HB496 B

CREDIT NUMBER 6056 - VN

Scale-Up Facility Financing Agreement

(Vietnam Scaling Up Urban Upgrading Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 29, 2018

CREDIT NUMBER 6056 - VN

SCALE-UP FACILITY FINANCING AGREEMENT

AGREEMENT dated June 29, 2018, entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS the Recipient has requested the Association to provide assistance towards the financing of the project described in Schedule 1 to this Agreement ("Project") and the Association has agreed to provide such assistance, on the terms and subject to the conditions provided or referred to in the Financing Agreement, in an amount one hundred three million two hundred thousand Special Drawing Rights (SDR 103,200,000).

NOW THEREFORE, the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — CREDIT

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 the amount of one hundred million Dollars (US$ 100,000,000) ("Credit"), to assist in financing the Project.

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

2.03. The Front-end Fee payable by the Recipient shall be equal to one quarter of one percent (¼ of 1%) of the Credit amount. The Recipient shall pay the Front-end Fee not later than sixty days after the Effective Date.

2.04. The Commitment Charge payable by the Recipient shall be one-quarter of one percent (¼ of 1%) per annum on the Unwithdrawn Credit Balance.

2.05. The Interest Charge payable by the Recipient for each Interest Period shall be at a rate equal to four and one half percent (4.5%) per annum.

2.06. The Payment Dates are January 1 and July 1 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the amortization 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 Project Provinces 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 is that the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

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 Ly Thai To
Hanoi, Vietnam

Facsimile:

(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

Facsimile:

1-202-477-6391

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

SOCIALIST REPUBLIC OF VIETNAM

By _____

Authorized Representative

Name: Governor - Le Minh Hung

Title: Governor

INTERNATIONAL DEVELOPMENT ASSOCIATION

By _____

Authorized Representative

Name: Ousmane Diore

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to improve access to infrastructure in priority city areas and improve urban planning in the Participating Cities.

The Project consists of the following parts:

Part 1: Tertiary Infrastructure Upgrading in Low Income Areas

Supporting tertiary infrastructure in selected low income areas of the Participating Cities.

Part 2: Priority Primary and Secondary Infrastructure

Supporting priority primary and secondary infrastructure in selected areas of the Participating Cities.

Part 3: Resettlement Sites

Construction of resettlement sites, including any associated infrastructure and public facilities.

Part 4: Project Management Support

4.1 Provision of technical assistance for the overall Project implementation and management at the provincial and city level, including monitoring and evaluation, monitoring of environmental and social safeguards, independent financial audits, and construction supervision and management.

4.2 Provision of technical and analytical services on, *inter alia,* integrated urban planning and implementation of green infrastructure designs with universal accessibility features.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall, through the Project Provinces, throughout the period of implementation of each Project Province's Respective Part of the Project, maintain the following entities with composition, powers, functions, staffing, facilities and other resources satisfactory to the Association:

   (a) a Project Steering Committee (PSC) chaired by a provincial leader of its Provincial People's Committee, for the purpose of monitoring and guiding overall implementation of the Respective Part of the Project in each Participating City; and

   (b) a Project Management Unit (PMU) responsible for: (i) planning and managing the implementation of its Respective Part 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.

B. Subsidiary Agreement

1. To facilitate the implementation of each Project Province's Respective Part of the Project, the Recipient, through its Ministry of Finance, shall make the proceeds of the Credit and Financing available to the Project Provinces under a Subsidiary Agreement between the Recipient, represented by its Ministry of Finance, and the respective Project Province, under terms and conditions acceptable to the Association.

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 Credit and 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. Annual Work Plans and Project Operations Manual

1. The Recipient, through the Project Provinces, shall: (a) prepare and furnish to the Association by November 30 in each year, beginning in 2017, a draft Annual Work Plan for review and comment, summarizing the implementation progress of the Project for the said year and the Project activities to be undertaken in the following calendar year, including the proposed annual budget for the Project; (b) taking into account the Association's comments, finalize and furnish to the Association no later than December 31 in each year, beginning in 2017, the Annual Work Plan, satisfactory to the Association; and (c) thereafter ensure the implementation of the Project during the following calendar year in accordance with the Annual Work Plan agreed with the Association and in a manner satisfactory to the Association. The Recipient shall not amend, suspend, abrogate, or waive said Annual Work Plans or any provision thereof without the prior written agreement of the Association.

2. Throughout the implementation of the Project, the Recipient, through the Project Provinces, shall apply, the Project Operations Manual in a timely and efficient manner satisfactory to the Association. The Recipient, through the Project Provinces, shall not amend, suspend, or waive said Project Operations Manual or any provision or schedule thereof, without the prior written agreement of the Association. In the event of any inconsistency between the provisions of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

E. Safeguards

1. The Recipient shall carry out the Project in accordance with the Safeguards Instruments in a manner and substance satisfactory to the Association.

2. The Recipient, through the Project Provinces, shall:

   (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) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any works which would result in such acquisition or displacement, make available to such people compensation and, as applicable, relocate and rehabilitate the Displaced Persons in accordance with the Resettlement Action Plans and any additional RAP(s) to be developed under the terms of the RPF, and in a manner satisfactory to the Association; and

(c) whenever required in terms of the RPF or the EMDF, proceed to have additional RAP(s) or additional EMDP(s), respectively: (i) prepared in form and substance satisfactory to the Association; (ii) except as otherwise agreed with the Association, submitted to the Association for review and approval; (iii) thereafter, adopted and publicly disclosed; and (iv) thereafter, to implement, or cause to be implemented, such additional resettlement action plan or plans in accordance with their terms and in a manner acceptable to the Association.

3. The Recipient shall 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.

4. The Recipient, through the Project Provinces, shall:

(a) carry out the Project, in accordance with the Environmental and Social Management Plans, acceptable to the Association; and

(b) ensure that each contract for works under the Project includes the obligations of the work contractors and any sub-contractor to comply with the relevant provisions of the Environmental and Social Management Plans, as the case may be.

5. The Recipient, through the Project Provinces, shall 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 Association's Safeguards Policies.

6. The Recipient, through the Project Provinces, shall:

(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.

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

8. 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, and promptly in a separate report whenever the circumstances warrant, 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

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 acceptable to the Association and set forth in the Project Operations Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall carry out jointly with the Association, not later than thirty-six (36) months after the Effective Date, or such other period as may be agreed by the Association, a midterm review to assess the status of Project implementation, as measures against the performance indicators set forth in the Project Operations Manual. Such review shall include an assessment of: (i) the progress in implementation; (ii) the results of monitoring and evaluation activities; (iii) the progress on procurement and disbursement; (iv) compliance with safeguard requirements; (v) adequacy of implementation arrangements; and (vi) the need to make any adjustments to the Project to improve performance.

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, through Project Provinces, prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each semester,

interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient shall, through Project Provinces, 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 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, 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 Credit and 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 Credit and 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 procedures.

3. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2; (b) Shopping; and (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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Single-source Selection of consulting firms; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (f) Single-source procedures for the 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 Credit and the Financing Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Credit and the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, 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 Credit and the Financing ("Category"), the allocation of the amounts of the Credit and the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Credit (Credit No. 6056 - VN) Allocated (expressed in USD)	Amount of the Financing (Credit No. 6055 - VN) Allocated (expressed in SDR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consultants' services, for Bac Lieu under Parts 1, 2, 3 and 4.1 of the Project	15,000,000	14,742,857	100%
(2) Goods, works, non-consulting services, and consultants' services, for Ben Tre under Parts 1, 2, 3 and 4.1 of the Project	15,000,000	14,742,857	100%
(3) Goods, works, non-consulting services, and consultants' services, for Long Xuyen under Parts 1, 2, 3 and 4.1 of the Project	20,000,000	14,742,857	100%

(4) Goods, works, non-consulting services, and consultants' services, for Soc Trang under Parts 1, 2, 3 and 4.1 of the Project	15,000,000	14,742,857	100%
(5) Goods, works, non-consulting services, and consultants' services, for Tan An under Parts 1, 2, 3 and 4.1 of the Project	15,000,000	14,742,857	100%
(6) Goods, works, non-consulting services, consultants' services, for Vi Thanh under Parts 1, 2, 3 and 4.1 of the Project	5,000,000	14,742,857	100%
(7) Goods, works, non-consulting services, and consultants' services, for Vinh Long under Parts 1, 2, 3 and 4.1 of the Project	15,000,000	14,742,858	100%
TOTAL AMOUNT	**100,000,000**	**103,200,000**	

B. Withdrawal Conditions; Withdrawal Period

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

   (a) from the Credit Account until the Association has received payment in full of the Front-end Fee; or

   (b) for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2023.

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 dated June 26, 2014 Guiding Implementation of the Law on the Procurement (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-Borrower.

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 complaints mechanism, acceptable to the Association, allowing bidders to complaint and have their complaints handled in a timely manner.

SCHEDULE 3

Amortization Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 1 and July 1 commencing on July 1, 2026 to and including July 1, 2040	2.35%
and on January 1, 2041, to and ending on January 1, 2047	2.45%

* The percentages represent the percentage of the principal amount of the Credit to be repaid.

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. "Association's Safeguards Policies" means the operational policies and procedures for financing of development projects by the Association 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 www.WorldBank.org/opmanual.

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

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

5. "Displaced Persons" means persons who, on account of implementation of the Project, have 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 persons 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.

6. "Environmental and Social Management Plans" or "ESMPs" means the Project Provinces' environmental and social plans acceptable to the Association, dated February 28, 2017, and approved by the respective Provincial People' Committee in each Project Province , as referred in Section I.E.4 of Schedule 2 to this Agreement; which set forth the specific actions, measures and policies designed to maximize the benefit of the respective activities under the Project, as well as eliminate, offset or mitigate any adverse environmental and social impacts, or reduce such impacts to acceptable levels, along with administrative and monitoring arrangements to ensure the implementation of said actions, measures and policies, as said ESMP 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.

7. "Ethnic Minority Development Framework" means the Recipient's ethic minority development framework, acceptable to the Association, referred to in Section I.E.2 of Schedule 2 to this Agreement, dated February 28, 2017, and approved by the respective Provincial People' Committee in each Project Province, setting out the strategy to be implemented in the carrying out of the Project in areas where ethnic minorities are residing, cultivating, hunting and carrying out other similar social activities, which strategy includes special planning measures or actions to be undertaken aimed at ensuring that through informed consultation the ethnic minorities receive the benefits from the Project in a culturally compatible manner acceptable to them, and do not suffer adverse effects as a result of the implementation of the Project, with related public consultation, disclosure, monitoring, reporting and grievance redress procedures, as said framework 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 framework.

8. "Ethnic Minority Development Plans" means, collectively, the ethnic minority development plans acceptable to the Association, dated February 28, 2017, and approved by the Provincial People' Committee of Soc Trang and Bac Lieu; and any additional ethnic minority development plan acceptable to the Association, to be prepared and adopted in accordance with the EMDF; as referred to in Section I.E.2 of Schedule 2 to this Agreement; which set forth the measures to be undertaken in accordance to ensure culturally appropriate social and economic benefits for the ethnic minorities affected by Project activities, and to avoid, minimize, mitigate and/or compensate for any potential adverse effects on the ethnic minorities associated with such activities; as said plan may be 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. "Financing Agreement" means the agreement between the Recipient and the Association for the Project, of the same date as this Agreement, as such agreement may be amended from time to time. "Financing Agreement" includes all appendices, schedules and agreements supplemental to the Financing Agreement.

10. "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.

11. "Interest Period" means the initial period from and including the date of this Agreement to but excluding the first Payment Date occurring thereafter, and after the initial period, each period from and including a Payment Date to but excluding the next following Payment Date.

12. "Participating Cities" means the Recipient's cites of Bac Lieu, Ben Tre, Long Xuyen, Soc Trang, Tan An, Vi Thanh and Vinh Long or such other city in the Project Provinces agreed with the Association; and "Participating City" means any of said Participating Cities.

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

14. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 28, 2017 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.

15. "Project Management Units" and "PMUs" mean, collectively, the Units established and maintained by the Project Provinces in respect of their Respective Parts of the Project, in accordance with Section I.A.1 (b) of Schedule 2 to this Agreement, and any successor thereto; and a "Project Management Unit" and "PMU" mean any of said Units.

16. "Project Operations Manual" or "POM" means, collectively, the project operations manuals, acceptable to the Association, dated March 2017, and approved by the respective Provincial People' Committee in each Project Province, as referred to in Section I.A.2 of Schedule 2 to this Agreement, which sets forth detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement; (d) environmental and social safeguards management; (e) monitoring and evaluation, reporting and communication; (f) an integrity action plan; (g) performance indicators and (h) 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 Association, and such term includes any annexes or schedules or amendments to such manual.

17. "Project Provinces" means the Recipient's provinces of An Giang, Bac Lieu, Ben Tre, Hau Giang, Long An, Soc Trang, Vinh Long, or such other province as agreed with the Association, as each of them is represented by its respective Provincial People's Committee; and "Project Province" means any of such Project Provinces.

18. "Project Steering Committees" or "PSCs" mean, collectively, the Committees established and maintained by the Project Provinces in respect of their Respective Parts of the Project, in accordance with the Section I.A.1 (a) of Schedule 2 to this Agreement; and a "Project Steering Committee" means any of said Committees.

19. "Provincial People's Committees" means, collectively, the local governments of the Project Provinces at the Provincial level; and "Provincial People's Committee" means any one of the Provincial People's Committees in the Project Provinces.

20. "Resettlement Action Plans" or "RAPs" means, collectively the Project Provinces' resettlement plans acceptable to the Association, dated February 28,, 2017, and approved by the respective Provincial People's Committees at each Project Province, ; and any additional resettlement plans acceptable to the Association, to be prepared and adopted in accordance with the RPF; as referred to in Section I.E.2 of Schedule 2 to this Agreement; which set forth principles and procedures governing the acquisition of land and related assets, and the compensation, resettlement, and rehabilitation of Displaced Persons in accordance with the guidelines and procedures set forth in the RPF, as said plans 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.

21. "Resettlement Policy Framework" or "RPF" means the Recipient's resettlement policy acceptable to the Association, referred to in Section I.E.2 of Schedule 2 to this Agreement, dated February 28, 2017, and approved by the respective Provincial People's Committees at each Project Province; which sets forth principles for formulating entitlements and/or support for affected households, mitigation measures, grievance redress mechanisms, monitoring and evaluations of resettlement activities, budget and implementation arrangements, including capacity building through training, to carry out the acquisition of land and related assets under the Project and compensation, resettlement, support and livelihoods rehabilitation of Displaced Persons, and the preparation of additional RAPs during the implementation of the Project, as said RPF 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 framework.

22. "Respective Part of the Project" means, in respect of each Project Province, Project activities carried or to be carried out in any of its Participating Cities.

23. "Safeguards Instruments" means, collectively, the Environmental and Social Management Plans, the Ethnic Minorities Policy Framework, the Ethnic Minorities Development Plans, the Resettlement Policy Framework and the Resettlement Action Plans.

24. "Subsidiary Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient, through its Ministry of Finance, shall make the proceeds of the Credit and the Financing available to each Project Province.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified, as necessary, to reflect the modifications set forth in the paragraphs below.

2. Section 2.07 (*Refinancing Preparation Advance*) is retitled as "*Refinancing Preparation Advance; Capitalizing Front-end Fee*", amended by adding a new paragraph (b), and modified to read as follows:

"Section 2.07. *Refinancing Preparation Advance; Capitalizing Front-end Fee*

(a) If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Bank or the Association ("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.

(b) Except as otherwise provided in the Financing Agreement, the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date and pay to itself the amount of the Front-end Fee payable pursuant to Section 3.01 (a)."

3. Section 3.01 (*Commitment Charge*) is retitled as "*Front-end Fee; Commitment Charge* ", amended by adding a new paragraph (a), and modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Recipient shall pay the Association a front-end fee on the Credit amount at the rate specified in the Financing Agreement (the "Front-end Fee").

(b) The Recipient shall pay the Association a commitment charge on the Unwithdrawn Credit Balance at the rate specified in the Financing Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Financing Agreement to the respective dates on which amounts are withdrawn by the Recipient from the Credit Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

4. Section 3.02 (*Service Charge*) is retitled as "*Interest Charge*" and modified to read as follows:

"Section 3.02. *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 Charges shall be computed on the basis of a 360-day year of twelve 30-day months."

5. Section 3.03 (*Repayment of the Credit*) is modified by deleting paragraph (b) in its entirety and amending the remaining paragraph (a) to read as follows:

"Section 3.03. *Repayment of the Credit*

The Recipient shall repay the Withdrawn Credit Balance to the Association in installments as provided in the Financing Agreement."

6. In the Appendix, **Definitions,** all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modifications set forth in paragraphs 1 through 5 above.

7. Paragraph 28 of the Appendix ("Financing Payment") is modified to read as follows:

"28. "Financing Payment" means any amount payable by the Recipient to the Association pursuant to the Financing Agreement or these General Conditions, including (but not limited to) any amount of the Withdrawn Credit Balance, the Interest Charge, the Front-end Fee, and the Commitment Charge."

8. A new paragraph 30 is inserted in the Appendix with the following definition of "Front-end Fee", and the subsequent paragraphs are renumbered accordingly:

"30. "Front-end Fee" means the fee specified in the Financing Agreement for the purpose of Section 3.01 (a)."

9. A new paragraph 33 is inserted in the renumbered Appendix with the following definition of "Interest Charge", and the subsequent paragraphs are renumbered accordingly:

"33. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02."

10. Renumbered paragraph 38 (originally paragraph 36) of the Appendix ("Payment

Date") is modified by deleting the words "Service Charges" and inserting the words "Interest Charges".

11. Renumbered paragraph 51 (originally paragraph 49) of the Appendix ("Service Charge") is deleted in its entirety, and the subsequent paragraphs are renumbered accordingly.