CREDIT NUMBER 5481-VN
CREDIT NUMBER 5482-VN

Financing Agreement

(Second Economic Management and Competitiveness Credit Development Policy Operation)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 17, 2014

FINANCING AGREEMENT

AGREEMENT dated July 17, 2014, entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, inter alia, of (a) the actions which the Recipient has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement, and (b) the Recipient's maintenance of an adequate macroeconomic policy framework. The Recipient and the Association therefore 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, two credits: (a) a credit in an amount equivalent to one hundred forty four million three hundred thousand Special Drawing Rights (SDR 144,300,000) on Blend Terms (Credit No. 5481-VN) ("Blend Terms Credit)"; and (b) a credit in an amount equivalent to seventeen million five hundred thousand Special Drawing Rights (SDR 17,500,000) on Hard Terms (Credit No 5482-VN) ("Hard Terms Credit") (variously, "Credits" and "Financing").

2.02. The Recipient may withdraw the proceeds of the Financing in support of the Program in accordance with Section II of Schedule 1 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance of the Credits 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance of the Credits shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance of the Blend Term Credit shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance of the Hard Term Credit shall be equal to one and four tenths percent (1.4%) per annum.

2.07. The Payment Dates of the Credits are May 15 and November 15 in each year.

2.08. The principal amount of the Credits shall be repaid in accordance with repayment schedule set forth in Schedule 2 to this Agreement.

2.09. The Payment Currency of the Credits is Dollar.

ARTICLE III — PROGRAM

3.01. The Recipient declares its commitment to the Program and its implementation. To this end:

(a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Governor, or a Deputy Governor, of State Bank of Vietnam.

6.02. The Recipient's Address is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

Cable address:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	(84-4) 3825 0612

6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	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: Nguyen Van Binh

Title: Governor, State Bank of Vietnam

INTERNATIONAL DEVELOPMENT ASSOCIATION

By _____

Authorized Representative

Name: Jim Yong Kim

Title: President

SCHEDULE 1

Program Actions; Availability of Financing Proceeds

Section I. Actions under the Program

The actions taken by the Recipient under the Program include the following:

A. Macroeconomic Stability

1. The Recipient, through its government, has issued Decree Number 01/2014/ND-CP dated January 3, 2014 replacing Decree Number 69/2007/ND-CP dated April 20, 2007 to enable increased foreign investor participation in domestic commercial banks.

2. The Recipient, through Prime Minister has issued Decision Number 843/QD-TTg dated May 31, 2013, and through its government has issued Decree Number 53/2013/ND-CP dated May 18, 2013, providing a comprehensive policy framework to address the problem of non-performing loans across the banking sector.

3. The Recipient, through Prime Minister, has issued Decision Number 689/QD-TTg, dated May 4, 2013, approving a medium-term debt management program for the period 2013-2015.

4. The Recipient, through State Treasury, has implemented the treasury single account procedures in the Joint Stock Commercial Bank for Investment and Development of Vietnam, and the Vietnam Joint Stock Commercial Bank for Industry and Trade, and provided reports on the implementation.

B. Transparent, Efficient, and Accountable Public Sector

5. The Recipient, through its government, has issued Decree Number 59/2013/ND-CP dated June 17, 2013, Decree Number 78/2013/ND-CP dated July 17, 2013, and Decree Number 90/2013/ND-CP dated August 8, 2013, to regulate and guide the implementation of the Amended Law on Anti-Corruption, including increased transparency, income and asset declaration of public officials, and accountability of public agencies and officials.

6. The Recipient, through Prime Minister has issued Decision Number 320/QD-TTg dated February 8, 2013, Decision Number 1782/QD-TTg dated November 23, 2012, Decision Number 314/QD-TTg dated February 7, 2013, Decision Number 38/QD-TTg dated January 5, 2013, Decision Number 753/QD-TTg dated May 17, 2013, Decision Number 2097/QD-TTg dated December 28, 2012, and Decision Number 46/QD-TTg dated January 5, 2013 on restructuring of state economic groups; and through its government has issued Decree Number 71/2013/ND-CP dated July 11, 2013 on state investment in enterprises and financial management of enterprises with 100% of charter capital owned by the state.

7. The Recipient, through its government, has issued Decree Number 61/2013/ND-CP dated June 25, 2013, to regulate financial supervision, performance assessment, and disclosure of financial information of state owned enterprises.

8. The Recipient, through Prime Minister, has issued Directive Number 14/CT-TTg, dated June 28, 2013, to accelerate clearance of capital expenditure arrears and report to the National Assembly the current status and solutions going forward.

C. **Business Enabling Environment**

9. The Recipient, through National Assembly, has adopted the Amended Law on Procurement to strengthen transparency and competition in public procurement.

10. The Recipient, through National Assembly, has adopted the Amended Law on Corporate Income Tax to establish competitive corporate income tax rates, clarify rules and regulations on transfer pricing, and introduce provisions on deductible expenses.

11. The Recipient, through National Assembly, has adopted the Amended Law on Value Added Tax to: (a) adjust the group of goods and services not subject to value added tax; (b) clearly specify the goods and services subject to 0% value added tax rate; and (c) apply thresholds as appropriate.

Section II. Availability of Financing Proceeds

A. **General.** The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.

B. **Allocation of Financing Amounts.** The Financing is allocated in a single withdrawal tranche, from which the Recipient may make multiple withdrawals of the Financing. The allocation of the amounts of the Financing to this end is set out in the table below:

Allocations	Blend Terms Credit Amount of the Financing Allocated (expressed in SDR)	Hard Terms Credit Amount of the Financing Allocated (expressed in SDR)
Single Withdrawal Tranche	144,300,000	17,500,000
TOTAL AMOUNT	**144,300,000**	**17,500,000**

C. **Withdrawal Tranche Release Conditions.**

No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied (a) with the Program being carried out by the Recipient, and (b) with the appropriateness of the Recipient's macroeconomic policy framework.

D. **Deposits of Financing Amounts.** Except as the Association may otherwise agree:

1. the Recipient shall open, prior to presenting to the Association the first request for withdrawal from the Financing Accounts, and thereafter maintain a deposit account in Dollar ("Foreign Currency Deposit Account") on terms and conditions satisfactory to the Association. All withdrawals from the Financing Accounts shall be deposited by the Association into the Foreign Currency Deposit Account; and

2. the Recipient shall ensure that upon each deposit of an amount of the Financing into the Foreign Currency Deposit Account, an equivalent amount in Vietnamese Dong is accounted for in the Recipient's budget management system, in a manner acceptable to the Association.

E. **Audit.** Upon the Association's request, the Recipient shall:

1. have the Foreign Currency Deposit Account audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association;

2. furnish to the Association as soon as available, but in any case not later than four (4) months after the date of the Association's request for such audit, a certified copy of the report of such audit, of such scope and in such detail as the Association shall reasonably request; and

3. furnish to the Association such other information concerning the Foreign Currency Deposit Account and its audit as the Association shall reasonably request.

F. **Excluded Expenditures**. The Recipient undertakes that the proceeds of the Financing shall not be used to finance Excluded Expenditures. If the Association determines at any time that an amount of the Financing was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the Association, refund an amount equal to the amount of such payment to the Association. Amounts refunded to the Association upon such request shall be cancelled.

G. **Closing Date.** The Closing Date is January 31, 2015.

SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credits repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing November 15, 2019 to and including May 15, 2029	**1.65%**
commencing November 15, 2029 to and including May 15, 2039	**3.35%**

* The percentages represent the percentage of the principal amount of the Credits 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. "Amended Law on Anti-Corruption" means the Recipient's Law Number 27/2012/QH13 dated November 23, 2012.

2. "Amended Law on Corporate Income Tax" means the Recipient's Law Number 32/2013/QH13 dated June 19, 2013.

3. "Amended Law on Procurement" means the Recipient's Law Number 43/2013/QH13 dated November 26, 2013.

4. "Amended Law on Value Added Tax" means the Recipient's Law Number 31/2013/QH13 dated June 19, 2013.

5. "Blend Terms" means the applicable credit maturity and repayment terms, including those referred to in Sections 2.03, 2.04, 2.05, 2.07, 2.08, 2.09, and Schedule 2 to this Agreement.

6. "Blend Terms Credit" means the credit extended to the Recipient, referred to in Section 2.01(a) of this Agreement, and subject to Blend Terms.

7. "Excluded Expenditure" means any expenditure:

   (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Association or the Bank has financed or agreed to finance, or which the Association or the Bank has financed or agreed to finance under another credit, grant or loan;

   (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones,

		unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

(c) for goods intended for a military or paramilitary purpose or for luxury consumption;

(d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party;

(e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(f) with respect to which the Association determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Financing proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.

8. "Foreign Currency Deposit Account" means the account referred to in paragraph 1 of Section II.D of Schedule 1 to this Agreement.

9. "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.

10. "Hard Terms" means the applicable credit maturity and repayment terms, including those referred to in Sections 2.03, 2.04, 2.06, 2.07, 2.08, 2.09, and Schedule 2 to this Agreement.

11. "Hard Terms Credit" means the credit extended to the Recipient, referred to in Section 2.01(b) of this Agreement, and subject to Hard Terms.

12. "National Assembly" means the highest ranking institution in the legislative branch of the Recipient, having the mandate and competence for enacting laws and passing amendments thereto.

13. "Prime Minister" means the Prime Minister of the Socialist Republic of Vietnam, the highest ranking official in the executive branch of the Recipient's government.

14. "Program" means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the letter dated April 29, 2014 from the Recipient to the Association declaring the Recipient's commitment to the execution of the Program, and requesting assistance from the Association in support of the Program during its execution.

15. "Single Withdrawal Tranche" means the amount of the Financing allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.

16. "State Treasury" means the Recipient's State Treasury, or any successor thereto.

17. "Vietnamese Dong" means the lawful currency of the Recipient.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. The last sentence of paragraph (a) of Section 2.03 (relating to Applications for Withdrawal) is deleted in its entirety.

2. Sections 2.04 (*Designated Accounts)* and 2.05 (*Eligible Expenditures*) are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.

3. "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."

4. Sections 4.01 (*Project Execution Generally*), and 4.09 (*Financial Management; Financial Statements; Audits*) are deleted in their entirety, and the remaining Sections in Article IV are renumbered accordingly.

5. Paragraph (a) of Section 4.05 (renumbered as such pursuant to paragraph 3 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.

6. Paragraph (c) of Section 4.06 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

> "Section 4.06. *Plans; Documents; Records*
>
> ... (c) The Recipient shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Financing until two years after the Closing Date. The Recipient shall enable the Association's representatives to examine such records."

7. Section 4.07 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

> "Section 4.07. *Program Monitoring and Evaluation*
>
> ... (c) The Recipient shall prepare, or cause to be prepared, and furnish to the Association not later than six months after the Closing Date, a report of such scope and in such detail as the Association shall reasonably request, on the execution of the Program, the performance by the Recipient and the Association of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Financing."

8. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

(a) The definition of the term "Eligible Expenditure" is modified to read as follows:

> "'Eligible Expenditure' means any use to which the Financing is put in support of the Program, other than to finance expenditures excluded pursuant to the Financing Agreement."

(b) The term "Financial Statements" and its definition as set forth in the Appendix are deleted in their entirety.

(c) The term "Financing Payment" is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

(d) A new term called "Interest Charge" is added to read as follows:

"'Interest Charge' means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."

(e) The term "Payment Date" is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

(f) The term "Project" is modified to read "Program" and its definition is modified to read as follows:

"'Program' means the program referred to in the Financing Agreement in support of which the Financing is made." All references to "Project" throughout these General Conditions are deemed to be references to "Program".

(g) The term "Service Charge" is modified by replacing the reference to Section 3.02 with Section 3.02 (a).

HB9487

GRANT NUMBER TF017737

Economic Management and Competitiveness Credit Multi-Donor Trust Fund
Grant Agreement

(Economic Management and Competitiveness Credit Development Policy Operations)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT / INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as administrator of Economic Management and Competitiveness Credit Multi-Donor Trust Fund TF072102

Dated 28 January **, 2015**

GRANT NUMBER TF017737

ECONOMIC MANAGEMENT AND COMPETITIVENES CREDIT
MULTI-DONOR TRUST FUND
GRANT AGREEMENT

AGREEMENT dated 28 January, 2015, entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT / INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Economic Management and Competitiveness Credit Multi-Donor Trust Fund TF072102, for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement) through the co-financing of the Economic Management and Competitiveness Credit Development Policy Operations (**Credit Numbers 5481-VN and 5482-VN**) extended to the Socialist Republic of Vietnam by the International Development Association acting in its own capacity.

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 February 15, 2012 ("Standard Conditions"), with the modifications set forth in Section I of 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 Standard Conditions or in this Agreement.

Article II
The Program

2.01. The Recipient declares its commitment to the Program and its implementation. To this end:

(a) the Recipient and the World Bank shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, the Recipient shall furnish to the World Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the World Bank shall reasonably request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the World Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program.

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 twenty three million United States Dollars ($ 23,000,000) ("Grant" or "Financing") to assist in financing the Program.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with the Schedule to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

Article V
Effectiveness

5.01. This Agreement shall become effective upon its execution by the parties hereto.

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 Ly Thai To
Hanoi, Vietnam

Cable:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	(84-4) 3825 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 /
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD / 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 _____

Authorized Representative

Name: Nguyen Van Binh

Title: Governor, State Bank of Vietnam

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT /
INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of Economic Management and Competitiveness Credit Multi-Donor Trust Fund TF072102

By

Authorized Representative

Name: Victoria Kwakwa

Title: Country Director

SCHEDULE

Program Actions; Availability of Grant Proceeds

Section I. Actions under the Program

The actions taken by the Recipient under the Program are set forth in Schedule 1 Section 1 of the Financing Agreement for the Second Economic Management and Competitiveness Credit Development Policy Operations - Credit Numbers 5481-VN and 5482-VN.

Section II. Availability of Grant Proceeds

A. General. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of this Section and such additional instructions as the World Bank may specify by notice to the Recipient.

B. Allocation of Grant Amounts. The Grant is allocated in a single withdrawal tranche, from which the Recipient may make multiple withdrawals of the Grant. The allocation of the amounts of the Grant to this end is set out in the table below:

Allocations	Amount of the Grant Allocated (in USD)
Single Withdrawal Tranche	23,000,000
TOTAL AMOUNT	**23,000,000**

C. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the World Bank is satisfied (a) with the Program being carried out by the Recipient, and (b) with the appropriateness of the Recipient's macroeconomic policy framework.

D. Deposits of Grant Amounts. Except as the World Bank may otherwise agree:

1. the Recipient shall open, prior to presenting to the World Bank the first request for withdrawal from the Financing Accounts, and thereafter maintain a deposit account in Dollar ("Foreign Currency Deposit Account") on terms and conditions satisfactory to the World Bank. All withdrawals from the Financing Accounts shall be deposited by the World Bank into the Foreign Currency Deposit Account; and

2. the Recipient shall ensure that upon each deposit of an amount of the Grant into the Foreign Currency Deposit Account, an equivalent amount in Vietnamese

Dong is accounted for in the Recipient's budget management system, in a manner acceptable to the World Bank.

E. **Audit.** Upon the World Bank's request, the Recipient shall:

1. have the Foreign Currency Deposit Account audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank;

2. furnish to the World Bank as soon as available, but in any case not later than four (4) months after the date of the World Bank's request for such audit, a certified copy of the report of such audit, of such scope and in such detail as the World Bank shall reasonably request; and

3. furnish to the World Bank such other information concerning the Foreign Currency Deposit Account and its audit as the World Bank shall reasonably request.

F. **Excluded Expenditures**. The Recipient undertakes that the proceeds of the Grant shall not be used to finance Excluded Expenditures. If the World Bank determines at any time that an amount of the Grant was used to make a payment for an Excluded Expenditure, the Recipient shall, promptly upon notice from the World Bank, refund an amount equal to the amount of such payment to the World Bank. Amounts refunded to the World Bank upon such request shall be cancelled.

G. **Closing Date.** The Closing Date is January 31, 2015.

APPENDIX

Section I. Definitions

1. "Excluded Expenditure" means any expenditure:

(a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Association or the Bank has financed or agreed to finance, or which the Association or the Bank has financed or agreed to finance under another credit, grant or loan;

(b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Recipient:

Group	Sub-group	Description of Item
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

(c) for goods intended for a military or paramilitary purpose or for luxury consumption;

(d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party;

(e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(f) with respect to which the Association determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Financing proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the Association to address such practices when they occur.

2. "Foreign Currency Deposit Account" means the account referred to in paragraph 1 of Section II.D of the Schedule to this Agreement.

3. "Program" means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the letter dated April 29, 2014 from the Recipient to the International Development Association declaring the Recipient's commitment to the execution of the Program, and requesting assistance from the International Development Association in support of the Program during its execution.

4. "Single Withdrawal Tranche" means the amount of the Grant allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Section II.B of the Schedule to this Agreement.

5. "Vietnamese Dong" means the lawful currency of the Recipient.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Sections 2.01 *(Project Execution Generally)* and 2.07 *(Financial Management; Financial Statements; Audits)* are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.

2. Paragraph (a) of Section 2.03 (renumbered as such pursuant to paragraph 1 above and relating to *Use of Goods, Works and Services)* is deleted in its entirety.

3. Paragraph (c) of Section 2.04 (renumbered as such pursuant to paragraph 1 above) is modified to read as follows:

"Section 2.04. *Documents; Records.* The Recipient shall ensure that:

(c) all records evidencing expenditures under the Grant are retained until two years after the Closing date:"

4. Section 2.05 (renumbered as such pursuant to paragraph 1 above) is modified to read as follows:

"Section 2.05. *Program Monitoring, Reporting and Evaluation.* The Recipient shall:

(b)(ii) ensure the preparation and delivery to the World Bank, not later than six months after the Closing Date, a completion report of such scope and in such detail as the World Bank shall reasonably request on the execution of the Program, the performance by the Recipient and the World Bank of their respective obligations under the Grant Agreement and the accomplishment of the purposes of the Grant."

5. Sections 3.05 *(Designated Accounts)* and 3.06 *(Eligible Expenditures)* are deleted in their entirety, and the remaining Sections in Article III are renumbered accordingly.

6. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

(a) The definition of the term "Eligible Expenditure" is modified to read as follows:

"'Eligible Expenditure' means any use to which the Grant is put in support of the Program, other than to finance expenditures excluded pursuant to the Grant Agreement."

(b) The term "Financial Statements" and its definition as set forth in the Appendix are deleted in their entirety.

(c) The term "Project" is modified to read "Program" and its definition is modified to read as follows:

"'Program" means the program referred to in the Grant Agreement in support of which the Grant is made." All references to "Project" throughout these Standard Conditions are deemed to be references to "Program"."