

CONFORMED COPY

CREDIT NUMBER 4398 -VN

Financing Agreement

(Northern Upland Health Support Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 10, 2008



CREDIT NUMBER 4398 -VN

FINANCING AGREEMENT

AGREEMENT dated July 10, 2008 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 thirty-eight million three hundred thousand Special Drawing Rights (SDR 38,300,000) (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 Unwithdrawn 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 February 15 and August 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 Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Health and the Northern Upland Provinces 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following: namely that the Health Care Fund for the Poor Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of MOH or the Northern Upland Provinces to carry out the Project or a significant part thereof.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Ministry of Health has adopted and put into effect an Operations Manual satisfactory to the Association in accordance with the provisions of paragraph 4, Section I (A) of Schedule 2 to this Agreement;
 - (b) The Central Project Management Unit has put into effect a financial management system satisfactory to the Association in accordance with the provisions of paragraph 1, Section II(B) of Schedule 2 to this Agreement, including a suitable chart of accounts acceptable to the Association;
 - (c) (i) Accountants and procurement officers have been appointed to the CPMU and the Provincial Project Management Unit of each Northern Upland Province, in accordance with the provisions of paragraphs 1 and 3, Section I(A) of Schedule 2 to this Agreement and have completed training regarding the financial management system, and procurement,

all in a manner satisfactory to the Association; and (ii) draft requests for quotations, acceptable to the Association, for goods and civil works to be procured under Shopping procedures during the first year of Project implementation have been prepared;

- (d) MOH and the Northern Upland Provinces have entered into memoranda of understanding acceptable to the Association in accordance with the provisions of paragraph 5, Section I(A) of Schedule 2 to this Agreement;
- (e) MOH has completed a Project implementation plan satisfactory to the Association in respect of the first year of Project implementation; and
- (f) For purposes of the baseline survey referred to in paragraph 1, Section V of Schedule 2 to this Agreement, MOH has engaged a consulting firm acceptable to the Association in accordance with the provisions of Section III of Schedule 2 to this Agreement.

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

5.03. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Recipient's Address is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

Cable address:

Telex:

Facsimile:

VIETBANK
Hanoi

412248
NHTWVT

(84-4) 825 0612

6.03. 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, Socialist Republic of Vietnam as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By: /s/ Mr. Nguyen Van Giau

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Alain Barbu

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the utilization of district health services especially among the poor and ethnic minorities population of the Northern Upland Provinces through improving the quality of district-level hospitals and reducing financial constraints to access to health services.

The Project consists of the following parts:

PART I: District-level Health Services

Carry out a program to improve the quality of health services at the district hospitals of the Northern Upland Provinces, consisting of:

- A. (i) Strengthening of the capacity of the health workforce through programs of long- and short-term training; and (ii) development and piloting of incentive schemes to increase retention of health workers in the Northern Upland Provinces.
- B. (i) Provision of basic medical equipment; and upgrading and refurbishment of selected facilities; and (ii) improvement of district hospital management.

PART II: Financial Access to Health Services

Carry out a program to address demand-side constraints to access to health services among the poor and ethnic minorities population of the Northern Upland Provinces, consisting of:

- A. (i) Assessment of the pattern and distribution of catastrophic health care expenditures and piloting of a program of support for the direct costs of catastrophic health care; and (ii) piloting of a program of support for non-medical expenditures of health care for eligible beneficiaries.
- B. Strengthening of institutional capacity to manage the Health Care Fund for the Poor.
- C. Promotion of health-seeking behavior through information dissemination and other outreach activities regarding benefits and entitlements under the Health Care Funds for the Poor.

PART III: Monitoring, Evaluation and Project Management Support

Carry out comprehensive monitoring and evaluation of Project activities; and enhance Project management capacity, including through improvements in the procurement review and approval processes, and auditing of Project accounts.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements.**

1. The Recipient, through MOH, shall establish and maintain, throughout the period of Project implementation, a Central Project Management Unit within MOH, under the direction of qualified management, provided with sufficient resources, and staffed with competent personnel in adequate numbers, including a Project director, a deputy director, a chief accountant together with accountant staff and cashiers, procurement officers, and technical advisors for the areas of health financing, human resources and civil works for health facilities, in each case with qualifications, experience and terms of reference acceptable to the Association; said CPMU to be responsible for general planning, management, monitoring and reporting of Project activities, including financial management and arrangements for audits, disbursement, procurement of large packages of equipment under international competitive bidding and of large service contracts; for providing support and guidance to the Provincial Project Management Units, in particular in the preparation of annual work plans, in procurement and in financial management; and for coordination with functional departments within MOH, and with other line ministries and agencies in regard to the Project.
2. To support the CPMU:
 - (a) the Recipient, through MOH, and in a manner consistent with the provisions of Section III of this Schedule 2, shall engage the services of procurement advisors with experience, qualifications and terms of reference acceptable to the Association; said advisors to be responsible for assisting the CPMU and PPMU in developing the annual procurement plans, preparing the bidding documents and the bidding evaluation reports; delivering procurement training; and advising the Project director on policy and implementation issues in procurement.
 - (b) of the procurement advisors referred to in sub-paragraph (a) of this paragraph 2, Section I(A), the Recipient, through MOH, shall have engaged at least one (1) such advisor with international experience on technical specifications of medical equipment, acceptable to the Association, prior to initiating the bidding for medical equipment under international competitive bidding procedures.
3. The Recipient shall cause the People's Committee of each Northern Upland Province to establish and maintain, throughout the period of Project

implementation, a Provincial Project Management Unit within the provincial Department of Health, under the direction of qualified management, provided with sufficient resources, and staffed with competent personnel in adequate numbers, including a Project director, a deputy director or coordinator, procurement officers, accountants and cashiers, construction supervisors, and technical advisors, in each case with qualifications, experience and terms of reference acceptable to the Association; said PPMU to be responsible for managing the implementation of said Province's Respective Part of the Project, including preparing the provincial annual procurement plan, managing the civil works, overseeing in particular the disbursement and/or reimbursement to district hospitals for direct catastrophic costs and for payments of non-medical expenditures of eligible beneficiaries, and monitoring and reporting on said Province's Respective Part of the Project.

4. To guide the implementation of the Project, the Recipient, through MOH, shall:
 - (a) prepare and adopt an Operations Manual acceptable to the Association, setting forth guidelines and procedures for the implementation of the Project, including therein: (i) a Financial Management Manual consistent with the requirements of Section II(B) of this Schedule 2, which establishes the policies, procedures and requirements under the Project in regard to financial management, flow of funds, definition of roles and responsibilities, internal control and reconciliation, record keeping, reporting and auditing; (ii) guidelines and procedures for procurement consistent with the provisions of Section III of this Schedule 2, as well as the allocation of roles and responsibilities for procurement review and approval between MOH and the CPMU on the one hand and, on the other hand, the People's Committees and the PPMUs of the Northern Upland Provinces; (iii) in respect of the implementation of Part I(A) of the Project, guidelines for the preparation of training strategies for the district hospitals, criteria for the selection of staff to be eligible for the different training programs, and guidelines for coordinating their training plans with their equipment purchase plans; (iv) in respect of the implementation of Part II of the Project, guidelines and procedures for the flow of funds, financial management and disbursement of funds to cover the direct costs of catastrophic health care and the non-medical expenditures of health care for eligible beneficiaries; and (v) the Health Care Waste Management Plan together with guidelines for the preparation of specific health care waste management plans for district hospitals, acceptable to the Association, and guidelines for the environmental screening to be conducted in respect of all civil works for the repair or refurbishment of district hospital facilities under the Project, acceptable to the Association;
 - (b) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of said Operations Manual or any part thereof, without the prior concurrence of the Association.

5. To ensure the efficiency, effectiveness and timeliness of procurement activities, the Recipient, through MOH, shall:
 - (a) enter into a memorandum of understanding with the Peoples' Committee of each Northern Upland Province, acceptable to the Association, establishing the roles, responsibilities and procedures for review and approval of procurement decisions, among the MOH and the CPMU on the one hand and, on the other hand, the respective provincial People's Committee and PPMU;
 - (b) not amend, waive or abrogate, nor allow to be amended, waived or abrogated, the provisions of said memorandum of understanding without the prior concurrence of the Association; and
 - (c) by no later than January 31 of each year, commencing in 2009, shall have approved the consolidated Project annual procurement plan for such year, satisfactory to the Association; and, thereafter, implement, and cause to be implemented, said annual procurement plan in a manner satisfactory to the Association.
6. The Recipient, through MOH and the People's Committees of the Northern Upland Provinces, shall provide, and cause to be provided, to the Project directors and procurement staff of the PPMUs of said Provinces training satisfactory to the Association in regard to the use of standard bidding documents for civil works to be procured under national competitive bidding procedures, consistent with the provisions of Section III of this Schedule 2; such training to be completed prior to the commencement of procurement of civil works in each Northern Upland Province.
7. The Recipient, through MOH, shall:
 - (a) by no later than October 31 of each year, commencing in 2008, prepare and provide to the Association for its review and comment a consolidated annual implementation plan for the next succeeding calendar year, together with the financing plan therefor, including sources of funds; said plan integrating the annual work plan to be prepared for each Northern Upland Province; and thereafter
 - (b) implement, and cause to be implemented, in a manner satisfactory to the Association such consolidated annual implementation plan as shall have been agreed with the Association.
8. For the purpose of implementing Part I (A)(i) of the Project, the Recipient, through each Northern Upland Province and its PPMU, shall require that each district hospital under the Project: (a) prepare plans for both long- and short-term training; (b) submit such plans to the respective Department of Health and to the

Association for their review and comments; and (c) implement only such plans as shall have been approved by the respective Department of Health and by the Association.

9. (a) For the purpose of implementing Part II(A)(ii) of the Project, the Recipient shall cause each Northern Upland Province, through its PPMU, to enter into a memorandum of understanding satisfactory to the Association with each district hospital, prior to advancing any funds to said hospital; through such memorandum of understanding said hospital shall undertake to: (i) designate a focal point to oversee the implementation of its respective activities under Part II (A)(ii); (ii) open and maintain a dedicated bank account to manage funds advanced by the PPMU; and (iii) comply with the provisions of the Operations Manual in regard to the management and use of such funds.
- (b) The Recipient shall not, and shall not permit to, amend, waive, or abrogate any provision of any such memorandum of understanding without the prior concurrence of the Association.
10. The Recipient, through MOH and the Northern Upland Provinces, shall cause each district hospital in the Northern Upland Provinces to:
 - (a) prepare and implement a facility-specific health care waste management plan acceptable to the Association; and
 - (b) provide to the Association for its prior approval any revision proposed to be introduced into said plans in order to achieve their objectives, and thereafter introduce, and allow to be introduced, only such revisions into said plans as shall have been agreed with the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports and Reviews.

1. 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 indicators agreed with the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. Unless otherwise agreed by the Association, by no later than December 31, 2011, the Recipient shall hold a mid-term review with the Association to evaluate the progress in Project implementation and in achievement of the Project objectives.

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. 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 and Works.** All goods and works 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 and Works.

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

<u>Procurement Method</u>
(a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2
(b) Shopping
(c) Procurement from the Inter-agency Procurement Services of the United Nations (IAPSO)

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.

<u>Procurement Method</u>
(a) Least-Cost Selection
(b) Selection based on Consultants’ Qualifications
(c) Single-Source Selection
(d) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions.

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of \$150,000 or more; (b) each contract for works estimated to cost the equivalent of \$300,000 or more; and (c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of \$100,000 or more and all contracts procured on a single-source basis.

In addition, the following prior review procedures shall apply to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more: (i) the report on the comparison of the qualifications and experience of candidates, terms of reference and conditions of employment of the consultant shall be furnished to the Association for its prior review and approval; (ii) the contract shall be awarded only after the Association’s approval thereof shall have been given; and (iii) the provisions of paragraph 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply to the

contract. The following prior review procedures shall apply to each contract for the employment of individual consultants to be selected on a sole-source basis: (x) the qualifications, experience, terms of reference and conditions of employment of the consultant shall be furnished to the Association for its prior review and approval; (y) the contract shall be awarded only after the Association's approval thereof shall have been given; and (z) the provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General.

1. 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 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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	<u>Amount of the Credit Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u>
(1) Eligible Expenditures under Part I of the Project	27,400,000	100%
(2) Eligible Expenditures under Part II of the Project	6,400,000	100%
(3) Eligible Expenditures under Part III of the Project	4,500,000	100%
TOTAL AMOUNT	<u>38,300,000</u>	

3. For purposes of this Section III of Schedule 2:

(a) The term “Eligible Expenditures under Part I of the Project” means expenditures for the reasonable costs of: (i) training, including tuition and examination fees, living allowances or per diem and transportation for those attending training and for instructors, costs of training material, and costs for developing curricula; (ii) consultants’ services; (iii) goods; and (iv) civil works.

(b) The term “Eligible Expenditures under Part II of the Project” means expenditures for the reasonable costs of: (i) payments or reimbursements to hospitals of direct costs of catastrophic health care and/or non-medical expenditures of health care for eligible beneficiaries; (ii) fees paid to district hospitals for the management of funds for non-medical expenditures under clause (i) of this sub-paragraph (b); (iii) training, including per diem and transportation for those attending training, costs of training material and training equipment rental; (iv) consultants’ services; (v) goods; and (vi) behavior change communication and outreach activities, including costs of translation, printing and media campaigns; and

(c) The term “Eligible Expenditures under Part III of the Project” means expenditures for the reasonable costs of: (i) consultants’ services; (ii) training, including per diem and transportation for those attending training, costs of

training material and training equipment rental; (iii) baseline data collection; (iv) goods; and (v) incremental operating costs, including office equipment operation and office consumables, costs of communication, and travel costs and per diem for Project staff.

(d) In all cases, the term “Eligible Expenditures” excludes salaries and salary supplements of civil servants.

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A of this Section IV, 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 320,000 equivalent may be made for payments made prior to this date but on or after November 16, 2007, for Eligible Expenditures under Category (3).
2. The Closing Date is August 31, 2014.

Section V. Other Undertaking

1. The Recipient, through MOH, shall, by no later than December 31, 2008 unless otherwise agreed by the Association: (a) complete a baseline survey under terms of reference acceptable to the Association; and (b) provide the results of such survey to the Association for its review and comments.

National Competitive Bidding Procedures

The procedure to be followed for National Competitive Bidding shall be those set forth in Article 18 on *Open Bidding of the Law on Procurement 61/2005/QH11* dated November 29, 2005 and *Decree 111/2006/ND-CP, Guiding Implementation of Law on Procurement and Selection of Contractor Bidder in Accordance with Law on Construction* dated September 29, 2006 (collectively, “National Procurement Laws”) with due consideration to economy, efficiency and transparency as set forth in, and broad consistency with, Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Association in May 2004 and revised in October 2006 (the “Guidelines”) and required by paragraphs 3.3 and 3.4 of the Guidelines. Whenever any procedure in the National Procurement Laws is inconsistent with the requirements of said paragraphs 3.3 and 3.4 of the Guidelines, the latter shall prevail, including the following:

Eligibility

(i) The eligibility of bidders shall be as defined under Section I of the Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign bidders shall be granted to national bidders in bid evaluation, nor shall foreign bidders be asked or required to form joint ventures with national bidders in order to submit a bid. Bidders located in the same province or city as the procuring entity shall not be given preference over bidders located outside that city or province.

(ii) In addition to the foregoing requirements, equitized Government-owned enterprises in which the Recipient or procuring entity holds less than fifty percent of the shares are eligible to participate provided that the governing Board and management team are autonomous from the procuring entity. Military or security units or enterprises established under, reporting directly or indirectly to, or owned wholly or partly by, the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

Registration

(iii) Registration shall not be used to assess bidders’ qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of registering, without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

Advertising; Time for Bid Preparation

(iv) Invitations to bid shall be advertised in at least one widely circulated national newspaper, allowing a minimum of thirty (30) days, from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later, for the preparation and submission of bids, and potential bidders shall be allowed to purchase bidding documents up to any time prior to the deadline for the submission of bids. In addition, the Recipient is encouraged to advertise in the Government Public Procurement Bulletin and on a free and open access website.

Standard Bidding Documents

(v) Standard Bidding Documents, acceptable to the Association, shall be used.

Qualification Criteria

(vi) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a pass or fail basis and merits points shall not be used. Such assessment shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity.

Bid Submission, Bid Opening and Bid Evaluation

(vii) Bidders may submit bids, at their option, either in person or by courier service or by mail. Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened.

(a) Bidding documents shall be sold to anyone who is willing to pay the required fee of the bidding documents which shall not exceed the costs of printing, reproduction and delivery, and no other conditions shall be imposed on the sale of the bidding documents.

(b) Evaluation of bids shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation.

(c) A contract shall be awarded to the technically responsive bid that offers the lowest evaluated price and no negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

(d) A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

(e) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Association's prior concurrence.

(f) A copy of the minutes of the public bid opening shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to prior review.

Rejection of All Bids and Re-bidding

(viii) All bids shall not be rejected or new bids solicited without the Association's prior written concurrence.

Complaints by Bidders and Handling of Complaints

(ix) The Recipient shall implement an effective and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.

Fraud and Corruption

(x) The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.

Right to Inspect/Audit

(xi) Each bidding document and contract financed from the proceeds of a Credit shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association. The deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

License

(xii) Foreign contractors shall be given a reasonable opportunity to apply for and obtain license, which shall not be arbitrarily withheld.

Publication of the Award of Contract

(xiii) The Recipient shall publish the following information on contract award in the Government Public Procurement Bulletin or on a free and open access website or on another means of publication acceptable to the Association: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated price of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, price it offered as well as the duration and summary scope of the contract awarded. This publication shall be updated regularly.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each February 15 and August 15:	
commencing August 15, 2018 to and including February 15, 2028	1%
Commencing August 15, 2028 to and including February 15, 2048	2%

* 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**Definitions**

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
2. “Central Project Management Unit” and the acronym “CPMU” mean the Central Project Management Unit referred to in paragraph 1, Section I (A) of Schedule 2 to this Agreement.
3. “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.
4. “Decision 139” means Prime Minister’s Decision 139/2002/QĐ-TTg dated October 15, 2002, as amended to this date, establishing the Health Care Funds for the Poor and extending health insurance coverage thereunder to the poor and ethnic minority population.
5. “Department of Health” and the acronym “DOH” mean the Department of Health of a Northern Upland Province, and any successor thereto.
6. “Department of Labor, Invalids and Social Affairs” and the acronym “DOLISA” mean the Department of Labor, Invalids and Social Affairs of a Northern Upland Province, and any successor thereto.
7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
8. “Health Care Fund For the Poor” and the acronym “HCFP” mean the fund established pursuant to Decision 139 in each province in Vietnam, for the purposes of ensuring health care services for the poor; and “Health Care Funds for the Poor” means, collectively, all of said funds.
9. “Health Care Fund for the Poor Legislation” means the Prime Minister’s Decision 139/2002/QĐ-TTg dated October 15, 2002 and the Inter-ministerial Circular 14/2002/TTLT-BYT-BTC dated December 16, 2002 from MOH and the Recipient’s Ministry of Finance, which establish the legal framework for the establishment, management and operation of the provincial Health Care Funds for the Poor.
10. “Health Care Waste Management Plan” means the Plan adopted by MOH pursuant to Decision 5408/QĐ-BYT of December 28, 2007.

11. “Ministry of Health” and the acronym “MOH” mean the Recipient’s Ministry of Health, and any successor thereto.
12. “Northern Upland Provinces” means (i) the Provinces of Bac Kan, Cao Bang, Dien Bien, Ha Giang, Lai Chau, Lao Cai and Son La, as such list may be amended by mutual agreement between the Recipient and the Association; and (ii) as the case may be, the government of said Provinces acting through the respective Provincial People’s Committees.
13. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
14. “Procurement Plan” means the Recipient’s procurement plan, dated January 7, 2008, in respect of the first eighteen (18) months of Project implementation, 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.
15. “Provincial Project Management Unit” and the acronym “PPMU” mean the Provincial Project Management Unit of a Northern Upland Province, referred to in paragraph 3, Section I(A) of Schedule 1 to this Agreement.
16. “Respective Part of the Project” in regard to each Northern Upland Province means Project activities to be carried out by or on behalf of such Province.