CREDIT NUMBER 5704-VN

Financing Agreement

(Sustainable Agriculture Transformation Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 9 **, 2015**

CREDIT NUMBER 5704-VN

FINANCING AGREEMENT

AGREEMENT dated July 01, 2015, 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 of one hundred seventy one million two hundred thousand Special Drawing Rights (SDR 171,200,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 June 15 and December 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 its Ministry of Agriculture and Rural Development 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 consists of the following, namely, the On-Lending Loan Agreement has been executed on behalf of the Recipient and the Joint Stock Commercial Bank for Investment and Development of Vietnam and all conditions precedent to its effectiveness have been fulfilled, except for the effectiveness of this Agreement.

4.02. The Additional Legal Matters consist of the following:

(a) The On-Lending Loan Agreement has been duly authorized by the Recipient and BIDV and is legally binding upon the Recipient and the BIDV in accordance with its terms.

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

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

4.04. 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. 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 farming practices and value chains in the targeted Project areas, and promote institutional strengthening of relevant public agencies to effectively support implementation of the Agricultural Restructuring Plan.

The Project consists of the following parts:

Part A: Institutional Strengthening to Support Agricultural Transformation

Provision of support for: (1) capacity building and organizational development to MARD; (2) organizational development and capacity building at the provincial level in selected provinces focusing on the delivery of core services to end-users the implementation of thematic reforms; and (3) capacity building to value chain partners, networks, and public-private partnerships to strengthen the implementation of their respective roles as prescribed in the ARP.

Part B: Supporting Sustainable Rice-Based Systems

Provision of support for the adoption of improved practices in the rice value chain in a sustainable manner in Rice Project Provinces, including:

1) provision of support for a large-scale extension program on improved agronomic practices and management, including: (a) carrying out of training on technical and capacity development for farmer organizations; (b) establishment and operation of farmer organizations including the provision of Matching Grants to farmer organizations to leverage impacts of improved agronomic practices and management; and (c) development and matching of selected farmer organizations with agribusinesses to improve marketing aspects in agronomic practices and management;

2) provision of support for private sector investments in upgrading rice processing technology and facilities for high value and quality rice, including: (a) provision of Rice Sub-Loans by Participating Financial Institutions to selected agribusinesses operating in rice milling and processing to upgrade their processing technology and facilities for high value and quality rice; and (b) provision of training on the implementation of Rice Sub-Loans to PFIs; and

3) provision of support to strengthen the capacity of relevant agencies of MARD and relevant DARDs to enhance the implementation of Part B(1) of the Project.

Part C: Supporting Sustainable Coffee Production and Rejuvenation

Provision of support to facilitate a sustainable improvement of coffee production and rejuvenation including replanting in the Coffee Project Provinces, including:

1) provision of support for the implementation of an intensive extension program to promote farmers' adoption of improved farm agronomic and management practices, including: (a) carrying out of training on coffee sustainable farm agronomic and management practices for coffee growers; (b) establishment of demonstration sites on innovative water saving technologies, including the provision of Matching Grants to participating smallholder coffee farmers to leverage impacts of innovative water saving technologies; (c) rehabilitation of critical commune-level coffee production infrastructure and basic primary post-harvest processing facilities; and (d) establishment, strengthening, and operation of small-holder coffee grower clusters, farmer cooperatives, and farmer organizations, including the provision of Matching Grants to small-holder coffee grower clusters, farmer cooperatives, and farmer organizations to leverage impacts of farmer collective actions;

2) provision of support for coffee growers, to BIDV and PFIs, and to private sector nurseries to meet the demands of coffee rejuvenation, including: (a) provision of Coffee Sub-Loans by PFIs to coffee growers for coffee rejuvenation; (b) provision of technical training on the implementation of Coffee Sub-Loans to BIDV and PFIs; and (c) provision of Matching Grants to selected private nurseries to improve their capacity in producing high quality and certified seedlings to serve rejuvenation activities; and

3) provision of support to strengthen the capacity of relevant agencies of MARD and relevant DARDs to enhance the implementation of Parts C(1) and C(2) of the Project.

Part D: Project Management, Monitoring, and Evaluation

Provision of support for: (1) Project management activities; and (2) Project monitoring and evaluation, including establishment of a monitoring and evaluation system for the Project, and carrying out of independent technical audits.

SCHEDULE 2

Project Execution

Section I. **Implementation Arrangements**

A. Institutional Arrangements

1. The Recipient, through MARD, shall take all necessary measures to ensure that appropriate Project management arrangements are maintained throughout Project implementation, in form and substance acceptable to the Association, including a management unit which shall be responsible for the overall management of: (a) Project implementation at the central level, including procurement, financial management, supervision, and monitoring and evaluation; and (b) the day-to-day implementation of Parts B, C, and D of the Project at the central level .

2. The Recipient shall cause MARD to maintain throughout the implementation of the Project, a Project coordination working group with composition and under terms of reference satisfactory to the Association, which working group shall be responsible for the coordination and day-to-day implementation of Part A of the Project.

3. The Recipient shall cause the People's Committee of each of the Project Provinces to:

   (a) be responsible for the overall management of Project implementation in the respective Project Province, including: (i) approving the annual work plans and budgets; (ii) reporting to MARD on the Project implementation progress and effectiveness; and (iii) providing necessary support to the respective DARD to facilitate Project implementation; and

   (b) cause the respective DARD to take all necessary measures to ensure that appropriate Project management arrangements are maintained throughout Project implementation, in form and substance acceptable to the Association, including a management unit which shall be responsible for the day-to-day implementation of the Project, including carrying out of decentralized activities, including procurement, financial management, supervision, and monitoring and evaluation.

B. On-Lending Loan Agreement

1. To facilitate the carrying out of the Rice Sub-Loans and Coffee Sub-Loans under Parts B(2) and C(2) of the Project, respectively, the Recipient, through its Ministry of Finance, shall make a portion of the proceeds of the Financing available to BIDV by means of an On-Lending Loan under the On-Lending Loan

Agreement, on terms and conditions acceptable to the Association, including those set forth in Annex 1 to this Schedule 2.

2. The Recipient shall exercise its rights under the On-Lending Loan 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 On-Lending Loan Agreement or any of its provisions.

C. Matching Grants

1. For the purpose of carrying out activities under Parts B and C of the Project, the Recipient shall make available Matching Grants to Beneficiaries in accordance with procedures acceptable to the Association and as outlined in the POM.

2. (a) The Recipient shall:

(i) make available a Matching Grant to a Beneficiary through a written arrangement in accordance with approved investment plans with selected farmer organizations, under terms, conditions and procedures acceptable to the Association and as outlined in the POM, and shall obtain rights adequate to protect its interests and those of the Association, all in accordance with the POM; and

(ii) exercise its rights under said written arrangement 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 in writing, the Recipient shall not assign, amend, abrogate or waive any such written arrangement, or any of its provisions.

(b) Such written arrangement shall include, among others:

(i) the requirements that the Beneficiary: (A) carry out the activities financed by the Matching Grant in accordance with the applicable provisions of the POM, the Procurement Guidelines, the Consultant Guidelines, the Safeguard Instruments and those provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient; (B) enable the Recipient and the Association to inspect the activities financed by the Matching Grant, their operation and any relevant records and documents; and (C) prepare and furnish to the Recipient and the Association all such information as the

Recipient or the Association shall reasonably request relating to the foregoing; and

(ii) the requirement that the Beneficiaries will carry out the procurement of eligible goods and equipment using commercial practices applicable to the private sector and that the procurement of eligible infrastructure works for will be procured by the relevant DARD.

D. Anti-Corruption

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

E. Project Operations Manual

1. The Recipient shall ensure that MARD takes all necessary measures to implement the Project in accordance with the provisions of this Agreement and the POM, which POM sets forth guidelines, policies and procedures for the implementation of the Project as acceptable to the Association, including:

(a) technical components;

(b) monitoring and evaluation arrangements;

(c) environmental and social safeguards compliance;

(d) policies, procedures and requirements under the Project in regard to financial management, flow of funds, definition of roles and responsibilities, internal control and reconciliation, record keeping, reporting and auditing;

(e) guidelines and procedures for procurement consistent with the provisions of Section III of this Schedule 2, as well as the allocation of roles and responsibilities for procurement review and approval;

(f) On-Lending Loan Agreement template;

(g) specific guidelines and procedures for the implementation of Subsidiary Loans and Participating Financial Institutions, including: (A) Subsidiary Loans and PFIs eligibility and award criteria; (B) screening protocols for Subsidiary Loans proposals under Parts B(2) and C(2) of the Project; (C) terms and conditions of Subsidiary Loans; (D) templates for the Subsidiary Loan Agreements; and (E) Subsidiary Loans financial management, disbursement, procurement, and monitoring and evaluation;

(h) specific guidelines and procedures for the implementation of Sub-Loans and the end-borrowers, including: (A) Sub-Loans and end-borrowers eligibility and award criteria; (B) screening protocols for Sub-Loan proposals under Parts B(2) and C(2) of the Project; (C) terms and conditions of Sub-Loans; and (D) Sub-Loans financial management, disbursement, procurement, and monitoring and evaluation;

(i) specific guidelines and procedures for the implementation of Grants and Beneficiaries, including: (A) Matching Grant and Beneficiaries eligibility and award criteria; (B) screening protocols for Matching Grant proposals under Parts 2 and 3 of the Project; (c) terms and conditions of Matching Grants; and (D) Matching Grant financial management, disbursement, procurement, and monitoring and evaluation; and

(j) performance indicators;

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; and 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. The Recipient shall ensure that MARD takes all necessary steps to cause BIDV to adopt its respective parts in the POM, including those provisions referred to in Sections E.1(f), (g), and (h) of this Section I to this Agreement, prior to the execution of the On-Lending Loan Agreement.

3. The Recipient shall ensure that MARD takes all necessary steps to cause the Peoples' Committee of each of the Project Provinces to adopt the POM, as acceptable to the Association, prior to commencing their respective activities under the Project.

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

F. Safeguards

1. The Recipient 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; and

(b) in the event that Project activities give rise to Affected 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.

2. 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 Affected Persons; and (c) all other costs associated with environmental and/or social mitigation measures set forth in the Safeguard Instruments.

3. The Recipient shall cause to be prepared, Environmental Management Plans or Environmental Codes of Practice, as the case may be, acceptable to the Association, all in accordance with the guidelines, requirements and procedures set forth in the Environmental and Social Management Frameworks, and thereafter implement in a timely manner said EMPs or ECOPs.

4. The Recipient shall cause to be prepared, Ethnic Minorities Development Plans, acceptable to the Association, in accordance with the guidelines, requirements and procedures set forth in the Ethnic Minorities Planning Framework, and thereafter implement in a timely manner said EMDP as approved by the Association.

5. The Recipient shall 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.

6. The Recipient 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, 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 to 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 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 forty-five (45) days after the end of the period covered by such report.

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 semester, 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, 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 (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 Loan 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 Loan 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 Bank 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 2 to this Schedule
(b) Shopping
(c) Direct Contracting
(d) Force Account
(e) Community Participation

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 Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of the Proceeds of the Financing

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

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

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods (including vehicles), works, consultants' services, non-consulting services, Matching Grants, Incremental Operating Costs, Training and Workshops	95,627,000	100%
(2) On-Lending Loan, Subsidiary Loans, Sub-Loans	75,495,000	100% of amounts disbursed
TOTAL AMOUNT	**171,200,000**	

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, for Eligible Expenditures.

2. The Closing Date is December 31, 2020.

ANNEX 1 to SCHEDULE 2

Terms and Conditions of the On-Lending Loan Agreement

Terms of the On-Lending Loans

1. The principal amount of the On-Lending Loan shall be: (a) the equivalent of the aggregate amount of the principal of all Sub-Loans made out of the proceeds of the Credit allocated to Category 2 of the table in paragraph 2 of Section IV.A of this Schedule 2; and (b) onlent to and repaid by BIDV in Dong or other currency in an amount equivalent to the amounts withdrawn from time to time from the Credit Account under the abovementioned Category 2 in respect of such Sub-Loans.

2. The principal amount of such On-Lending Loan shall be repaid in a period not beyond twenty five (25) years including a grace period not to exceed five (5) years on the principal.

Conditions of On-Lending Loan Agreement

3. The On-Lending Loan Agreement shall include:

   (a) the right of the Recipient to suspend or terminate the right of BIDV to use the proceeds of On-Lending Loan, or declare to be immediately due and payable, or obtain a refund of, all or any part of the amount of the On-lending Loan then withdrawn, upon BIDV's failure to perform any of its obligations under the On-lending Loan Agreement, or to comply with the provisions in the POM; and

   (b) provisions obligating BIDV to:

      (i) take all such actions as shall be necessary to comply, at all times, with the provisions set forth in the POM and the Anti-Corruption Guidelines;

      (ii) conduct its operations and affairs with due diligence and efficiency and with qualified and experienced management, personnel, and resources satisfactory to the Association;

      (iii) select PFIs in accordance with the eligibility criteria set forth in the POM for accreditation and the carrying out of lending operations under Parts B(2) and C(2) of the Project and, thereafter, furnish to the Association, for its review and approval, a list of the PFIs so selected;

(iv) enter into Subsidiary Loan Agreements with accredited PFIs only on terms and conditions satisfactory to the Association, for purposes of providing Subsidiary Loans to PFIs;

(v) unless the Association and the Recipient shall otherwise agree, make Subsidiary Loans only in accordance with the procedures and on the terms and conditions set forth or referred to in the POM;

(vi) exercise, and cause each PFI to exercise, its rights in relation to each Subsidiary Loan or Sub-Loan being financed, as the case may be, in such manner so as to: (A) protect the interests of the Recipient, BIDV, PFI and the Association; (B) comply with its respective obligations under the On-Lending Loan Agreement, and respective Subsidiary Loan Agreement and Sub-Loan Agreement; and (C) achieve the purposes of the Project;

(vii) without limitation to the provisions of sub-paragraph (vi) of this paragraph, if at any time BIDV determines that a PFI no longer meets the accreditation criteria set forth in the POM: (A) promptly cancel the uncommitted portion of the Subsidiary Loan(s); (B) take all actions necessary to protect the interests of the Recipient, BIDV, PFI and the Association in relation to the committed portion of the respective Subsidiary Loan(s); and (C) notify the Recipient and the Association of all actions taken pursuant to clauses (A) and (B) of this sub-paragraph (vii);

(viii) duly perform its obligations under the On-Lending Loan Agreement and Subsidiary Loan Agreements and, except as the Recipient, BIDV and the Association shall otherwise agree, to not take or concur in any action which would have the effect of abrogating, amending, assigning, repealing, suspending or waiving the On-Lending Loan Agreement, any Subsidiary Loan Agreement, or any provisions thereof;

(ix) furnish to the Recipient and the Association all such information as the Recipient and the Association shall reasonably request concerning the expenditures of the proceeds of Subsidiary Loans and Sub-Loans;

(x) promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the On-Lending Loan, or the performance by BIDV of its obligations under the On-Lending Loan Agreement; and

(xi) to undertake all measures required to ensure that all activities eligible for financing by the Sub-Loans, shall have obtained all clearances and permits as may be required under the laws and regulations of the Socialist Republic of Vietnam on environmental and social safeguards; and shall have complied with the provisions of the Safeguards Instruments.

ANNEX 2 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-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 June 15 and December 15:	
Commencing December 15, 2020 to and including June 15, 2030	1.65%
Commencing December 15, 2030 to and including June 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. "Affected 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.

2. "Agricultural Restructuring Plan" or "ARP" means the plan adopted pursuant to Prime Minister's Decision Number 899/QD-TTg dated June 10, 2013, or any successor thereto.

3. "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.

4. "Beneficiary" means: (a) a farmer cooperative or organization; (b) a small-holder coffee grower cluster; or (c) a selected coffee seedling nursery, any of which satisfies the requirements set forth in the POM to carry out relevant activities under Parts B and C of the Project and to receive a Matching Grant in accordance with the procedures set forth in the POM.

5. "BIDV Environmental and Social Management Framework" or "BIDV ESMF" means, the framework incorporated by reference and an integral part of the Subsidiary Loan Agreement, acceptable to the Association, and adopted by BIDV through its execution of said Subsidiary Loan Agreement, which framework sets forth the environmental protection measures in respect of activities carried out under Parts B(2) and C(2) of the Project, including the preparation of EMPs and ECOPs during the implementation of said Parts B(2) and C(2) of the Project, and administrative and monitoring arrangements to ensure the implementation of said framework, as said BIDV ESMF 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.

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

7. "Coffee Project Provinces" means collectively, the Provinces of Lam Dong, Dak Lak, Kon Tum, Gia Lai, and Dak Nong, and "Coffee Project Province" means any of such Provinces.

8. "Coffee Sub-Loans" means the loans to be made by the relevant Participating Financial Institutions to coffee rejuvenation farmers to implement relevant activities under Part C(2) of the Project, in accordance with the POM and the relevant Subsidiary Loan Agreement.

9. "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 and revised July 2014.

10. "Department of Agriculture and Rural Development" or "DARD" means the Recipient's Department of Agriculture and Rural Development established within each of the Project Provinces, or any successor thereto.

11. "Department of Planning" means the department responsible for planning within the Ministry of Agriculture and Rural Development, or any successor thereto.

12. "Dong" means the lawful currency of the Recipient.

13. "Environmental and Social Management Frameworks" means, collectively, the MARD Environmental and Social Management Framework and the BIDV Environmental and Social Management Framework.

14. "Environmental Codes of Practice" or "ECOPs" means, respectively, the standardized requirements and practices, referred to in paragraph 3 of Section I.F of Schedule 2 to this Agreement, and to be adopted by Ministry of Agriculture and Rural Development or BIDV for activities carried out under Parts B and C of the Project; to be followed in the implementation of Project activities to ensure compliance with certain environmental aspects of the Project, as said codes of practice 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 codes of practice.

15. "Environmental Management Plan" or "EMP" means, respectively, the plan, acceptable to the Association, referred to in paragraph 3 of Section I.F of Schedule 2 to this Agreement, and to be adopted by Ministry of Agriculture and Rural Development or BIDV for activities carried out under Parts B and C of the Project; which sets 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 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 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.

16. "Ethnic Minorities Development Plans" or "EMDPs" means the plans, acceptable to the Association, referred to in paragraph 4 of Section I.F of Schedule 2 to this Agreement, and to be adopted by Ministry of Agriculture and Rural Development; 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 EMDP 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 Minorities Planning Framework" or "EMPF" means the framework, acceptable to the Association, adopted by Ministry of Agriculture and Rural Development pursuant to its Decision Number 1992, dated May 29, 2015 and referred to in paragraph 4 of 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.

18. "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.

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

20. "Joint Stock Commercial Bank for Investment and Development of Vietnam" or "BIDV" means the commercial bank established and operating pursuant to the Licence No. 84/GP-NHNN issued by the State Bank of Vietnam, dated April 23, 2012, and any successor thereto.

21. "MARD Environmental and Social Management Framework" or "MARD ESMF" means, respectively, the framework, acceptable to the Association, adopted by Ministry of Agriculture and Rural Development pursuant to its Decision Number 1992, dated May 29, 2015, which sets forth the environmental protection measures in respect of the Project (other than Parts B(2) and C(2) of the Project), including the preparation of EMPs and ECOPs during the implementation of the Project (other than Parts B(2) and C(2) of the Project), and administrative and monitoring arrangements to ensure the implementation of said framework, as said MARD ESMF 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. "Matching Grant" means one type of support for which a grant is made, or proposed to be made, by the Recipient, out of the proceeds of the Financing on a matching basis, to a Beneficiary for carrying out relevant activities under Parts B and C of the Project in accordance with the relevant provisions of this Agreement and the Project Operations Manual.

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

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

25. "On-Lending Loan" means the loan made by the Recipient to BIDV under the On-Lending Loan Agreement.

26. "On-Lending Loan Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the BIDV in order to implement Parts B(2) and C(2) of the Project.

27. "Participating Financial Institutions" or "PFIs" means the financial institutions which are selected by BIDV in accordance with the criteria set forth in the Project Operations Manual to provide Sub-Loans under Parts B(2) and C(2) of the Project, and the terms "Participating Financial Institution" or "PFI" means any such institution individually considered.

28. "People's Committee" means the local government at the province, district, or commune level, as the case may be, or any successor thereto.

29. "Prime Minister" means the Prime Minister of the Socialist Republic of Vietnam, the highest ranking official in the executive branch of the Borrower's government.

30. "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 and revised July 2014.

31. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 29, 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.

32. "Project Operations Manual" or "POM" means the document, prepared by Ministry of Agriculture and Rural Development, dated June 2, 2015, and referred to in Section I.E of Schedule 2 to this Agreement.

33. "Project Provinces" means collectively, the Rice Project Provinces and the Coffee Project Provinces, and "Project Province" means any of such Provinces.

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

35. "Resettlement Action Plans" or "RAPs" means the social safeguard instrument acceptable to the Association, referred to in paragraph 1 of Section I.F of Schedule 2 to this Agreement, to be prepared by Ministry of Agriculture and Rural Development; which set forth principles and procedures governing the acquisition of land and related assets, and the compensation, resettlement, and rehabilitation of Affected 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.

36. "Resettlement Policy Framework" or "RPF" means the policy framework for resettlement and land acquisition acceptable to the Association, referred to in paragraph 1 of Section I.F of Schedule 2 to this Agreement, which sets forth principles for formulating entitlements and/or support for affected households, mitigation measures, 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

Affected Persons, and the preparation of RPs 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.

37. "Rice Project Provinces" means collectively, the Provinces of Kien Giang, An Giang, Dong Thap, Can Tho, Hau Giang, Soc Trang, Tien Giang, and Long An, and "Rice Project Province" means any of such Provinces.

38. "Rice Sub-Loans" means the loans to be made by the relevant Participating Financial Institutions to selected agribusinesses operating in rice milling and processing to implement relevant activities under Part B(2) of the Project, in accordance with the POM and the relevant Subsidiary Loan Agreement.

39. "Safeguards Instruments" means, collectively, the Environmental Management Plans, the Environmental Codes of Practice, the Environmental and Social Management Framework, the Ethnic Minorities Development Plans, the Ethnic Minorities Planning Framework, the Resettlement Policy Framework, and the Resettlement Action Plans.

40. "Sub-Loans" means collectively Rice Sub-Loans and Coffee Sub-Loans.

41. "Sub-Loan Agreement" means the agreement to be entered into between a PFI and an end-borrower who is either: (a) a selected agribusinesses operating in rice milling and processing to implement relevant activities under Part B(2) of the Project, with the purposes of providing a Rice Sub-Loan; or (b) a coffee rejuvenation farmer to implement relevant activities under Part C(2) of the Project, with the purposes of providing a Coffee Sub-Loan; as the same may be amended from time to time with the prior agreement of the Association, and "Sub-Loan Agreements" means, collectively, all of said Sub-Loan Agreements.

42. "Subsidiary Loan" means any loan in Dong or in other currency made or proposed to be made by BIDV to a PFI, out of the proceeds of the On-lending Loan.

43. "Subsidiary Loan Agreement" means the agreement to be entered into between BIDV and a PFI for purposes of providing a Subsidiary Loan, as the same may be amended from time to time with the prior agreement of the Association; and "Subsidiary Loan Agreements" means, collectively, all of said Subsidiary Loan Agreements.

44. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, based on annual work plans and/or terms of reference acceptable to the Association, in facilitating, conducting, and/or undertaking domestic and overseas training and workshop activities under the Project,

including: costs of training or workshop materials; equipment and venue rental; and per diem, accommodation, and transportation for those attending the training or workshop, honoraria for all Project trainers; but excluding salary and salary supplements of the Recipient's civil servants ("công chức", "viên chức").

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).