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OFFICIAL DOCUMENTS

CREDIT NUMBER 5887-VN

Financing Agreement

(Vietnam Improved Land Governance and Database Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *December 23*, 2016

FINANCING AGREEMENT

AGREEMENT dated December 23, 2016, 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 financing in an amount of one hundred seven million Special Drawing Rights (SDR 107,000,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

- 2.06. The Payment Dates are June 15 and December 15 in each year.
- 2.07. The principal amount of the Financing shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is 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 its Ministry of Natural Resources and Environment (MONRE) and the Project 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, the Project Operations Manual (POM) has been duly adopted by MONRE, in form and substance acceptable to the Association.
- 4.02. The Additional Legal Matter consists of the following, namely, the POM has been duly adopted by MONRE, and the implementation provisions of said POM are legally binding in accordance with this Agreement.
- 4.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.04. 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 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	412248	(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, Socialist Republic of Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By



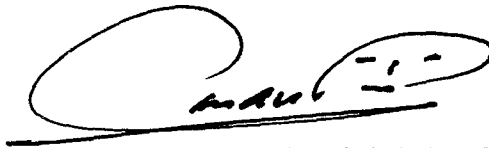
Authorized Representative

Name: Le Minh Hung

Title: Governor

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Ousmane DIONE

Title: COUNTRY DIRECTOR

SCHEDULE 1

Project Description

The objective of the Project is to improve the efficiency and transparency of land administration services in the Project Provinces, through the development and implementation of the national Multipurpose Land Information System (MPLIS).

The Project consists of the following parts:

Part 1. Strengthening the Quality of Land Service Delivery

Carrying out a program to support quality enhancement of land service delivery at the national and sub-national levels, including provision of support for the following:

- A. Modernizing and strengthening LROs through enhancing the quality of land service delivery at the national and sub-national levels, including: the development of simplified and nationally-consistent procedures, guidelines and standards for land services to ensure the availability of land-related information to all stakeholders; and establishment of unified LRO service facilities.
- B. Carrying out a program of public awareness raising and civic engagement among stakeholders on the MPLIS, including implementation of ethnic minority development plans.
- C. Strengthening the monitoring and evaluation of land use management, including: the development and establishment of a sustainable monitoring and evaluation system; and the piloting and replication of a monitoring and evaluation system in Project Provinces.

Part 2. Establishment and Development of the MPLIS and Land Database

Carrying out a program to establish and develop the MPLIS and land database, integrate existing land information, and enable public and inter-agency engagement in land information sharing, including provision of support for the following:

- A. Development and implementation of the MPLIS, including: the provision of support for national-level virtual data centers; upgrading and maintenance of MPLIS software; carrying out of training and capacity building activities for central and sub-national level staff on MPLIS operations management and a

national land database; and development and pilot of electronic transactions at select LROs.

- B. Development and implementation of a national land database for selected priority areas and support to improve the completeness and accuracy of land information captured in the system.
- C. Enabling public and inter-agency engagement in land information services, including the establishment of a MPLIS land portal with different interface for the government, private sector and general public to facilitate access to and sharing of land information.

Part 3. Project Management

- A. Provision of Project implementation support activities for MONRE, through the General Department of Land Administration (GDLA) and the Project Provinces, including the provision of training in financial management and procurement.
- B. Reporting and monitoring and evaluation support, including: the establishment and implementation of a monitoring and evaluation system of Project activities at the national and sub-national levels; and carrying out of independent impact assessments and client satisfaction surveys.

**SCHEDULE 2
Project Execution**

Section I. Implementation Arrangements

A. Institutional Arrangements

Project Management

1. Throughout the period of implementation of the Project, the Recipient shall, at the central level:
 - (a) maintain the National Project Steering Committee with composition, terms of reference, and other resources acceptable to the Association to be responsible for providing overall Project management oversight and strategic guidance to the Project implementation; and
 - (b) cause its MONRE to:
 - (i) be responsible for overall oversight of Project management and implementation; and
 - (ii) establish and therefore, maintain the Central Project Management Unit (CPMU) within the GDLA, under the direction of qualified management, provided with sufficient resources, and staffed with competent personnel in adequate numbers, including a Project director to be responsible for the day-to-day Project implementation and supervision, including: (A) overall supervising and coordinating Project activities; (B) providing technical support to the Project Provinces; (C) consolidating all annual work plans, budget, financial and procurement plans; (D) procurement and financial management; (E) Project monitoring and evaluation; and (F) providing overall administrative support for Project implementation.
2. Throughout the period of implementation of the Project, the Recipient shall, at the provincial level, cause each Project Province to:
 - (a) maintain a Provincial Project Steering Committee with composition, terms of reference, and other resources acceptable to the Association for guiding the implementation of the Project within its own jurisdiction, including providing Project implementation oversight in each Project Province; and

- (b) maintain a Provincial Project Management Unit (PPMU), each under the direction of qualified management, provided with sufficient resources, and staffed with competent personnel in adequate numbers, acceptable to the Association, to be responsible for day-to-day implementation and supervision of Project activities.

On-lending Arrangements

- 3. (a) To facilitate the carrying out of the Project, the Recipient, through its Ministry of Finance, shall make available to the Project Provinces, a portion of the proceeds of the Financing in accordance with the Recipient's Onlending Arrangements.
- (c) Notwithstanding paragraph 3(a), above, in the event that any provision of this Agreement, were to be found inconsistent with the Recipient's Onlending Arrangements, the provisions of this Agreement shall prevail.
- (c) The Recipient shall, at all times, protect its own interests and the interests of the Association to accomplish the purposes of the Financing.

Project Operations Manual

- 4. For the implementation of the Project, the Recipient, through MONRE, shall:
 - (a) adopt and thereafter shall, and shall cause the Project Provinces to, apply the POM, which manual shall set forth, *inter alia*, the descriptions of: (i) the Project implementation arrangements, including the first 18-month work plan; (ii) criteria and processes for the selection and participation of Project Provinces; (iii) financial management guidelines consistent with the provisions of Section II.B of this Schedule; (iv) procurement procedures consistent with the provisions of Section III of this Schedule; (v) monitoring and evaluation procedures; (vi) the Ethnic Minority Planning Framework and Ethnic Minority Development Plans; (vii) participation and consultation processes; (viii) modalities related to the disbursement of the Technical Services, including the calculation and update of the unit costs and verification arrangements; and (ix) Project-related complaints and conflict resolution mechanisms; and
 - (b) not amend, abrogate, suspend, or waive any provision of the POM without the prior concurrence of the Association. In case of any conflict between the provisions of this Agreement and those of the POM, the provisions of this Agreement shall prevail.

Safeguards

5. The Recipient, through MONRE shall, and shall cause the Project Provinces to:
 - (a) implement the Ethnic Minority Planning Framework, in a manner satisfactory to the Association;
 - (b) as may be required pursuant to the provisions of said Framework, prepare and implement Ethnic Minority Development Plan(s), in a manner and substance satisfactory to the Association;
 - (c) provide to the Association for its prior concurrence any revision proposed to be introduced to any of said Framework and Plan(s) in order to achieve their objectives and, thereafter, only introduce such revisions as shall have been agreed with the Association; 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 Plan(s).

Annual Work Plan and Budget

6. The Recipient, through MONRE, shall:
 - (a) by no later than November 30 of each year, commencing in 2016, prepare and provide to the Association for its review and comment an annual work plan and budget for the next succeeding calendar year, which plan shall include a Procurement Plan and a training plan, together with the financing plan, including sources of funds, for each such year; and
 - (b) thereafter implement in a manner satisfactory to the Association such annual work plan and budget as shall have been agreed with the Association.

B. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient, through MONRE, shall, and shall cause the Project Provinces to, 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 acceptable to the Association and set forth in the POM. Each Project Report shall cover the period of six (6) months, 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. The Recipient, through MONRE, shall, and shall cause the Project Provinces to: (a) carry out jointly with the Association, by no later than thirty (30) months after Effective Date, a midterm review to assess the overall progress in implementation of the Project; (b) prepare and furnish to the Association, at least three (3) months prior to such review, a report, in scope and detail acceptable to the Association, needed to undertake the review, and (c) review, jointly with the Association, the report referred to in subparagraph (b) above and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of said report and the Association's views on the matter.

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 six (6) month period, interim unaudited financial reports for the Project covering the six (6) month period, 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 fiscal year of the Recipient, or any other periods acceptable to 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

All goods, works, non-consulting services, and consulting 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 in the Procurement Regulations, and with the provisions of the Procurement Plan for the Project.

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:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, Works, Consulting Services, Non-Consulting Services, Training and Workshops, Incremental Operating Costs and Technical Services	107,000,000	90% for Technical Services and 100% for all other Eligible Expenditures
TOTAL AMOUNT	107,000,000	

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 for Eligible Expenditures.
2. The Closing Date is December 31, 2021.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Financing repayable (expressed as a percentage)*
On each June 15 and December 15:	
commencing December 15, 2021 to and including June 15, 2031	1.65%
commencing December 15, 2031 to and including June 15, 2041	3.35%

* The percentages represent the percentage of the principal amount of the Financing 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 and revised in January 2011, and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Central Project Management Unit” or “CPMU” means the unit to be established within the GDLA and referred to in paragraph 1(b) of Section I.A of Schedule 2 to this Agreement, or any successor thereto.
4. “Ethnic Minorities Development Plans” or “EMDPs” means the plans, acceptable to the Association, referred to in paragraph 5(b) of Section I.A of Schedule 2 to this Agreement, and adopted/to be adopted by respective provincial people’s committee; which set forth measures designed to ensure that ethnic minority communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated for, as said EMDPs may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan (s).
5. “Ethnic Minorities Planning Framework” or “EMPF” means the framework, acceptable to the Association, adopted by Ministry of Natural Resources and Environment pursuant to its Decision Number 1238/QD-BTNMT, dated May 30, 2016 and referred to in paragraph 5(a) of Section I.A of Schedule 2 to this Agreement, which sets forth the policies and procedures to ensure that ethnic minority communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated, as well as the preparation of EMDPs during the implementation of the Project, as said EMPF may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.

6. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
7. “General Department of Land Administration” or “GDLA” means the unit established within the Ministry of Natural Resources and Environment, or any successor thereto.
8. “Incremental Operating Costs” means the reasonable cost of incremental eligible expenditures incurred by the Recipient and implementing agencies as well as concerned participating agencies and local beneficiaries in the implementation of the Project, based on annual work plans and budgets approved by the Association, which expenditures would not have been incurred absent the Project, including the costs of consumables, operation, maintenance, and/or rental of equipment and vehicles; communication costs; bank charges; advertising expenses; information and communication campaigns, including media costs; transportation costs; and per diem for Project staff including contracted staff and other participants for purposes of Project implementation, management, and supervision; and wages of contracted staff; but in all cases excluding salaries, salary allowances, and salary supplements of the Recipient’s civil servants (“công chức”, “viên chức”).
9. “Land Law 2013” means Law Number 45/2013/QH13, adopted by the Recipient’s National Assembly on November 29, 2013, or any successor thereto.
10. “Land Registration Office” or “LRO” means a registry office established and operating in accordance with Land Law 2013.
11. “Ministry of Finance” means the Recipient’s Ministry of Finance, or any successor thereto.
12. “Ministry of Natural Resources and Environment” or “MONRE” means the Recipient’s Ministry of Natural Resources and Environment, or any successor thereto.
13. “Multi-Purpose Land Information System” or “MPLIS” means the Recipient’s nationwide electronic and unified multi-purpose land information system with an integrated architecture, infrastructure and software which is aimed at enhancing the quality of the Recipient’s delivery of land information services.
14. “National Project Steering Committee” means the committee to be established by MONRE in accordance with paragraph 1(a) of Section I.A of Schedule 2 to this Agreement.

15. “On-lending Arrangements” means the Recipient’s onlending arrangements to the Project Provinces referred to in paragraph 3 of Section I.A of Schedule 2 to this Agreement, which sets forth the terms, conditions, and amounts in respect of the Financing proceeds onlent from the Recipient to the Project Provinces for the carrying out of Project activities.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 3, 2016, and provided for under Section IV of the Procurement Regulations, as the same shall be updated from time to time in agreement with the Association.
17. “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers - Procurement in Investment Project Financing” dated July 1, 2016.
18. “Project Operations Manual” or “POM” means the document, to be adopted by MONRE and referred to in paragraph 4 of Section I.A of Schedule 2 to this Agreement.
19. “Project Provinces” means collectively, the Provinces selected by the Recipient to participate in the Project as such Project Provinces are listed in the POM, and “Project Province” means any of such Provinces.
20. “Province” means any of the government administrative areas established as such in accordance with the Recipient’s constitution and laws, or any successor thereto.
21. “Provincial Project Management Unit” or “PPMU” means the unit within each of the Project Provinces and referred to in paragraph 2(b) of Section I.A of Schedule 2 to this Agreement, or any successor thereto.
22. “Provincial Project Steering Committee” or “PPSC” means the committee established within the provincial people’s committee of each of the Project Provinces pursuant to a duly enacted instrument adopted by the relevant provincial people’s committee, and referred to in paragraph 2(a) of Section I.A of Schedule 2 to this Agreement, or any successor thereto.
23. “Technical Services” means for the purposes of the withdrawal table in paragraph 2 of Section IV.A of Schedule 2 to this Agreement the reasonable costs for goods, works and non-consulting services for activities under Part 2.B of the Project; and which costs are paid for on the basis of measurable physical outputs in accordance with the POM.
24. “Training and Workshops” means the reasonable costs of expenditure incurred by the Recipient, based on annual work plans and/or terms of reference acceptable to the Association, in facilitating, conducting and/or undertaking

domestic training activities under the Project, including: cost of training curriculum or training materials, or training facility or equipment rental; and per diem, accommodation, and transportation for those attending the such training, including trainees, trainers, and interpreters; but excluding salary and salary supplements of the Recipient's civil servants.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

“Section 3.02. *Service Charge and Interest Charge*

(a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”

2. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b).”

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words

“Service Charges” and “Commitment Charges”.

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).