

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
Washington, D.C. 20433
U.S.A.(202) 473-1000
Cable Address: INTBAFRAD
Cable Address: INDEVAS

His Excellency Nguyễn Văn Giàu
Governor
State Bank of Vietnam
Hanoi, Vietnam

***Re: Forest Sector Development Project
(Credit No. 3953-VN)
Amendment to the Development Credit Agreement***

Excellency:

We refer to the Development Credit Agreement for the Forest Sector Development Project (the "Project") between the Socialist Republic of Vietnam (the "Borrower") and the International Development Association (the "Association") dated April 4, 2005, as may be amended to date (the "Development Credit Agreement"). We also refer to your letters dated March 15 and March 21, 2011 requesting the Association to restructure the Project.

After due consideration, the Association has agreed to your request. Accordingly, the Development Credit Agreement is hereby amended as follows:

1. Section 2.03 is amended to read as follows:

"The Closing Date shall be March 31, 2012 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date."

2. The table in Schedule 1 to the Development Credit Agreement is amended and restated as set out in attachment.
3. Part B of Schedule 2 to the Development Credit Agreement is amended to read as follows:

PART B: Plantation Forests

Develop the smallholder commercial forest plantation sub-sector in Participating Provinces, including provision of civil works, consultants' services, training, workshops and international study tours therefor consisting of:

1. Selection of smallholder forest plantations sites through a participatory process;
2. Carrying out of the land allocation process and issuance of Land Use Rights Certificates to support the establishment of smallholder plantation forests;

3. Provision of extension and other technical and financial advisory services to households to support commercial wood production and agro-forestry plantations;
 4. Design of forest plantations, improvement and repair of existing access tracks in plantation areas, construction of forest fire break lines and upgrading of nursery facilities;
 5. Provisions of sub-loans to support eligible plantation forestry sub-projects, including mobile-bank vehicles.”
4. Part E is added to Schedule 3 to the Development Credit Agreement as follows:

“Part E: Consultants’ Services”

1. General

(a) **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 “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011 (the Consultant Guidelines), and with the provisions of this Section.

(b) **Definitions.** The capitalized terms used below in this part to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Consultant Guidelines, as the case may be.

2. Particular methods of Procurement of Consultants’ Services

(a) **Quality- and Cost-based Selection.** Except as otherwise provided in subparagraph (b) below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

(b) **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Selection based on Consultants Qualifications
(b) Single Source Selection (subject to prior consent of the Association)
(c) Individual Consultants (subject to prior consent of the Association)

3. Review by the Association of Procurement Decisions

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

Except as specifically amended by this letter, all other provisions of the Development Credit Agreement shall remain in full force and effect.

It is the Bank's policy to make publicly available the Agreement and any information related thereto, including this Amendment. By confirming below, the Borrower consents to disclosure of this Amendment after it has become effective.

Please confirm your agreement with the foregoing by signing two originals of this letter and returning one fully executed original to the Association. Please retain the other original for your records. The amendments shall become effective upon signature by both parties hereto.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/: Victoria Kwakwa

Victoria Kwakwa
Country Director for Socialist Republic of Vietnam

AGREED AND CONFIRMED:
SOCIALIST REPUBLIC OF VIETNAM

/s/: Nguyen Van Binh

Name: Nguyễn Văn Bình
Title: Deputy Governor
Date: March 31, 2011

Attachment

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Sub-loans under Part B.5 of the Project	17,050,000	100%
(2) Goods under		100%
(a) Parts A, B (except B.5) and D of the Project	1,670,000	
(b) Part B.5 (Mobile-bank vehicles)	410,000	
(3) Works under Parts A, B (except B.5) and D of the Project	1,000,000	100%
(4) Training, workshops and international study tours under Part B of the Project	2,480,000	100%
(5) Field Activities under Part B of the Project	1,640,000	100%
(6) Incremental Operating Costs under Parts A, B and D of the Project	2,330,000	100%
(7) Consultants' services under Parts A, B and D of the Project	720,000	100%
Total	<u>SDR 27,300,000</u>	