

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4779-VN

Financing Agreement

(Project Preparation Technical Assistance Facility Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Date July 15, 2010

Public Disclosure Authorized

FINANCING AGREEMENT

AGREEMENT dated July 15, 2010 entered into between SOCIALIST REPUBLIC OF VIETNAM (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to sixty six million two hundred thousand Special Drawing Rights (SDR 66,200,000) (variously, “Credit”, and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are June 15 and December 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Planning and Investment in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — EFFECTIVENESS

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The consultants referred to in Section I.A.6 (a) (i) of Schedule 2 to this Agreement have been identified by the Recipient, the contracts referred to in such Section negotiated, and the consultants referred to in Section I.A.6 (a) (ii) of such Schedule appointed.

(b) The Project Operations Manual, including the Project Financial Management Manual and the Strategic Governance and Accountability Risk Matrix, has been adopted by the Recipient in form and substance satisfactory to the Association.

(c) The annual work plan and budget for the Project for the First Fiscal Year referred to in Section V.A (a) of Schedule 2 to this Agreement has been furnished by the Recipient to the Association for approval in form and substance satisfactory to the Association.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Governor, or a Deputy Governor, of the State Bank of Vietnam.

5.02. The Recipient's Address is:

State Bank of Vietnam
49 Lý Thái Tổ
Hà Nội
Socialist Republic of Vietnam

Cable:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	(84-4) 3825-0612

5.03. The Association's Address is:

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

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

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

SOCIALIST REPUBLIC OF VIETNAM

By: /s/ Nguyen Van Giau

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Victoria Kwakwa

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the capacity of the Recipient's entities to plan and prepare public investments efficiently and to international quality standards.

The Project consists of the following parts:

Part 1. Project Preparation Facility

- (a) Preparation of public investment projects to be financed through official development assistance, through the provision of Subproject Financings.
- (b) Provision of support to Subproject Financing Beneficiaries with respect to the preparation of Subproject proposals and administrative and financial management, procurement, and disbursement under Subprojects.

Part 2. Project Preparation Facility Support and Capacity Building

- (a) Provision of support to the Ministry of Planning and Investment with respect to the review and appraisal of Subproject proposals and the monitoring and evaluation of Subprojects.
- (b) Capacity building of Subproject Financing Beneficiaries and other relevant entities with respect to the technical aspects of Subproject implementation, including environmental and social safeguards.
- (c) Capacity building of the Ministry of Planning and Investment and other entities of the Recipient with respect to public investment projects generally.

Part 3. Project Management

Project management, implementation, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Ministry of Planning and Investment

1. The Recipient shall, through the Ministry of Planning and Investment, be responsible for Project management, implementation, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement, in accordance with the following institutional arrangements.

Steering Committee

2. The Recipient shall establish, no later than one (1) month after the Effective Date, and thereafter maintain throughout Project implementation, the Steering Committee, comprising the Vice Minister of the Ministry of Planning and Investment as chair, and representatives of the Ministry of Finance, the OOG, and the State Bank of Vietnam, and with an institutional framework, functions, and resources satisfactory to the Association.
3. The Recipient shall be responsible for Project policy and strategic orientation through the Steering Committee.

Project Coordination Unit

4. The Recipient shall maintain throughout Project implementation, under the Ministry of Planning and Investment, the Project Coordination Unit, with an institutional framework, functions, and resources satisfactory to the Association, including competent personnel in adequate numbers.
5. The Recipient shall be responsible for day-to-day Project management, implementation, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement, through the Project Coordination Unit.

6. To this end, the Recipient shall, in accordance with Section III of this Schedule:
 - (a) (i) identify, and negotiate contracts with, short-term consultants, including a chief advisor, a deputy chief advisor, a coordinator, an accountant, a financial management specialist, and a procurement specialist, all with qualifications, experience, and terms of reference satisfactory to the Association; and (ii) appoint, and thereafter maintain until appointment of the consulting firm referred to in subparagraph (c) below, or twelve (12) months after the Effective Date, whichever is sooner, two (2) short-term consultants, namely, an environmental specialist and a social development specialist, both with qualifications, experience, and terms of reference satisfactory to the Association;
 - (b) appoint, no later than one (1) month after the Effective Date, and thereafter maintain until appointment of the consulting firm referred to in subparagraph (c) below, or twelve (12) months after the Effective Date, whichever is sooner, except for the coordinator, who shall be maintained throughout Project implementation, the short-term consultants referred to in subparagraph (a) (i) above; and
 - (c) appoint, no later than twelve (12) months after the Effective Date, and thereafter maintain throughout Project implementation, a consulting firm for purposes of Project management, implementation, and monitoring and evaluation, including administrative and financial management, procurement, and environmental and social mitigation and development, to be supplemented by individual consultants as may be required, all with qualifications, experience, and terms of reference satisfactory to the Association.

B. Anti-Corruption

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
2. The Recipient:
 - (a) shall (i) adopt, as part of the Project Operations Manual, a Strategic Governance and Accountability Risk Matrix, agreed with the Association and setting out and measures to reinforce Project governance, enhance transparency of Project activities, increase public accountability, and reduce opportunities for corruption, fraud, or collusion, and (ii) thereafter ensure that the Project is carried out in accordance with such Matrix; and

(b) except as the Association shall otherwise agree, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

3. In the event of any conflict between the provisions of such Matrix, and those of this Agreement, the latter shall prevail.

C. Manuals

1. The Recipient:

(a) shall, through the Ministry of Planning and Investment: (i) adopt: (A) a Project Operations Manual, agreed with the Association and setting out implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, and procurement arrangements for purposes of Project implementation; and (B) as part of the Project Operations Manual, a Project Financial Management Manual, agreed with the Association and setting out financial management and disbursement arrangements for purposes of Project implementation; and (ii) thereafter ensure that the Project is carried out in accordance with such Manuals; and

(b) except as the Association shall otherwise agree, shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of either of such Manuals, and those of this Agreement, the latter shall prevail.

D. Subprojects

1. General

(a) The Recipient shall, first through the Ministry of Planning and Investment, and subsequently the Minister of Planning and Investment, or an authorized representative thereof, review, appraise, and approve Subproject proposals and thereafter, upon commencement of Subproject implementation, monitor and evaluate Subprojects in accordance with the provisions of this Part D and the Project Operations Manual, including the Project Financial Management Manual and the Strategic Governance and Accountability Risk Matrix.

- (b) The Recipient shall ensure that Subprojects are carried out in accordance with the provisions of the respective Subproject Financing Agreement.

2. Eligibility and Implementation

No proposed Subproject shall be eligible for financing under the Project unless, on the basis of a review and appraisal conducted in accordance with the provisions of this Part D and the Project Operations Manual, including the Project Financial Management Manual and the Strategic Governance and Accountability Risk Matrix, the Recipient has, first through the Ministry of Planning and Investment, and subsequently the Minister of Planning and Investment, or an authorized representative thereof, determined that the proposed Subproject satisfies eligibility criteria satisfactory to the Association, described in further detail in the Project Operations Manual, which shall include, but are not limited to, the following:

- (a) the proposed Subproject has been initiated by: (i) an entity or agency of the Recipient; or (ii) a Recipient-owned enterprise;
- (b) the proposed Subproject: (i) constitutes an activity under Part 1 (a) of the Project, as described in further detail in the Project Operations Manual; and (ii) either relates to a project figuring in the Recipient's list of projects to be financed through official development assistance, or has been specifically agreed between the Recipient and the Association;
- (c) the proposed Subproject: (i) complies with the Safeguards Management Framework; and (ii) is consistent with the relevant technical, administrative, environmental, and social standards and national sector policies;
- (d) the Subproject Financing Beneficiary has confirmed that no other financing is readily available for the proposed Subproject;
- (e) a Subproject Financing Beneficiary may not receive an additional Subproject Financing unless it has duly repaid all previous Subproject Financings made to it on a loan basis;
- (f) the Subproject Financing Beneficiary has: (i) put in place all necessary arrangements, including financial and human resources, for the management of the proposed Subproject, including the provision of training to relevant staff with respect to financial management; and

(ii) furnished to the Association a plan in form and substance satisfactory to the Association for its operationalization following completion.

3. Terms and Conditions

- (a) A Subproject shall be carried out pursuant to a Subproject Financing Agreement, to be concluded between the Recipient, represented by the Ministry of Planning and Investment, and the Ministry of Finance if the Subproject Financing is provided on an on-lending basis, and the respective Subproject Financing Beneficiary, under terms and conditions satisfactory to the Association, described in further detail in the Project Operations Manual, including the Project Financial Management Manual and the Strategic Governance and Accountability Risk Matrix, which shall include the following:
- (i) a description of the Subproject, its budget, and applicable performance indicators;
 - (ii) denomination and repayment, as applicable, of the Subproject Financing in Dollars;
 - (iii) provision of the Subproject Financing on terms and conditions in accordance with the Recipient's regulations in this regard;
 - (iv) the obligation of the Subproject Financing Beneficiary to establish a Subproject management unit, with an institutional framework, functions, and resources satisfactory to the Association, including competent personnel in adequate numbers;
 - (v) the obligation of the Subproject Financing Beneficiary to:
 - (A) provide, promptly as needed, the resources required for the Subproject;
 - (B) ensure that the proceeds of the Subproject Financing are not used to finance operating costs under the Subproject, and provide, promptly as needed, funds for this purpose out of its own resources;
 - (C) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;
 - and (D) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, and social practices satisfactory to the Association;

- (vi) the obligation of the Subproject Financing Beneficiary to:
(A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect, in accordance with sound accounting practices, the operations, resources, and expenditures relating to the Subproject; and (C) at the request of the Recipient or the Association, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
- (vii) the obligation of the Subproject Financing Beneficiary to carry out the Subproject in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient and the Strategic Governance and Accountability Risk Matrix;
- (viii) the obligation of the Subproject Financing Beneficiary to carry out the Subproject in accordance with the provisions of the Project Operations Manual, including the Project Financial Management Manual, and without any right or authority, except as the Association shall otherwise agree, to assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;
- (ix) the obligation of the Subproject Financing Beneficiary to procure the goods and consultants' services to be financed out of the proceeds of the Subproject Financing in accordance with procedures ensuring efficiency and economy and the provisions of this Agreement, and to ensure that they are used exclusively in the carrying out of the Subproject;
- (x) the obligation of the Subproject Financing Beneficiary to carry out the Subproject within an agreed time period, failing which the respective Subproject Financing may be cancelled by the Recipient within a time period agreed with the Association and the Subproject Financing Beneficiary;
- (xi) the obligation of the Subproject Financing Beneficiary to carry out the Subproject in accordance with the provisions of the

Safeguards Management Framework, and without any right or authority, except as the Association shall otherwise agree, to assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

- (xii) the obligation of the Subproject Financing Beneficiary to ensure that no works or land acquisition is carried out under the Subproject;
 - (xiii) the right of the Ministry of Planning and Investment, on behalf of the Recipient, and of the Recipient in its own right, to:
 - (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the Subproject, the operations thereof, and any relevant records and documents;
 - (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the Subproject; and
 - (C) suspend or terminate the right of the Subproject Financing Beneficiary to use the proceeds of the Subproject Financing, or obtain a refund of all or any part of the amount of the Subproject Financing then withdrawn upon failure by the Subproject Financing Beneficiary to perform any of its obligations under the Subproject Financing Agreement; and
 - (xiv) the obligation of the Subproject Financing Beneficiary to monitor and evaluate implementation of the Subproject, and operationalize it following completion, subject to the provision of official development assistance for this purpose.
- (b) The Recipient shall exercise its rights under the Subproject Financing Agreement through the Ministry of Planning and Investment and the Ministry of Finance in such manner as to protect the interests of the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, through the Ministry of Planning and Investment or the Ministry of Finance, the aforementioned, or any provision thereof.

E. Safeguards

1. (a) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Safeguards Management Framework; and

(b) except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. The Recipient shall, for the purposes of any Subproject:
 - (a) prior to implementation thereof, carry out a screening of the Subproject for any potential environmental or social impacts of the project under preparation under the respective Subproject; and
 - (b) proceed to have safeguards instruments for the respective project:
 - (i) prepared in form and substance satisfactory to the Association in accordance with the provisions of the Safeguards Management Framework, (ii) except as otherwise agreed with the Association, submitted to the Association for review and approval, and (iii) thereafter, adopted and locally disclosed.
3. Without limitation upon its other reporting obligations under Section II.A.1 (a) of this Schedule, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Report, information on the status of compliance with the Safeguards Management Framework, giving details of:
 - (a) measures taken in furtherance of such Framework;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Framework; and
 - (c) remedial measures taken or required to be taken to address such conditions.
4. The Recipient shall ensure that no works or land acquisition is carried out under the Project.

5. The Recipient shall carry out the implementation and monitoring and evaluation of the Safeguards Management Framework through the Project Coordination Unit.
6. In the event of any conflict between the provisions of the Safeguards Management Framework, and those of this Agreement, the latter shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

No.	Indicator
1.	Improvement in the quality at entry of public investment projects, as evidenced by an increase in the number of such projects assessed to have exceeded fully satisfactory standards prior to their appraisal, as compared to that prior to Project implementation
2.	Reduction in the preparation period of such projects as compared to that prior to Project implementation
3.	Increase in the number of such projects having achieved agreed readiness criteria at the time of their approval for purposes of tendering of contracts either: (a) equivalent to thirty percent (30%) of the value of the underlying financing; or (b) covering the first 18 months of project implementation, as compared to that prior to Project implementation
4.	Reduction in the time required to achieve ten percent (10%) disbursement under public investment projects prepared under the Project as compared to: (a) that under public investment projects prior to Project implementation; and (b) such projects prepared outside the Project after the Effective Date

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, or such other period as may be agreed with the Association. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods.** All goods required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis

of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines shall apply to the procurement of goods.

2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Shopping
(b) Direct Contracting

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 table specifies methods of procurement, other than Quality- and Cost-Based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Quality-Based Selection
(b) Least Cost Selection
(c) Selection Based on Consultants' Qualifications
(d) Single Source Selection
(e) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance one hundred percent (100%) (inclusive of Taxes) of Eligible Expenditures, consisting of goods, non-consulting services, consultants’ services (including for audits), Training, Subproject Financings, and Operating Costs in relation to the consultants referred to in Section I.A.6 (a) of this Schedule.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 67,000 may be made for payments made prior to this date but on or after June 1, 2010 for Eligible Expenditures.
2. The Closing Date is December 31, 2015.

Section V. Other Undertakings

A. Counterpart Funding

The Recipient shall provide, promptly as needed, funds out of its own resources as shall be required to cover Operating Costs other than those referred to in Section IV.A of this Schedule.

B. Annual Work Plans and Budgets

The Recipient shall:

- (a) furnish to the Association for approval, as soon as practicable, the annual work plan and budget for the Project for the First Fiscal Year, of such

scope and detail as the Association shall have reasonably requested, and thereafter no later than November 30 of each year, such work plan and budget for the Project for each subsequent Fiscal Year of Project implementation; and

- (b) thereafter ensure that the Project is carried out in accordance with such plan and budget.

C. Semi-Annual Reviews

The Recipient shall review with the Association, every six (6) months throughout Project implementation, or such later date as the Association shall request, the two (2) most recent Project Reports, and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of such Reports and the Association's views on the matter.

D. Midterm Review

The Recipient shall:

- (a) carry out jointly with the Association, no later than thirty (30) months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of this Schedule. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; (iv) progress in procurement and disbursement; (v) progress in the implementation of the Safeguards Management Framework; (vi) Project implementation arrangements; and (vii) the need to make any adjustments to the Project and reallocate funds to improve performance;
- (b) prepare and furnish to the Association, at least three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and

- (c) review, jointly with the Association, the report referred to in paragraph (b) of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of such report and the Association's views on the matter.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 15 and December 15:	
commencing December 15, 2020 to and including June 15, 2030	1.25
commencing December 15, 2030 to and including June 15, 2045	2.50

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, with the modifications set forth in Section III of this Appendix.
2. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
3. “Fiscal Year” means the 12-month period from January 1 to December 31; provided, however, that, in the case of the first Fiscal Year of Project implementation (“First Fiscal Year”), such period shall run from the date of this Agreement to December 31 next following.
4. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
5. “Ministry of Finance” means the Recipient’s ministry of finance, or a successor thereto.
6. “Minister of Planning and Investment” means the Recipient’s minister of planning and investment.
7. “Ministry of Planning and Investment” means the Recipient’s ministry of planning and investment, or a successor thereto.
8. “OOG” means the Recipient’s Office of Government, or a successor thereto.
9. “Operating Costs” means incremental operating costs incurred by the Recipient for purposes of Project management, implementation, and monitoring and evaluation on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental and related operational expenses, building and equipment maintenance, public awareness-related media expenses (including workshops, printing, and communications),

domestic and international travel and subsistence, and salaries of contractual and temporary staff.

10. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October 2006 and May 2010.
11. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 14, 2010 and 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.
12. "Project Coordination Unit" means the Recipient's entity, under the Ministry of Planning and Investment and established and operating pursuant to the Recipient's Decision No. 505/QD-BKH of April 7, 2010, whose responsibilities are set out in Section I.A.5 of Schedule 2 to this Agreement.
13. "Project Financial Management Manual" means the Recipient's manual, part of the Project Operations Manual (as hereinafter defined) and referred to in Section I.C.1 (a) (i) (B) of Schedule 2 to this Agreement, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.
14. "Project Operations Manual" means the Recipient's manual, referred to in Section I.C.1 (a) (i) (A) of Schedule 2 to this Agreement, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.
15. "Safeguards Management Framework" means the Recipient's framework, dated April 7, 2010, agreed with the Association, addressing as appropriate all applicable safeguards policies of the Association and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such framework.
16. "State Bank of Vietnam" means the central bank of the Recipient.

17. “Steering Committee” means the Recipient’s entity referred to in Section I.A.2 of Schedule 2 to this Agreement.
18. “Strategic Governance and Accountability Risk Matrix” means the Recipient’s matrix, part of the Project Operations Manual and referred to in Section I.B.2 (a) (i) of Schedule 2 to this Agreement, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to such matrix.
19. “Subproject” means a specific activity of pre-investment preparation of public investment projects and excluding civil works and land acquisition, carried out under Part 1 (a) of the Project and financed or proposed to be financed through a Subproject Financing (as hereinafter defined).
20. “Subproject Financing” means a financing made or proposed to be made out of the proceeds of the Financing to finance a Subproject.
21. “Subproject Financing Agreement” means an agreement between the Recipient and a Subproject Financing Beneficiary (as hereinafter defined), setting forth the terms and conditions governing a Subproject Financing.
22. “Subproject Financing Beneficiary” means an entity or agency of the Recipient, or a Recipient-owned enterprise, to which or for whose benefit a Subproject Financing is made or proposed to be made for the carrying out of a Subproject.
23. “Training” means the cost of training financed under the Project, based on the annual work plans and budgets referred to in Section V.B of Schedule 2 to this Agreement as approved by the Association, and attributable to seminars, workshops, and study tours, along with the cost of travel and subsistence for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining un-withdrawn amount of the advance.”

2. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (i) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of: (i) a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive, or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

Section III. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5 (a), and a new Section 5 (b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive, or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11 (a) is modified to read as follows:

“... (a) sanction in accordance with the Bank’s prevailing sanctions policies and procedures (fn 13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual, or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual, or entity has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive, or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank-financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross-debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive, or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government-owned enterprises and agencies that are not eligible to bid under paragraph 1.8 (b) of the Procurement Guidelines or participate under paragraph 1.11 (c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board set forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”