chains between farms and poultry slaughterhouses;
  - (c) development and implementation of a pilot disease monitoring system to enable large commercial farms to demonstrate sustained freedom from avian influenza leading to the establishment of avian influenza-free farms and compartments, through the establishment of appropriate biosecurity standards and the development of biosecurity audit methods;
  - (d) vaccination activities, including: development of appropriate vaccination methods for ducks; field trial of vaccination of minor poultry species; dissemination of ring vaccination methods to control localized disease outbreaks; assessment of feasibility

of local vaccine production; and improvements in the vaccine storage capacity in the Project Provinces; and

(e) improvements of the animal quarantine procedures and capacity of the border Project Province of Lang Son.

3. Carry out a program of surveillance and epidemiological investigations, consisting of:

(a) disease surveillance in the poultry markets, slaughterhouses, farms, poultry flocks and border areas selected for disease control activities to monitor and evaluate the effects of such activities;

(b) disease surveillance in wild bird population in areas with high infection risk;

(c) intensive rapid assessments of selected Project Provinces to develop HPAI risk profiles, assess surveillance activities and develop plans for sustainable disease control; and

(d) strengthening of data management capacity.

4. Prepare for poultry sector restructuring through:

(a) strengthening of the analytical and planning capacity of the Department of Livestock Production;

(b) development and piloting of biosecure poultry farm models; and

(c) upgrading of the biosecurity for small scale poultry farms through the development of biosecurity guidelines and the provision of small grants for basic biosecurity improvements.

5. Establish an emergency HPAI outbreak containment plan through:

(a) enhancing procedures and mechanisms for early reporting of disease outbreaks by villagers and smallholders;

(b) simulation exercises in avian influenza outbreak containment;

(c) provision of equipment, vaccines and emergency financial resources to support the rapid mobilization and deployment of teams of first responders, and large scale vaccination in case of widespread outbreaks, in Project Provinces and other localities; and

(d) review and improvements of compensation mechanisms, and provision of compensation payments to smallholders in the event of culling.

Part B: Influenza Prevention and Pandemic Preparedness in the Health Sector

1. Carry out a program to improve disease surveillance and response systems, consisting of:

- (a) assessment of current surveillance systems;
- (b) pilot interventions to improve surveillance systems at the provincial level;
- (c) improvements in disease data management, quality and timeliness of disease reporting;
- (d) expansion of an early warning and response system to the Project Provinces, including to the community level;
- (e) establishment of rapid response teams at the provincial and district levels;
- (f) strengthening of surveillance capacity; and
- (g) fostering of coordination and collaboration with other sectors including through the establishment of a protocol for multi-sectoral collaboration on disease surveillance.

2. Carry out a program to improve the technical quality and efficiency of curative care preparedness, consisting of:

- (a) development of a facility preparedness plan, including: review of options and operational needs to respond to an overwhelming epidemic or public health emergency; development of mechanisms to deploy equipment and supply to match the demand for curative services; and epidemic simulation exercises to test preparedness;
- (b) review and update of operational and technical guidelines and development of training manuals for avian influenza pandemic prevention and control, including clarification of roles and responsibilities; formulation of functional structures; and enhancement of communication and coordination mechanisms among different agencies and between administrative levels;
- (c) formulation and implementation of a training strategy to strengthen the capacity of hospital facilities managers and clinical and support personnel to provide curative services; and

(d) improvement in the capacities to control infection of health care facilities at the provincial and district levels, including assessment of and improvement in readiness and treatment capacities (infrastructure and equipment) of such facilities.

3. Carry out a program to strengthen behavior change communication in health facilities and in the community, consisting of:

(a) a survey and evaluation of knowledge, attitudes and practices regarding avian influenza;

(b) formulation of behavior change communication action plans for selected Project Provinces;

(c) provision of training to provincial, district, commune and village health workers to carry out behavior change communication activities;

(d) community awareness-raising activities; and

(e) information, education and communication campaigns.

4. Carry out a program to strengthen the preventive health system at the local level, consisting of:

(a) strengthening of the capacity, policies and structures of human resource in the preventive health field;

(b) supporting pilot approaches and systems for district preventive health centers in selected Project Provinces through the provision of sub-grants to said Provinces; and

(c) piloting of coordination mechanisms to integrate preparedness and response activities of the human health sector and the animal health sector to manage avian influenza and other complex public health threats.

Part C: Integration and Coordination; Monitoring and Evaluation; Project Management Support

1. Strengthen the institutional structure and development of mechanisms to promote the integration and coordination of strategies and activities for avian and human influenza control and preparedness in the animal health and human health sectors; and carry out regional outreach activities.

2. Design and establish a result-based monitoring and evaluation system to monitor progress and impact of: (a) activities in HPAI control and eradication in the agricultural sector; and (b) activities in influenza prevention and pandemic preparedness in the health sector.



3. Strengthen the institutional capacity to plan, coordinate and manage Project implementation at the national, provincial, district and commune levels, including audit of Project accounts in: (a) the agricultural sector; and (b) the health sector.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

1. (a) The Recipient shall maintain, throughout the period of implementation of the Project, the National Steering Committee for Avian Influenza to provide overall guidance and direction in the implementation of the Project.
- (b) The Recipient shall establish and, throughout the period of implementation of the Project, maintain: (i) a Project Coordination Unit under the APMB at MARD in respect of Parts A, C.1, C.2(a) and C.3(a) of the Project, and (ii) a Project Coordination Unit under the APM at MOH in respect of Parts B, C.2(b) and C.3(b) of the Project; and the Recipient shall appoint the PCU Director at MARD and the PCU Director at MOH as, respectively, the Project Director and Project Deputy Director, under terms of reference satisfactory to the World Bank.
- (c) Each PCU, in respect of its respective Parts of the Project, shall be responsible inter alia for: (i) the day to day Project implementation, management, including financial management, and supervision, under the direction of the respective line Ministry, coordination of Project activities at the central level and across the Project Provinces, and results monitoring and evaluation; (ii) the formulation and issuance of implementation guidelines for the Project Provinces; and the provision of guidance to the Project Provinces in the preparation of the provincial annual work plans, technical review of said plans and monitoring of their implementation, including implementation of safeguard measures; (iii) consolidation of the work plans, including procurement plans, and budgets submitted by the PPMUs for prior review and/or approval, as may be the case; (iv) consolidation of implementation reports, including all financial reports, submitted by the PPMUs into the Project Reports for its respective Parts of the Project; (v) handling of all procurement in respect of Project activities carried out by the PCU, as well as all procurement under International Competitive Bidding procedures and procurement of the services of international consultants; and (vi) development of mechanisms for the coordination and integration of activities between the animal health sector and the human health sector; and coordination with other national projects or programs in respect of policy formulation and implementation with respect to HPAI.
- (d) Each PCU shall be provided with adequate resources, under the direction of experienced managers, and staffed with competent personnel in sufficient numbers, including: (i) in the MARD PCU, a PCU director, assisted by a senior technical advisor and a Project deputy director both from DAH, a chief technical advisor with international experience, technical managers mobilized to assist in

the implementation of each sub-component of Part A of the Project, technical staff designated by and under the technical guidance of DAH and DLP, monitoring and evaluation specialist, safeguard, procurement and financial management staff, including staff in charge of internal audit functions; and (ii) in the MOH PCU, a PCU director assisted by a Project coordinator and by a Project advisor with international experience, technical managers to assist in the implementation of each sub-component of Part B of the Project, technical staff designated by and under the technical guidance of APM and the Department of Therapy, monitoring and evaluation specialist, safeguard and procurement and financial management staff, including staff in charge of internal audit functions; in all cases with qualifications, experience and under terms of reference satisfactory to the World Bank.

2. (a) To guide the implementation of the Project, MARD PCU in respect of its respective Parts of the Project, and MOH PCU in respect of its respective Parts of the Project, shall prepare and adopt a Project Implementation Manual acceptable to the World Bank.

(b) Each of said PIM shall set forth: (i) the implementation arrangements at both the central, and provincial and local levels; (ii) guidelines for the preparation and technical review of provincial annual work plans; (iii) in respect of Part A.4(c) of the Project, eligibility criteria and review and approval procedures for small grants to undertake basic biosecurity improvements; (iv) in respect of Part B.4(b) of the Project, eligibility criteria and review and approval procedures for sub-grants to support pilot approaches and systems for district preventive health centers; (v) detailed guidelines for financial management and procurement consistent with the provisions of Sections II and III of this Schedule 2, including procedures and requirements for disbursement of funds, internal control arrangements, record keeping, reporting and auditing of Project records and accounts; (vi) guidelines for the implementation of environmental management procedures; (vii) the Ethnic Minorities Communication Plan; (viii) in the case of Part A.2 of the Project, the Resettlement Policy Framework and the Resettlement Action Plan; and (ix) the work plan for the calendar year 2007.

(c) The Recipient shall not, and shall not permit to, amend, revise, abrogate or waive either PIM or any part thereof without the prior concurrence of the World Bank.

3. (a) The Recipient shall cause each Project Province to establish and, throughout the period of Project implementation, maintain a Provincial Project Management Unit under the Provincial People's Committee.

(b) Each PPMU shall be responsible inter alia for: (i) management of all Project activities in the respective Project Province, including financial management and procurement, results monitoring and evaluation; (ii) the

preparation and issuance of implementation guidelines to the districts and communes and the monitoring of their activities; (iii) preparation of the provincial annual work plans, including procurement plan, and budget therefor, and submission to the PCUs for technical review prior to submission to the World Bank for its prior review and concurrence and to the PPC for final approval; (iv) preparation and submission to the PCUs of periodic implementation reports and financial reports for consolidation into the Project Reports; and (v) development of mechanisms for the coordination and integration of activities between the animal health sector and the human health sector, and coordination with other avian influenza projects or programs at the provincial and local levels.

(c) Each PPMU shall be provided with adequate resources, under the direction of experienced managers, and staffed with competent personnel in sufficient numbers, including a director and vice-director selected from the management of the provincial Departments of Health and of Agriculture and Rural Development in the event that activities under both Parts A and B of the Project are carried out in the Province, or a director selected from the management of the provincial Department of Agriculture and Rural Development in the event that only activities under Part A of the Project are carried out in the Province; accountants and procurement staff, staff in charge of monitoring and evaluation, and senior technical staff from the provincial Departments of Finance, of Planning and Investment, and from the provincial Treasury; in all cases with qualifications and experiences, and under terms of reference satisfactory to the World Bank.

(d) Each PPMU shall establish two Project Implementation Teams: one of said Teams to be in charge of provincial activities under Part A of the Project, with technical staff designated by and under the technical guidance of the sub-departments of Animal Health, of Livestock and of Agricultural Extension of the Provincial Department of Agriculture and Rural Development; and one to be in charge of provincial activities under Part B of the Project, with technical staff designated by and under the technical guidance of the Provincial Department of Health, the Provincial Center for Preventive Medicine and the Provincial hospital; in each case with qualifications and experience, and under terms of reference acceptable to the World Bank; provided that, in Project Provinces where no Project activities under Part B will take place, the PPMU may establish one PIT only, said PIT to be in charge of provincial activities under Part A of the Project.

(e) The Recipient shall not finance any Project activities for a Project Province until said Province has: (i) established its PPMU, including its PIT or PITs, as the case may be, in accordance with the provisions of this paragraph 3, Section I of this Schedule 2; and (ii) set up a financial management system

adequate to ensure accounting and reporting in a manner satisfactory to the World Bank.

4. (a) By no later than November 1 of each year, commencing 2007, on the basis of work plans to be submitted by the Project Provinces, each PCU shall prepare and provide to the World Bank, for its prior review and comment, a consolidated annual work plan for its respective Parts of the Project, including budget and estimates of disbursement therefor, for the following calendar year; and  
  
(b) Thereafter, the Recipient shall implement, and cause to be implemented, such annual work plans as shall have been agreed with the World Bank, in a manner satisfactory to the World Bank.
5. (a) By no later than April 15, 2007, the Recipient shall have: (i) completed an environmental assessment and prepared an environmental management plan for the Project, satisfactory to the World Bank; and (ii) disclosed said assessment and plan in a manner acceptable to the World Bank.  
  
(b) The Recipient shall implement, and cause to be implemented: (i) the environmental management plan; (ii) establish policies and procedures adequate to monitor and evaluate the implementation of said plan and the achievement of its objectives; and (iii) incorporate the results of such monitoring and evaluation into the Project Reports; all in a manner satisfactory to the World Bank.
6. (a) In the event any activity under the Project would require the involuntary acquisition of land, prior to commencing civil works for such activity, the Recipient shall: (i) prepare a resettlement action plan satisfactory to the World Bank, in accordance with the principles and procedures set forth in the Resettlement Policy Framework; (ii) implement, and cause to be implemented, said plan in a manner satisfactory to the World Bank; and (iii) not allow any modification, amendment, waiver or abrogation of said plan, or any part thereof without the prior concurrence of the World Bank.  
  
(b) Under Part A.2(a) of the Project, in respect of the live-poultry market of Ha Vi in the Project Province of Ha Tay, the Recipient shall: (i) implement, and cause to be implemented, the Resettlement Action Plan in a manner satisfactory to the World Bank; and (ii) not allow any modification, amendment, waiver or abrogation of said Resettlement Action Plan or any part thereof without the prior concurrence of the World Bank.
7. (a) The Recipient shall prepare and adopt an Ethnic Minority Communication Plan satisfactory to the World Bank in regard to each of Part A and Part B of the Project.

- (b) The Recipient shall implement, and shall cause to be implemented, the Ethnic Minorities Communication Plans in a manner satisfactory to the World Bank, to ensure: (i) meaningful consultation with and the informed participation in Project activities of ethnic minority communities in the Project Provinces, and (ii) Project benefits for said communities which are culturally appropriate and socially inclusive.
8. By no later than December 31, 2007, the Recipient shall have: (a) designed and adopted result-based monitoring and evaluation systems acceptable to the World Bank in respect of Parts A and B of the Project; and (b) completed a baseline survey of Parts A and B of the Project and published the results thereof, in a manner satisfactory to the World Bank.
9. On the basis of studies under Part A.5 of the Project on improving the system of compensation payments to poultry owners in the event of culling, the Recipient shall prepare and put into effect a Compensation Manual acceptable to the World Bank.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports.**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators agreed with the World Bank. Each Project Report shall cover the period of one (1) calendar semester, commencing with the second semester of 2007; shall consist of the consolidation by MARD PCU of reports prepared by the MARD PCU in respect of its respective Parts of the Project and by the MOH PCU in respect of its respective Parts of the Project; and shall be furnished to the World Bank through the MARD PCU not later than forty-five (45) days after the end of the period covered by such report, provided that the second Project Report in any calendar year shall cover the entire year.
2. By no later than August 15, 2008 the Recipient shall: (a) prepare a mid-term Project Report covering approximately the first twelve (12) months of Project implementation; (b) afford the World Bank a reasonable opportunity to exchange views with the Recipient, including with all implementing agencies and Project Provinces, on such report; and (c) thereafter, implement such measures as shall have been agreed with the World Bank to achieve the objectives of the Project.
3. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date. In order to assist the Recipient in preparing the Completion

Report, the Recipient shall employ consultants in accordance with the provisions of Section III, Schedule 2 to this Agreement.

**B. Financial Management; Financial Reports; Audits.**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. Without limitation on the provisions of Part A of this Section II, the Recipient shall prepare and furnish to the World Bank as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the World Bank; each such interim financial report to consist of the consolidation by MARD PCU of the interim financial report prepared by the MARD PCU in respect of its respective Parts of the Project and by the MOH PCU in respect of its respective Parts of the Project.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
  - (a) Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 (“Procurement Guidelines”) in the case of goods and works, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 (“Consultant Guidelines”) in the case of consultants’ services; and
  - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of



particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) Shopping; (c) Direct Contracting; and (d) Procurement from United Nations Agencies.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Single-source Selection; and (e) Selection of Individual Consultants.

**D. Review by the World Bank of Procurement Decisions**

Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank, in respect of each of MARD PCU, MOH PCU, and each PPMU: (a) the first contract for goods or for non-consulting services regardless of the value thereof and any subsequent contract for goods or non-consulting services of \$100,000 equivalent or more; (b) the first contract for works regardless of the value thereof and any subsequent contract for works of \$100,000 equivalent or more; (c) all direct contracts; (d) the first contract for consulting services provided by firms and the first contract for consulting services provided by individuals, in each case regardless of the value thereof, and any subsequent contract for services of \$100,000 equivalent or more when provided by firms and of \$50,000 equivalent or more when provided by individuals; and (e) all single source contracts.

All other contracts shall be subject to Post Review by the World Bank.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b><u>Category</u></b>	<b><u>Amount of the Grant Allocated (expressed in USD)</u></b>	<b><u>Percentage of Expenditures to be Financed</u></b>
(1) MARD’s Respective Parts of the Project:		33%
(a) Works, goods (excluding anti-viral drugs), training and workshops under Parts A, C.1, C.2 (a) and C.3(a) of the Project and consultants’ services under Parts A.2 and A.4 of the Project.	4,950,000	
(b) compensation payments under Part A.5 of the Project.	30,000	
(c) incremental operating costs under Parts A, C.1, C.2(a) and C.3(a) of the Project.	390,000	

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in USD)</u>	<u>Percentage of Expenditures to be Financed</u>
(2) MOH's Respective Parts of the Project:  (a) Works under Part B.2(d) of the Project; goods (excluding anti-viral drugs), training and workshops under Parts B, C.2(b) and C.3(b) of the Project.  (b) Sub-grants under Part B.4(b) of the Project.  (c) Incremental operating costs under Parts B, C.2(b) and C.3(b) of the Project	2,820,770   1,294,230   380,000	33%
(3) Unallocated	135,000	
<b>TOTAL AMOUNT</b>	<b>10,000,000</b>  =====	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section IV no withdrawal shall be made:
  - (a) for any payment for Taxes levied by or in the territory of the Recipient in respect of goods, works or services; or

- (b) for payments made prior to the date of this Agreement; except that withdrawals up to an aggregate amount not to exceed \$100,000 equivalent may be made for payments made prior to the date hereof but on or after December 15, 2006, for Eligible Expenditures under Categories (1)(a), (1)(c), (2)(a), (2)(b) and (2)(c); or
  - (c) under Category (1) for Parts A, C.1, C.2(a) and C.3(a) of the Project until: (i) the MARD PCU has been established and staffed in accordance with the provisions of paragraph 1, Section I of Schedule 2 to this Agreement; (ii) said PCU has, in accordance with the provisions of paragraph 2, Section I of Schedule 2 to this Agreement: adopted its respective Project Implementation Manual; set up a computerized accounting system consistent with the financial management guidelines of such Plan; and developed and delivered a comprehensive training and capacity building in project financial management to its financial staff; and (iii) said PCU has adopted its respective Procurement Plan; or
  - (d) under Category (1)(b) until: (i) studies on improving compensation mechanisms under Part A.5(d) of the Project have been completed; and (ii) a Compensation Manual has been prepared and adopted by MARD in accordance with the provisions of paragraph 9, Section I of this Schedule 2; or
  - (e) under Category (2) for Parts B, C.2(b) and C.3(b) of the Project until: (i) the MOH PCU has been established and staffed in accordance with the provisions of paragraph 1, Section I of Schedule 2 to this Agreement; (ii) said PCU has, in accordance with the provisions of paragraph 2, Section I of this Schedule 2: adopted its respective Project Implementation Manual; set up a computerized accounting system consistent with the financial management guidelines of such Plan; and developed and delivered a comprehensive training and capacity building in project financial management to its financial staff; and (iii) said PCU has adopted its respective Procurement Plan.
2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is July 31, 2009.

**Section V. Other Undertakings**

- 1. Prior to any modification or revision of the Integrated Operational Program for Avian and Human Influenza, or any part thereof, the Recipient shall discuss the proposed modification or revision with the World Bank.
- 2. By no later than January 1, 2008, the Recipient shall strengthen the institutional mechanism to promote and enhance the integration and coordination of

strategies, policies and activities in the animal health sector and the human health sector for purposes of controlling avian influenza and reducing the risks thereof to humans, in accordance with the provisions of the Integrated Operational Program for Avian and Human Influenza; and as part of said strengthening, shall establish a secretariat therefor.

3. The Recipient shall only procure AI vaccines which meet the standards for vaccines established by the World Organization for Animal Health in its manual of laboratory tests and vaccines.

## **APPENDIX**

### **Definitions**

1. “AHI” means avian and human influenza.
2. “AI” means avian influenza.
3. “APM” means the Vietnam Administration for Preventive Medicine, a unit within the Recipient’s Ministry of Health and any successor thereto.
4. “APMB” means the Agricultural Project Management Board in MARD, and any successor.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Co-financing Agreements” means, collectively: (a) this Agreement; and (b) the Co-financing PHRD Grant Agreement to be entered into between the Recipient and International Development Association acting as administrator of grant funds provided by Japan; and a “Co-financing Agreement” means either of said Agreements.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
8. “DAH” means the Department of Animal Health, a unit within the Recipient’s Ministry of Agriculture and Rural Development and any successor thereto.
9. “DARD” means a Department of Agriculture and Rural Development at the provincial level.
10. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and “Displaced Persons” means, collectively, all such Displaced Persons.
11. “DLP” means the Department of Livestock Production, a unit within the Recipient’s Ministry of Agriculture and Rural Development and any successor thereto.

12. “DOH” means a Department of Health at the provincial level.
13. “Ethnic Minorities Policy Framework” means the policy framework adopted by Decision 330/QD-BNN-HTQT dated February 2, 2007 of the Minister of Agriculture and Rural Development, and referred to in paragraph 7, Section I, of Schedule 2 to this Agreement, which sets forth the policies and procedures for the preparation and implementation of an Ethnic Minorities Communication Plan in respect of each of Part A and Part B of the Project.
14. “Ethnic Minorities Communication Plan” means, in respect of each of Part A and Part B of the Project, the plan to be prepared and adopted by MARD and MOH to ensure, in respect of their Respective Parts of the Project: (a) meaningful consultation with the informed participation in Project activities of ethnic minority communities in the Project Provinces; and (b) Project benefits for said communities which are culturally appropriate and socially inclusive.
15. “HPAI” means highly pathogenic avian influenza.
16. “Incremental Operating Costs” means the reasonable costs of incremental expenditures incurred by the Recipient in implementing the Project (which expenditures would not have been incurred absent the Project), namely the costs of communication, travel and per diem expenses, office rental and office consumables, and salaries for contracted staff, but excluding salaries and salary supplements of civil servants.
17. “MARD” means the Recipient’s Ministry of Agriculture and Rural Development and any successor thereto.
18. “MARD PCU” means the Project Coordinating Unit established in the Agricultural Project Management Board of MARD, pursuant to the provisions of paragraph 1, Section I of Schedule 2 to this Agreement.
19. “MOH” means the Recipient’s Ministry of Health and any successor thereto.
20. “MOH PCU” means the Project Coordinating Unit established in the Vietnam Administration of Preventive Health of MOH, pursuant to the provisions of paragraph 1, Section I of Schedule 2 to this Agreement.
21. “National Steering Committee for Avian Influenza” and “NSCAI” mean the committee established pursuant to Prime Minister’s Decision 13/QD-TTg dated January 28, 2004 as the national coordination mechanism for HPAI planning and supervision, and any successor thereto.
22. “OPI” means the Recipient’s Integrated Operational Program for Avian and Human Influenza of May 2006, also known as the “Green Book”, which identifies activities envisaged by MARD, MOH and other agencies of the Recipient for control of HPAI and pandemic preparedness for the period 2006-2010.

23. “PCU” means either the MARD PCU or the MOH PCU, and “PCUs” means, collectively, both of them.
24. “PIM” means the Project Implementation Manual to be prepared and adopted by each PCU pursuant to the provisions of paragraph 2, Section I of Schedule 2 to this Agreement.
25. “PIT” means a Project Implementation Team to be established under a Provincial Project Management Unit, and responsible for the implementation of provincial activities under Part A or Part B, as the case may be, pursuant to the provisions of paragraph 3(d), Section I of Schedule 2 to this Agreement.
26. “PPC” means the Provincial People’s Committee, the administrative authority of each Project Province.
27. “PPMU” means the Provincial Project Management Unit to be established in each Project Province pursuant to the provisions of paragraph 3, Section I of Schedule 2 to this Agreement.
28. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
29. “Procurement Plans” means, collectively: (a) the procurement plan dated February 7, 2007, prepared by MARD PCU in respect of Parts A, C.1, C.2(a) and C.3(a) of the Project; and (b) the procurement plan dated February 7, 2007, prepared by MOH PCU in respect of Parts B, C.2(b) and C.3(b) of the Project, referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs; and a “Procurement Plan” means either of said Plans.
30. “Project Provinces” means the Provinces of Lang Son, Ha Tay, Thai Binh, Thanh Hoa, Ha Tinh, Thua Thien – Hue, Binh Dinh, Tay Ninh, Long An, Tien Giang and Dong Thap, and any successor thereto, as such list may be amended from time to time by mutual agreement between the Recipient and the Association; and a “Project Province” means any of said Provinces.
31. “Respective Parts of the Project” means in respect of: (i) MARD, Parts A, C.1, C.2(a) and C.3(b) of the Project; and (ii) in respect of MOH, Parts B, C.2(b) and C.3(b) of the Project.
32. “Resettlement Action Plan” means the plan approved and adopted by MARD through Decision 330/QD-BNN-HTQT of February 5, 2007 pursuant to the authorization of the Recipient’s Prime Minister through Decision 75/QD-TTg of January 16, 2007, which sets out the principles and procedures for the acquisition of land and other assets, and the compensation and rehabilitation of Displaced Persons in connection with the



implementation of Part A.2(a) of the Project at Ha Vi market, Le Loi commune, in the Project Province of Ha Tay, as such Plan may be revised from time to time with the prior concurrence of the Association.

33. “Resettlement Policy Framework” means the Policy Framework approved and adopted by MARD through Decision 330/QD-BNN-HTQT of February 5, 2007 pursuant to the authorization of the Recipient’s Prime Minister through Decision 75/QD-TTg of January 16, 2007; said Policy Framework is referred to in paragraph 6, Section I, of Schedule 2 to this Agreement, and sets out the policies and procedures for the acquisition of land and other assets, resettlement, compensation and rehabilitation of Displaced Persons, and for the preparation of resettlement action plans as may be required for Project activities in the Project Provinces, as said Policy Framework may be revised from time to time with the prior concurrence of the Association.