CREDIT NUMBER 5654 - VN

Financing Agreement

(Ho Chi Minh City Green Transport Development Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 9, 2015

FINANCING AGREEMENT

AGREEMENT dated July 9, 2015, entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

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, the Original Financing Agreement, 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 eighty eight million two hundred thousand Special Drawing Rights (SDR 88,200,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are May 15 and November 15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ho Chi Minh City People's Committee 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 Condition of Effectiveness consist of the following, namely, the Subsidiary Agreement has been executed on behalf of the Recipient and the Ho Chi Minh City People's Committee.

4.02. The Additional Legal Matters consist of the following:

(a) The Subsidiary Agreement has been duly authorized or ratified by the Recipient and the HCMC PC and is legally binding upon the Recipient and the HCMC PC in accordance with its terms; and

(b) The Resettlement Policy Framework is legally binding upon the Recipient and the HCMC PC in accordance with its terms.

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Governor, or a Deputy Governor, of State Bank of Vietnam.

5.02. The Recipient's Address is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

Cable address:	Telex:	Facsimile:
VIETBANK	412248	(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 Washington D.C., United States of America as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By _____

Authorized Representative

Name: Nguyen Van Binh

Title: Governor

INTERNATIONAL DEVELOPMENT ASSOCIATION

By _____

Authorized Representative

Name: Van Trotsenburg

Title: Vice President

SCHEDULE 1

Project Description

The objective of the Project is to improve the performance and efficiency of public transport along a high priority corridor in Ho Chi Minh City.

The Project consists of the following parts:

Part 1: Bus Rapid Transit Corridor Development

Development of a Bus Rapid Transit ("BRT") corridor between An Lac in the southwest of HCMC to Rach Chiec in the northeast of HCMC, including the following:

(a) Carrying out the construction and supervision of the BRT infrastructure and facilities;

(b) Improvement of the traffic management system, including the modification of intersection controls and the deployment of an intelligent transport system and associated technologies;

(c) Development of a fare collection system, including smart cards and servers;

(d) Provision of BRT vehicles and fueling facilities;

(e) Carrying out integrated planning and urban development measures around BRT stations;

(f) Carrying out of marketing and public communication activities;

(g) Provision of support for Project management; and

(h) Land acquisition and resettlement.

Part 2: Institutional Strengthening

(a) Carrying out of training programs and technical support for relevant implementing agencies in Project management, urban transport planning, and public transport operation including strategic support for the operation of the BRT system;

(b) Carrying out of monitoring and evaluation activities, including the assessment of the BRT system success on an on-going basis;

(c) Carrying out of feasibility and design studies for maximizing connectivity and ridership and continued development of the BRT system; and

(d) Carrying out of a study to develop the optimal fare structure and fare product range for the public transportation system.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall cause HCMC PC to be primarily responsible for overall Project management including the approval of detailed design of the BRT system under Part 1 of the Project, approval of the Procurement Plan, policy setting, and providing guidance on and oversight of Project implementation.

2. The Recipient shall cause the HCMC PC to maintain throughout the implementation of the Project the Project Management Unit in UCCI. The PMU shall be under the direction of qualified management, provided with sufficient resources, and staffed with competent personnel in adequate numbers, with qualifications, experience and terms of reference acceptable to the Association. The PMU shall be responsible for managing the implementation of all Project activities including overall coordination, quality assurance, procurement, financial management, monitoring and reporting, obtaining site working permissions for contractors, and day-to-day supervision of Project implementation.

3. The Recipient shall cause the HCMC PC to ensure that the HCMC UCCI is responsible for the: (a) supervision of the PMU; (b) overall management of the Procurement Plan, including the signing of the contracts; (c) review and appraisal of all relevant submissions from the PMU; and (d) upon completion of the construction of the BRT system under Part 1 of the Project, handing over the management and maintenance of the BRT system to the Department of Transport.

4. The Recipient shall cause the HCMC PC to ensure that the DOT is responsible for: (a) the review of the detailed design and technical specifications of the BRT system; (b) taking over the management and maintenance of the BRT system from the HCMC UCCI upon completion of the construction of the BRT system under Part 1 of the Project, through its Management and Operations Center for Public Transport; and (c) coordination of the strategy, services, and fares of the bus, BRT, and rail systems within the scope of the Project.

5. The Recipient shall cause HCMC PC to ensure that the MOCPT shall:

   (a) maintain a MOCPT BRT Unit which shall be responsible for the: (i) development of new and high-quality commercial and operational practices; (ii) planning and management of BRT operations; (iii) establishment of the relevant interfaces; and (iv) coordination with other relevant agencies responsible for infrastructure, and traffic management and enforcement;

(b) no later than the completion of the construction of the BRT system under Part 1 of the Project, enter into an arrangement with a capable operator, which arrangement shall be acceptable to the Association, and shall include, inter alia, the requirements that said operator shall: (i) maintain the BRT operator, throughout the implementation of the Project; and (ii) require said BRT operator to be responsible for the operation of the BRT services for the duration of said arrangement.

6. The Recipient shall cause HCMC PC, by no later than six (6) months following the date of this Agreement, to engage an independent internal auditor under terms of reference acceptable to the Association and in a manner consistent with the provisions of Section II of this Schedule 2.

7. The Recipient shall cause HCMC PC to ensure that UCCI:

(a) by no later than January 31 of each year, commencing in January 31, 2016, prepares and provides to the Association for its review and comment an annual Project work plan for the next succeeding calendar year, together with the financing plan, including sources of funds, therefor; and

(b) thereafter implements in a manner satisfactory to the Association such annual work plan as shall have been agreed with the Association.

B. Subsidiary Agreement

1. To facilitate the HCMC PC's implementation of the Project, the Recipient shall make the proceeds of the Financing available to the HCMC PC under a Subsidiary Agreement between the HCMC PC and the Recipient, represented by its Ministry of Finance, under terms and conditions acceptable to the Association, which shall include the obligations of the HCMC PC to:

(a) repay the proceeds of the Financing over a period of 25 years, inclusive of a grace period of 5 years;

(b) ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(c) ensure that the Project is carried out in accordance with the provisions of the Project Operations Manual, and except as the Association shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

(d) ensure that the Project is carried out in accordance with the provisions of the Safeguard Instruments, and except as the Association shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

(e) ensure that: (i) an acceptable financial management system is maintained and financial statements are prepared in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the HCMC PC, including the operations, resources, and expenditures related to the Project; and (ii) such statements are audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and such audited financial statements are furnished to the Recipient and the Association and made publicly available in a timely fashion and in a manner acceptable to the Association; and

(f) ensure that procurement of the goods, works, and non-consulting and consultants' services required for the Project is carried out in accordance with the provisions of Section III of this Schedule 2, as said provisions may be further elaborated in the Procurement Plan.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

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

D. Project Operations Manual

1. The Recipient shall: (a) ensure that the Project is carried out in accordance with the POM; and (b) except as the Association shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of such POM and those of this Agreement, the latter shall govern.

E. Safeguards

1. The Recipient shall and shall cause HCMC PC to:

   (a) take all necessary actions to avoid or minimize to the extent possible any involuntary relocation of persons, or their loss of shelter, assets, or access to assets, or loss of income sources or means of livelihood, temporarily or permanently;

   (b) in the event that Project activities give rise to Displaced Persons, prior to the commencement of such activities, cause to be prepared, a Resettlement Action Plan, acceptable to the Association, in accordance with the guidelines, requirements and procedures set forth in the Resettlement Policy Framework, and thereafter implement in a timely manner said RAP as approved by the Association; and

   (c) implement relevant actions, acceptable to the Association, to promote gender equality for those affected as a result of land acquisition and those who potentially use the BRT services.

2. The Recipient shall and shall cause HCMC PC to ensure that all land acquisition required for the purposes of carrying out works under the Project are financed exclusively out of its own resources, and shall provide, promptly as needed, the resources needed for these purposes, including: (a) all land acquisition required for the purposes of carrying out the Project; (b) resettlement and rehabilitation payments to Displaced Persons; and (c) all other costs associated with environmental and/or social mitigation measures set forth in the Safeguard Instruments.

3. The Recipient shall and shall cause HCMC PC to:

   (a) implement in a timely manner the Environmental Management Plan, acceptable to the Association; and

   (b) ensure that no civil works carried out under the Project shall commence unless and until the relevant Safeguards Instruments are furnished to the Association and all requisite consultation and public disclosure activities have been carried out, all in a manner and form satisfactory to the Association.

4. The Recipient shall and shall cause HCMC PC to:

   (a) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the Safeguard Instruments or any provision of any one thereof, without the prior written agreement of the Association; and

(b) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of the Safeguard Instruments.

5. In case of any inconsistency between the provisions of any of the Safeguard Instruments and this Agreement, the provisions of this Agreement shall prevail.

6. Without limitation to the provisions of paragraph 1 of Section II.A of this Schedule 2, the Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:

(a) measures taken in furtherance of the Safeguards Instruments;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and

(c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and cause HCMC PC to prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators acceptable to the Association and as set forth in the POM. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall cause HCMC PC to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall cause HCMC PC to prepare and furnish to the Association not later than forty-five (45) days after the end of each semester, an interim unaudited financial report for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient shall cause HCMC PC to have the Project Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one

fiscal year of the Recipient, or any other periods acceptable to the Association. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works, and Non-consulting Services.** All goods, works, and non-consulting 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 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works, and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, non-consulting services, 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 procedures set out in the Annex to this Schedule
(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 the 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) Least-Cost Selection
(c) Selection Based on the Consultants' Qualifications
(d) Single-Source Selection
(e) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. 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 respective 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 allocation 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)
Goods, works, non-consulting services, consultants' services, Training and Workshops, and Incremental Operating Costs	88,200,000	100%
TOTAL AMOUNT	**88,200,000**	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2020.

ANNEX to SCHEDULE 2

National Competitive Bidding Procedures

The procedures to be followed for the procurement of goods, non-consulting services, and works under contracts awarded on the basis of National Competitive Bidding shall be those set forth in: (a) Article 20 on Open Bidding of the Recipient's Law on Procurement No. 43/2013/QH13 dated November 26, 2013 and related provisions necessary to effect the same; and (b) the Recipient's Decree No. 63/2014/ND-CP Guiding Implementation of the Law on the Procurement dated June 26, 2014 (collectively, "National Procurement Laws"), subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the "Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 and revised July 2014 ("the Procurement Guidelines") and the following provisions:

Conflict of Interest

1. A bidder shall not have a conflict of interest. Any bidder found to have a conflict of interest shall be ineligible for award of a contract. The provisions on conflict of interest as stated under Section I of the Procurement Guidelines shall apply.

Eligibility

2. The eligibility of bidders shall be as defined under Section I of the Procurement 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 or be subcontractors to national bidders in order to submit a bid.

3. Government-owned enterprises or institutions of the Recipient's country are eligible to bid in the Recipient's country only if they can establish that they: (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of the Recipient or Sub- Recipient.

Time for Bid Preparation

4. The time allowed for the preparation and submission of bids for large and/or complex packages shall not be less than thirty (30) days from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later.

Standard Bidding Documents

5. The standard bidding documents acceptable to the Association shall be used.

Bid Opening and Bid Evaluation

6. Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received.

7. 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. No bid shall be eliminated from detailed evaluation on the basis of minor, non-substantive deviations. The evaluation of bidder's qualifications shall be conducted separately subsequent to the technical and commercial evaluation of the bid.

8. A contract shall be awarded, within the period of the validity of bids, to the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (i) to be substantially responsive to the bidding documents and (ii) to offer the lowest evaluated cost. A bidder shall neither be required nor permitted, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

9. No bid shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Association's prior written agreement.

Rejection of All Bids and Re-bidding

10. Rejection of all bids is justified when there is lack of effective competition, or all bids are not substantially responsive, or no bidder meets the specified qualification criteria, or the bid price of the lowest evaluated winning bid is substantially higher than the Recipient's updated estimated cost or available budget. All bids shall not be rejected or new bids solicited without the Association's prior written agreement.

Complaints by Bidders and Handling of Complaints

11. The Recipient shall implement an effective and independent protest mechanism, acceptable to the Association, allowing bidders to protest and have their protests handled in a timely manner.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing November 15, 2020 to and including May 15, 2030	**1.65%**
commencing November 15, 2030 to and including May 15, 2040	**3.35%**

* 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 and revised in January 2011.

2. "Category" means a category set forth in the table in Section IV of Schedule 4 to this Agreement.

3. "City" means the government administrative areas established as such in accordance with the Recipient's constitution and laws, or any successor thereto.

4. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011, revised July 2014.

5. "Department of Transport" or "DOT" means HCMC Department of Transport, or any successor thereto.

6. "Displaced Person" means a person who, on account of implementation of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and "Displaced Persons" means, collectively, all such persons.

7. "District" means the government administrative areas established as such in accordance with the Recipient's constitution and laws, or any successor thereto.

8. "Environment Management Plan" or "EMP" means the environmental management plan, acceptable to the Association and setting out mitigation, enhancement, monitoring, reporting and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as said EMP may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plan.

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. "Ho Chi Minh City People's Committee" or "HCMC PC" means the local government of Ho Chi Minh City, or any successor thereto.

11. "Incremental Operating Costs" means the incremental operating costs under the Project incurred by the Recipient for purposes of Project management, implementation, and monitoring and evaluation, including office supplies and consumables, utilities, bank charges, communications, information and communication campaigns, mass media and printing services, vehicle rental, operation, maintenance, and insurance, office space rental, building and equipment maintenance, travel, lodging, and subsistence allowances, the incremental operating costs of the auditing services for the Project, and salaries of contractual and temporary staff, but excluding salary and salary supplements of staff of the Recipient's civil service ("công chức" and "viên chức") and staff of the implementing agencies.

12. "Management and Operations Center for Public Transport" or "MOCPT" means the unit within the DOT under the HCMC PC, which unit was established by HCMC PC pursuant to Decision Number 4196/QD-UB-NC dated September 12, 1996, or any successor thereto.

13. "MOCPT BRT Unit" means the unit to be established by MOCPT, which unit shall be responsible for the: (a) development of new and high-quality commercial and operational practices; (b) planning and management of BRT operations; (c) establishment of the relevant interfaces; and (d) coordination with other relevant agencies responsible for infrastructure, and traffic management and enforcement.

14. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011, revised July 2014.

15. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 12, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

16. "Project Operations Manual" or "POM" means the document adopted by HCMC PC pursuant to Decision Number 1917/UBND-QLDA dated April 11, 2015, and referred to in Section I.D of Schedule 2 to this Agreement, agreed with the Association and setting out implementation, organizational,

administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.

17. "Project Management Unit" or "PMU" means the unit established within UCCI pursuant to Decision Number 2566/QD-BQLGTDT-VP dated October 24, 2012, which unit shall be responsible for managing the implementation of all Project activities, or any successor thereto.

18. "Resettlement Action Plans" or "RAPs" means HCMC PC's plans, acceptable to the Association and setting out detailed measures, covering those related to compensation payment and support, including also mitigation, enhancement, monitoring, and institutional measures, and capacity building through training, to carry out compensation, support, resettlement, and livelihoods restoration of Displaced Persons, and land acquisition for a site specific civil works under the Project, in accordance with the provisions of the Resettlement Policy Framework, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plans.

19. "Resettlement Policy Framework" or "RPF" means the framework, agreed with the Association and setting out the principles, covering those related to compensation payment and support, including also mitigation, enhancement, monitoring, institutional measures, and capacity building through training, to carry out compensation payment, support, resettlement, and livelihoods restoration of any Displaced Persons, and guidelines and procedures for the preparation of Resettlement Action Plan(s) that are required under the Project, as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.

20. "Safeguards Instruments" means, collectively, the Environmental Management Plan, the Resettlement Policy Framework, and the Resettlement Action Plans.

21. "Subsidiary Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the HCMC PC.

22. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, based on annual work plans and terms of reference

acceptable to the Association, in facilitating and conducting domestic and overseas training and workshop activities of the Project, including costs of training or workshop materials; honoraria; interpretation and translation; equipment and venue rental; lunches; and per diem, accommodation, and transportation for those attending the training or workshop; but excluding salary and salary supplements of Recipient's civil servants ("công chức" and "viên chức") and staff of the implementing agencies.

23. "Urban Civil Works Construction Investment Management Authority of Ho Chi Minh City" or "UCCI" means the unit under the HCMC PC, which unit was established by HCMC PC pursuant to Decision Number 3758/QD-UBND dated August 25, 2010, or any successor thereto.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

"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."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the subsequent paragraphs accordingly:

"32. "Interest Charge" means the interest charge specified in the Financing

Agreement for the purpose of Section 3.02(b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02 (a).