

CONFORMED COPY

GEF GRANT NUMBER TF094744

Global Environment Facility Grant Agreement

(PCB Management Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

(acting as an Implementing Agency of the Global Environment Facility)

Dated September 23, 2009



**GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT**

AGREEMENT dated September 23, 2009, entered into between: SOCIALIST REPUBLIC OF VIETNAM (“Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”). The Recipient and the World Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”) 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 Standard Conditions or in this Appendix to this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to seven million United States Dollars (\$7,000,000) (“Grant”) to assist in financing the Project.

- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

Article IV Additional Remedies

- 4.01. The Additional Events of Suspension referred to in Section 4.02(i) of the Standard Conditions consist of the following:
- (a) the Recipient has taken any action to nullify or withdraw its adherence to the Stockholm Convention;
 - (b) any action has been taken for the dissolution, disestablishment or suspension of operations of EVN;
 - (c) in the opinion of the World Bank, the legal character, ownership or control of EVN has changed from that prevailing as of the date of this Agreement so as to materially and adversely affect its ability to perform any of its obligations arising under or entered into pursuant to the provisions of this Agreement or any agreement between the Recipient and EVN in respect of the Project, or to achieve the objectives of the Project;
 - (d) IDA or the World Bank has declared EVN ineligible to receive proceeds of credits or grants made by IDA or of loans made by the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IDA or the World Bank, as a result of a determination by IDA or the World Bank that EVN has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a credit or grant made by IDA or of a loan made by the World Bank; or
 - (e) (i) The agreement (“Co-financing Agreement”) between the Recipient and the Swiss Agency for Development and Cooperation (“SDC” or “Co-financier”) providing for financing in an amount equivalent to \$1.01 million (“Co-financing”) to assist in financing the Project, has failed to become effective by December 1, 2009, or such later date as the World Bank has established by notice to the Recipient; *provided*, however, that

the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under this Agreement;

- (ii) Subject to sub-paragraph (iii) of this paragraph (e), the right to withdraw the proceeds of the Co-financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreement; and
- (iii) Sub-paragraph (ii) of this paragraph (e) shall not apply if the Recipient establishes to the satisfaction of the World Bank that: (A) such suspension, cancellation or termination was not caused by the failure of the Recipient to perform any of its obligations under the Co-financing Agreement; and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient's obligations under this Agreement.

Article V Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:
- (a) The Recipient has caused VEA, EVN, and MOIT to adopt and put into effect a Project Implementation Manual satisfactory to the World Bank in accordance with the provisions of paragraph B.1, Section I of Schedule 2 to this Agreement; and
 - (b) The Recipient has established and caused to be established, respectively, the VEA Project Management Unit and the EVN Project Management Unit in accordance with the provisions of paragraph A.2, Section I of Schedule 2 to this Agreement.
- 5.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date on which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the

notice referred to in this Section until such event (or events) has (or have) ceased to exist.

- 5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Governor, or a Deputy Governor, of State Bank of Vietnam.

- 6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	(84-4) 3 825 0612

- 6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) 64145 (MCI)	(1-202) 477-6391

AGREED at Hà Nội, Socialist Republic of Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By: /s/ Nguyen Van Binh

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT
acting as an Implementing Agency of the Global Environment
Facility

By: /s/ Victoria Kwakwa

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to: (i) develop national capacity in Vietnam to manage all PCBs; and (ii) on a pilot basis in Participating Provinces safely store significant amounts of PCBs in anticipation of future disposal.

The Project consists of the following parts:

PART I: PCB Management Framework and Action Plan

Carry out a program to develop a policy and regulatory framework for sound PCB management, consisting of:

- A. Formulation of a comprehensive regulatory framework which addresses the full life cycle of PCBs from production and/or import to final disposal, including review and update of current policies and regulations on hazardous wastes at the national and provincial levels.
- B. Development and updating of technical and administrative guidelines for PCB management, including guidelines for hazardous waste disposal, identification and registration of PCB equipment and their owners, storage and transport of PCB equipment and materials, emergency responses, and inspection.
- C. Development of a national PCB management action plan, including development of a test-based methodology to establish a national PCB inventory and carrying out of a national PCB inventory.

PART II: PCB Management Demonstration

Carry out a program to demonstrate sound PCB management activities at Selected Facilities and to pilot the administrative guidelines for PCB management developed under Part I(B) of the Project in Participating Provinces, consisting of:

- A. Site-specific investigations of PCB presence and contamination, including investigation of practices and capacity for general environmental management and for PCB management at Selected Facilities.
- B. Formulation of site-specific detailed PCB management plans for Selected Facilities.
- C. Implementation of PCB management plans at Selected Facilities, including retirement of PCB equipment, handling of PCB oils and equipment, and

upgrading of storage facilities and laboratory facilities, and provision of oil recycling units and servicing tools.

- D. Piloting of administrative guidelines for PCB management in the Participating Provinces, including guidelines in regard to reporting, registration and permits, import-export controls, emergency responses and inspection protocols.

PART III: Capacity Building

- A. Carry out a program of technical assistance and training to strengthen the PCB management capacity of all relevant institutions, including in respect of import-export controls of PCB materials and transport of hazardous materials, laboratory testing and analysis of PCBs, emergency responses, policies and regulations and technical and administrative guidelines for PCB management.
- B. Carry out a program of public outreach and information dissemination regarding PCBs and persistent organic pollutants, and the associated health and environmental impacts.

PART IV: Monitoring and Evaluation

Carry out a program of monitoring and evaluation of Project activities and implementation progress, including expansion of the PCB management information system, and evaluation workshops.

PART V: Project Management

Provide support for Project Management, including audits of Project accounts.

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

1. The Recipient shall by December 31, 2009, establish and, throughout the period of Project implementation, maintain a Project Steering Committee with the participation of MONRE, MOIT, EVN, State Bank of Vietnam, and Ministries of Finance and of Planning and Investment, to provide direction and guidance to the Project Management Units regarding Project implementation; review and approve their annual work plans; foster inter-agency communication and coordination among all its participating members; and monitor overall progress in Project implementation.
2. The Recipient shall:
 - (a) throughout the period of Project implementation, maintain a Project Management Unit within the Vietnam Environment Administration under MONRE, to be responsible: (i) for the overall management of Project activities, monitoring, evaluation and reporting; and more particularly, for (ii) the development of a comprehensive policy and regulatory framework and technical and administrative guidelines for PCB management under Part I (A) and (B) of the Project; the development of a national PCB management action plan under Part I (C) of the Project (except for PCB inventory at EVN-affiliated sites), in coordination with ISEA; and the PCB management demonstration activities at non-EVN sites under Part II of the Project; (iii) the implementation of Parts III and IV of the Project; and (iv) in connection with Project activities described in clauses (ii) and (iii) above, the preparation of annual work plans, all procurement and financial management and monitoring and reporting activities; said PMU to be provided with adequate resources, under the direction of experienced managers and staffed with competent personnel in sufficient numbers and under terms of reference satisfactory to the World Bank, including a Project manager, technical, procurement and financial management officers; and
 - (b) cause EVN to, throughout the period of Project implementation, maintain a Project Management Unit to be responsible for PCB inventory at EVN-affiliated sites under Part I (C) of the Project and for managing the PCB management demonstration activities at EVN-affiliated sites under Part II of the Project and, in connection therewith, the preparation of

annual work plans, all procurement and financial management and monitoring and reporting activities; said PMU to be provided with adequate resources, under the direction of experienced managers and staffed with competent personnel in sufficient numbers and under terms of reference satisfactory to the World Bank, including technical, procurement, and financial management officers.

B. Other

1. (a) The Recipient shall ensure that the Project is implemented in accordance with the provisions of a Project Implementation Manual satisfactory to the World Bank; said Manual to include: (i) description of roles and clear allocation of implementation responsibilities among the various entities, agencies and officers; (ii) guidelines for financial management consistent with the provisions of Section II(B) of Schedule 2 to this Agreement, including budgeting, flow of funds and disbursement, internal controls, accounting and record keeping, reporting and audits; (iii) guidelines and procedures for procurement consistent with the provisions of Section III of Schedule 2 to this Agreement; (iv) implementation arrangements, including the first year work plan and procedures and criteria for selection of PCB management demonstration sites; and (v) the Environment Assessment Framework and the Pha Lai EMP.
- (b) The Recipient shall not, and shall not permit to, revise, amend, waive or abrogate the Project Implementation Manual or any provisions thereof without the prior concurrence of the World Bank.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”).

D. Environment

1. The Recipient shall:
 - (a) ensure that the Pha Lai EMP and the Environment Assessment Framework are implemented in a manner satisfactory to the World Bank and designed to ensure that the Project is carried out in accordance with sound environmental practices and standards;
 - (b) to this end, as part of the site-specific investigation in respect of each Selected Facility under Part II of the Project, carry out, and cause to be

carried out, an environment assessment in a manner satisfactory to the World Bank and consistent with the provisions of said Framework;

- (c) ensure that the site-specific detailed PCB management plan formulated for each Selected Facility under Part II of the Project and any resulting construction work to upgrade a PCB storage facility take into account the results of such assessment and incorporate detailed environmental management and monitoring activities as may be required pursuant to the Environment Assessment Framework;
- (d) prior to initiating any construction work to upgrade a PCB storage facility under Part II (C) of the Project, prepare and furnish, and cause to be prepared and furnished, to the World Bank for its review, an environmental impact assessment satisfactory to the World Bank, together with any proposed mitigation measures and monitoring plan, as may be necessary; and thereafter carry out, and cause to be carried out, in a manner satisfactory to the World Bank such mitigation measures and plan as shall have been agreed with the World Bank; and
- (e) provide to the World Bank for its prior approval any revision proposed to be introduced into said Pha Lai EMP and said Framework, and thereafter, introduce, and allow to be introduced, only such revisions as shall have been agreed with the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Mid-term Review; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators agreed with the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report, starting from February 15, 2010.
2.
 - (a) On or before June 30, 2012, the Recipient shall prepare under terms of reference satisfactory to the World Bank and furnish to the World Bank, a mid-term report on the progress achieved in the carrying out of the Project to such date and setting out measures recommended to ensure the efficient implementation of the Project and the achievement of its objectives during the period following such report.
 - (b) The Recipient shall promptly review with the World Bank the report referred to in sub-paragraph (a) 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 the said report and the World Bank's views on the matter.

3. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such 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 World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
 - (a) Section I of the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the World Bank in May 2004 and revised in October 2006 ("Procurement Guidelines") in the case of goods and works, and Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the World Bank in May 2004 and revised in October 2006 ("Consultant Guidelines") in the case of consultants' services; and
 - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the

Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank 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 or 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 methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts which the World Bank agrees meet the requirements set forth in the Procurement Guidelines for their use:
 - (a) **National Competitive Bidding**, subject to the additional provisions set forth in the Annex to this Schedule 2, in respect of goods estimated to cost less than \$300,000 equivalent per contract, but more than \$50,000 equivalent per contract; and
 - (b) **Shopping**, in respect of works estimated to cost less than \$100,000 equivalent per contract, and goods estimated to cost less than \$50,000 equivalent per contract.

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. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$200,000 equivalent per contract may comprise entirely national consultants.
2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which the World Bank agrees meet the requirements set forth in the Consultant Guidelines for their use:

- (a) Quality-based Selection;
- (b) Selection based on Consultants' Qualifications;
- (c) Single-source Selection;
- (d) Selection of Individual Consultants; and
- (e) Sole Source Procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

1. Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank:
 - (a) the first contract for works procured on the basis of Shopping procedures under VEA's Respective Parts of the Project, regardless of the value thereof; and all contracts for works procured on the basis of Shopping procedures under EVN's Respective Parts of the Project, regardless of the value thereof;
 - (b) all contracts for goods estimated to cost the equivalent of \$200,000 or more; and the first contract for goods procured on the basis of NCB procedures and the first contract for goods procured on the basis of Shopping procedures under both VEA's Respective Parts of the Project and EVN's Respective Parts of the Project;
 - (c) all contracts for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; the contract for the Project's financial audit, regardless of the contract value thereof; and all contracts for consultants' services provided by an individual estimated to cost the equivalent of \$50,000 or more; and
 - (d) all contracts for consultants' services procured on the basis of single source selection. The following prior review procedures shall apply to each contract for the employment of individual consultants to be selected on a sole source basis: (i) the qualifications, experience, terms of reference and conditions of employment of the consultants shall be furnished to the World Bank for its prior review and approval; (ii) the contract shall be awarded only after the World Bank's approval shall have been given; and (iii) the provisions of paragraph 3 of the Appendix to the Consultant Guidelines shall apply to the contract.

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

E. EVN’s Respective Parts of the Project

With respect to EVN’s Respective Parts of the Project, the Recipient shall ensure that both EVN and its subsidiaries entrusted to undertake procurement of goods, works, or services under said Parts of the Project follow the Procurement Guidelines, Consultant Guidelines, and the provisions set out in this Section III.

Section IV. Withdrawal of Grant Proceeds**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank 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 Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
1. Eligible Expenditures: EVN		100%
(a) Goods, works, consultants’ services, training and workshops	2,030,000	
(b) Incremental Operating Costs	65,000	

2. Eligible Expenditures: VEA		100%
(a) Goods, works, consultants' services, training and workshops	4,780,000	
(b) Incremental Operating Costs	125,000	
TOTAL AMOUNT	<u>7,000,000</u>	

For purposes of this paragraph A.2 of Section IV, the term "Incremental Operating Costs" means the reasonable costs of incremental expenditures incurred under the Project (which expenditures would not have been incurred absent the Project), namely transportation costs and per diem for Project staff for purposes of Project management and supervision, office rental, operation and maintenance of office equipment, communication costs, costs of translation and interpretation, but in all cases excluding salaries and salary supplements for civil servants.

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 \$100,000 equivalent may be made for payments made prior to this date but on or after February 13, 2009, for Eligible Expenditures.
2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 31, 2014.

Section V. Other Undertakings

A. Annual Plans

1. The Recipient shall cause the VEA PMU and EVN PMU to prepare and, by no later than December 1 of each calendar year, commencing 2009, submit to the World Bank for its review and approval annual work plan in respect of their respective Project activities for the following calendar year; and thereafter implement the Project in accordance with such annual work plan taking into account the World Bank's comments thereon.

2. The Recipient shall cause the VEA PMU to prepare and, by no later than December 1 of each calendar year, commencing 2009, provide to the World Bank for its review and comment, an annual training program; and thereafter, carry out such training program as shall have been agreed with the World Bank.

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 and *Decree 58/2008/ND-CP, Guiding Implementation of Law on Procurement and Selection of Construction Contractors under the Construction Law* dated May 5, 2008 (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 World Bank 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 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

(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 World Bank, 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 World Bank'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 World Bank 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 World Bank'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 World Bank shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the World Bank, 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 World Bank.

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 World Bank, 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 World Bank. 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 work 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 World Bank: (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.

APPENDIX**Definitions**

- (a) “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.
- (b) “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
- (c) “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.
- (d) “EVN” means Vietnam Electricity, a state-owned enterprise established pursuant to Decision No. 562/QĐ-TTg dated October 10, 1994, Decision No. 148/2006/QĐ-TTg dated June 22, 2006, and Decision No. 163/QĐ-TTg dated October 22, 2007, all of the Prime Minister of the Socialist Republic of Vietnam, responsible for developing, operating and maintaining, directly or indirectly, facilities for the generation, transmission and, in part, distribution of electricity throughout Vietnam, and any successor thereto.
- (e) “EVN Project Management Unit” and “EVN PMU” mean the Project Management Unit established by EVN in accordance with the provisions of Section 5.01(b) of this Agreement.
- (f) EVN’s Respective Parts of the Project” means the PCB inventory at EVN-affiliated sites under Part I (C) of the Project and the PCB management demonstration activities at EVN-affiliated sites under Part II of the Project.
- (g) “Environmental Assessment Framework” means the Framework for Environmental Assessment, dated February 2009, which will be included as an integral part of the Project Implementation Manual, providing mechanisms to screen potential environmental impacts of Project activities; methodologies and criteria to assess such impacts and to formulate mitigation measures; and guidelines for the preparation of environmental assessments specific to each demonstration site, such framework may be revised from time to time with the prior agreement of the World Bank.
- (h) “ISEA” means Industrial Safety Techniques and Environment Agency under MOIT, and any successor thereto.
- (i) “MOIT” means the Recipient’s Ministry of Industry and Trade, and any successor thereto.

- (j) “MONRE” means the Recipient’s Ministry of Natural Resources and Environment, and any successor thereto.
- (k) “Participating Provinces” means the Recipient’s Provinces of Hải Dương, Quảng Ninh, Nam Định, Vũng Tàu-Bà Rịa, Đồng Nai and Lâm Đồng and the Cities of Hà Nội, Hải Phòng, Hồ Chí Minh, Da Nang and Cần Thơ, and any successors thereto; and a “Project Province” means any of said Provinces, as such list may be amended from time to time by mutual agreement between the Recipient and the World Bank.
- (l) “PCBs” means polychlorinated biphenyls, one of the twelve classes of persistent organic pollutants which are targeted for elimination in the Stockholm Convention on Persistent Organic Pollutants due to their potential for damage to human health and the environment.
- (m) “Pha Lai EMP” means the environmental management plan dated February 2009 prepared for mitigating environmental impacts from the works at the Pha Lai site under Part II of the Project, as said plan may be revised from time to time with the prior approval of the World Bank.
- (n) “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
- (o) “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 21, 2009 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.
- (p) “Project Implementation Manual” means the manual referred to in paragraph B.1(a) of Section I of Schedule 2 to this Agreement, as such manual may be revised from time to time with the prior agreement of the World Bank.
- (q) “Project Steering Committee” and “PSC” mean the committee referred to in paragraph A.1, Section I of Schedule 2 to this Agreement.
- (r) “Project Management Units” and “PMUs” mean the units referred to in paragraph 2, Section I(A) of Schedule 2 to this Agreement; and a “Project Management Unit” and “PMU” mean either of said units.
- (s) “Selected Facilities” means the facilities approved or to be approved by the Recipient and World Bank to be eligible for financing under Part II of the Project. The list of such eligible facilities may be amended from time to time by mutual agreement between the Recipient and the World Bank.

- (t) “Stockholm Convention” means the Stockholm Convention on Persistent Organic Pollutants which became effective on May 19, 2004 upon its ratification by 50 parties, including by the Recipient on July 22, 2002.
- (u) “VEA” means the Vietnam Environment Administration, an agency under the jurisdiction of MONRE, responsible for developing the policy framework and regulating activities in respect of hazardous wastes management, including PCB management, and any successor thereto.
- (v) “VEA PMU” means the Project Management Unit established at the Vietnam Environmental Administration under MONRE in accordance with the provisions of Section 5.01(b) of this Agreement, and referred to in paragraph 2(a) of Section I of Schedule 2 to this Agreement.
- (w) “VEA Respective Parts of the Project” means all parts of the Project except for EVN’s Respective Parts of the Project.