THE WORLD BANK
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July 29, 2019

H.E. Lê Minh Hưng
Governor
State Bank of Vietnam
49 Lý Thái Tổ
Hà Nội
Socialist Republic of Vietnam

Re: GPOBA Grant No. TF0A9420
Quality Improvement of Primary Education for Deaf Children Project
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of the Socialist Republic of Vietnam ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by donors ("Donor(s)") under the Global Partnership on Output-based Aid, proposes to extend to the Recipient a grant in an amount not to exceed three million United States Dollars (USD 3,000,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

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

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT
ASSOCIATION

By _____
Ousmane Dione
Country Director for Vietnam
East Asia and Pacific Region

AGREED:
SOCIALIST REPUBLIC OF VIETNAM

By _____
Authorized Representative

Name Nguyen Thi Hong

Title Deputy Governor

Date July 31, 2019

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012

(2) Disbursement Letter of the same date as this Agreement, together with the "Disbursement Guidelines for Investment Project Financing", dated February 2017

GPOBA Grant No. TF0A9420
ANNEX

Article I
Standard Conditions; Definitions

1.01. ***Standard Conditions.*** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. ***Definitions.*** 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; and the following additional terms shall have the following meanings:

(a) "DOET" means the Recipient's provincial department of education and training in a Participating Province, or any successor thereto, and "DOETs" means, collectively, all DOETs in the Participating Provinces.

(b) "Independent Verification Agent" or "IVA" means an agent to be assigned by MOET, on behalf the Recipient in accordance with Section 2.03.(d) of the Annex to this Agreement.

(c) "MOET" means the Recipient's ministry of education and training, or any successor thereto.

(d) "OBA Subsidy" means the amount to be paid to (i) MOET with respect to Part 2.2 of the Project, or (ii) a DOET with respect to Part 3 of the Project; for achievement of eligible outputs as verified by the IVA, in accordance with the Project Operations Manual, and "OBA Subsidies" means more than one (1) OBA Subsidy.

(e) "Output Verification Report" means a report prepared by the IVA, certifying the achievement of eligible outputs under Parts 2.2 and 3 of the Project as referred in Article 2.03.(d) of the Annex to this Agreement.

(f) "Operating Costs" means the reasonable costs of incremental eligible expenditures incurred by the Recipient and implementing agency as well as concerned participating agencies and local beneficiaries in the implementation of the Project, based on annual work plans and budgets approved by the World Bank, which expenditures would not have been incurred absent the Project, including the costs of consumables, operation, maintenance, and/or rental of equipment and vehicles; bank charges; communication costs; information and communication campaigns; transportation costs; translation, printing, photocopying and advertising expenses; accommodation and per diem for Project staff including contracted staff and other participants for purposes of Project implementation, management, and supervision; and wages of contracted staff; but in all cases excluding salaries, salary allowances, and salary supplements of the Recipient's civil servants ("công chức", "viên chức").

(g) "Project Operations Manual" means the manual dated July 29, 2019 adopted by MOET which sets forth detailed arrangements and procedures for: (i) institutional

coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management, including preparation for, and implementation of measures through which the Recipient will ensure that: (1) ethnic minorities affected by the Project receive culturally appropriate social and economic benefits, and (2) when potential adverse effects on ethnic minorities are identified, those adverse effects are avoided, minimized, mitigated, or compensated for; (v) monitoring and evaluation, reporting and communication; (vi) an integrity action plan; (vii) performance indicators; (viii) specific guidelines and procedures for the implementation of OBA Subsidies under the Project; and (ix) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; as the same may be amended from time to time with the prior written agreement of the World Bank.

(h) "Participating Provinces" means the provinces selected by the Recipient to participate in implementation of the Project as has been agreed with the World Bank as each of them is represented by its respective Provincial People's Committee, and "Participating Province" means any of the Participating Provinces.

(i) "Project Management Unit" means the unit established within MOET's Project Management Board pursuant to MOET's Decision Number 944/QD-BGDT dated April 11, 2019 and operating in accordance with the provisions of Article 2.03.(a) of the Annex to this Agreement, or any successor thereto.

(j) "Project Management Board" means the unit established within MOET, pursuant to Decision Number 2969/QD-BGDDT, dated August 24, 2016, or any successor thereto.

(k) "Provincial Project Coordination Unit" means the unit to be established and maintained by each DOET in accordance with the provisions Article 2.03.(a) of the Annex to this Agreement, or any successor thereto.

(l) "Provincial People's Committee" means the local governments of each Participating Province at the provincial level.

(m) "Selected School" means an inclusive or specialized school operating in a Participating Province that meets the qualifications set forth in the Project Operations Manual.

(n) "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, in facilitating, conducting, and/or undertaking training and workshop activities under the Project, including: costs of training or workshop materials; equipment and venue rental; and per diem, accommodation, and transportation for those attending the training or workshop, honoraria for government trainers; but excluding salary and salary supplements of the Recipient's civil servants ("công chức", "viên chức").

(o) "Unit Cost" means for each eligible output under Parts 2.2 and 3 of the Project, the unit cost established from time to time by the World Bank in consultation with MOET, and set forth in the Project Operations Manual.

(p) "VSL" means the Vietnamese sign language.

(q) "World Bank's Safeguard Policies" means the operational policies and procedures for financing of development projects by the World Bank at the date of this Agreement and relating to Environmental Assessment, Natural Habitats, Pest Management, Indigenous Peoples (Ethnic Minorities), Physical Cultural Resources, Involuntary Resettlement, Forests, Safety of Dams, Projects on International Waterways, and Projects in Disputed Areas, as published under http://policies.worldbank.org/.

Article II
Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to increase access for deaf children to Vietnamese sign language based primary education in Selected Schools within the Participating Provinces and improve their learning outcomes.

The Project consists of the following parts:

Part 1: VSL-based Material Development for Primary Education

Providing technical and analytical support for development of (a) VSL-based animated video lessons for math and Vietnamese language curricula; and (b) the list of VSL signs in primary education.

Part 2: Training of Teachers, Parents, Caregivers, and Deaf Mentors

2.1. Development of Training Materials

Providing technical and analytical support for: developing training materials and training programs to the groups participating in deaf children teaching, including teachers, training assistants, parents, caregivers, and deaf adults.

2.2. OBA subsidy for Delivery of Training

Providing OBA Subsidies to MOET for delivery of face-to-face and online trainings to eligible teachers, teaching assistants, parents, caregivers, and tutors and mentors of deaf children in the Participating Provinces.

Part 3: OBA subsidy for VSL-based Primary Education of Deaf Children

Providing OBA Subsidies to the DOETs in the Participating Provinces to support eligible deaf children's access to VSL based education services at Selected Schools.

Part 4: Project Management and Independent Verification

Providing Project management support, including day-to-day administration, coordination, financial management, financial audits, procurement, and monitoring, evaluation and independent verification of the Project's outputs.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project, through MOET and the DOETs, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.***

(a) ***Institutional Arrangement.*** The Recipient shall, (1) through MOET, maintain, throughout the period of implementation of the Project, the Project Management Unit, with composition, powers, functions, staffing, facilities and other resources acceptable to the World Bank, responsible for: (i) planning and managing the implementation of the Project, including financial management and procurement; (ii) ensuring coordination among all relevant departments and agencies; and (iii) monitoring and reporting on all Project activities; and (2) cause each DOET to establish and thereafter maintain, throughout the period of implementation of the Project, a Provincial Project Coordination Unit, with composition, powers, functions, staffing, facilities and other resources acceptable to the World Bank, responsible for implementation, coordination, reporting, management, and monitoring and evaluation of the activities under Part 3 of the Project.

(b) ***OBA Subsidies.***

(i) For purposes of Part 3 of the Project, the Recipient shall, through MOET, provide OBA Subsidy to each DOET, in accordance with eligibility criteria and procedures set out in the Project Operations Manual, under a Subsidiary Agreement between the MOET and a DOET, in form and substance acceptable by the World Bank.

(ii) The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

(c) ***Project Operations Manual.***

(i) The Recipient shall carry out the Project in accordance with the provisions of the Project Operations Manual.

(ii) Except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive or permit to be assigned, amended, abrogated, or waived the Project Operations Manual or any provisions thereof. In the event of a conflict between the provisions of the Project Operations Manual and those of this Agreement, the latter shall govern.

(d) ***Verification Arrangements.*** The Recipient, through MOET, shall: (i) not later than six (6) months after the Effective Date of this Agreement, recruit an Independent

Verification Agent ("IVA"), with experience and capacity, and under terms of reference acceptable to the World Bank, and (ii) thereafter cause said IVA to: (1) be responsible for verification of eligible outputs under the Project; and (2) not later than thirty (30) days after the verification of eligible outputs has been completed, prepare and furnish to the Recipient and the World Bank, an Output Verification Report.

(e) ***Safeguards.*** The Recipient shall, through MOET, ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the World Bank's Safeguards Policies.

2.04. ***Donor Visibility and Visit.***

(a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor(s)' support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donor(s) to visit any part of the Recipient's territory for purposes related to the Project.

2.05. ***Project Monitoring, Reporting and Evaluation.***

(a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

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

2.06. ***Financial Management.***

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) after the end of each calendar semester, covering the semester, in form and substance acceptable to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. ***Procurement.*** All goods, consulting services, and non-consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the "World Bank Procurement Regulations for IPF Borrowers" dated July 2016, revised November 2017 and August 2018 ("Procurement

Regulations"), and the provisions of the Recipient's procurement plan for the Project ("Procurement Plan") dated June 11, 2019 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. ***Eligible Expenditures.*** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing", dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, and Training and Workshops under Parts 1 and 2.1 of the Project	650,000	100%
(2) OBA Subsidies	2,050,000	100%
(3) Consulting services, Training and Workshops, and Operating Costs under Part 4 of the Project	300,000	100%
TOTAL AMOUNT	**3,000,000**	

3.02. ***Withdrawal Conditions.*** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $600,000 equivalent may be made for payments made prior to this date but on or after December 3, 2018, for Eligible Expenditures under Category (1).

3.03. ***Withdrawal Period.*** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2021.

3.04. ***Other Undertakings.*** Without prejudice to the provisions of Section 3.01 and 3.02 above, the withdrawal of OBA Subsidies shall be made upon the submission an Output Verification

Report; and the amount of each OBA Subsidy shall be calculated as the product of the Unit Cost per the number of the eligible outputs that have been achieved in a manner acceptable to the World Bank.

Article IV
Recipient's Representative; Addresses

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

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

State Bank of Vietnam
49, Ly Thai To Street
Hanoi
Vietnam

Facsimile:

84-4-3825-0612

4.03. ***World Bank's Address.*** 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

Facsimile:

1-202-477-6391