CREDIT NUMBER 5749-VN

Financing Agreement

(Vietnam Dam Rehabilitation and Safety Improvement Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 8 **, 2016**

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FINANCING AGREEMENT

AGREEMENT dated April 8, 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 ninety seven million one hundred thousand Special Drawing Rights (SDR 297,100,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are June 15 and December 15 in each year.

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

2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Agriculture and Rural Development (MARD), the Ministry of Industry and Trade (MoIT), the Ministry of Natural Resources and Environment (MoNRE), 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 Condition of Effectiveness consists of the following, namely, the Project Operational Manual (POM) is adopted by MARD.

4.02. The Additional Legal Matter consists of the following, namely, the Resettlement Policy Framework is legally binding upon the Recipient, MARD, MONRE, and the Project Provinces in accordance with its 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. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Governor, or a Deputy Governor, of the State Bank of Vietnam.

5.02. The Recipient's Address is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

Cable address:	Telex:	Facsimile:
VIETBANK	412248	(84-4) 3825 0612

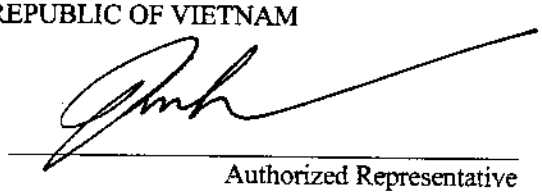
5.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Hanoi, Socialist Republic of Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

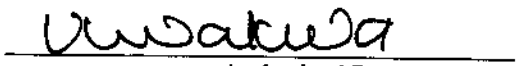
By 

Authorized Representative

Name: Nguyen Van Binh

Title: Governor

INTERNATIONAL DEVELOPMENT ASSOCIATION

By 

Authorized Representative

Name: Victoria Kwakwa

Title: Country Director

SCHEDULE 1

Project Description

The Project Development Objective is to improve the safety of targeted dams under the Government's Dam Safety Program to protect downstream communities and economic activities through priority investments and capacity enhancement.

The Project consists of the following parts:

Part 1: Dam Safety Rehabilitation

Provision of support for the improvement of safety of selected dams through physical rehabilitation of existing infrastructure, including the support for:

(a) the design, supervision, and quality control of rehabilitation works for selected dams and associated infrastructure;

(b) the implementation of rehabilitation works and dam safety instrumentation devices;

(c) the preparation of relevant plans for operation and maintenance, instrumentation, and emergency preparedness; and

(d) flood discharge assessments for large dams; and

(e) monitoring and evaluation.

Part 2: Dam Safety Management and Planning

Provision of support for the improvement of the planning and operational framework for dam management to safeguard downstream communities and socio-economic infrastructure, including support for:

(a) the Ministry of Industry and Trade for: (i) the development of a hydropower dam and reservoir database for safety operations; (ii)the development and piloting of hydropower dam safety methodology with internationally-accepted safety indicators; (iii) the development of legal and institutional standards norms and regulations for hydropower dams; (iv) the provision of technical assistance to support the Project activities carried out by MOIT; and (v) improvement of the monitoring capacity of MOIT's safety management department;

(b) the Ministry of Natural Resources and Environment for: (i) the installation and rehabilitation of hydromet stations in the Vu Gia-Thu Bon and Ca river basins; (ii) the provision of equipment for the operation of cascade dams in, and disaster forecasting and early warning for, the Vu Gia-Thu Bon and Ca river basins; (iii) the development of an information database for monitoring dam operations; (iv) the provision of technical assistance to support the

Project activities carried out by MONRE; and (v improvement of MONRE's capacity to monitor implementation of the joint operating rules for cascade dams;

(c) MARD for: (i) the provision of monitoring and support equipment for disaster risk management by the Department of Water Resources Directorate; (ii) the development of a dam/reservoir database; (iii) the preparation of provincial disaster risk management plans for selected provinces; (iv) the development of legal, institutional and financial models for sustainable dam safety management; (v) the adoption of a standardized operational procedures for small community-managed dams; (vi) the provision of technical assistance to support the Project activities carried out by MARD; (vii) training, capacity building and information dissemination and awareness activities on dam safety; (viii) the study of new dam rehabilitation and safety management technologies; and, (ix) improvement of the monitoring capacity within MARD; and

(d) monitoring and evaluation.

Part 3: Project Management Support

Provision of support for: (a) Project management activities; (b) audit functions; (c) training and capacity building; and (d) monitoring and evaluation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall, no later than three months following the Effective Date, establish and thereafter maintain throughout the implementation of the Project, a High Level Working Group (HLWG) to be chaired by the Minister of MARD or his designee. The HLWG shall be responsible for the coordination of policy and strategic issues, and for the provision of overall guidance to all implementing agencies to ensure the objective of the Project is met .

2. (a) The Recipient shall cause MARD to maintain throughout the implementation of the Project, a Central Project Management Unit (CPMU) with composition and under terms of reference satisfactory to the Association, under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers, including designated focal points within the CPMU for MOIT and MONRE activities.

(b) The CPMU shall be responsible for overall Project implementation support and oversight including monitoring of procurement, financial management, safeguards policies implementation, monitoring and evaluation, and overall administration, including the activities carried out by the designated departments of MoIT and MoNRE to implement their respective activities under Part 2 of the Project.

3. The Recipient shall cause MARD to establish, no later than three (3) months following the Effective Date, and thereafter maintain throughout the implementation of the Project, a National Dam Safety Review Panel, and an International Panel of Experts on Dam Safety Panel acceptable to the Association. The said panels shall be responsible for the provision of technical support during Project implementation.

4. The Recipient shall cause MARD, no later than six (6) months following the Effective Date, to appoint: (a) an international Project implementation support consultant; and (b) a third party monitoring consultant, under terms of reference and with skills and expertise satisfactory to the Association.

5. (a) The Recipient shall cause the Provincial People's Committee (PPC) of each of the Project Provinces to be responsible for the overall management of Project implementation in the respective Project Province. Each PPC shall be responsible for, *inter alia*: (a) approving the annual work plans and budgets; (b) reporting to MARD through the CPMU on the Project implementation progress and effectiveness; (c) monitoring of procurement, financial management, safeguards policies implementation, monitoring and evaluation,

and overall administration of Project implementation in the respective Project Province; and (d) providing necessary support to the respective implementing agencies within the same Project Province to facilitate Project implementation.

(b) The Recipient shall cause the PPC of each of the Project Provinces to establish, prior to commencing their respective activities under the Project, and thereafter maintain throughout the implementation of the Project, a Provincial Project Management Unit (PPMU), with composition and under terms of reference satisfactory to the Association, under the direction of qualified management provided with sufficient resources, and staffed with competent personnel in adequate numbers.

B. Anti-Corruption

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

C. Project Operations Manual

1. The Recipient shall:

(a) ensure that the Project is carried out in accordance with the POM, acceptable to the Association, which sets forth guidelines, policies and procedures for the implementation of the Project, including:

(i) monitoring and evaluation arrangements;

(ii) environmental and social safeguards compliance;

(iii) 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;

(iv) 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;

(v) performance indicators;

(b) cause MONRE, MOIT, and the Peoples' Committee of each of the Project Provinces to adopt the POM prior to commencing their respective activities under the Project; and

(c) except as the Association shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of such POM and those of this Agreement, the latter shall govern.

D. Safeguards

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

2. 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 these purposes, including: (a) all land acquisition required for the purposes of carrying out the Project; (b) resettlement and rehabilitation payments to Affected Persons; and (c) all other costs associated with environmental and/or social mitigation measures set forth in the Safeguard Instruments.

3. The Recipient shall prepare Environmental and Social Impact Assessments (ESIAs), and/or an Environmental and Social Management Plan (ESMP), including an 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 Frameworks, and thereafter implement in a timely manner said instruments.

4. The Recipient shall prepare 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, and thereafter implement in a timely manner said EMDPs as approved by the Association.

5. The Recipient shall prepare Dam Safety Instruments, acceptable to the Association, in accordance with the guidelines, requirements and procedures set forth in the Dam Safety Framework, and thereafter implement in a timely manner the dam safety measures contained in said instruments as approved by the Association.

6. The Recipient shall cause the People's Committee of each relevant Project Province to prepare and implement, in form and substance satisfactory to the

Association, a Gender Analysis, Gender Action and Monitoring Plan, for activities carried out under Parts 1(a) and (b) of the Project.

7. The Recipient shall 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 a manner and form satisfactory to the Association.

8. 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.

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

10. 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.

E. Annual Work Plans

1. The Recipient shall commencing January 15, 2016 prepare and furnish to the Association by not later than January 15 of each year, during the implementation of the Project, or such later date as the Association may agree for the Association's no-objection. The Annual Works Plans shall be prepared by each Project Province, MOIT and MONRE, consolidated by the CMPU, and shall contain eligible Project activities and Eligible Expenditures proposed to be included in the Project in the following calendar year. The Annual Work Plan shall be composed of the list of prioritized dams/reservoirs to be rehabilitated annually, the annually updated training plan, the annually updated

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

C. Particular Methods of Procurement of Consultants' Services

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

2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the 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) Least-Cost Selection
(c) Selection under a Fixed Budget
(d) Selection Based on the Consultants' Qualifications
(e) Single-Source Selection
(f) Selection of Individual Consultants

D. Review by the Bank of Procurement Decisions

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

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%

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.

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. "Annual Work Plan" means the Annual Work Plans which set for the Project's prioritized interventions and referred to Section I.E of Schedule 2 to this Agreement.

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

4. "Central Project Management Unit" or "CPMU" means the unit maintained within the Recipient's Ministry of Agriculture and Rural Development pursuant to Decision Number 4626/QD-BNN-TCCB dated November 9, 2015, and referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement, or any successor thereto.

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

6. "Dam Safety Framework" means the framework, acceptable to the Association, referred to in paragraph 5 of Section I.D of Schedule 2 to this Agreement, adopted by Ministry of Agriculture and Rural Development through its Decision 3893/QD-BNN-KHCN, dated September 30, 2015, which sets forth considerations related to dam safety, including specific requirements for large and small dams, and policies and procedures for the preparation of Dam Safety Instruments during the implementation of the Project, as said framework 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.

7. "Dam Safety Instruments" means, collectively, the instruments required under the DSF, including: (a) the dam safety reports, which present, analyse and make recommendations on: (i) all conditions that could have a bearing on the safety of the dam(s) and ancillary structures; (ii) the impact of a failure of the dam(s) or ancillary structure(s) due to extreme natural conditions, human error or structural error; and (iii) the present and the future institutional framework

that is necessary to avoid or mitigate adverse dam safety conditions; (b) the plans for construction supervision and quality assurance; (c) the instrumentation plans; (d) the operations and maintenance plans; and (e) the emergency preparedness plans; all acceptable to the Association.

8. "Dam Safety Program" means the program adopted pursuant to Prime Minister's Decision Number 1734/QD-TTg-KTN dated September 21, 2009, or any successor thereto.

9. "Environmental Codes of Practice" or "ECOPs" means, respectively, the standardized requirements and practices, referred to in paragraph 3 of Section I.D of Schedule 2 to this Agreement, included in the Environmental and Social Management Plans, and to be approved by the Provincial Peoples' Committee in each Project Province; to be followed in the implementation of Project activities to ensure compliance with certain environmental aspects of the Project, as said 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.

10. "Environmental and Social Impact Assessment" or "ESIA" means the assessment, acceptable to the Association, referred to in paragraph 3 of Section I.D of Schedule 2 to this Agreement, and approved or to be approved by the Provincial Peoples' Committee in each Project Province; which assesses the environmental and social impacts of activities under the Project.

11. "Environmental and Social Management Plans" or "ESMPs" means, respectively, the plans, acceptable to the Association, referred to in paragraph 3 of Section I.D of Schedule 2 to this Agreement, and approved or to be approved by 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.

12. "Ethnic Minorities Development Plans" or "EMDPs" means the plans, acceptable to the Association, referred to in paragraph 4 of Section I.D of Schedule 2 to this Agreement, and approved or to be approved by the Provincial Peoples' Committee in each Project Province; 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 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.

13. "Ethnic Minorities Policy Framework" or "EMPF" means the framework, acceptable to the Association, adopted by Ministry of Agriculture and Rural Development pursuant to its Decision Number 4657/QD-BNN-HTQT, dated November 11, 2015 and referred to in paragraph 4 of Section I.D 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.

14. "Gender Analysis, Gender Action and Monitoring Plan" means the instrument, developed on the basis of, and as part of the ESIA, acceptable to the Association, and referred to in paragraph 6 of Section I.D of Schedule 2 to this Agreement, and to be prepared and adopted by the Provincial Peoples' Committee in each Project Province; which sets forth the specific actions, measures and policies designed to maximize the benefit of its respective activities under the Project on a gender-informed basis.

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. "High Level Working Group" means the High Level Working Group established by the Recipient pursuant to its Decree 38/2013/ND-CP, dated April 23, 2013, and referred to in Section I.A.1 of Schedule 2 to this Agreement, and any successor thereto.

17. "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 equipment, office space, and vehicles; bank charges; communication costs; information and communication campaigns, including media costs; 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 ("công chức", "viên chức").

18. "International Panel of Experts on Dam Safety Panel" means the panel to be established by the Recipient with composition and under terms of reference acceptable to the Association consisting of international and national experts, for the purpose of reviewing and advising the Recipient on matters relative to dam safety and other critical aspects of Project activities, and the Dam Safety

Program, and referred to in paragraph 4 of Section I.A of Schedule 2 to this Agreement.

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

20. "Ministry of Industry and Trade" or "MOIT" means the Recipient's Ministry of Industry and Trade, or any successor thereto.

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

22. "National Dam Safety Review Panel" means the panel to be established by the Recipient with composition and under terms of reference acceptable to the Association consisting of national experts, for the purpose of, in close cooperation with the International Dam Safety Panel: (a) screening and prioritizing dams for rehabilitation and safety improvement activities under the Project; (b) reviewing and advising the Recipient on matters relative to dam safety and other critical aspects of Project activities, and the Dam Safety Program; and referred to in paragraph 4 of Section I.A of Schedule 2 to this Agreement.

23. "Onlending Arrangements" means the Recipient's onlending arrangements to the Project Provinces pursuant to its Decision No. 1858/QD-TTg, dated November 2, 2015 and referred to in Section II.F. of Schedule 2 to this Agreement, which sets forth the terms, conditions, and amounts in respect of the Financing proceeds onlent from the Recipient to the Project Provinces for the carrying out of Project activities.

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

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

26. "Procurement Plan" means the Recipient's procurement plan for the Project, dated December 16, 2015 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.

27. "Project Operations Manual" or "POM" means the document, adopted by Ministry of Agriculture and Rural Development pursuant to Decision Number 4658/QDD-BNN-HTQT, dated November 11, 2015, and referred to in Section I.C of Schedule 2 to this Agreement, which sets forth guidelines, policies and

procedures for the implementation of the Project as acceptable to the Association, 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.

28. "Project Provinces" means collectively, the list of Provinces where the Project will be implemented, as set forth in the POM, and "Project Province" means any of such Provinces.

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

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

31. "Provincial Project Management Unit" or "PPMU" means the unit established and maintained by the Provincial People's Committee of each of the Project Provinces, and referred to in paragraph 5 of Section I.A of Schedule 2 to this Agreement, or any successor thereto.

32. "Resettlement Action Plans" or "RAPs" means the social safeguard instrument acceptable to the Association, referred to in paragraph 1 of Section I.D of Schedule 2 to this Agreement, prepared or to be prepared by the PPC of each Project Province; 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.

33. "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.D of Schedule 2 to this Agreement, adopted by Ministry of Agriculture and Rural Development pursuant to its Official Request No. 9103/BNN-HTQT dated November 5, 2015, 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.

34. "Safeguards Instruments" means, collectively, the Environmental and Social Management Plans, the Environmental and Social Impact Assessment, the Environmental and Social Management Framework, the Dam Safety

Instruments, the Dam Safety Framework, the Ethnic Minorities Development Plans, the Ethnic Minorities Policy Framework, the Resettlement Policy Framework, and the Resettlement Action Plans.

35. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient in facilitating, conducting, and/or undertaking domestic and overseas training and workshop activities 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 all Project 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 General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

"Section 3.02. *Service Charge and Interest Charge*

(a) *Service Charge.* The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the subsequent paragraphs accordingly:

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

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

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