GRANT NUMBER 9200-VIE (EF)

GRANT AGREEMENT
(Japan Fund for Poverty Reduction Financed)

(Second Health Human Resources Development Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 10 December 2019

GRANT AGREEMENT
(Japan Fund for Poverty Reduction Financed)

GRANT AGREEMENT dated 10 December 2019 between SOCIALIST REPUBLIC OF VIET NAM ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a loan agreement of even date herewith between the Recipient and ADB ("ADB Loan Agreement"), ADB has agreed to make a loan to the Recipient from ADB's ordinary capital resources in the amount of eighty million Dollars ($80,000,000) for the purposes of the Project described in Schedule 1 to the ADB Loan Agreement;

(B) on 13 November 2018, the Government of Japan has approved that the JFPR would provide, and ADB has agreed to administer, the grant provided for herein upon the terms and conditions set out in the JFPR 2018 Policy Guidelines for Project Grant; and

(C) ADB has agreed to make the proceeds of the grant from the JFPR available to the Recipient upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All the provisions of ADB's Externally Financed Grant Regulations, dated 1 January 2017 ("Grant Regulations"), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Grant Agreement, the several terms defined in the Grant Regulations and the ADB Loan Agreement have the respective meanings therein set forth unless modified herein or the context otherwise requires.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient a grant from the JFPR in the amount of three million Dollars ($3,000,000) ("Grant").

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied to the financing of expenditures on the Project in accordance with the provisions of the ADB Loan Agreement and this Grant Agreement.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 1 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Grant in accordance with the provisions of Schedule 4 to the ADB Loan Agreement.

Section 3.04. Withdrawals from the Grant Account in respect of Goods and Consulting Services shall be made only on account of expenditures relating to:

(a) Goods which are produced in and supplied from and Consulting Services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement; and

(b) Goods and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time

Section 3.05. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 30 September 2023 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01 In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 2 to this Grant Agreement and Schedule 4 to the ADB Loan Agreement.

Section 4.02 The Recipient shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents

Section 4.03. The Recipient acknowledges and agrees that this Grant Agreement is entered into by ADB, not in its individual capacity, but as grant administrator for the JFPR. Accordingly, the Recipient agrees that (i) it may only withdraw Grant proceeds to

the extent that ADB has received proceeds for the Grant from the JFPR and such proceeds has not been suspended or cancelled in whole or in part by the JFPR pursuant to the Cofinancing Agreement, and (ii) that ADB does not assume any obligations or responsibilities of the JFPR in respect of the Project or the Grant other than those set out in this Grant Agreement.

ARTICLE V

Effectiveness

Section 5.01. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of this Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VI

Termination

Section 6.01 The Grant Agreement and all obligations of the parties thereunder shall terminate on the date on which this Grant Agreement terminates.

ARTICLE VII

Miscellaneous

Section 7.01. The Minister of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

Ministry of Finance
No. 28 Tran Hung Dao Street
Hoan Kiem District
Ha Noi, Viet Nam

Facsimile Number:

(84-24) 2220-8020

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2331.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

SOCIALIST REPUBLIC OF VIET NAM

By _____
TRAN XUAN HA
Vice Minister
Ministry of Finance

ASIAN DEVELOPMENT BANK

By _____
ERIC SIDGWICK
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Grant and the allocation of the Grant proceeds to each such Category or Subcategory ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table)

Basis for Withdrawal from the Grant Account

2. Except as ADB may otherwise agree, the proceeds of the Grant shall be allocated to items of expenditure, and disbursed on the basis of the withdrawal percentage for each item of expenditure, as set forth in the Table.

Reallocation

3. Notwithstanding the allocation of Grant proceeds and the withdrawal percentages set forth in the Table,

(a) If the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, in consultation with the Recipient, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Grant allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, in consultation with the Recipient, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Attachment to Schedule 1

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS				
Number	**Item**	**Total Amount Allocated for the JFPR Financing ($)**		**Basis for Withdrawal from the Grant Account**
		Category	**Subcategory**	
1	Survey, Workshops and Training	417,000		
1A	For HMU		249,000	100% of total expenditure claimed
1B	For UMP		168,000	100% of total expenditure claimed
2	Equipment and Materials	1,038,000		
2A	For HMU		517,000	100% of total expenditure claimed
2B	For UMP		521,000	100% of total expenditure claimed
3	Pilot Models	540,000		
3A	For HMU		289,000	100% of total expenditure claimed
3B	For UMP		251,000	100% of total expenditure claimed
4	Consulting Services	761,000		
4A	For HMU		321,000	100% of total expenditure claimed
4B	For UMP		440,000	100% of total expenditure claimed
5	Unallocated	244,000		
5A	For HMU		124,000	
5B	For UMP		120,000	
	TOTAL	3,000,000		

SCHEDULE 2

Execution of Project; Implementation Matters

Implementation Arrangements

1. The Recipient and the Project Implementing Agencies shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Recipient, through MOH, and ADB. In the event of any discrepancy between the PAM and this Grant Agreement, the provisions of this Grant Agreement shall prevail

Japan Visibility

2. The Recipient shall and shall cause the Project Implementing Agencies to comply with the Visibility and Coordination Guidelines of JFPR. In particular, the Recipient shall cause the Project Executing Agency to include the JFPR and Japan Official Development Assistance logos in all relevant Project publications and on any equipment or facility funded by JFPR. For the purposes of this provision, Visibility and Coordination Guidelines of JFPR refers to the "Guidance Note on Coordination with the Embassy of Japan and JICA" dated 17 April 2018, as agreed between ADB and the Government of Japan and as amended from time to time.