CREDIT NUMBER 6079 - VN

Financing Agreement

(Forest Sector Modernization and Coastal Resilience Enhancement Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 3, 2018

CREDIT NUMBER 6079 - VN

FINANCING AGREEMENT

AGREEMENT dated August 3, 2018, entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred nine million five hundred thousand Special Drawing Rights (SDR 109,500,000) ("Credit), to assist in financing the project described in Schedule 1 to this Agreement ("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 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 1 and November 1 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 MARD and 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 Project Operations Manual has been duly adopted by MARD.

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

SOCIALIST REPUBLIC OF VIETNAM

By _____

Authorized Representative

Name: Le Minh Hung

Title: Governor

INTERNATIONAL DEVELOPMENT ASSOCIATION

By _____

Authorized Representative

Name: Ousmane Dione

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to improve coastal forest management in the Project Provinces.

The Project would contribute to the Recipient's efforts to enhance coastal resilience to climate change. The Project consists of the following parts:

Part 1: Enabling Effective Coastal Forest Management

1.1 Improving coastal forest planning and its coordination across sectors, through, *inter alia*: (a) upgrades in technologies for spatial planning; (b) development of integrated spatial plans in selected sites; (c) development of technical guidelines for improved spatial planning; and (d) public awareness, dissemination and learning activities in connection with the pilot integrated spatial plans.

1.2 Supporting modernization of quality forest seedling production through, *inter alia*: (a) upgrades of structures and technology for quality seedling in selected regional units; (b) transfer of skills for seedling production and nursery management to seedling producers; and (c) fostering linkages between small holder seedling producers and buyers and support for seedling quality certification.

1.3 Providing technical and analytical support for market-based financing for management of coastal protection forests, through, *inter alia*: (a) implementation of techniques for valuation of the provisioning and regulatory services from coastal forests; and (b) implementation and promotion of a scheme for payments for forest ecosystem services.

Part 2: Coastal Forest Development and Rehabilitation

2.1 Supporting the protection, planting and tending of existing and new stands of coastal forests, through, *inter alia*: (a) carrying out detailed site assessments; (b) design and implementation of coastal protection forest plantations and rehabilitation/enrichment activities; (c) provision of seedlings, monitoring thereof and carrying out planting and management activities; and (d) community engagement in forest protection.

2.2 (a) Carrying out physical investments to support the survival and effectiveness of coastal protection forests, including, *inter alia*: (i) augmenting the natural recovery of degraded mangroves; and (ii) improving the survival rates of newly planted and enriched coastal forests; and (b) monitoring and management of planting and protection activities.

Part 3: Generating Sustainable Benefits from Coastal Forests

3.1 Strengthening communities to partner with private enterprises for the generation of benefits from improved coastal forest management, through the provision of Competitive Grants to Eligible Communities.

3.2 Upgrading infrastructure for production, processing and marketing of goods and services from coastal forests, including rural roads and other productive infrastructure, through the provision of Competitive Grants to Eligible Districts.

Part 4: Project Management, Monitoring and Evaluation

4.1 Provision of technical assistance at the central and provincial level on, *inter alia,* co-management, and integrated spatial planning, and establishment of a monitoring and evaluation system.

4.2 Provision of technical support at the central and provincial level on social and environmental safeguards, monitoring and evaluation, and conduct of independent audits.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. For the purpose of ensuring the proper carrying out of the Project, the Recipient, through MARD, shall maintain, and cause to be maintained, the following entities with composition, powers, functions, staffing, facilities and other resources satisfactory to the Association:

   (a) the Management Board of Forest Projects, responsible for monitoring and guiding Project implementation and facilitating coordination among different implementing agencies and other key stakeholders at the national and provincial level; and

   (b) the Central Project Management Unit, responsible for the overall implementation, coordination, reporting, financial management, procurement and monitoring and evaluation of the activities under the Recipient's Respective Part of the Project, and for coordination with the PPMUs for the Project Provinces' Respective Part of the Project.

2. For the purpose of carrying out the Project Provinces' Respective Part of the Project, the Recipient shall cause the Project Provinces to maintain, and cause to be maintained, the following entities with composition, powers, functions, staffing, facilities and other resources satisfactory to the Association:

   (a) the Provincial Project Steering Committee responsible for monitoring and guiding Project implementation and facilitating coordination among different implementing agencies and other key stakeholders at the provincial level;

   (b) the Provincial Project Management Unit ("PPMU") responsible for implementation, coordination, reporting, financial management, procurement and monitoring and evaluation of the activities under the Project Provinces' Respective Part of the Project;

   (c) the District Working Groups ("DWGs") responsible for coordinating with the relevant PPMU and other agencies on the implementation and monitoring of activities under the Project Provinces' Respective Part of the Project at the district level and assisting the implementation of Project activities at the commune level; and

(d) the Commune Working Groups responsible for coordinating with the relevant PPMU, DWG, and other agencies on the implementation and monitoring of activities under Project Provinces' Respective Part of the Project at the commune level.

B. Subsidiary Agreement

1. To facilitate the implementation of the Project Provinces' Respective Part of the Project, the Recipient, through its Ministry of Finance, shall make the proceeds of the Credit available to each Project Province under a Subsidiary Agreement between the Recipient, through 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. 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 MARD and the Project Provinces : (a) prepare and furnish to the Association by September 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 January 15 in each year, beginning in 2018, 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 shall, through MARD and the Project Provinces, carry out the Project, in accordance with the Project Operations Manual in a timely and efficient manner satisfactory to the Association. The Recipient shall, through MARD and the Project Provinces, 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. Competitive Grants

1. For the purposes of Part 3 of the Project, the Recipient, through MARD, shall cause the Project Provinces to provide Competitive Grants to Eligible Communities and Eligible Districts, as the case may be, within its respective jurisdictions in accordance with eligibility criteria and procedures, and under a Competitive Grant Agreement; all as set out in the Project Operational Manual.

2. The Recipient, through MARD, shall cause the Project Provinces to: (a) exercise their rights under each Competitive Grant Agreement, as the case may be, in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit; and (b) maintain, throughout the period of implementation of the Project, a grievance redress mechanism set out in the Project Operational Manual, to address any complaints associated with the Competitive Grants. Except as the Association shall otherwise agree, the Recipient, through MARD, shall cause the Project Provinces to not assign, amend, abrogate or waive any Competitive Grant Agreement, or any of its provisions.

F. 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 in a manner satisfactory to the Association; and

   (c) whenever required in terms of the RPF, the PF, the EMDF, or the ESMF proceed to have RAPs, Co-management Plans/Village Development Plans, EMDPs, or ESMPs/ECOPs/PMPs, respectively: (i) prepared in form and substance satisfactory to the Association; (ii) except as otherwise

agreed with the Association, furnished to the Association for review and approval; (iii) thereafter, adopted and publicly disclosed; and (iv) thereafter, to implement, or cause to be implemented, such 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 ESMF, the Environmental and Social Management Plans, and ECOPs, as the case may be; all 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 and ECOPs, as the case may be.

5. The Recipient, through MARD and 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 furnish 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 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 prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

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

Financial Statements shall cover the period of one 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

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Credit shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

Section IV. Withdrawal of the Proceeds of the Credit

A. General

1. The Recipient may withdraw the proceeds of the Credit in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "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 ("Category"), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services for Parts 2 and 3 of the Project	77,190,000	100%
(2) Competitive Grants under Part 3 of the Project	28,840,000	100% of amounts disbursed
(3) Consulting services for Part 4.2 of the Project	3,470,000	100%
TOTAL AMOUNT	109,500,000	

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, 2023.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 1 and November 1:	
commencing November 1, 2022 to and including May 1, 2032	**1.65%**
commencing November 1, 2032 to and including May 1, 2042	**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. "Annual Work Plans" means each of the rolling plans for the Project to be prepared or updated by the Recipient, and approved by the Association, on an annual basis as provided for in Section I.D of Schedule 2 to this Agreement.

2. "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 and as of July 1, 2016.

3. "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.

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

5. "Central Project Management Unit" means the unit established on May 18, 2017 within the Recipient's Ministry of Agriculture and Rural Development, and referred to in paragraph 1.(b) of Section I.A Schedule 2 to this Agreement; or any successor thereto.

6. "Co-Management Plans" means the plans acceptable to the Association, referred to in Section I.F of Schedule 2 to this Agreement, to be prepared and adopted, in accordance with the Process Framework; 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.

7. "Commune Working Group" means, collectively, each working group established and maintained by each of the Project Provinces at the commune level, in accordance with in paragraph 2. (d) of Section I.A Schedule 2 to this Agreement.

8. "Competitive Grant Agreement" means each agreement to be entered into between a Project Province, through the PPMU and an Eligible Community or an Eligible District, as the case may be, providing for a Competitive Grant under Part 3.1 and Part 3.2 of the Project, respectively, as provided for in Part E of Section I of the Schedule to the Project Agreement.

9. "Competitive Grants" means each grant to be provided out of the proceeds of the Credit to: (a) an Eligible Community, for the purposes of financing goods, works and services for investments associated with approved productive partnership business plans under Part 3.1 of the Project, developed in accordance with the POM, and set forth in the Competitive Grant Agreement: and (b) an Eligible District for the purposes of financing goods, works and services for selected productive infrastructure proposals under Part 3.2 of the Project, developed in accordance with the POM, and set forth in the Competitive Grant Agreement; as provided for in Part E of Section I of the Schedule to the Project Agreement.

10. "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.

11. "District Working Groups" or "DWGs" means, collectively, each working group established and maintained by each of the Project Provinces at the district level, in accordance with in paragraph 2. (c) of Section I.A Schedule 2 to this Agreement.

12. "Eligible Communities" means a legally represented community or groups of households in the Project Provinces, that meets the criteria set out in the Project Operational Manual and which has received or will receive a Competitive Grant under Part 3.1 of the Project.

13. "Eligible Districts" means a legally represented district in the Project Provinces that meets the criteria set out in the Project Operational Manual and which has received or will receive a Competitive Grant under Part 3.2 of the Project.

14. "Environmental Codes of Practices" or ECOPs" means, collectively the code included in the ESMF and any additional code prepared in accordance with the ESMF; all setting out measures and procedures to avoid, minimize and/or mitigate any adverse environmental, social, health and safety impacts that may result from the implementation of the Project.

15. "Environmental and Social Management Framework" or "ESMF" means the environmental and social management framework for the Project, acceptable to the Associations, dated May 16, 2017, which sets out the policies and procedures for the assessment of environmental and social impacts of, and for the preparation of ESMPs/ECOPs and PMPs, as may be required for, Project activities, as said framework may be revised from time to time with the prior written agreement of

the Association; and such term includes all schedules and annexes supplemental to said framework.

16. "Environmental and Social Management Plans" or "ESMPs" means the plans acceptable to the Association, referred to in Section I.F of Schedule 2 to this Agreement, to be prepared and adopted, in accordance with the ESMF; 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 ESMPs 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.

17. "Ethnic Minority Development Plans" or "EMDPs" means the plans, acceptable to the Association, referred to in Section I.F of Schedule 2 to this Agreement, and adopted/to be adopted, in accordance with the EMPF; which sets forth measures designed to ensure that ethnic minority communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated for, as said EMDPs 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.

18. "Ethnic Minority Planning Framework" or "EMPF" means the framework, acceptable to the Association, dated May 16. 2017, and referred to in Section I.F of Schedule 2 to this Agreement, which sets forth the policies and procedures to ensure that ethnic minority communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated, as well as the preparation of EMDPs during the implementation of the Project, as said EMPF 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.

19. "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.

20. "Management Board of Forest Projects" means the unit established on July 3, 1999, within the Recipient's Ministry of Agriculture and Rural Development, and referred to in paragraph 1.(a) of Section I.A Schedule 2 to this Agreement; or any successor thereto.

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

22. "MOF" means the Recipient's Ministry of Finance, and any successor thereto.

23. "PMP" means any pest management plan, acceptable to the Association, to be prepared and adopted, in accordance with the ESMF; setting out, among other things, the measures to promote and support safe, effective, and environmentally sound pest management under the Project; as said plan may be revised from time to time with the prior written agreement of the Association, and such term includes all schedules and annexes supplemental thereto.

24. "Provincial Project Management Unit" or "PPMU" means, collectively, the units established and maintained, in accordance with the provisions of paragraph 2. (b) of Section I.A of Schedule 2 to this Agreement.

25. "Process Framework" means the Recipient's framework, acceptable to the Association, dated September 5, 2017; that sets forth: (a) the participatory process to be followed for: (i) specific components of the Project to be prepared and implemented; (ii) the criteria for eligibility of affected persons to be determined; (iii) measures to assist the affected persons in their efforts to improve or restore, in real terms, their livelihoods while maintaining the sustainability of the park or protected area to be identified; (b) grievance/conflict resolution mechanism involving affected persons; (c) a description of the arrangements for implementing and monitoring the process; (d) an estimated budget for the implementation of the Process Framework; and (e) guidelines and procedures for the preparation of Village Development Plans and Co-management plans; as said framework may be revised from time to time with the prior written agreement of the Association, and such term includes all schedules and annexes supplemental thereto.

26. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 24, 2017, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.

27. "Procurement Regulations" means the "World Bank Procurement Regulations for Borrowers under Investment Project Financing", dated July 1, 2016.

28. "Project Operations Manual" means , collectively, the project operations manuals, acceptable to the Association, to be approved by MARD, which set 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; (h) the eligibility criteria and procedures for extending Competitive Grants, including templates of Competitive Grant

Agreements, and grievance redress mechanisms in connection thereof; and (i) 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.

29. "Project Provinces" means the Recipient's provinces of Quang Tri, Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Thua Thien Hue, Quang Ninh, Hai Phong, 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."

30. "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.

31. "Provincial Project Steering Committee" means, collectively, the committees established and maintained by the Project Provinces, in accordance with the provisions of paragraph 2. (a) of Section I.A of Schedule 2 to this Agreement.

32. "Resettlement Action Plans" or "RAPs" means the resettlement plans acceptable to the Association, referred to in Section I.F of Schedule 2 to this Agreement, to be prepared and adopted, in accordance with the RPF; 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.

33. "Resettlement Policy Framework" or "RPF" means the Recipient's policy framework for resettlement and land acquisition acceptable to the Association, referred to in Section I.F of Schedule 2 to this Agreement, dated July 20, 2017; 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 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.

34. "Respective Part of the Project" means (a) with respect to the Recipient, Parts 1 and 4 of the Project, and Part 2 of the Project as it relates to the activities to be

implemented by the Recipient, through MARD; (b) with respect to the Project Provinces, Parts 2 and 3 of the Project.

35. "Safeguards Instruments" means, collectively, the Environmental and Social Management Framework, the Environmental and Social Management Plans, the ECOPs, PMPs, the Ethnic Minority Planning Framework, the Ethnic Minority Development Plans, the Process Framework (any plans prepared thereunder), the Resettlement Policy Framework and the Resettlement Action Plans.

36. "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 available to the Project Provinces.

37. "Village Development Plans" means the plans acceptable to the Association, referred to in Section I.F of Schedule 2 to this Agreement, to be prepared and adopted, in accordance with the Process Framework; 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.

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).]