June 25, 2012

His Excellency Nguyen Van Binh
Governor,
State Bank of Vietnam
Socialist Republic of Vietnam

Re: Multi-Donor Trust Fund Grant to Support Public Financial Management Modernization in Vietnam – Phase Two (Grant No. TF094240)
Amendment to the Multi-Donor Trust Fund Grant Agreement

Excellency:

We refer to the Multi-Donor Trust Fund Grant Agreement (the “MDTF Grant Agreement”) between the Socialist Republic of Vietnam (the “Recipient”) and the International Development Association (the “World Bank”), dated May 05, 2009, as amended, for purposes of financing phase two of the Public Financial Management Modernization Program (“the Project”).

We also refer to our recent communications regarding the Netherlands’ exit from the Program, changes to the Project development objective and performance indicators, and the extension of the closing date. In order to give effect to these changes, the World Bank proposes to amend the MDTF Grant Agreement, as amended, as follows:

1. The first paragraph of the MDTF Grant Agreement is amended to read as follows:

   “In response to the request for financial assistance made on behalf of Socialist Republic of Vietnam ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by Canada, through the Canadian International Development Agency; Kingdom of Denmark; European Union, represented by Commission of the European Union (the Commission); Australia, through the Australian Agency for International Development (AUSAID); and Switzerland, represented by the State Secretariat for Economic Affairs ("SECO") ("collectively the Donors"), proposes to extend to the Recipient a grant in an amount not to exceed seven million one hundred and eighty eight thousand three hundred and twenty United States Dollars (US$ 7,188,320) ("Grant") on the terms and conditions set forth or referred to in this letter of agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). This Grant is funded out of the above mentioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.”

2. The first paragraph of Section 2.01 of the Annex to the MDTF Grant Agreement is amended to read as follows:
"2.01. Project Objectives and Description. The objective of the Project is to support Vietnam to strengthen its capacities for: (a) increased coordination and transparency in public finance management; (b) improved revenue mobilization; and (c) effective and efficient public expenditure management."

3. Item (b) of Section 2.04 of the Annex to the MDTF Grant Agreement is amended to read as follows:

"(b) The performance indicators referred to in paragraph (a) above consist of the following:

(i) Increased coordination and transparency across the national PFM system through a clear reform strategy, greater disclosure, improved oversight capacity, more secure IT systems, and compliance with PFM legislation.

(ii) Improved revenue mobilization through equitable and efficient tax policies; and efficient customs administration.

(iii) Strengthened expenditure management through higher accounting standards, and improved capacity in financial reporting, cash management, and state asset management."

4. Paragraph 3.03 of the Annex to the MDTF Grant Agreement is amended to read as follows:

"3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2013."

Except as specifically amended hereby, all other provisions of the MDTF Grant Agreement remain in full force and effect.

Please confirm your acceptance to the foregoing, on behalf of the Recipient, by signing and dating the two originals, retaining one original for your records and returning the other original to the World Bank. Upon receipt by the World Bank of the original amendment countersigned by you, this amendment will become effective as of the date of the countersignature.

Sincerely yours,

THE INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Victoria Kwakwa
Country Director for Vietnam
East Asia and Pacific Region
CONFIRMED AND AGREED

SOCIALIST REPUBLIC OF VIETNAM

AUTHORIZED REPRESENTATIVE

NAME: Le Minh Hung          DATE: June 28th, 2012
TITLE: Deputy Governor of the State Bank of Vietnam