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**CREDIT NUMBER 4770-VN**

# **Financing Agreement**

**(Additional Financing for Natural Disaster Risk Management Project)**

**between**

**SOCIALIST REPUBLIC OF VIETNAM**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated August 9, 2010**



## **FINANCING AGREEMENT**

AGREEMENT dated August 9, 2010, entered into between SOCIALIST REPUBLIC OF VIETNAM (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to Part C of the Original Project (as defined in the Appendix to this Agreement). 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 forty nine million four hundred thousand Special Drawing Rights (SDR 49,400,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 May 15 and November 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 MOF 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; TERMINATION**

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

4.02. 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 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 Ly Thai To  
Hanoi, Vietnam

Cable address:

Telex:

Facsimile:

VIETBANK  
Hanoi

412248  
NHTWVT

(84-4) 825 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, Socialist Republic of 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/ Alain Barbu

Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to assist the Recipient to establish a comprehensive natural disaster risk management framework to enable it to: (i) reduce the vulnerability of the Project Provinces to flood, storms, and other natural hazards; (ii) increase the efficiency of post-disaster recovery and reconstruction efforts; and (iii) strengthen the capacity of national and local disaster risk management institutions.

The Project consists of Part C of the Original Project as revised hereinafter:

1. Carry out post-disaster reconstruction of public infrastructure, including schools, health facilities, roads, bridges, water and sewerage infrastructure, canals, dykes and pumping stations.
2. Improve the speed and efficiency of post-disaster reconstruction activities, through improvement of the management and effective use of resources for disaster relief and reconstruction.

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

1. The Recipient shall maintain its Central Committee for Flood and Storm Control, throughout the period of Project implementation, with such powers, functions and terms of reference so as to enable it to: (a) provide strategic, policy and technical guidance in the implementation of the Project; (b) ensure the consistency of the Project with the National Strategy for Natural Disaster Prevention, Response and Mitigation to 2020; and (c) coordinate with other government agencies in planning preventive and mitigation measures, mobilizing resources to prepare investment proposals for purposes of risk mitigation, and disseminating information and experience in regard to natural disaster risk management.
2. The Recipient shall maintain, throughout the period of Project implementation, a Project Coordinating Unit within MOF, to be responsible for managing the overall implementation of the Project, including financial management, monitoring and reporting; said PCU to be provided with adequate resources, under the direction of experienced managers and staffed with competent personnel in sufficient numbers, including at least a project engineer, a safeguard specialist, a procurement officer, a finance and disbursement specialist, and support staff as necessary, all with qualifications and experience and under terms of reference satisfactory to the Association.
3.
  - (a) The Recipient shall cause each Project Province to establish and, thereafter throughout the period of implementation of the Project, maintain a Provincial Project Management Unit to be responsible for managing the implementation of the Project at the level of the respective Project Province; said PPMU to be under the direction of the Provincial People's Committee or the District People's Committee, provided with adequate resources and staffed with competent personnel in sufficient numbers, including a director, an accountant, a procurement officer and a technical specialist, in all cases with qualifications and experience and under terms of reference satisfactory to the Association.
  - (b) The Recipient shall cause each Project Province to draw upon the Provincial Committee for Flood and Storm Control to constitute a Provincial Project Steering Committee; said Committee supported by the PPMU shall be responsible for providing policy and technical guidance in the implementation of the Project Province's respective activities

under the Project, ensuring the availability of provincial counterpart funding, ensuring the coordination of all responsible line agencies at the provincial level in the implementation of the Project Province's activities under the Project, and overseeing resettlement and compensation activities.

4. (a) The Recipient shall maintain, at all times during the duration of Project implementation, the MOF Operations Manual in form and substance acceptable to the Association, setting forth procedures and guidelines for the implementation of the Project, in particular: (i) financial management, control and reporting requirements, including the preparation of financial monitoring reports adequate to support reports-based disbursement; (ii) criteria for determining whether any specific natural occurrence qualify as a natural disaster and is eligible for post-disaster reconstruction financing under the Project; mechanisms for flow of funds to Project Provinces for Eligible Post-Disaster Reconstruction; (iii) procurement procedures for goods, works and services for such reconstruction, consistent with the provisions of Section III of Schedule 2 to this Agreement; environmental screening procedures for all civil works proposed for such reconstruction; and (iv) simplified procedure for land and assets compensation and Ethnic Minorities development planning for activities with Minor Impact.
- (b) The Recipient shall apply in the implementation of the Project the MOF Operations Manual, and shall not amend, revise or waive, nor permit to be amended, revised or waived, the provisions of the MOF Operations Manual without the prior written concurrence of the Association.
5. The Recipient shall: (a) retain an independent monitoring entity, acceptable to the Association, to carry out, semi annually, under terms of reference acceptable to the Association, a technical evaluation of all Eligible Post-Disaster Reconstruction undertaken under the Project during the preceding six (6) month period to assist MOF and Project Provinces in the implementation of the Project; and (b) promptly provide to the Association all reports of the technical evaluation carried out by said independent monitoring entity.

**B. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.



**C. Safeguards**

1. The Recipient shall:
  - (a) implement, and cause to be implemented, the Environmental Management Framework in a manner satisfactory to the Association and designed to ensure that the Project is implemented in accordance with sound environmental practices and standards;
  - (b) as may be necessary in accordance with the requirements set forth in said Framework and in a manner satisfactory to the Association, carry out, and cause to be carried out, environmental assessments and prepare and implement, and cause to be prepared and implemented, environmental management plans acceptable to the Association;
  - (c) cause Project Provinces to: (i) carry out an environmental screening and, if necessary on the basis of such screening, carry out a full environmental impact assessment, in accordance with the guidelines of the Environmental Management Framework; and thereafter: (ii) incorporate and carry out adequate mitigation measures into the Project;
  - (d) provide to the Association for its prior written approval any revision proposed to be introduced into said Framework or into any environmental management plan prepared pursuant to said Framework in order to achieve its objectives, and thereafter only introduce such revision into said Framework or said plan as shall have been agreed with the Association in writing; and
  - (e) maintain, policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of said Framework and environmental management plans, and the achievement of their respective objectives.
2. The Recipient shall:
  - (a) implement the Resettlement Policy Framework, in a manner satisfactory to the Association;
  - (b) wherever implementation of the Project or any part thereof, would give rise to Displaced Persons, prior to commencing such implementation, provide to the Association for its review a resettlement action plan prepared in accordance with the principles and procedures set forth in said Framework and, thereafter, implement and cause to be implemented, in a manner satisfactory to the Association, such resettlement action plan as shall have been approved by the Association;

- (c) provide to the Association for its prior written approval any revision proposed to be introduced into said Framework or into any resettlement plan prepared pursuant to said Framework in order to achieve its objectives, and thereafter only introduce such revision into said Framework or said plan as shall have been agreed with the Association in writing; and
  - (d) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of said Framework and any resettlement plan prepared pursuant thereto, and the achievement of their respective objectives.
3. The Recipient shall:
- (a) implement the Ethnic Minorities Policy Framework in a manner satisfactory to the Association, designed to provide meaningful consultation with, and the informed participation of, Ethnic Minorities groups within the Project area, and to ensure that benefits under the Project are socially and culturally acceptable to such groups;
  - (b) whenever implementation of the Project or any part thereof would take place in an area where an Ethnic Minorities group resides, cultivates or use as grazing lands, prepare and provide to the Association for its approval an Ethnic Minorities development plan prepared in accordance with the principles and procedures set forth in said Framework and with the full and informed participation of such Ethnic Minorities group, designed to ensure that Project activities adequately address the needs, cultural practices and preferences of such community; and, thereafter implement in a manner satisfactory to the Association such Ethnic Minorities development plan as shall have been approved by the Association;
  - (c) provide to the Association for its prior written approval any proposed revision of said Framework or any of said Ethnic Minorities development plans, and thereafter only introduce such revision into said Framework or said plans as shall have been agreed with the Association in writing; and
  - (d) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of said Framework and said Ethnic Minorities development plans, and the achievement of their objectives.
4. Whenever Project activities involve voluntary land donation, Minor Impact on households or their productive assets, or minor impact on ethnic minorities, the Recipient may follow the simplified procedures set forth in the MOF Operational

Manual for: (a) land and assets compensation; and (b) ethnic minorities development planning, and such simplified procedures shall comply with the principles of the Resettlement Policy Framework and Ethnic Minorities Policy Framework respectively.

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

### **A. Project Reports**

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 one (1) month after the end of the period covered by such report.

### **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 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 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:

<b>Procurement Method</b>
(a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2
(b) Shopping
(c) Direct Contracting
(d) Force Account

**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:

<b>Procurement Method</b>
(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 or works procured on the basis of International Competitive Bidding; (b) each contract for works estimated to cost the equivalent of \$300,000 or more procured on the basis of National Competitive Bidding; (c) each contract for goods estimated to cost the equivalent of \$200,000 or more procured on the basis of Direct Contracting; and (d) each contract for works estimated to cost the equivalent of \$500,000 or more procured on the basis of Direct Contracting and Force Account; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; and (f) each contract for consultants services procured on the basis of Single Source Selection. 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:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, and consultants' service for Eligible Post Disaster Reconstruction	48,400,000	100%
(2) Other Consultants Services (including audit), Workshops and Training	600,000	100%
(3) Incremental Operating Costs	400,000	100%
<b>TOTAL AMOUNT</b>	<b>49,400,000</b>	

3. For purposes of the table in paragraph 2 above:

- (a) the term "Incremental Operating Costs" means the reasonable costs of incremental expenditures incurred by the PCU and the PPMUs in carrying out the Project (which expenditures would not have been incurred absent the Project), including salary of contractual PCU staff, communication costs, publication of procurement notices, office consumables, translation and interpretation, travel and per diem expenses, and operation and maintenance of office equipment and vehicles, but excluding salaries and salary supplements of civil servants; and
- (b) the term "Workshop and Training" means the reasonable costs of expenditure incurred by the Recipient in facilitating and conducting workshop and training activities under the Project including costs of workshop and training material, equipment and venue rental, and per diem and transportation for those attending the workshop and training.

**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 the equivalent of six

hundred sixty thousand Special Drawing Rights (SDR 660,000) may be made for payments made prior to this date but on or after April 5, 2010 for Eligible Expenditures

2. The Closing Date is December 31, 2013.

**Section V. Other Undertakings**

The Recipient, by no later than December 1, 2010 shall ensure that the PCU has retained the services of a project engineer, a safeguard specialist, a procurement officer, and a finance officer, in all cases with qualifications and experience and under terms of reference satisfactory to the Association.

## ANNEX to SCHEDULE 2

### 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, Law 38/2009/QH12 dated June 19, 2009 on Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment, and *Decree 85/2009/ND-CP, Guiding Implementation of Law on Procurement and Selection of Construction Contractors under the Construction Law* dated October 15, 2009 (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

1. 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.

2. In addition to the foregoing requirements, equitized Government-owned enterprises in which the Recipient holds less than fifty percent of the shares are eligible to participate, *provided that* the procuring entity or investment owner does not own shares (or represent the Government's shares) in the enterprise and the governing Board and management team are autonomous from the procuring entity and the investment owner. 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

3. 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

4. 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 Newspaper and on a free and open access website.

Standard Bidding Documents

5. Standard Bidding Documents, acceptable to the Association, shall be used.

Qualification Criteria

6. 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

7. 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

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

#### Complaints by Bidders and Handling of Complaints

9. 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

10. 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

11. 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

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

Publication of the Award of Contract

13. The Recipient shall publish the following information on contract award in the Government Public Procurement Newspaper 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**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each May 15 and November 15: commencing November 15, 2020 to and including May 15, 2030	1.25%
commencing November 15, 2030 to and including May 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.
2. “Central Committee for Flood and Storm Control” means the committee referred to in paragraph 1 of Section I.A of Schedule 2 to this Agreement, established pursuant to the Borrower’s Decision 168-HDBT dated May 19, 1990, and responsible for supervising line ministries in the implementation of their respective annual plans for flood and storm prevention, control and recovery; for coordinating and supervising the implementation of floods and storms forecasts and early-warning systems; for mobilizing resources for the timely responses to emergencies due to floods and storms; and for disseminating information and raising public awareness on knowledge and experiences in disaster management and on related regulations
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. “Displaced Persons” means persons who, on account of the execution of the Project, have 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 persons 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 persons; and a “Displaced Person” means any of such Displaced Persons.
5. “District People’s Committee” means the local government at the district level or any successor thereto.
6. “Eligible Post Disaster Reconstruction” means reconstruction, including civil works and the provision of equipment, and consultants’ services, taking place after the occurrence of natural events which qualify as a natural disaster in accordance with the criteria set forth in the MOF Operational Manual.
7. “Environmental Management Framework” means the framework adopted by the Recipient through its Ministry of Finance’s Decision No. 1048/BTC-QLN dated May 10, 2010 and referred to in paragraph 1 of Section I.C of Schedule 2 to this Agreement, which sets out the environmental protection measures in respect of

the Project, as well as administrative and monitoring arrangements to ensure the implementation of said framework, and setting forth principles for the preparation of environmental management plans as may be required during implementation of the Project, as said Environmental Management Framework may be revised from time to time with the prior written concurrence of the Association.

8. “Ethnic Minorities” means, in a generic sense, distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (a) self-identification as members of a distinct ethnic cultural group and recognition of this identity by others; (b) collective attachment to geographically distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (c) customary cultural, economic, or social institutions that are separate from those of the larger society and culture; and (d) an ethnic language.
9. “Ethnic Minorities Policy Framework” means the framework dated April 18, 2005, satisfactory to the Association, approved by the Recipient through Prime Minister’s Decision 1017/TTg-QHQT of July 21, 2005, and adopted by the Recipient through its Ministry of Finance’s Decision No. 1048/BTC-QLN dated May 10, 2010 and referred to in paragraph 3 of Section I.C of Schedule 2 to this Agreement, which sets out the policies and procedures to ensure meaningful consultation with, and the informed participation of, ethnic minorities within the Project area who are affected by the Project, and principles for the preparation of ethnic minorities development plans as may be required during implementation of the Project, as said Framework may be revised from time to time with the prior written concurrence of the Association.
10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
11. “Minor Impact” means impact of Project activities that do not lead to physical displacement of people, less of 10% or more of their productive assets, or affect more than 200 people, as the term further explained in the MOF Operational Manual.
12. “MOF” means the Recipient’s Ministry of Finance or any successor thereto.
13. “MOF Operations Manual” means the manual, dated prepared and adopted by the Recipient through its Ministry of Finance’s Decision No. 1048/BTC-QLN dated May 10, 2010 and referred to in paragraph 4 of Section I of Schedule 2 to this Agreement, as such Manual may be revised from time to time with the prior written concurrence of the Association.

14. “National Strategy for Natural Disaster Prevention, Response and Mitigation to 2020” means the Recipient’s strategy approved by the Prime Minister Decisions 172/2007/QD-TTg dated November 16, 2007 which intends to mobilize all resources to effectively implement disaster prevention, response and mitigation from 2007 to 2020 in order to minimize the losses of human life and properties, the damage of natural resources and cultural heritages, and the degradation of environment.
15. “Original Financing Agreement” means the development credit agreement for a Natural Disaster Risk Management Project between the Recipient and the Association, dated March 2, 2006 as amended to the date of this Agreement (Credit No. 4114).
16. “Original Project” means the Project described in the Original Financing Agreement.
17. “Project Coordinating Unit” or “PCU” means the Project Coordination Unit established in MOF for purposes of the Project in accordance with the provisions of paragraph 2 of Section I.A of Schedule 2 to this Agreement.
18. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
19. “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.
20. “Project Provinces” means any of the Recipient’s Provinces where post-disaster reconstruction activities under the Project are carried out.
21. “Provincial Committee for Flood and Storm Control” means the committee established or to be established under the direction of the Provincial People’s Committee, and responsible for coordinating emergency responses in the event of a natural disaster within the province.
22. “Provincial People’s Committee” means the local government at the province level or any successor thereto.
23. “Provincial Project Management Unit” or “PPMU” means the unit established, or to be established, in each Project Province in accordance with the provisions of paragraph 3(a) of Section I.A of Schedule 2 to this Agreement.

24. “Provincial Project Steering Committee” means the committee to be established and maintained in accordance with the provisions of paragraph 3(b) of Section I.A of Schedule 2 to this Agreement.
25. “Resettlement Policy Framework” mean the Policy Framework dated April 18, 2005, satisfactory to the Association, approved by the Recipient through the Prime Minister’s Decision 1017/TTg-QHQT of July 21, 2005, and adopted by the Recipient through its Ministry of Finance’s Decision No. 1048/BTC-QLN dated May 10, 2010 and referred to in paragraph 2 of Section I.C of Schedule 2 to this Agreement, which 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 plans, as may be required, during the implementation of the Project, as said Policy Framework may be revised from time to time with the prior written concurrence of the Association.