THE WORLD BANK
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December 5, 2017

H.E. Le Minh Hung
Governor
State Bank of Vietnam
Hanoi
Socialist Republic of Vietnam

Re: **PHRD Grant No. TF0A5252**
MARD M&E Capacity Building for Agricultural Restructuring Plan Implementation Project
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of the Socialist Republic of Vietnam ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by Japan ("Donor") under the Japan Policy and Human Resources Development Fund, proposes to extend to the Recipient a grant in an amount not to exceed one million eight hundred thousand United States Dollars (USD 1,800,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT
ASSOCIATION

By _____
Ousmane Dione
Country Director, Vietnam
East Asia and Pacific Region

AGREED
SOCIALIST REPUBLIC OF VIETNAM

By _____
Authorized Representative

Name Nguyen Thi Hong

Title Deputy Governor

Date. December 07, 2017

Enclosures

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
(2) Disbursement Letter of the same date as this Agreement, together with "Disbursement Guidelines for Investment Project Financing", dated February 2017

PHRD Grant No. TF0A5252
ANNEX

Article I
Standard Conditions; Definitions

1.01. ***Standard Conditions.*** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. ***Definitions.*** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement; and the following additional terms shall have the following meanings:

(a) "Agricultural Restructuring Plan" or "ARP" means the Recipient's plan for restructuring and reforming the agricultural sector adopted by the Ministry of Agriculture and Rural Development pursuant to Decision Number 1384/QD-BNN-KH dated June 18, 2013

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

(c) "Department of Agriculture and Rural Development" or "DARD" means the Recipient's department of agriculture and rural development at provincial level

(d) "Project Management Unit" or "PMU" means the project management unit established and maintained by MARD, and referred to in Section 2.03 (a) (ii) of this Annex

(e) "Project Operations Manual" or "POM" means the project operations manual approved and adopted by the Recipient, through MARD, acceptable to the World Bank, setting forth implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements for the purposes of Project implementation, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such Project Operations Manual.

(f) "Project Steering Committee" or the acronym "PSC" means a committee to be established and maintained by MARD, and referred to in Section 2.03 (a) (i) of this Annex

(g) "World Bank's Safeguards Policies" means the operational policies and procedures for financing of development projects by the World Bank at the date of this Agreement and relating to Environmental Assessment, Natural Habitats, Pest Management, Indigenous Peoples (Ethnic Minorities), Physical Cultural Resources, Involuntary Resettlement, Forests, Safety of Dams, Projects on International Waterways, and Projects in Disputed Areas, as published under www.WorldBank.org/opmanual.

Article II
Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to enhance monitoring and evaluation (M&E) capacity of the Recipient's Ministry of Agriculture and Rural Development (MARD) and selected Departments of Agriculture and Rural Development (DARDs) to monitor progress of the Agricultural Restructuring Plan (ARP).

The Project consists of the following parts:

Part A - Development of the M&E indicators and M&E system for the ARP

(a) completing the M&E indicator set for measuring the agriculture sector performance, ARP implementation;

(b) providing support for the development and operation of M&E database system for the implementation of ARP M&E;

(c) preparing manuals and protocols for data collection, frequency of reporting, ARP M&E system operation, and outlining the roles and responsibilities of MARD DARDs, and relevant stakeholders;

(d) providing support for the selected pilot provinces to build M&E indicator sets to monitor sector-wide and ARP progress at the provincial level; and

(e) preparing the roadmap for expansion of the ARP M&E indicators and system to the non-pilot provinces.

Part B - Capacity and institutional strengthening on M&E implementation for the ARP

(a) reviewing and delineating the roles and responsibilities of MARD units involved in M&E, and developing effective collaboration mechanism between MARD units and other stakeholders on ARP implementation,

(b) providing support to increase awareness on the ARP M&E initiative to strengthen the flow of knowledge between central, local governments, and other stakeholders;

(c) delivering training to MARD and DARD staff working on M&E; and

(d) fostering a system of information and feedback flow with the private sector, agricultural commodity boards, researchers, and academia on their participation in the agricultural restructuring process.

Part C - Project management, monitoring, and evaluation

(a) carrying out the day-to-day project management activities, including reporting on the project implementation, procurement, and financial management; and

(b) facilitating the knowledge management through analysis and dissemination of lessons learned from project implementation.

2 02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Agriculture and Rural Development in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 ("Anti-Corruption Guidelines"); and (c) this Article II

2.03. ***Institutional and Other Arrangements.***

(a) The Recipient shall establish and maintain or cause to be established and maintained, throughout the period of implementation of the Project, the following structures, all with a mandate, composition, staffing and resources acceptable to the World Bank: (i) the Project Steering Committee, responsible for overseeing the overall implementation of the Project, ensuring coordination and collaboration among the different ministries, and providing overall policy and strategic guidance on Project implementation; and (ii) the Project Management Unit (PMU), responsible for day-to-day Project implementation including planning and budget execution, fiduciary and safeguards, and monitoring and reporting.

(b) The Recipient shall: (i) ensure that the Project is carried out in accordance with the POM; and (ii) except as the World Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the POM or any provisions thereof. In the event of a conflict between the provisions of the POM and those of this Agreement, the latter shall govern.

(c) The Recipient shall ensure, that all studies and technical assistance to be supported under the Project are carried out under terms of reference satisfactory to the World Bank, and that such terms of reference are consistent with, and pay due attention to, the World Bank's Safeguards Policies.

2.04. ***Project Monitoring, Reporting and Evaluation.***

(a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank and set forth in the POM. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2 05 ***Financial Management.***

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of

each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have Financial Statements of the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

2 06 ***Procurement***

(a) General. All goods, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of 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 (revised July 2014) ("Procurement Guidelines"), in the case of goods;

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Non-consulting Services. Goods shall be procured under contracts awarded on the basis of the following methods: (A) National Competitive Bidding as set forth in Appendix to this Agreement; (B) Shopping; and (C) Direct Contracting

(d) Particular Methods of Procurement of Consultants' Services. Consultants' services shall be procured under contracts awarded on the basis of the following methods (A) Selection based on Consultants' Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. ***Eligible Expenditures.*** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods (but excluding purchase of motor vehicles), consultants' services, non-consulting services, Operating Costs and Training, inclusive of Taxes.

For purposes of this table:

(i) "Operating Costs" means the incremental expenses incurred on account of implementation of the Project, consisting of reasonable expenditures, agreed with the World Bank, for the following items: vehicle operation and maintenance , communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel costs and *per diem* for Recipient staff for travel linked to the implementation of the Project, and salaries of the Recipient's contractual staff employed for purposes of the Project (but excluding salaries and salaries allowances of government civil servants).

(ii) "Training" means training activities under the Project (but excluding foreign training and study tours), incurred for the purpose of the Project, and attributable to seminars and workshops, along with the cost and subsistence 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.

3.02. ***Withdrawal Conditions.*** Notwithstanding the provisions of Section 3.01 of this Agreement, 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 $200,000 equivalent may be made for payments made prior to this date but on or after January 1, 2017, for Eligible Expenditures.

3.03 ***Withdrawal Period.*** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2020.

Article IV
Effectiveness; Termination

4.01 ***Condition of*** **Effectiveness.** This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the POM has been adopted by MARD.

4.02. ***Effective Date.*** Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03. ***Termination for Failure to Become Effective.*** This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

5.01. ***Recipient's Representative.*** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Governor, or a Deputy Governor, of the State Bank of Vietnam

5.02. ***Recipient's Address.*** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

Facsimile:

(84-4) 3825 0612

5.03. ***World Bank's Address.*** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development/ International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile.

1-202-477-6391

APPENDIX

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 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 Guiding Implementation of the Law on the Procurement dated June 26, 2014 (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, 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 Bank 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.

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 Bank 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 Bank'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 Bank'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 Bank, allowing bidders to protest and have their protests handled in a timely manner