

CONFORMED COPY

CREDIT NUMBER 4347-VN

Financing Agreement

(Hanoi Urban Transport Development Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 22, 2007

FINANCING AGREEMENT

AGREEMENT dated November 22, 2007, 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 the Financing 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 one hundred and one million eight hundred thousand Special Drawing Rights (SDR 101,800,000) (“Credit”) 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 December 15 and June 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with 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 (except Part III.D) through the City of Hanoi, and Part III.D of the Project through its Ministry of Construction, 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 Conditions of Effectiveness consist of the following:

- (a) The Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled;
- (b) Hanoi has established a Project Steering Committee in accordance with the provisions of paragraph 2, Section I of Schedule 2 to this Agreement;
- (c) Hanoi has:
 - (i) adopted a Project Implementation Plan, including therein a governance and transparency action plan, in accordance with the provisions of paragraph 4, Section I of Schedule 2 to this Agreement;
 - (ii) established an integrated computerized financial management system consistent with the provisions of the Project Financial Management Manual and in accordance with the provisions of paragraph B.1(b), Section II of Schedule 2 to this Agreement; and
 - (iii) provided training to the staff of the PMU and of TRAMOC regarding the application of the Project Financial

Management Manual and the financial management system, and procurement, all in a manner satisfactory to the Association;

- (d) Hanoi has engaged consultants to prepare the detailed design of the Bus Rapid Transit system and of the Nhat Tan-Cau Giay segment of the Hanoi Second Ring Road, under terms of reference satisfactory to the Association, and in accordance with the provisions of Section III of Schedule 2 to this Agreement; and
- (e) Hanoi has transferred the CT1 resettlement site to TUPWS.

4.02. The Additional Legal Matters consist of the following: namely: the Resettlement Policy Framework has been duly approved by the Recipient's Prime Minister; and the Resettlement Policy Framework has been duly endorsed and the Resettlement Action Plan duly adopted by Hanoi, and are legally binding upon the Recipient and Hanoi in accordance with their respective terms.

4.03. The Effectiveness Deadline is the date ninety (90) days 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:	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) or 64145 (MCI)	(1-202) 477- 6391

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

SOCIALIST REPUBLIC OF VIETNAM

By: /s/ Mr. Nguyen Van Giau

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Mr. Ajay Chhibber

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) increase urban mobility in targeted areas of the City of Hanoi through increased use of public transport in selected traffic corridors and reduced travel time between the center and the west and northwest sections of Hanoi; and (ii) promote more environmentally sustainable transport modes and urban development plans for Hanoi.

The Project consists of the following parts:

PART I: Bus Rapid Transit System

Carry out a program to develop a Bus Rapid Transit System in Hanoi consisting of:

- A. Design and implement a Bus Rapid Transit system, including construction of segregated busways in selected traffic corridors, related BRT stations, interchange stations, terminals, bus patios and maintenance facilities; installation of signal systems and a bus ticketing system; and acquisition of BRT vehicles.
- B. Improve access to the BRT system for pedestrians, non-motorized travelers and travelers with special needs.
- C. Develop and implement a consultation, communications and media strategy to promote awareness of and support to the BRT System among the public and decision makers.
- D. Carry out a program of resettlement, rehabilitation and compensation for persons affected under Part I of the Project.

PART II: Strategic Road Infrastructure; Sustainable Urban Planning

- A. Construct the Cau Giay to Nhat Tan segment (including all intersections within this segment) of the Second Ring Road of Hanoi.
- B. Carry out a program of resettlement, rehabilitation and compensation for persons affected under Part II of the Project, including provision of housing for resettled persons.
- C. Support integrated planning for urban development and transport in Hanoi.

PART III: Institutional Development

- A. Implement an air quality management program in Hanoi to enhance Hanoi's capacity in air quality management, including improvements in the air quality

monitoring network, piloting of inspection and maintenance programs for motorcycles; development of mobile sources emission inventory; and assessment of exposure to and health impacts of vehicular air pollution.

B. Enhance traffic safety in Hanoi through engineering, education and enforcement measures, and provision of equipment and technical assistance for traffic control.

C. (i) Establish and strengthen a public transport authority for Hanoi; and (ii) develop transport management tools and policies, including carrying out an impact evaluation of the BRT system and planning for subsequent phases of its development.

D. Disseminate the lessons learned in the BRT System of Hanoi both in Vietnam and in the region.

E. Strengthen TUPWS and PMU's Project management capacities and monitoring, including audit of Project accounts.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

1. To facilitate the carrying out by Hanoi of its respective Parts of the Project, the Recipient shall make the proceeds of the Financing available to Hanoi on a grant basis and in accordance with the provisions of this Agreement.
2. The Recipient shall cause Hanoi, in regard to its respective Parts of the Project, to establish and, thereafter throughout the period of Project implementation, to maintain a Project Steering Committee, under the chairmanship of a vice chair of Hanoi People's Committee, with representation from the relevant municipal line agencies, including from DOF, DAPM, DONRE, TUPWS, HAPI, the Hanoi Traffic Police, and from MOF, MPI, State Bank of Vietnam, MOC and any other relevant agencies as may be necessary; said Committee to be responsible for ensuring coordination among the municipal line agencies and between Hanoi and the central line agencies, and for providing direction in Project planning and execution, including in resources allocation and in Project evaluation.
3. The Recipient shall cause Hanoi, in regard to its respective Parts of the Project, to establish and, thereafter throughout the period of Project implementation, to maintain a Project Management Unit, within Hanoi's Transport and Urban Public Works Service, under the direction of qualified management, provided with sufficient resources, and staffed with competent personnel in adequate numbers, including a director and deputies, staff in financial management, accounting and procurement, resettlement specialists, specialists to monitor environmental safeguards, engineers and public transport specialists, in each case with qualifications, experience and terms of reference acceptable to the Association; said Unit to be responsible for general planning, management and supervision of Project activities, including financial management, procurement and disbursement, for coordination of the Project activities of the several municipal line agencies, and for monitoring and reporting on the implementation of Hanoi's respective Parts of the Project.
4. To guide the implementation of its respective Parts of the Project, the Recipient shall cause Hanoi to:
 - (a) adopt and put into effect a Project Implementation Plan acceptable to the Association setting forth procedures and guidelines for the implementation of its respective Parts of the Project; in particular said Project Implementation Plan shall include: (i) a governance and transparency action plan; and (ii) clear delineation of the functions, responsibilities and standards of service of the municipal line agencies in regard to Project implementation.

(b) not amend, revise or waive the provisions of said Project Implementation Plan, or any part thereof, without the prior concurrence of the Association.

5. The Recipient shall cause Hanoi, in regard to its respective Parts of the Project, to:

(a) prepare and adopt a Project Financial Management Manual acceptable to the Association and consistent with paragraph B.1, Section II of this Schedule 2, defining financial management responsibilities with segregation of duties, and reporting structures, and setting forth procedures and processes for financial management, control and reconciliation, record keeping, reporting and auditing; and

(b) not revise, waive or abrogate the provisions of said Manual, or any part thereof, without the prior concurrence of the Association.

6. The Recipient shall cause Hanoi to:

(a) implement, and cause to be implemented, the Resettlement Policy Framework and the Resettlement Action Plan, in a manner satisfactory to the Association;

(b) provide to the Association for its prior approval any revision proposed to be introduced into said Framework or Plan in order to achieve their respective objectives, and thereafter introduce only such revisions into said Framework or said Plan as shall have been agreed with the Association; and

(c) 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 Plan, and the achievement of their respective objectives.

7. The Recipient shall cause Hanoi to:

(a) implement, and cause to be implemented, the Environmental Management Plan in a manner satisfactory to the Association;

(b) provide to the Association for its prior approval any revision proposed to be introduced into said Plan in order to achieve its objectives, and thereafter introduce only such revisions into said Plan as shall have been agreed with the Association; and

(c) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with guidelines acceptable to the Association, the implementation of said Plan and the achievement of its objectives.

8. The Recipient shall cause Hanoi, by no later than six (6) months following the date of this Agreement, to engage an independent external auditor under terms of reference acceptable to the Association and in a manner consistent with the provisions of Section III of this Schedule 2.
9. The Recipient shall cause Hanoi, in regard to its respective Parts of the Project:
 - (a) by no later than December 15 of each year, commencing in 2007, to prepare and provide to the Association for its review and comment an annual work plan for the next succeeding calendar year, together with the financing plan, including sources of funds, therefor; and
 - (b) thereafter implement in a manner satisfactory to the Association such annual work plan as shall have been agreed with the Association.
10. The Recipient shall cause Hanoi, in regard to its respective Parts of the Project, to engage the services of experts with qualifications, experience and terms of reference acceptable to the Association, and in a manner consistent with the provisions of Section III of this Schedule 2, to assist Hanoi in construction supervision.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports and Review.

1. The Recipient shall monitor and evaluate the progress of the Project and prepare through MOC, and also cause Hanoi to prepare, Project Reports for their Respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report, by February 15 and August 15 of each year, commencing in 2008.
2. By October 31 of each year commencing in 2008, and by December 31, 2010, the Recipient together with Hanoi and MOC shall hold an annual review and a mid-term review, respectively, with the Association to evaluate the progress in Project implementation and in achievement of the Project objectives.

B. Financial Management, Financial Reports and Audits.

1. (a) 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.

(b) For purposes of sub-paragraph (a) above, and without limitation to the provisions thereof, the Recipient shall cause Hanoi, in regard to its respective Parts of the Project, through the PMU, to establish and maintain an integrated computerized financial management system acceptable to the Association to enable it to prepare financial reports complying with the requirements of the Recipient and the Association.

(c) For purposes of sub-paragraph (a) above, and without limitation to the provisions thereof, the Recipient shall through MOC, in regard to its respective Part of the Project, to establish and maintain a financial management system acceptable to the Association to enable it to prepare financial reports complying with the requirements of the Recipient and the Association.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall, through MOC, prepare and furnish, and also cause Hanoi to prepare and furnish, to the Association not later than forty-five (45) days after the end of each calendar quarter, interim un-audited financial reports for their Respective Parts of the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall, through MOC, and also cause Hanoi to, have their respective 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, or such other period as shall have been agreed with the Association, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made. 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 Schedule.

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 Schedule.
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:

<u>Procurement Method</u>
(a) National Competitive Bidding, subject to the additional procedures set forth in the Annex to this Schedule 2
(b) Shopping
(c) Direct Contracting, subject to the Association's prior agreement

C. Particular Methods of Procurement of Consultants' Services.

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) Quality-based Selection
(b) Least Cost Selection
(c) Selection Based on Consultants' Qualifications
(d) Single Source Selection, subject to the Association's prior agreement
(e) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions.

1. 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) the first contract for works and the first contract for goods procured on the basis of National Competitive Bidding, and the first contract for goods procured on the basis of Shopping, in each case regardless of the value thereof; (b) each contract for works estimated to cost the equivalent of \$500,000 or more; (c) each contract for goods estimated to cost the equivalent of \$300,000 or more; (d) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; (e) each contract for consultants' services provided by an individual estimated to cost the equivalent of \$50,000 or more; (f) all contracts for goods or works procured through Direct Contracting, and all contracts for consultants' services procured through Single Source Selection; and (g) in all cases, the terms of reference for consultants' services regardless of the contract value and the procurement method. 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 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 Association and as made applicable to this Agreement pursuant to such instructions), to: (a) repay the Project Preparation Advance in accordance with Section 2.07 of the General Conditions; and (b) finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the

amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	<u>Amount of the Financing Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed (inclusive of taxes)</u>
(1) Works under the Project (excluding works under Part I.B)	64,930,000	90%
(2) Goods, consultants' services and training under the Project (excluding: (a) equipment for real-time information at selected bus stations under Part I.A, goods under Parts I.B, I.C, II.C and III.D of the Project; and (b) consultants' services and training under Parts I.B, I.C, II.C, III.C and III.D)	29,320,000	100%
(3) Refund of Project Preparation Advance	1,640,000	Amount payable pursuant to Section 2.07 of the General Conditions
(4) Unallocated	5,910,000	
TOTAL AMOUNT	101,800,000 =====	

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.
2. The Closing Date is December 31, 2013.

Section V. Other Undertakings

1. The Recipient shall cause Hanoi:
 - (a) to take all necessary actions to enable private operators to participate in the operation of the BRT system; and
 - (b) to this end:
 - (i) upon completion of the BRT system and prior to putting such completed system into service, to put to tender and award concessions for the operation of the BRT system, to at least two (2) operators, in a manner and under terms satisfactory to the Association; and
 - (ii) prior to putting into service any of the segments within the BRT system: (A) to provide a proposal to the Association for review and comments which sets out a plan to put to tender and award concessions for the operation of said segments to at least two (2) operators; and (B) to award concessions for the operation of such segments in a manner and under terms 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 and *Decree 111/2006/ND-CP, Guiding Implementation of Law on Procurement and Selection of Contractor Bidder in Accordance with Law on Construction* dated September 29, 2006 (collectively, “National Procurement Laws”) with due consideration to economy, efficiency and transparency as set forth in, and broad consistency with, Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Association in May 2004 (the “Guidelines”) and required by paragraphs 3.3 and 3.4 of the Guidelines. Whenever any procedure in the National Procurement Laws is inconsistent with the requirements of said paragraphs 3.3 and 3.4 of the Guidelines, the latter shall prevail, including the following:

Eligibility

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

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

Registration

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

Advertising; Time for Bid Preparation

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

Standard Bidding Documents

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

Qualification Criteria

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

Bid Submission, Bid Opening and Bid Evaluation

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

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

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

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

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

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

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

Rejection of All Bids and Re-bidding

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

Complaints by Bidders and Handling of Complaints

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

Fraud and Corruption

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

Right to Inspect/Audit

(xi) Each bidding document and contract financed from the proceeds of a Credit shall include a provision requiring bidders, suppliers, contractors 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.

License

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

Publication of the Award of Contract

(xiii) The Recipient shall publish the following information on contract award in the Government Public Procurement Bulletin or on a free and open access

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

SCHEDULE 3

Repayment Schedule

<u>Date Payment Due</u>	Principal Amount of the Credit repayable <u>(expressed as a percentage)*</u>
On each December 15 and June 15:	
commencing December 15, 2017 to and including June 15, 2027	1%
commencing December 15, 2027 to and including June 15, 2047	2%

*The percentages represent the percentages of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX

Definitions

1. “BRT” means Bus Rapid Transit.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Co-financier” means International Bank for Reconstruction and Development acting as an Implementing Agency of the Global Environment Facility.
4. “Co-financing” means an amount of nine million eight hundred thousand Dollars (\$9,800,000) to be provided by the Co-financier to assist in financing the Project.
5. “Co-financing Agreement” means the agreement of even date herewith between the Recipient and the Co-financier providing for the Co-financing.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
7. “CT1 resettlement site” means the site at the area of Thanh Pho Giao Luu, Tu Liem Ward, Cau Giay District, in Hanoi where housing for Displaced Persons under Part II of the Project will be constructed.
8. “DAPM” means Hanoi’s Department of Architecture and Planning Management, and any successor thereto.
9. “Displaced Person” means a person who, on account of the execution of the Project, has 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 person 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 person; and “Displaced Persons” means, collectively, all such Displaced Persons.
10. “DOF” means Hanoi’s Department of Finance, and any successor thereto.
11. “DONRE” means Hanoi’s Department of Natural Resources and Environment, and any successor thereto.
12. “EMP” means the Environment Management Plan dated November 2006, approved by MONRE through Decision No. 355/QD-BTNMT of March 23, 2007, and

adopted by Hanoi through Communication 1784/UBND-XDDT of April 5, 2007, referred to in paragraph 7, Section I of Schedule 2 to this Agreement.

13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.

14. “Hanoi” means the City of Hanoi, capital of the Socialist Republic of Vietnam.

15. “HAPI” means Hanoi’s Department of Planning and Investment, and any successor thereto.

16. “MOC” means the Recipient’s Ministry of Construction, and any successor thereto.

17. “MOF” means the Recipient’s Ministry of Finance, and any successor thereto.

18. “MONRE” means the Recipient’s Ministry of Natural Resources and Environment, and any successor thereto

19. “MOT” means the Recipient’s Ministry of Transport, and any successor thereto.

20. “MPI” means the Recipient’s Ministry of Planning and Investment, and any successor thereto.

21. “PMU” means the Project Management Unit established and maintained by Hanoi pursuant to Decision No. 59/2006/QĐ-UBND dated May 19, 2006 of the Hanoi People’s Committee, in accordance with the provisions of paragraph 3, Section I of Schedule 2 to this Agreement.

22. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.

23. “Procurement Plan” means the procurement plan in respect of Hanoi’s respective Parts of the Project, dated May 15, 2007 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.

24. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on May 7, 2007 and on behalf of the Recipient on ____.

25. “Resettlement Action Plan” and “RAP” mean the Plan dated January 18, 2007, adopted by Hanoi through Decision 1256/QĐ-UBND of April 5, 2007 of Hanoi People’s Committee, in accordance with the policies and procedures set forth in the Resettlement Policy Framework (as defined below), and referred to in paragraph 6, Section I of

Schedule 2 to this Agreement, as said Plan may be amended from time to time with the prior concurrence of the Association.

26. “Resettlement Policy Framework” and “RPF” mean the Policy Framework dated November 2006, endorsed by Hanoi People’s Committee through its Communications No. 3400/UBND-NNĐC of August 4, 2006 and No. 5443/UBND-NNĐC of November 22, 2006, and approved by the Recipient through Prime Minister’s Communication 169/TTg-CN of January 30, 2007; said Policy Framework, referred to in paragraph 6, Section I of Schedule 2 to this Agreement, 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 action plans as may be required for Project activities, as said Policy Framework may be revised from time to time with the prior concurrence of the Association.

27. “Respective Parts of the Project” means: (i) in respect of Hanoi, all Parts of the Project except Part III(D); and (ii) in respect of MOC, Part III(D) of the Project.

28. “TRAMOC” means Transport and Management Operation Center of Hanoi, and any successor thereto.

29. “TUPWS” means the Transport and Urban Public Works Service of Hanoi, and any successor thereto.

30. “UTMD” means the Urban Transport Management Department within TUPWS,
and any successor thereto.