CREDIT NUMBER 5113-VN

Financing Agreement

(Coastal Resources for Sustainable Development Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 9, 2012

CREDIT NUMBER 5113-VN

FINANCING AGREEMENT

AGREEMENT dated August 9, 2012, 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 sixty four million six hundred thousand Special Drawing Rights (SDR 64,600,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.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") and the Project Provinces, all 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 Condition of Effectiveness consists of the following, namely, the Recipient's Prime Minister has approved the Resettlement Policy Framework ("RPF").

4.02. The Additional Legal Matter consists of the following, namely, the RPF has been duly approved by the Prime Minister and is legally binding upon the Recipient in accordance with its respective terms.

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

4.04. 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 Hanoi	412248 NHTWVT	(84-4) 3825 0612

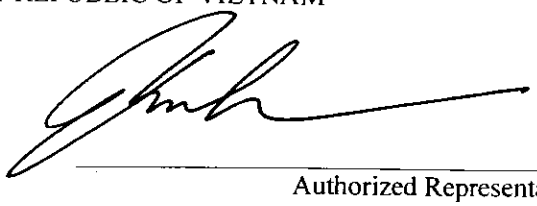
5.03. The Association's Address is:

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

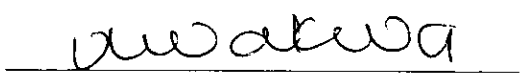
By 

Authorized Representative

Name: Nguyen Van Binh

Title: Governor of 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 improve the sustainable management of coastal fisheries in the Project Provinces.

The Project consists of the following:

Part A: Institutional Capacity Strengthening for Sustainable Fisheries Management

1. Inter-sectoral Planning for Coastal Areas: provision of support for MARD and the Project Provinces to carry out inter-sectoral planning and strategic environmental assessments in the Project Provinces for sustainable fisheries management.

2. Upgrading of Vietnam Fisheries Database ("Vnfishbase") System: provision of support to review and upgrade the Vnfishbase system, including: (a) provision of additional information and linkage with other fisheries databases; (b) development of a knowledge management system; (c) provision of essential infrastructure; and (d) development of human resources.

3. Conducting Selected Policy Research: provision of support to carry out selected research to contribute to the development and implementation of the Fisheries Master Plan to 2020.

Part B: Good Practices for Sustainable Aquaculture

1. Improved Bio-Security Management: provision of support to improve bio-security management, including: (a) upgrading of rural infrastructure schemes in selected major farming communities; (b) provision of technical training for farmers on GAP application, including establishment of on-farm GAP demonstration sites; (c) provision of technical equipment, training, and operating costs for disease diagnostics, surveillance, early reporting, and outbreak containments for selected provincial and District extension centers and sub-departments of animal health/aquaculture; (d) provision of technical assistance for GAP certification, capacity building, and technical monitoring; and (e) diversification of culture species and farming systems.

2. Improved Seed Quality Management: provision of support to improve seed quality management, including: (a) upgrading of public bio-security infrastructure for selected hatchery areas; (b) introduction and implementation of a hatchery standardization program; (c) studies on hatchery planning; (d) establishment of dedicated and bio-secure shrimp hatchery areas which are designated to use only domesticated and Specific Pathogen Free ("SPF")

broodstock; and (e) provision of support for MARD research institutes to carry out an initial research program on domestication and breeding improvement.

3. Improved Environmental Management: provision of support to improve environmental management, including: (a) strengthening the capacity of the Department of Natural Resources and Environment ("DONRE") in the Project Provinces to conduct regular risk-based water quality monitoring programs, including provision of additional technical equipment, training, and financing of operating costs; and (b) disseminating data and results from the monitoring activities to local authorities and the public.

Part C: Sustainable Management of Near-Shore Capture Fisheries

1. Co-Management of Near-Shore Capture Fisheries: provision of support to implement co-management of Near-Shore capture fisheries among governmental authorities and fishing communities in selected Districts and Communes, including: (a) provision of support for local fishing communities to prepare and implement co-management plans; (b) strengthening of the monitoring, control, and surveillance systems of MARD and the Project Provinces; and (c) provision of support in developing selected basic infrastructure for local ethnic minority and/or poor fishing communities to improve their livelihoods.

2. Rehabilitation of Fishing Ports and Landing Sites: provision of support to improve hygienic conditions and operational efficiency in selected fishing ports and landing sites, including: (a) rehabilitation and/or upgrading of fishing ports and landing sites; and (b) training, capacity building, and development of management plans to improve the operational efficiency of the rehabilitated and/or upgraded sites.

Part D: Project Management, Monitoring and Evaluation

1. Project Management: provision of support for the Project Central Unit ("PCU"), Provincial Project Management Units ("PPMUs") and other implementing agencies for effective Project management, implementation, and supervision.

2. Monitoring and Evaluation: provision of support for the establishment and implementation of an effective monitoring and evaluation system.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall, by no later than July 1, 2012, establish within MARD and thereafter maintain, throughout the implementation of the Project, a Central Steering Committee ("CSC") with composition and terms of reference satisfactory to the Association. The CSC shall be responsible for providing general technical and policy guidance for the Project.

2. The Recipient shall maintain within MARD, throughout the implementation of the Project, a PCU 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, a procurement officer, a planning officer, a social and environmental safeguards officer, and a monitoring and evaluation officer, in each case with qualifications, experience and under terms of reference acceptable to the Association.

3. The PCU shall be responsible for: (a) providing guidance and support to the PPMUs in Project implementation and management; (b) developing and maintaining a sound Project accounting system; (c) handling international competitive bidding packages, selection of international consultants, and other procurement matters as the case may be; and (d) monitoring the quality of Project implementation, safeguards compliance, and impact for reporting to MARD and the Association.

4. The Recipient shall cause each Project Province to establish, by no later than July 1, 2012, and thereafter maintain, throughout the implementation of the Project, a Provincial Steering Committee ("PSC") with composition and under terms of reference satisfactory to the Association. The PSCs shall be responsible for providing technical and policy guidance on the Project implementation in the respective Project Province.

5. The Recipient shall cause each Project Province to maintain throughout the implementation of the Project, a PPMU 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, a procurement officer, a planning officer, a social and environmental safeguards officer, and a monitoring and evaluation officer, in each case with qualifications, experience and under terms of reference acceptable to the Association.

6. The PPMUs shall be responsible for: (a) preparing Project plans and reports; (b) handling procurement activities; (c) preparing and submitting evaluation reports for approval; (d) maintaining a sound Project accounting system satisfactory to the Association; (e) monitoring the quality of Project implementation and safeguards compliance; and (f) coordinating with selected Districts and Communes to carry out planned activities.

7. The Recipient shall:

(a) carry out the Project, and cause the Project to be carried out, in accordance with the Operational Manual ("OM") setting forth guidelines and procedures for the implementation of the Project, including: (i) technical components; (ii) monitoring and evaluation arrangements; (iii) participatory fisheries co-management arrangements; (iv) surveillance missions protocols; (v) environmental and social safeguards compliance; (vi) 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; (vii) 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 (viii) the Governance and Transparency Action Plan; and

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

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, and shall cause Project Provinces to:

(a) take all necessary actions to 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 prepare, and 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 RPF, and thereafter implement in a timely manner said RAP as approved by the Association.

2. The Recipient shall cause Project Provinces to prepare, and cause to be prepared, Environmental Management Plans ("EMPs") or 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 manner said EMPs or ECOPs.

3. The Recipient shall cause Project Provinces to prepare, and cause to be prepared, Ethnic Minorities Development Plans ("EMDPs"), 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 said EMDP as approved by the Association.

4. 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.

5. In case of any inconsistency between the provisions of any of the Safeguard Instruments and this Agreement, the provisions of this Agreement shall prevail.

6. 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.

7. 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.

D. Enforcement of Fisheries Laws and Regulations

1. In order to ensure that monitoring, control, and surveillance activities under Part C.1 of the Project are implemented in a manner designed to achieve the objective of the Project, and unless the Association shall otherwise agree in writing, the Recipient shall ensure that: (a) all Eligible Expenditures provided for monitoring, control, and surveillance activities are used exclusively by civilian authorities or fishing communities for the sole purpose of enforcing the Recipient's fisheries laws and regulations, and shall not be used for any military purposes, or the enforcement of any other non-fisheries laws; and (b) the Financing shall not be used to purchase arms or ammunition or to train any personnel in the use of arms or ammunition.

2. Surveillance missions to be supported under Part C.1 of the Project shall be governed by detailed protocols set forth in the OM and prepared in accordance with terms of reference satisfactory to the Association, including:

(a) the mission is a fisheries-priority only mission and the mission task is duly recorded and documented prior and subsequent to the mission, which records and documents the Association shall have the right to inspect and to have audited by, or on behalf of, the Association, in each case at any time;

(b) memoranda of understanding, in form and substance satisfactory to the Association, are concluded between the agencies involved in the surveillance missions, including government agencies, fishing communities, and any civilian contractors so involved;

(c) the accounts of the entities receiving or benefiting from the Financing are maintained in a manner satisfactory to the Association and enabling effective and verifiable compliance with the provisions of this Section I.D;

(d) the mission is conducted by personnel who have been properly trained in the operation of any equipment used in the surveillance mission; and

(e) the mission is under the control of an authorized fisheries officer, but subject to the overarching authority of the master of the vessel, in particular with respect to safety and emergency response.

3. The Recipient shall ensure that any foreign vessel and crew at any time found in the Near-Shore zone of the Project or the Recipient's exclusive economic zone will be dealt with in a manner fully consistent with the Recipient's obligations under international law, including, without limitation, its obligations pursuant to Article 73 of the United Nations Convention on the Law of the Sea, notwithstanding any provision to the contrary that may be contained in any of the Recipient's laws, regulations, decrees, orders, or other legal instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in paragraph 2 of this Section II.A. Each Project Report shall cover the period of one calendar quarter, 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 performance indicators referred to in paragraph 1 above consist of the following:

(a) Outcome Indicators:

(i) At least fifty percent (50%) of farms meeting national standards for water effluent following the adoption of GAP;

(ii) Twenty percent (20%) reduction in shrimp disease losses in the production areas applying GAP; and

(iii) Fifty percent (50%) increase in the proportion of areas in which sustainable Near-Shore fisheries resource management systems are applied.

(b) Intermediate Indicators:

(i) for Part A:

(A) One hundred percent (100%) of Project Provinces and their respective Districts and Communes receiving training in inter-sectoral planning;

(B) Eight (8) Project Provinces having provincial inter-sectoral planning teams established;

(C) Twelve (12) studies carried out at national and provincial levels in support of the Fisheries Master Plan to 2020; and

(D) Eight (8) Project Provinces having the fisheries database system upgraded and fully operational.

(ii) for Part B:

(A) Twenty thousand (20,000) farmers receiving training in GAP;

(B) Twenty (20) hatcheries operating at bio-security standards;

(C) Fifty percent (50%) of farms in targeted areas using certified and/or quality seeds;

(D) Eight (8) provincial agencies in charge of aquatic animal disease management strengthened in disease diagnostic, surveillance, and early reporting; and

(E) Fifty percent (50%) of farms in targeted areas accessing and/or using appropriate water and/or waste management systems.

(iii) for Part C:

(A) Sixteen (16) Districts having co-management for Near-Shore capture fisheries successfully adopted and carried out;

(B) Thirty thousand (30,000) hectares of high bio-diversity areas and important natural habitats in which co-management successfully carried out;

(C) Sixteen (16) District monitoring, control and surveillance field stations established, adequately staffed, and fully operational; and

(D) Sixteen (16) fishing ports and landing sites operating with improved hygiene conditions and handling practices.

(iv) for Part D:

(A) Six (6) Project Provinces having satisfactory performance in Project management and monitoring & evaluation.

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. 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 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) and works	47,550,000	100%
(2) Non-consulting services, consultants' services, Incremental Operating Costs, and Training and Workshops	17,050,000	100%
TOTAL AMOUNT	**64,600,000**	

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.

2. The Closing Date is January 31, 2018.

ANNEX to SCHEDULE 2

National Competitive Bidding Procedures

The procedure to be followed for National Competitive Bidding shall be those set forth in Article 18 on *Open Bidding of the Law on Procurement 61/2005/QH11* dated November 29, 2005, Law 38/2009/QH12 dated June 19, 2009 on Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment, and *Decree 85/2009/ND-CP, Guiding Implementation of Law on Procurement and Selection of Construction Contractors under the Construction Law* dated October 15, 2009 (collectively, "National Procurement Laws") with due consideration to economy, efficiency and transparency as set forth in, and broad consistency with, Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Association in May 2004 and revised in October 2006 and May 2010 (the "Guidelines") and required by paragraphs 3.3 and 3.4 of the Guidelines. Whenever any procedure in the National Procurement Laws is inconsistent with the requirements of said paragraphs 3.3 and 3.4 of the Guidelines, the latter shall prevail, including the following:

Eligibility

1. The eligibility of bidders shall be as defined under Section I of the 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 national bidders in order to submit a bid. Bidders located in the same province or city as the procuring entity shall not be given preference over bidders located outside that city or province.

2. 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: (a) are legally and financially autonomous; (b) operate under commercial law, and (c) are not dependent agencies of the Recipient or Sub-Recipient. Military or security units or enterprises established under, reporting directly or indirectly to, or owned wholly or partly by, the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

Registration

3. 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

4. Invitations to bid shall be advertised in at least one widely circulated national newspaper, allowing a minimum of thirty (30) days, from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later, for the preparation and submission of bids, and potential bidders shall be allowed to purchase bidding documents up to any time prior to the deadline for the submission of bids. In addition, the Recipient is encouraged to advertise in the Government Public Procurement Newspaper and on a free and open access website.

Standard Bidding Documents

5. Standard Bidding Documents, acceptable to the Association, shall be used.

Qualification Criteria

6. 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 merits 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.

Bid Submission, Bid Opening and Bid Evaluation

7. Bidders may submit bids, at their option, either in person or by courier service or by mail. Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened.

(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, 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 to the technically responsive bid that offers

the lowest evaluated price and no negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

(d) A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

(e) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Association's prior concurrence.

(f) A copy of the minutes of the public bid opening shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to prior review.

Rejection of All Bids and Re-bidding

8. All bids shall not be rejected or new bids solicited without the Association's prior written concurrence.

Complaints by Bidders and Handling of Complaints

9. The Recipient shall implement an effective and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.

Fraud and Corruption

10. The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.

Right to Inspect/Audit

11. Each bidding document and contract financed from the proceeds of a Credit shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association, at its request, 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. The deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

License

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

Publication of the Award of Contract

13. The Recipient shall publish the following information on contract award in the Government Public Procurement Newspaper or on a free and open access website or on another means of publication acceptable to the Association: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated price of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, price it offered as well as the duration and summary scope of the contract awarded. This publication shall be updated regularly.

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, 2017 to and including May 1, 2027	1.65%
commencing November 1, 2027 to and including May 1, 2037	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. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. "Central Steering Committee" or "CSC" means the committee to be established within MARD for purposes of providing overall strategic guidance for Project implementation 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.

5. "Commune" means any of the government administrative areas established as such within a District in accordance with the Recipient's constitution and laws or any successor thereto.

6. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 and revised in October 1, 2006 and May 1, 2010.

7. "Department of Natural Resources and Environment" or "DONRE" means the Recipient's Department of Natural Resources and Environment as the sector governing authority at the provincial level, or any successor thereto.

8. "District" means a coastal district within a Project Province established as such in accordance with the Recipient's constitution and laws or any successor thereto.

9. "Environmental Code of Practice" or "ECOP" means the standardized requirements and practices to be prepared and adopted by a Project Province, and referred to in paragraph 2 of Section I.C of Schedule 2 to this Agreement, to be followed in the implementation of Project activities to ensure compliance with

certain environmental aspects of the Project, as said code 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 code of practice.

10. "Environmental Management Plan" or "EMP" means, respectively, the plan, acceptable to the Association, to be prepared and adopted by a Project Province, and referred to in paragraph 2 of Section I.C of Schedule 2 to this Agreement, which sets forth the specific actions, measures and policies designed to maximize the benefit of the Project, as well as eliminate, offset or mitigate any adverse environmental 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 EMP 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.

11. "Ethnic Minorities Development Plan" or "EMDP" means the plan, acceptable to the Association, to be prepared and adopted by a Project Province, and referred to in paragraph 3 of Section I.C of Schedule 2 to this Agreement, which sets 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 EMDP 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.

12. "Ethnic Minorities Policy Framework" or "EMPF" means the framework, acceptable to the Association, adopted by MARD through its Decision Number 771/QD-BNN-HTQT dated April 9, 2012 and referred to in paragraph 3 of Section I.C 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.

13. "Environmental and Social Management Framework" or "ESMF" means the framework, acceptable to the Association, adopted by MARD through its Decision Number 772/QD-BNN-HTQT dated April 9, 2012 and referred to in the paragraph 2 of Section I.C of Schedule 2 to this Agreement, which sets forth the environmental and social protection measures in respect of the Project, including an environmental code of practice as well as the preparation of EMPs 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.

14. "Fisheries Master Plan to 2020" means the Recipient's master plan for the development of fisheries sector during the period 2010-2020, to be adopted by the Prime Minister.

15. "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.

16. "GAP" means good aquaculture practices which at the minimum meet the Recipient's set of standards for good aquaculture practices, issued by MARD under Decision No. 1503/QD-BNN-TCTS dated July 5, 2011, as may be amended from time to time.

17. "Governance and Transparency Action Plan" means the plan included as part of each OM and referred to in paragraph 7 (a)(viii) of Section I.A of Schedule 2 to this Agreement, which sets forth measures developed to reinforce Project governance, enhance transparency of Project activities, increase public accountability, and reduce opportunities for corruption, 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 to such plan.

18. "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, based on annual work plans and budgets approved by the Association, which expenditures would not have been incurred absent the Project, including the costs of consumables, operation, maintenance, and/or rental of equipments and vehicles; communication costs; information and communication campaigns; transportation costs; 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.

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

20. "Near-Shore" means the area within a distance of no more than six (6) nautical miles from the Recipient's coastline.

21. "Operational Manual" or "OM" means the document, including the Governance and Transparency Action Plan, adopted by the Recipient and each Project Province pursuant to Decision Number 770/QD-BNN-HTQT dated April 9, 2012, and referred to in paragraph 7 of Section I.A 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 to such manual.

22. "Prime Minister" means the Prime Minister of the Socialist Republic of Vietnam, the highest ranking official in the executive branch of the Recipient's government.

23. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 and revised in October 1, 2006 and May 1, 2010.

24. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 30, 2012 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

25. "Project Central Unit" or "PCU" means the unit established within MARD pursuant to Decisions number 591/QD-DANN-TCHC dated April 9, 2012 for the overall Project implementation and coordination 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. "Project Provinces" means, collectively, the Recipient's Ca Mau Province, Soc Trang Province, Khanh Hoa Province, Phu Yen Province, Binh Dinh province, Ha Tinh province, Nghe An Province, and Thanh Hoa Province, or any successors thereto.

27. "Provincial Project Management Unit" or "PPMU" means, respectively, the unit established by each Project Province in accordance with the provisions of paragraph 5 of Section I.A of Schedule 2 to this Agreement and pursuant to: (a) Thanh Hoa Province's Decision No. 1035/QD-SNN&PTNT dated December 1, 2011; (b) Nghe An Province's Decision No. 5583/QD-UBND dated December 19, 2011; (c) Ha Tinh Province's Decision No. 392/QD-SNN dated November 25, 2011; (d) Binh Dinh Province's Decision No. 511/QD-SNN dated March 15, 2012; (e) Phu Yen Province's Decision No. 324/QD-SNN dated March 13, 2012; (f) Khanh Hoa Province's Decision No. 126/QD-SNN dated March 5, 2012; (g) Ca Mau Province's Decision No. 700/QD-SNN dated October 25, 2011; and (h) Soc Trang Province's Decision No. 09/QD-SNN dated February 14, 2012; to manage the overall implementation of said Project Province's Respective Part of

the Project, as such unit may be reconstituted form time to time with the prior written agreement of the Association.

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

29. "Provincial Steering Committee" or "PSC" means, the committee to be established by each Project Province for purposes of providing overall strategic guidance for the implementation of the Project Province's Respective Part of the Project; and referred to in paragraph 4 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.

30. "Resettlement Action Plan" or "RAP" means the resettlement plan 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 each Project Province; which sets 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 plan 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.

31. "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 of Schedule 2 to this Agreement, to be approved by the Recipient's Prime Minister; which sets forth mitigation, enhancement, monitoring and institutional measures, including capacity building through training, to carry out the acquisition of land and related assets under the Project and compensation, resettlement, and 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.

32. "Respective Part of the Project" means Project activities, which shall have been approved by the Association, to be implemented in a Project Province.

33. "Safeguards Instruments" means, collectively, the Environmental Management Plans, the Resettlement Policy Frameworks, the Resettlement Action Plans; the Ethnic Minority Policy Framework, and the Ethnic Minorities Development Plan.

34. "Specific Pathogen Free" or "SPF" means the healthy and pathogen free seed, as produced from hatcheries adopting good bio-security measures including reliable sources of stock, adequate diagnostic and detection methods for excludable

diseases, disinfection and pathogen eradication methods, and best management practices.

35. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, based on annual budgets approved by the Association, in facilitating and conducting domestic and overseas training and workshop activities under the Project, including costs of training or workshop materials, equipment and venue rental, and per diem and transportation for those attending the training or workshop.

36. "United Nations Convention on the Law of the Sea" means the international treaty on the law of the sea dated December 10, 1982 and ratified by the Recipient on July 25, 1994.

37. "Vietnam Fisheries Database" or "Vnfishbase" means the Recipient's fisheries database, established and maintained by the Directorate of Fisheries under MARD, which provides sector's information for management purposes.

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, 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.* If the Financing Agreement provides for the payment of an 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 "Interest Charge" between the words "Service Charge" and "the Commitment Charge".

4. Paragraph 32 of the Appendix is modified by inserting the following definition of "Interest Charge" and the remaining paragraphs re-numbered accordingly:

"32. "Interest Charge" means the interest charge, if any, specified in the Financing Agreement for the purpose of Section 3.02(b)."

5. Paragraph 36 of the Appendix ("Payment Date") is modified by inserting the words "Interest Charge" between the words "Service Charges" and "the Commitment Charges".

6. Paragraph 49 of the Appendix ("Service Charge") is modified to refer to Section 3.02 (a).