CREDIT NUMBER 5200-VN
CREDIT NUMBER 4306-VN AMENDMENT

Financing Agreement

(Additional Financing for
Mekong Delta Transport Infrastructure Development Project
and Amendment to Original Financing Agreement)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated March 8, 2013

CREDIT NUMBER 5200-VN
CREDIT NUMBER 4306-VN AMENDMENT

FINANCING AGREEMENT

AGREEMENT dated March 8, 2013, entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for Parts A, B, and C of the Original Project (as defined in the Appendix to this Agreement) and amending specific provisions of the Original Financing Agreement (as defined in the Appendix to this Agreement).

WHEREAS:

(A) the Recipient has requested the Bank / Association to provide additional assistance towards the financing of Parts A, B and C of the Original Project; and

(B) by an agreement of even date herewith between the Recipient and the Bank / Association, acting as administrator of the Australian Trust Fund for the AusAID-World Bank Strategic Partnership in Vietnam ("Australian Trust Fund Grant Agreement"), the Bank / Association has agreed to provide such assistance in an amount equal to fifteen million Australian Dollars (as defined in the Appendix to this Agreement) (AU$15,000,000) ("Australian Trust Fund Grant"); and

NOW 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, the Original Financing Agreement, or the Appendix to this Agreement.

1.03. The Original Financing Agreement is amended as set out in Section III of 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 one million three hundred thousand Special Drawing Rights (SDR 101,300,000) (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 January 15 and July 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 the 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 Parts A, B, and C.3 (b) of the Project and Part E of the Project in relation to said Parts through the Ministry of Transport and Parts C.1, C.2, and C.3 (a) of the Project and Part E of the Project in relation to said Parts through the Project Provinces in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

The Additional Event of Suspension consists of the following, namely, that the Recipient has failed to perform any of its obligations under the Australian Trust Fund Grant Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Australian Trust Fund Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

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

5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Governor or a Deputy Governor of State Bank of Vietnam.

6.02. The Recipient's Address is:

State Bank of Vietnam
49 Lý Thái Tổ
Hanoi
Vietnam

Cable:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	84-4-3825-0612

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

SOCIALIST REPUBLIC OF VIETNAM

By _____

Authorized Representative

Name: Nguyen Van Binh

Title: Governor, State Bank of Vietnam

INTERNATIONAL DEVELOPMENT ASSOCIATION

By _____

Authorized Representative

Name: Victoria Kwakwa

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in relieving key bottlenecks in the main transport corridors in the Mekong Delta region and improving access of the poor to those corridors.

The Project consists of the Original Project as described in Schedule 1 to the Original Financing Agreement, of which the Financing provided under this Agreement will finance activities under Parts A, B, and C.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Sections I.A.1, 2, 3, 4 (c), and 5, I.B, and I.C of Schedule 2 to the Original Financing Agreement are hereby incorporated by reference in this Part A and shall apply, *mutatis mutandis*, to the Financing, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement.

2. For greater clarity and the avoidance of doubt, in view of the incorporation of the above-mentioned provisions of the Original Financing Agreement in this Agreement pursuant to the preceding paragraph, if the Original Financing Agreement terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the Original Financing Agreement incorporated in this Agreement pursuant to the preceding paragraph shall continue in full force and effect between the Recipient and the Association for purposes of this Agreement following and notwithstanding such termination.

B. Anti-Corruption

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

C. Safeguards

The Recipient shall ensure that the following are financed exclusively out of its own resources, and shall provide, promptly as needed, the resources needed for this purpose: (i) all land acquisition required for purposes of carrying out works under the Project; and (ii) Part E of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) 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 below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) 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) The performance indicators referred to above in sub-paragraph (a) consist of the following:

No.	Indicator
	Project Objective
1.	Average rice barge travel time from Rach Gia to Ho Chi Minh City via Corridor 2 (hours)
2.	Average travel time by truck on National Highway 91 (minutes)
3.	Accident rate on Corridor 2 (accidents per 100 vessels)
4.	Fatality rate on National Highway 91 (fatalities per 1,000 vehicles)
5.	Internal audit function established in the Inspectorate Department
	Part A of the Project
6.	Length of national road rehabilitated under the Project (kilometers)
7.	Number of bridges replaced under the Project
	Part B of the Project
8.	Length of waterway improved under the Project (kilometers)
9.	Number of bridges raised and improved under the Project
	Part C of the Project
10.	Length of provincial road improved to all-weather standard under the Project (kilometers)
11.	Number of rural landing stages and provincial ports improved under the Project

	Part D of the Project
12.	Capacity building of the Ministry of Transport carried out for improvement of multi-modal transport planning and management
13.	Capacity building of the Vietnam Inland Waterways Administration carried out for development of an enhanced organizational framework for said entity
14.	Number of provincial government staff trained by the regional support center established under Part C.3 (b) of the Project

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 quarter, 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 (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works, and Non-consulting Services.** All goods, works, and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance

with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or 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. **Other Methods of Procurement of Goods, Works, and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works, and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) National Competitive Bidding, subject to the additional procedures set out in the Annex to this Schedule
(b) Shopping
(c) Force Account

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 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) Least-Cost Selection

(b) Selection Based on the Consultants' Qualifications
(c) Single-Source Selection
(d) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the 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 / exclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services (including for audits), and Training for Parts A and B of	81,820,000	100

the Project		
(2) Goods, works, non-consulting services, and consultants' services for Part C of the Project	19,480,000	100
TOTAL AMOUNT	**101,300,000**	

B. Withdrawal Conditions; Withdrawal Period

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

   (a) for payments made prior to the date of this Agreement;

   (b) under Category (1), unless the proceeds of the Original Financing allocated to Category (18) of the table in Section IV.A.2 of Schedule 2 to the Original Financing Agreement have been fully withdrawn; or

   (c) under Category (2), unless the proceeds of the Original Grant allocated to Category (16) of the table in Section IV.A.2 of Schedule 2 to the Original Grant Agreement, and those of the Original Financing allocated to Category (19) of the table in Section IV.A.2 of Schedule 2 to the Original Financing Agreement, have been fully withdrawn.

2. The Closing Date is December 31, 2015.

C. Other Withdrawal Undertakings

The Recipient intends that, with respect to Part C of the Project, the proceeds of the Financing and the Australian Trust Fund Grant will be withdrawn in the following order to the extent practicable, namely, first the proceeds of the Australian Trust Fund Grant and subsequently those of the Financing.

ANNEX TO SCHEDULE 2

National Competitive Bidding: Additional Procedures

The procedures to be followed for the procurement of goods, works, and non-consulting services under contracts awarded on the basis of National Competitive Bidding shall be those set forth in: (a) Article 18 on Open Bidding of the Recipient's Law on Procurement No. 61/2005/QH11 dated November 29, 2005; (b) the Recipient's Law No. 38/2009/QH12 Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment dated June 19, 2009; and (c) the Recipient's Decree No. 85/2009/ND-CP Guiding Implementation of the Law on the Procurement and Selection of Construction Contractors under the Construction Law dated October 15, 2009 (collectively, "National Procurement Laws"), subject to the provisions of Section I and paragraphs 3.3 and 3.4 of 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. Recipient-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. Military or security units or enterprises established under, reporting directly or indirectly to, or owned wholly or partly by, the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

Registration

4. Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of

registering, without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

Advertising; Time for Bid Preparation

5. The complete text of advertisement shall be published in a national newspaper of wide circulation or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access. The Recipient may publish a shorter version of the advertisement text, including the minimum relevant information, in the national press provided that the full text is simultaneously published in the official gazette or on a widely used website or electronic portal with free national and international access. Notification shall be given to prospective bidders in sufficient time to enable them to obtain relevant documents.

6. The time allowed for the preparation and submission of bids 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

7. Standard bidding documents acceptable to the Association shall be used.

Qualification Criteria

8. Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a pass or fail basis and merit points shall not be used. Such assessment shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment, and construction and manufacturing facilities, and financial capacity. The evaluation of the bidder's qualifications shall be conducted separately, subsequent to the technical and commercial evaluation of the bid.

Bid Submission, Bid Opening, and Bid Evaluation

9. Bidders may submit bids, at their option, either in person or by courier service or by mail, as required in the bidding documents. Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to the Association's prior review.

(a) Bidding documents shall be sold to anyone who is willing to pay the

required fee for the bidding documents which shall not exceed the costs of printing, reproduction, and delivery at any time prior to the deadline for bid submission, and no other conditions shall be imposed on the sale of the bidding documents.

(b) 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.

(c) 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. No negotiations shall be permitted. 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.

(d) No bid shall be eliminated from detailed evaluation on the basis of minor, non-substantive deviations.

(e) The comparison of all bids and the award of contract may be based on the total cost at destination including all taxes and duties.

(f) 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. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised, the qualification criteria were not unduly restrictive, and prices are reasonable in comparison to market values. 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 allowing bidders to protest and have their protests handled in a timely manner. An

independent protest mechanism shall provide for the review of complaints by an independent entity that is not involved in any aspect of the underlying procurement process (e.g., bid evaluation, contract approval, etc.).

Fraud and Corruption

12. The provisions on fraud and corruption as stated under Section I of the Procurement Guidelines shall apply. Each bidding document and contract financed out of the proceeds of the Financing shall include provisions on matters pertaining to fraud and corruption as defined in the Guidelines. The Association will sanction a firm or individual, at any time, in accordance with prevailing Association sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Association-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded an Association-financed contract.

Right to Inspect / Audit

13. Each bidding document and contract financed from the proceeds of the Financing shall include a provision requiring bidders, suppliers, contractors, and subcontractors to permit the Association to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association. Acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for in the Guidelines constitute an obstructive practice as defined in the Guidelines.

License

14. Foreign contractors shall be given a reasonable opportunity to apply for and obtain a work license, which shall not be arbitrarily withheld.

Publication of the Award of Contract

15. Within two (2) weeks of receiving the Association's non-objection to the award recommendation for contracts subject to the Association's prior review, and within two (2) weeks of the Recipient's award decision for contracts subject to the Association's post review, the Recipient shall publish the following information on contract award in a national newspaper of wide circulation and / or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access: (a) the name of each bidder which submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract.

Contract Modifications

16. With respect to contracts subject to the Association's prior review, the Recipient shall obtain the Association's non-objection before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than fifteen percent (15%); or (d) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each January 15 and July 15:	
commencing July 15, 2018 to and including January 15, 2028	1.65
commencing July 15, 2028 to and including January 15, 2038	3.35

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.

2. "Australian Dollar" means the lawful currency of the Government of Australia, or a successor thereto.

3. "Can Tho" means the city of such name in the southern part of the Recipient's territory, or a successor thereto.

4. "Chau Doc" means the town of such name in the southern part of the Recipient's territory, or a successor thereto.

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

6. "Consultant Guidelines" means: (a) except as provided in subparagraph (b) below, the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011; and (b) in the case of contracts financed or to be financed, in whole or in part, out of the proceeds of the Original Financing, and for which the invitation to bid was issued prior to the Effective Date of this Agreement, the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004.

7. "Corridor 2" means the inland waterway corridor from Ho Chi Minh City (as hereinafter defined) to Rach Gia (as hereinafter defined), or a successor thereto.

8. "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.

9. "Ho Chi Minh City" means the city of such name in the southern part of the Recipient's territory, or a successor thereto.

10. "Inspectorate Department" means the department of the Ministry of Transport responsible for governance and anti-corruption, or a successor thereto.

11. "Mekong Delta" means the region in the southwestern part of the Recipient's territory in which the Mekong River approaches and empties into the sea, or a successor thereto.

12. "Ministry of Defense" means the Recipient's ministry responsible for defense, or a successor thereto.

13. "Ministry of Public Security" means the Recipient's ministry responsible for public security, or a successor thereto.

14. "National Highway 91" means the highway from Can Tho to Chau Doc, or a successor thereto.

15. "Original Financing" means the credit in an amount equivalent to one hundred thirty seven million two hundred thousand Special Drawing Rights (SDR 137,200,000) extended by the Association to the Recipient for the Original Project (as hereinafter defined) pursuant to the Original Financing Agreement (as hereinafter defined).

16. "Original Financing Agreement" means the financing agreement for a Mekong Delta Transport Infrastructure Development Project (Credit No. 4306-VN) between the Recipient and the Association, dated November 22, 2007, as amended to the date of this Agreement.

17. "Original Grant" means the grant in an amount of thirty two million three hundred forty thousand Australian Dollars (AU$32,340,000) extended by the Association, acting as administrator of grant funds provided by the Government of Australia, to the Recipient for the Original Project pursuant to the Original Grant Agreement (as hereinafter defined).

18. "Original Grant Agreement" means the grant agreement for a Mekong Delta Transport Infrastructure Development Project (Grant No. TF091332-VN) between the Recipient and the Association, acting as administrator of grant funds provided by the Government of Australia, dated March 28, 2008, as amended to the date of this Agreement.

19. "Original Project" means the Project described in the Original Financing Agreement.

20. "Procurement Guidelines" means: (a) except as provided in subparagraph (b) below, 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 (b) in the case of contracts financed or to be financed, in whole or in part, out of the proceeds of the Original Financing, and for which the invitation to bid was issued prior to the Effective Date of this Agreement, the "Guidelines for Procurement under IBRD Loans and IDA Credits" dated May 2004.

21. "Procurement Plan" means the Recipient's procurement plan for the Project, dated December 20, 2012 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.

22. "Rach Gia" means the town of such name in the southern part of the Recipient's territory, or a successor thereto.

23. "State Bank of Vietnam" means the Recipient's central bank or a successor thereto.

24. "Training" means the cost of training under the Project, attributable to courses, seminars, study tours, and workshops, along with the cost of domestic and international travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to training preparation and implementation, but excluding any salary supplements of members of the Recipient's civil service (*công chức* and *viên chức*).

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 2.05 (a) is modified to read as follows:

"(a) the payment is for the reasonable cost of goods, works, non-consulting services, consultants' services (including for audits), or training required for the Project, to be financed out of the proceeds of the Financing, and procured, all in accordance with the provisions of the Legal Agreements;"

2. 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."

3. 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".

4. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the remaining paragraphs accordingly:
"32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02 (b)."

5. 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".

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

Section III. Amendments to the Original Financing Agreement

The amendments to the Original Financing Agreement are as follows:

1. Section II.A of Schedule 2 is amended to read as follows:

"**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 below in paragraph 2 of this Part A. Each Project Report shall cover the period of one (1) 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, namely, by February 15 and August 15 of each year, commencing in 2008.

2. The performance indicators referred to above in paragraph 1 consist of the following:

No.	Indicator
	Project Objective
1.	Average rice barge travel time from Rach Gia to Ho Chi Minh City via Corridor 2 (hours)
2.	Average travel time by truck on National Highway 91 (minutes)
3.	Accident rate on Corridor 2 (accidents per 100 vessels)
4.	Fatality rate on National Highway 91 (fatalities per 1,000 vehicles)
5.	Internal audit function established in the Inspectorate Department
	Part A of the Project
6.	Length of national road rehabilitated under the Project (kilometers)
7.	Number of bridges replaced under the Project
	Part B of the Project
8.	Length of waterway improved under the Project (kilometers)
9.	Number of bridges raised and improved under the Project
	Part C of the Project
10.	Length of provincial road improved to all-weather standard under the Project (kilometers)
11.	Number of rural landing stages and provincial ports improved under the Project
	Part D of the Project

12.	Capacity building of the Ministry of Transport carried out for improvement of multi-modal transport planning and management
13.	Capacity building of the Vietnam Inland Waterways Administration carried out for development of an enhanced organizational framework for said entity
14.	Number of provincial government staff trained by the regional support center established under Part C.3 (b) of the Project"

2. The figure in respect of Category (19) in the third column of the table in Section IV.A.2 of Schedule 2 to the Original Financing Agreement is amended to read as "100".

3. Section IV.B.2 of Schedule 2 is amended to read as follows (emphasis added):

"2. The Closing Date is December 31, 2015."

4. Supplemental letter number 2, concluded pursuant to Section II.A.1 of Schedule 2, is deleted in its entirety.