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CREDIT NUMBER 5845-VN

Financing Agreement

(Mekong Delta Integrated Climate Resilience and Sustainable Livelihoods Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 11, 2016

CREDIT NUMBER 5845 -VN

FINANCING AGREEMENT

AGREEMENT dated July 11, 2016 entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II —FINANCING

2.01 The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to two hundred eighteen million eight hundred thousand Special Drawing Rights (SDR218,800,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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 May 1 and November 1 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollar.

ARTICLE III —PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Agriculture and Rural Development (MARD), Ministry of Natural Resources and Environment (MONRE), Ministry of Planning and Investment (MPI) 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 Additional Legal Matter consists of the following, namely, the Resettlement Policy Framework has been duly approved by the Prime Minister, and is legally binding upon the Recipient in accordance with its respective terms.

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

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (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: LE MINH HUNG

Title: Governor

INTERNATIONAL DEVELOPMENT ASSOCIATION

By _____
Authorized Representative

Name: AGNIM FOCK

Title: Acting Country Director

SCHEDULE 1

Project Description

The objectives of the Project are to enhance tools for climate-smart planning, and to improve climate resilience of land and water management practices in selected Project Provinces of the Mekong Delta in Vietnam.

The Project consists of the following:

Part 1: Enhancing Monitoring, Analytics, and Information Systems

(a) Investments in Monitoring Systems: support for expanding and upgrading the monitoring systems of MONRE and MARD for groundwater and surface water, and enhancing remote sensing technology to monitor coastal and riverbank changes, delta monitoring, and carrying out of specialized studies on river training, irrigation, groundwater, coastal and river erosion, and land use suitability.

(b) Infrastructure and Integrated Information Systems: establishment of an integrated information systems framework to improve access, analysis, and presentation of Mekong Delta information, including support for the establishment of the Mekong Delta Center.

(c) Mainstreaming Climate Resilience into Planning Processes: preparation of regulations for piloting regional coordination for climate change adaptation, and preparation of guidance reports on land-use planning, spatial and territorial development, and climate resilient investments.

Part 2: Managing Floods in the Upper Delta

Carrying out of a phased program of subprojects in selected areas of An Giang, Dong Thap and Kien Giang Provinces, aimed at protecting and/or reclaiming the benefits of controlled flooding, including support for:

(i) modifying water and agricultural infrastructure to expand water retention capacity in rural areas;

(ii) new agricultural/aquaculture cropping alternatives to the wet season rice crop;

(iii) livelihoods' support measures for farmers;

(iv) construction/upgrading of infrastructure for high value assets' protection; and

(v) facilitating agriculture water use efficiency in the dry season.

Part 3: Adapting to Salinity Transitions in the Delta Estuary

Carrying out of a phased program of subprojects in selected areas of Ben Tre, Tra Vinh, Vinh Long, and Soc Trang Provinces, aimed at addressing salinity intrusion, coastal erosion, sustainable aquaculture and improvement of coastal communities' livelihoods, including support for:

(i) construction of coastal defenses;

(ii) water and agricultural infrastructure modifications along the coastal zone;

(iii) farmers' aquaculture livelihood activities; and

(iv) dry season agricultural water use efficiency measures.

Part 4: Protecting Coastal Areas in the Delta Peninsula

Carrying out of program of subprojects in selected areas of Bac Lieu, Ca Mau, and Kien Giang Provinces, aimed at addressing coastal erosion, groundwater management, sustainable aquaculture, and coastal and estuary communities' livelihoods, including support for:

(i) coastal defenses infrastructure construction/rehabilitation;

(ii) water control infrastructure modifications along the coastal zone;

(iii) groundwater abstraction controls;

(iv) water supply for domestic use;

(v) livelihoods support for farmers; and

(vi) dry season agricultural water use efficiency measures.

Part 5: Project Management and Implementation Support

Provision of support for Project management and implementation activities and Project monitoring and evaluation, including establishment of a monitoring and evaluation system for the Project, and carrying out of independent Project financial and technical audits.

SCHEDULE 2

Project Execution

Section I. **Implementation Arrangements**

A. Institutional Arrangements

1. For the purpose of monitoring overall Project implementation and providing policy and technical advice, a Project Steering Committee (PSC) comprising representatives from MONRE, MARD, MPI, Provincial People's Committees, Ministry of Finance, Office of Government, and State Bank of Vietnam, shall be maintained throughout the period of Project implementation, and chaired by a MARD ministerial leader.

2. The Recipient shall cause MONRE, MPI, MARD and the Project Provinces to work in close collaboration in the implementation of the Project and shall take all necessary steps including management of Project fiduciary, procurement, financial accounting, payment, and disbursement activities, as the case may be, to ensure that throughout Project implementation:

(a) at the central level:

(i) MARD CPO is responsible for: (i) overall implementation and management of the Project; and (ii) with respect to its respective activities under Part 1(a), and Parts 2, 3, 4 and 5 of the Project;

(ii) MPI, through its assigned department is responsible for carrying out of Project implementation and Project monitoring and evaluation activities under Parts 1(c) and 5 of the Project; and

(iii) MONRE, through its MONRE PMU is responsible for the carrying out of Project implementation under Parts 1(a) and 1(b), and Project monitoring and evaluation activities under Part 5 of the Project.

(b) at the provincial level:

(i) MARD CPMU is responsible for overall sub-project management and will provide, as needed, technical specialist staff from technical departments including agriculture, forestry, aquaculture, climate change, water, and environment;

(ii) MARD CPMU is responsible for the provision of technical support for the preparation of complex sub-projects;

(iii) the Provincial Project Management Unit (PPMU) of the relevant Provincial People's Committee or Department of Agriculture and Rural Development (DARD) is responsible for the implementation of subproject activities under Parts 2, 3, 4, and 5 of the Project, including single-province subprojects within its respective jurisdiction; and

(iv) the Investment Construction Management Board No. 10, under the direct management of MARD, is responsible for implementation of inter-provincial subprojects.

3. The Recipient shall:

(a) carry out the Project, and cause the Project to be carried out, in accordance with the Project Operations Manual (POM) setting forth guidelines and procedures for the implementation of the Project, including: (i) technical components; (ii) monitoring and evaluation arrangements; (iii) environmental and social safeguards compliance; (iv) 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; (v) 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 (vi) performance indicators; and

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

4. In case of any inconsistency between the provisions of the POM and those of this Agreement, the provisions of this Agreement shall prevail.

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

1. The Recipient shall ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Association Policies, as well as the Recipient's own laws relating to the environment and social aspects relevant to the Project.

2. The Recipient shall ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Instruments.

3. 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 (RAP), acceptable to the Association, in accordance with the guidelines, requirements and procedures set forth in the Resettlement Policy Framework (RPF), and thereafter implement in a timely manner said RAP as approved by the Association.

4. The Recipient shall: (a) prepare Environmental and Social Impact Assessments (ESIAs), and/or Environmental and Social Management Plans (ESMP), including Environmental Codes of Practice (ECOPs), 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 Framework (ESMF), and thereafter implement in a timely and satisfactory manner said instruments; and (b) 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 manner and form satisfactory to the Association.

5. The Recipient shall cause to be prepared, the Ethnic Minorities Development Plans (EMDP), acceptable to the Association, in accordance with the guidelines, requirements and procedures set forth in the Ethnic Minorities Policy Framework (EMPF), and thereafter implement in a timely manner each EMDP as approved by 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. 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 this purpose.

9. 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. <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 as set forth in the Project Operations Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall carry out jointly with the Association, not later than thirty six (36) months after the Effective Date, or such other period as may be agreed by the Association, a midterm review to assess the status of Project implementation, as measured against the performance indicators set forth in the Project Operations Manual. Such review shall include an assessment of: (i) the progress in implementation; (ii) the results of monitoring and evaluation activities; (iii) the progress on procurement and disbursement; (iv) compliance with safeguard requirements; (v) adequacy of implementation arrangements; and (vi) the need to make any adjustments to the Project to improve performance.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the 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 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, 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 Methods
(a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2
(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 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 Methods
(a) Quality-Based Selection
(b) Least-Cost Selection
(c) Selection Based on Consultants' Qualifications
(d) Single Source Selection of Consulting Firms
(e) Selection of Individual Consultants
(f) Single Source 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 100% (inclusive of Taxes) of Eligible Expenditures, consisting of goods, works, consultants' services, non-consulting services, Incremental Operating Costs, Training and Workshops.

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 except that withdrawals up to an aggregate amount not to exceed SDR710,000 may be made for payments made prior to this date but on or after May 1, 2016 for Eligible Expenditures.

2. The Closing Date is December 31, 2022.

ANNEX 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 May 1 and November 1:	
Commencing November 1, 2021 to and including May 1, 2031	1.65%
Commencing November 1, 2031 to and including May 1, 2041	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. "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.

3. "Association Policies" means the operational policies, procedures, guidelines and instructions governing the operations of the Association, which can be found on the Association's website at www.worldbank.org.

4. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011, revised July 2014.

5. "Department of Agriculture and Rural Development" or "DARD" means a department of agriculture and rural development within each of Provinces, or any successor thereto.

6. "Environmental Codes of Practice" or "ECOPs" means the standardized requirements and practices referred to in Section I.C.4 of Schedule 2 to this Agreement, included in the Environmental and Social Management Plans to be followed by the Recipient in the implementation of Project activities to ensure compliance with certain environmental aspects of the Project, as said environmental 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.

7. "Environmental and Social Impact Assessment" or "ESIA" means the assessment, acceptable to the Association, referred to in Section I.C.4 of Schedule 2 to this Agreement, and approved or to be approved by the Ministry of Natural Resources and Environment, Ministry of Agriculture and Rural Development or the Provincial Peoples' Committee in each Project Province.

8. "Environmental and Social Management Plans" or "ESMPs" means the plans acceptable to the Association, referred to in Section I.C.4 of Schedule 2 to this

Agreement, and approved or to be approved by the Ministry of Natural Resources and Environment, Ministry of Agriculture and Rural Development or the Provincial Peoples' Committee in each Project Province; which set forth the specific actions, measures and policies designed to maximize the benefit of the respective activities under the Project, as well as eliminate, offset or mitigate any adverse environmental and social impacts, or reduce such impacts to acceptable levels, along with administrative and monitoring arrangements to ensure the implementation of said actions, measures and policies, as said ESMP 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.

9. "Environmental and Social Management Framework" or "ESMF" means the framework, acceptable to the Association, adopted by the Ministry of Agriculture and Rural Development and referred to in Section I.C.2 of Schedule 2 to this Agreement, which sets forth the environmental protection measures in respect of the Project, including preparation of ESIAs and ESMPs during the implementation of the Project, and administrative and monitoring arrangements to ensure the implementation of said framework, as said 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.

10. "Ethnic Minorities Development Plans" or "EMDPs" means the plans, acceptable to the Association, to be prepared and adopted by MARD and PPCs, and referred to in Section I.C.5 of Schedule 2 to this Agreement, which set forth measures designed to ensure that ethnic minority communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated for, as said EMDPs may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such plans.

11. "Ethnic Minorities Policy Framework" or "EMPF" means the framework, acceptable to the Association, to be prepared and adopted by MARD, and referred to in Section I. C.5 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.

12. "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.

13. "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, which expenditures would not have been incurred absent the Project, including the costs of consumables, operation, maintenance, and/or rental of vehicles; bank charges; advertising expenses; communication costs; information and communication programs; transportation costs; accommodation 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").

14. "MARD CPO" means the central project office for overall implementation and management of the Project established under MARD referred to in Section I.A.2 of Schedule 2 to this Agreement, or any successor thereto.

15. "MARD CPMU " means a central project management unit established under Ministry of Agriculture and Rural Development in accordance with Decision Number 1770/QD-BNN-TCCB dated May 13, 2016, and responsible for the implementation of Parts 1(a), 2, 3, 4, and 5 of the Project as referred to in paragraph 2 of Section I. A of Schedule 2 to this Agreement, or any successor thereto.

16. "Mekong Delta" means an area in the south of the Recipient's territory comprising a total of twelve (12) Provinces and Can Tho City.

17. "Mekong Delta Center" means a center to be established in Can Tho City under Part 1(b) of the Project.

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

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

20. "Ministry of Natural Resources and Environment" or "MONRE" means the Recipient's Ministry of Natural Resources and Environment, or any successor thereto.

21. "Ministry of Planning and Investment" or "MPI" means the Recipient's Ministry of Planning and Investment, or any successor thereto.

22. "MONRE PMU" means the project management unit established by MONRE in accordance with Decision Number 1076/QD-BTNMT dated May 12, 2016, which

is responsible for the implementation of Parts 1 and 5 of the Project, as referred to in Section I.A of Schedule 2 to this Agreement, or any successor thereto.

23. "Project Operations Manual" or "POM" means, collectively, the project operations document, adopted by MARD in accordance with Decision Number 1735/QD - BNN-HTQT dated May 11, 2016; and the project operations document adopted by MONRE in accordance with Decision Number 1090/QD-BTNMT-KH dated May 13, 2016, as referred to in paragraph 3 of Section I.A.2 of Schedule 2 to this Agreement, which sets forth guidelines, policies and procedures for the implementation of the Project, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules or amendments to such manual.

24. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011, revised July 2014.

25. "Procurement Plan" means the Recipient's procurement plans for the Project, including the procurement plan adopted by MARD and Project Provinces dated March 17, 2016; the procurement plan adopted by MONRE dated April 2, 2016; and the procurement plan adopted by MPI dated May 18, 2016 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.

26. "Project Steering Committee" means the committee referred to in paragraph 1 of Section I.A of Schedule 2 to this Agreement, responsible for monitoring overall Project implementation and the provision of policy and technical guidance, or any successor thereto.

27. "Provincial People's Committees" or "PPCs" means, collectively, the Recipient's local governments at the Province level, or any successor thereto, and "Provincial People's Committee" or "PPC" means any one of Provincial People's Committees in a Project Province.

28. "Provincial Project Management Unit" or "PPMU" means a unit established by a Provincial People's Committee under its respective DARD which is responsible for the implementation of the Project within a respective Province as referred to in paragraph 2(b)(iii) of Section I. A of Schedule 2 to this Agreement.

29. "Project Provinces" means the provinces selected by the Recipient to participate in the carrying out of Project activities and "Project Province" means any one of such Provinces.

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

31. "Resettlement Action Plans" or "RAPs" means the resettlement plans acceptable to the Association, referred to in paragraph 1 of Section I.C of Schedule 2 to this Agreement, to be prepared and adopted by the PPCs/ MARD; 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.

32. "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.C.3.(b) of Schedule 2 to this Agreement, approved by the Prime Minister in accordance with Decision Number 801/TTg-QHQT dated May 17, 2016; 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 RAPs during the implementation of the Project, as said RPF may be revised from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such framework.

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

34. "State Bank of Vietnam" or "SBV" means the Recipient's central bank, or any successor thereto.

35. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, in facilitating, conducting, and/or undertaking domestic training and workshop activities including establishment of demonstration sites as farmer field schools for the training purposes 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 government 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 modifications to the General Conditions are as follows:

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

"Section 2.05 Eligible Expenditure

(a) the payment is for the financing of the reasonable cost of goods (including office equipment and vehicles), works, services, Incremental Operating Costs, or Training and Workshops required for the Project, and to be financed out of the proceeds of the Financing and procured, all in accordance with the provisions of the Financing Agreement;"

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 Section 3.02 (a).