CREDIT NUMBER 4786-VN

Financing Agreement

(New Model University Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August. 13rd, 2010

CREDIT NUMBER 4786-VN

FINANCING AGREEMENT

AGREEMENT dated August 13rd, 2010, entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined and modified in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred nineteen million four hundred thousand Special Drawing Rights (SDR 119,400,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are June 15 and December 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the 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 through MOET 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, namely, that the Recipient has adopted the Project Operational Manual referred to under paragraph 8 of Section I.A of Schedule 2 to this Agreement.

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

4.03. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient's Address is:

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

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

5.03. The Association's Address is:

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

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

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

SOCIALIST REPUBLIC OF VIETNAM

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to develop an autonomous research-based university to demonstrate a new policy framework on governance, financing, and quality in the Recipient's higher education system.

The Project consists of the following parts:

1. **Policy and Regulatory Framework**

Development of policy, regulations, procedures, and capacity for VGU's governance and management including in: (a) governance and management; (b) financial management and sustainable financing; (c) institutional quality management; (d) human resources management; (e) management and operational systems; and (f) admissions and student services.

2. **Academic and Research Development**

Development of policy, regulations, procedures, and capacity for VGU's academic programs and research work including: (a) academic and research policies including roles and responsibilities; (b) teaching and research strategy; (c) academic program accreditation and quality assurance; (d) research and professoriate development including provision of Research Grants; (e) library development; and (f) research facilities and support services including provision of Scholarship Grants.

3. **Campus and Facilities Development**

Development of a VGU campus including: (a) designing, constructing, and equipping a new campus and related facilities for VGU; and (b) capacity building for campus maintenance and facility management.

4. **Project Management, Monitoring and Evaluation**

Support for effective: (a) Project management and coordination; and (b) Project monitoring and evaluation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. MOET shall be responsible for overseeing the overall management, monitoring and reporting of Project activities including: (a) reviewing and approving of annual implementation, procurement, and financial plans for the Project; (b) setting forth rules, procedures, and guidelines for Project implementation, reporting and monitoring and evaluation; and (c) monitoring progress of Project implementation on a quarterly and yearly basis to ensure continued alignment of actions and processes within set rules, manuals and guidelines; and evaluate progress of deliverables in line with agreed performance indicators, targets and milestones.

2. For the purpose of providing strategic guidance for the overall Project implementation, the Recipient shall, no later than November 30, 2010, establish and maintain throughout the period of Project implementation a National Executive Board with a composition and under terms of reference acceptable to the Association, to be chaired by a representative of MOET and include, among others, representatives of MOF, MPI, MOC, MOHA, MONRE, MARD, and SBV.

3. The Recipient shall maintain throughout the implementation of the Project a Project Management Unit within MOET under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers including, among others, a Project director, a chief procurement officer, a chief accountant, adequate number of accountants, and a chief civil engineering officer in each case with qualifications, experience and under terms of reference acceptable to the Association.

4. The Recipient shall ensure that the PMU is responsible for carrying out civil works activities under Part 3(a) of the Project and the PMU's respective activities under Part 4 of the Project.

5. The Recipient shall, through the PMU, no later than November 30, 2010, and in a manner consistent with the provisions of Section III of this Schedule 2, shall contract the services of one (1) procurement advisor with international experience acceptable to the Association on complex civil works and international bidding procedure, and with terms of reference acceptable to the Association.

6. The Recipient shall, no later than November 30, 2010, cause VGU to establish and maintain throughout the period of Project implementation a VGU Project Management Unit under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers including, among others, a Project director, a procurement officer, and a chief accountant, in each case with qualifications, experience and under terms of reference acceptable to the Association.

7. The Recipient shall ensure that the V-MU shall be responsible for the management, implementation, and coordinating of Parts 1, 2, and 3(b) of the Project and the V-MU's respective activities under Part 4 of the Project.

8. The Recipient shall:

(a) prepare and adopt a Project Operational Manual acceptable to the Association, setting forth guidelines and procedures for the implementation of the Project, including therein: (i) a financial management manual consistent with the requirements of this Schedule 2, which establishes the policies, procedures and requirements under the Project in regard to financial management, flow of funds, definition of roles and responsibilities, internal control and reconciliation, accounting and record keeping, reporting and auditing; (ii) guidelines and procedures for procurement consistent with the provisions of Section III of this Schedule 2; (iii) rules, procedures, and guidelines for Project management and implementation including allocation of roles and responsibilities of various Project stakeholders; and (iv) guidelines and procedures for monitoring and evaluation.

(b) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the said Project Operational Manual or any part thereof, without the prior written concurrence of the Association.

9. The Recipient shall ensure that the VGU provides: (a) Research Grants under Part 2(d) of the Project; and (b) Scholarship Grants under Part 2(f) of the Project, all in accordance with guidelines and procedures acceptable to the Association.

B. Anti-Corruption

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

C. Safeguards.

The Recipient shall:

1. carry out, and cause to be carried out, the Environmental Management Plan in a manner satisfactory to the Association and designed to ensure that the Project is implemented in accordance with sound environmental standards and practices;

2. not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the Environmental Management Plan without the prior written concurrence of the Association; and

3. maintain, policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of the Environmental Management Plan, and the achievement of its objectives.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in paragraph 2 below. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

2. The performance indicators referred to paragraph 1 above consist of the following:

   (a) Outcome Indicators:

      (i) Updated VGU charter and governance structure ensuring autonomy for VGU.

      (ii) Development of financial sustainability plans for VGU.

      (iii) Development of high quality academic programs in VGU.

   (b) Intermediate Indicators:

      (i) Establishment and implementation of VGU's governance and administrative framework.

(ii) Number of people trained at VGU, MOET, and other universities on relevant topics.

(iii) Number of scholarships provided to female students and students from disadvantaged groups.

(iv) Number of enrolled students, graduates, and academic and support staff.

(v) Ratio of domestic and international academic staff with a doctorate degree.

(vi) Number of academic programs introduced and accredited.

(vii) Research projects launched and number of doctorate students mobilized in research projects.

(viii) Percentage of campus construction completed.

(ix) Project implementation rated satisfactory by all major stakeholders.

(x) Capacity to keep implementation schedule on track and efforts to minimize delays.

(xi) Number of manuals, policies, and systems prepared related to Project management.

(xii) Monitoring and evaluation systems developed with timely reporting.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than fifteen (15) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the

Financial Statements shall cover the period of one (1) fiscal year of the Recipient. 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 Section.

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 Section.

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 National 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 National Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2
(b) Shopping
(c) Direct Contracting

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:

Procurement Method
(a) Quality Based Selection
(b) Selection under a Fixed Budget
(b) Least Cost Selection
(c) Selection Based on Consultants' Qualification
(d) Selection of Individual Consultants
(e) Single Source Selection

D. **Review by the Association of Procurement Decisions**

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) each contract for goods estimated to cost the equivalent of $200,000 or more procured on the basis of International Competitive Bidding or National Competitive Bidding; (b) each contract for works estimated to cost the equivalent of $500,000 or more procured on the basis of International Competitive Bidding or National Competitive Bidding; (c) each contract for consultants' services provided by a firm estimated to cost the equivalent of $100,000 or more; (d) each contract for goods or works procured on the basis of Direct Contracting regardless of its value; and (e) each contract for consultants services procured on the basis of Single Source Selection regardless of its value. 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 shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to

this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods	38,180,000	90%
(2) Works	61,340,000	90%
(3) Consultants' Services and Training	13,820,000	100%
(4) Research Grants and Scholarship Grants	950,000	90%
(5) Unallocated	5,110,000	
TOTAL AMOUNT	**119,400,000**	

3. For purposes of the table in paragraph 2 above the term "Training" means the reasonable costs of expenditure incurred by the Recipient in facilitating and conduction training activities under the Project including costs of training material, equipment and venue rental, and per diem and transportation for those attending the training.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) for payments made prior to the date of this Agreement; except that withdrawals up to an aggregate amount not to exceed the equivalent of sic hundred sixty thousand Special Drawing Rights (SDR 660,000) may be made for payments made prior to this date but on or after May 31, 2010 for Eligible Expenditures;

(b) under Category (2) unless the Recipient has furnished to the Association evidence acceptable to the Association of the allocation of an appropriate land for the construction of the new VGU campus under Part 3(a) of the Project; or

(c) under Category (4) unless the Recipient has developed and furnished to the Association guidelines and procedures acceptable to the Association governing the provision of Research Grants under Part 2(d) of the Project and Scholarship Grants under Part 2(f) of the Project.

2. The Closing Date is November 30, 2017.

Section V. Other Undertakings

The Recipient, through the PMU, no later than November 30, 2011, and in a manner consistent with the provisions of Section III of this Schedule 2, shall commence the bidding process for designing the new VGU campus under Part 3(a) of the Project.

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, Law 38/2009/QH12 dated June 19, 2009 on Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment, and *Decree 85/2009/ND-CP, Guiding Implementation of Law on Procurement and Selection of Construction Contractors under the Construction Law* dated October 15, 2009 (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 and May 2010 (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

1. 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.

2. 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

3. 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

4. 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 Newspaper and on a free and open access website.

Standard Bidding Documents

5. Standard Bidding Documents, acceptable to the Association, shall be used.

Qualification Criteria

6. 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

7. 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

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

Complaints by Bidders and Handling of Complaints

9. 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

10. 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, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.

Right to Inspect/Audit

11. 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 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. The deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

License

12. 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

13. The Recipient shall publish the following information on contract award in the Government Public Procurement Newspaper 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

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 15 and December 15:	
commencing December 15, 2020 to and including June 15, 2030	1.25%
commencing December 15, 2030 to and including June 15, 2045	2.50%

* The percentages represent the percentage 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

Section I. Definitions

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 with the modifications set forth in Section III of this Appendix.

2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

3. "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 and May 2010.

4. "Environmental Management Plan" the plan adopted by MOET's Decision Number 2129/QD-BGDDT dated May 27, 2010, and referred to in Section C of Schedule 2 to this Agreement, which sets out the environmental protection measures in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as such plan me be revised from time to time with the prior concurrence of the Association.

5. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 1, 2005 (as amended through October 15, 2006) with the modifications set forth in Section II of this Appendix.

6. "MARD" means the Recipient's Ministry of Agriculture and Rural Development or any successor thereto.

7. "MOC" means the Recipient's Ministry of Construction or any successor thereto.

8. "MOET" means the Recipient's Ministry of Education and Training or any successor thereto.

9. "MOF" means the Recipient's Ministry of Finance or any successor thereto.

10. "MOHA" means the Recipient's Ministry of Home Affairs or any successor thereto.

11. "MONRE" means the Recipient's Ministry of Environment and Natural Resources or any successor thereto.

12. "MPI" means the Recipient's Ministry of Planning and Investment or any successor thereto.

13. "National Executive Board" the board to be established and maintained in accordance with the provisions of paragraph 2 of Section I.A of Schedule 2 to this Agreement for providing strategic guidance for the overall Project implementation.

14. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October, 2006 and May 2010.

15. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 27, 2010 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.

16. "Project Management Unit" or "PMU" means the unit to be maintained in accordance with the provisions of paragraphs 3 of Section I.A of Schedule 2 to this Agreement for purposes of carrying out civil works activities under Part 3(a) of the Project.

17. "Project Operational Manual" means the manual to be adopted by the Recipient for the implementation of the Project in accordance with the provisions of paragraph 8 of Section I.A of Schedule 2 to this Agreement.

18. "Research Grants" means the grants to be provided under Part 2(d) of the Project to academic staff of VGU for research and academic work purposes.

19. "SBV" means the Recipient's State Bank of Vietnam or any successor thereto.

20. "Scholarship Grants" means the grants to be provided under Part 2(f) of the Project to VGU students to support them with tuition, fees, and living expenses.

21. "VGU Project Management Unit" or "V-MU" means the unit to be maintained in accordance with the provisions of paragraphs 6 of Section I.A of Schedule 2 to this Agreement for the purpose of overseeing overall management and implementation of Project activities within VGU

22. "Vietnamese German University" or "VGU" means the university established under MOET in accordance with Recipient's Prime Minister Decision Number 1196/QD-TTg dated September 1, 2008, or any successor thereto.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

"Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank ("Preparation Advance"), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance."

2. Paragraph (i) of Section 6.02 is modified to read as follows:

"Section 6.02. *Suspension by the Association*

... (l) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of: (i) a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier."

3. 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 term "Project Preparation Advance" is modified to read "Preparation Advance" and its definition is modified to read as follows:

"'Preparation Advance' means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07."

4. Paragraph (a) of Section 2.05 is modified to read as follows:

"Section 2.05 Eligible Expenditure

(a) the payment is for the financing of the reasonable cost of goods, works, services, Training, Research Grants, and Scholarship Grants (as said capitalized terms are defined in the Financing Agreement) required for the Project, and to be financed out of the proceeds of the Financing and procured, all in accordance with the provisions of the Legal Agreements;"

Section III. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

"... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier."

2. Section 11(a) is modified to read as follows:

"... (a) sanction in accordance with prevailing Bank's sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has

entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier."

Footnotes:

"13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank's sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier."

"14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines."

"15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank's website and otherwise be made known to staff and other stakeholders."