CREDIT NUMBER 5354 -VN

Financing Agreement

(Social Assistance System Strengthening Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 29 , 2014

CREDIT NUMBER 5354-VN

FINANCING AGREEMENT

AGREEMENT dated April 24, 2014, 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 and modified in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to thirty nine million one hundred thousand Special Drawing Rights (SDR 39,100,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 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 Labor, Invalids and Social Affairs and Project Provinces, in accordance with the provisions of Article IV of the General Conditions.

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

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient's Address is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

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 Hanoi, Socialist Republic of 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 support the government of Vietnam in strengthening the social assistance system by developing Innovations in management and service delivery nationwide, and by piloting these Innovations in the four Project Provinces.

The Project consists of the following:

Part 1: Strengthening the Social Assistance and Poverty Reduction System

Provision of support for the development and testing of improved mechanisms for social assistance delivery and management, including: (a) building a national database of social assistance beneficiaries and developing an integrated management information system for nationwide use; (b) developing a social collaborator network in the Project Provinces and supporting communication-for-development activities at the national level and in the Project Provinces, including provision of remuneration for social collaborators; (c) developing and implementing a grievance redress mechanism in the Project Provinces; and (d) developing and implementing a monitoring and evaluation system, and providing support for policy formulation at the national level and in the Project Provinces.

Part 2: Launching a Consolidated Social Assistance Program

Testing the improved mechanisms developed under Part 1 of the Project in the Project Provinces through the launching of social assistance consolidation, including: (a) provision of Benefits to Additional Beneficiaries identified by the management information system; and (b) provision of service fees to the VN POST of the Project Provinces for the purpose of implementing the Transfers, including the Benefits.

Part 3: Project Management

Provision of support for Project management activities, including: (a) operation of the Central Project Management Unit and Provincial Project Management Units; and (b) supervision, procurement, financial management, disbursement, audit, and monitoring and evaluation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall maintain throughout the implementation of the Project the following:

(a) a National Project Steering Committee with composition and terms of reference satisfactory to the Association, which committee shall be responsible for providing general technical and policy guidance, and facilitating coordination across relevant ministries and agencies for the Project; and

(b) a Central Project Management Unit under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers including, among others, a Project director, an accountant, and a procurement officer, in each case with qualifications, experience and under terms of reference acceptable to the Association; which unit shall be responsible for the overall management and coordination of the Project, and monitoring and evaluation of Project achievements and impacts.

2. The Recipient shall cause the People's Committee of each Project Province to:

(a) maintain throughout the implementation of the Project, a Provincial Steering Committee with composition and terms of reference satisfactory to the Association, which committee shall be responsible for coordinating and providing guidance on the implementation of the Project in the respective Project Province; and

(b) maintain throughout the implementation of the Project, a Provincial Project Management Unit under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers including, among others, a Project director, a deputy Project director, and an accountant, in each case with qualifications, experience and under terms of reference acceptable to the Association; which unit shall be responsible for managing and coordinating the implementation of Project activities within its respective Project Province.

3. The Recipient shall:

(a) carry out the Project, and cause the Project to be carried out, in accordance with a Project Implementation Manual in form and substance

satisfactory to the Association setting forth guidelines and procedures for the implementation of the Project; and

(b) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of said PIM or any part thereof, without the prior written agreement of the Association.

4. The Recipient shall:

(a) (i) by no later than August 31, 2014, adopt an Inter-Ministerial Circular in form and substance satisfactory to the Association setting forth the financial management framework of the Project to guide the implementing agencies at all levels in the financial management aspects for Part 2 of the Project and clarifying the roles and responsibilities of relevant authorities and agencies including guidance on budgeting, financial reporting and auditing; (ii) carryout the Project in accordance with the provisions of said Circular; and (iii) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of said Circular or any part thereof, without the prior written agreement of the Association;

(b) cause each of the DOLISA or PPMU, as the case may be, and the VN POST of the respective Project Province to: (i) carry out the Project in accordance with a respective Transfer Agreement in form and substance satisfactory to the Association for the purpose of implementing the Transfers; and (ii) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of said TA or any part thereof, without the prior written agreement of the Association; and

(c) cause the installation of a management information system acceptable to the Association in the MOLISA and the DOLISA of each of the Project Provinces.

B. Anti-Corruption.

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

Section II. <u>Project Monitoring, Reporting and Evaluation</u>

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association and set out in the PIM. 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 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 fiscal year of the Recipient, or any other period as 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 and Non-consulting Services.** All goods 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 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 and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods 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 provisions set forth in the Annex to this Schedule 2
(b) Shopping
(c) Direct Contracting

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following 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) Quality Based Selection
(b) Fixed Budget Selection
(c) Least Cost Selection
(d) Selection Based on Consultants' Qualification
(e) Single Source Selection of Consulting Firms
(f) Procedures set forth in Paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g) Sole-Source Procedures for the Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the 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), Consultants' Services, Non-consulting Services, Incremental Operating Costs, and Training and Workshops under Parts 1, 2(b), and 3 of the Project	22,810,000	100%
(2) Benefits to Additional Beneficiaries under Part 2(a) of the Project	16,290,000	100% of each Benefit
TOTAL AMOUNT	**39,100,000**	

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, except that withdrawals, up to an aggregate amount not to exceed SDR 650,000, may be made for payments made prior to this date but on or after October 30, 2013, for any Eligible Expenditure under Category (1); or

   (b) under Category (2), until and unless the Recipient has caused the installation of a management information system acceptable to the Association in the MOLISA and the DOLISA of each of the Project Provinces.

2. The Closing Date is December 31, 2019.

ANNEX to SCHEDULE 2

National Competitive Bidding: Additional 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 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. 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.

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 of 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 weeks of receiving the Association's no objection to the award recommendation for contracts subject to the Association's prior review, and within two 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 no 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 15 percent; 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, 2019 to and including January 15, 2029	**1.65%**
commencing July 15, 2029 to and including January 15, 2039	**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. "136 Program" means the social assistance program established and operating pursuant to Decree Number 136/2013/ND-CP dated October 21, 2013, or any successor thereto.

2. "Additional Beneficiaries" means individual beneficiaries which are identified by the management information system developed under Part 1 of the Project and in the Project Provinces and: (a) are from poor households; and (b) are either: (i) children less than 3 years of age, (ii) children aged 3-15 not in school, or (iii) pregnant women.

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. "Benefits" means cash transfers provided to Additional Beneficiaries under the Opportunity Program, as hereinafter defined.

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

6. "Central Project Management Unit" or "CPMU" means the unit established by MOLISA pursuant to Decision Number 1567/QD-LDTBXH dated October 11, 2013, and referred to in paragraph 1(b) of Section I.A of Schedule 2 to this Agreement as such unit may be reconstituted from time to time with the prior written agreement of the Association.

7. "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.

8. "Department of Labor, Invalids, and Social Affairs" or "DOLISA" means the Department of Labor, Invalids, and Social Affairs of a Project Province, or any successor thereto.

9. "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.

10. "Incremental Operating Costs" means the incremental operating costs under the Project incurred by the Recipient for purposes of Project management, implementation, and monitoring and evaluation, including office supplies and

consumables, utilities, bank charges, communications, information and communication campaigns, mass media and printing services, vehicle rental, operation, remuneration for social collaborators, fees for VN POST to carry out the Transfers, maintenance, and insurance, office space rental, building and equipment maintenance, travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salary and salary supplements of staff of the Recipient's civil service ("công chức" and "viên chức").

11. "Innovations" means initiatives in the management and service delivery of social assistance developed under the Project, including: (a) at the national level: (i) proposing a national roadmap for consolidating social assistance programs, and (ii) developing a national database of poor/near-poor households and social assistance beneficiaries and a management information system for use nationwide; and (b) in the Project Provinces: (i) testing benefit payments using a professional payment service provider, and (ii) testing the use of social collaborators to support program beneficiaries.

12. "Inter-Ministerial Circular" means a government regulation to be issued by the Recipient's MOF, MOLISA, MOET, and any other agencies as may be required, to guide the implementing agencies at all levels in implementation of the Opportunity Program and the financial management aspects of Part 2 of the Project, and referred to in paragraph 4 of Section I.A of Schedule 2 to this Agreement.

13. "Ministry of Education and Training" or "MOET" means the Recipient's Ministry of Education and Training or any successor thereto.

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

15. "Ministry of Information and Communications" means the Recipient's Ministry of Information and Communications, or any successor thereto.

16. "Ministry of Labor, Invalids and Social Affairs" or "MOLISA" means the Recipient's Ministry of Labor, Invalids and Social Affairs, or any successor thereto.

17. "National Project Steering Committee" or "NPSC" means the committee established by MOLISA pursuant to Decision Number 1893/QD-LDTBXH dated December 5, 2013, and referred to in paragraph 1 of Section I.A of Schedule 2 to this Agreement, as such committee may be reconstituted from time to time with the prior written agreement of the Association.

18. "Opportunity Program" means an instrument developed and implemented under the Project as a consolidated cash transfer program, which provides cash transfer

support to: (a) all beneficiaries in the Project Provinces and under either: (i) Decree Number 49/2010/ND-CP (as amended) or its successor, (ii) Decision Number 12/2013/QD-TTg or its successor, or (iii) Decision Number 268/QĐ-TTg or its successor; and (b) Additional Beneficiaries.

19. "People's Committee" means the local government at the Provincial level, or any successor thereto.

20. "Project Implementation Manual" or "PIM" means the document adopted by MOLISA pursuant to Decision Number 07/QD-BQLDA dated November 22, 2013, and referred to in paragraph 3 of Section I.A of Schedule 2 to this Agreement, which sets forth guidelines, policies and procedures for the implementation of the Project, including: (a) technical components; (b) performance monitoring indicators and 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; and (f) guidelines and procedures for implementing the Transfers of the Project, including: (i) Transfer eligibility and criteria, (ii) terms and conditions of Transfers, and (iii) financial management, disbursement, and monitoring and evaluation for Transfers; as the same document may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.

21. "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.

22. "Procurement Plan" means the Recipient's procurement plan for the Project, dated November 5, 2013 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.

23. "Project Provinces" means collectively, the Provinces of Lam Dong, Ha Giang, Quang Nam, and Tra Vinh in the Recipient's territory, or any successor thereto; and "Project Province" means any of such Provinces.

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

25. "Provincial Project Management Unit" or "PPMU" means the unit established within the People's Committee of each of the Project Province pursuant to the following decisions: (a) Ha Giang Province: Decision Number 2344/QD-UBND dated October 22, 2013, (b) Quang Nam Province: Decision Number 3583/QD-UBND, dated November 19, 2013, (c) Tra Vinh Province: Decision Number 2190/QD-UBND, dated November 14, 2013, and (d) Lam Dong Province: Decision Number 2317/QD-UBND, dated November 19, 2013; and referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement, as such unit may be reconstituted from time to time with the prior written agreement of the Association.

26. "Provincial Steering Committee" or "PSC" means the committee [established within the People's Committee of each of the Project Province pursuant to the following decisions: (a) Ha Giang Province: Decision Number 2343/QD-UBND dated October 22, 2013, (b) Quang Nam Province: Decision Number 3582/QD-UBND, dated November 19, 2013, (c) Tra Vinh Province: Decision Number 2189/QD-UBND, dated November 14, 2013, and (d) Lam Dong Province: Decision Number 2316/QD-UBND, dated November 19, 2013; and referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement, as such committee may be reconstituted from time to time with the prior written agreement of the Association.

27. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, based on annual work plans and terms of reference acceptable to the Association, in facilitating and conducting domestic and overseas training and workshop activities of the Project, including costs of training or workshop materials; honoraria; interpretation and translation; equipment and venue rental; lunches; and per diem, accommodation, and transportation for those attending the training or workshop; but excluding salary and salary supplements of Recipient's civil servants ("công chức" and "viên chức").

28. "Transfers" means: (a) cash transfers to the beneficiaries participating in the Opportunity Program and/or the 136 Program; and (b) the remuneration for the social collaborators; which transfers are to be implemented in accordance with the provisions of this Agreement, the PIM, and the respective TAs.

29. "Transfer Agreement" or "TA" means the agreement to be entered into between the DOLISA or the PPMU, as the case may be, and the VN POST of each of the Project Provinces, for the purpose of implementing the Transfers.

30. "VN POST" means the Vietnam Post Corporation, the entity whose organization and operation charter is approved by Ministry of Information and Communications pursuant to Decision Number 249/QD-BTTTT dated March 18, 2013; or any successor thereto.

31. "Vietnam" means the Socialist Republic of Vietnam.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are 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 remaining 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).