March 6, 2012.

EDUTOP64 Jsc.
(TOPICA Education)
A17, Suite 310, 3rd Floor
17 Ta Quang Buu Street, Bach Khoa Ward,
Hai Ba Trung District,
Hanoi, Vietnam

Re: infoDev Grant No. TF010726
Virtual Incubation Pilot Program in Vietnam Project

Dear Dr. Pham Minh Tuan:

In response to the request for financial assistance made on behalf of EDUTOP64 Training Development and Investment Corporation ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by the infoDev Multi-Donor Trust Fund, proposes to extend to the Recipient a grant in an amount not to exceed Three Hundred Thousand United States Dollars (U.S.$ 300,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. Please note that in accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds. Accordingly, in the event that any donor cancels or fails to pay any contributions under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in connection with this Agreement which exceed the amount of funds made available to the World Bank by the donors for the purposes of the Grant.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement. The Recipient is expected to complete the Project activities within 6 months prior to the Closing Date specified in Section 3.03 of the Annex to this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 40 days.
after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Valerie D'Costa
infoDev Manager

AGREED:
Dr. Pham Minh Tuan

By__
Recipient’s Representative’s signature

Name__Pham Minh Tuan__

Title__Vice Director, Eduto, JSC__

Date:___22 March, 2012___

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006;

(3) “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) Project Objectives and Activities.
ANNEX

Article I
Standard Conditions; Definitions


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

Article II
Project Execution

2.01. Project Objectives and Description. The objectives of the Project and the Project activities to be financed out of the proceeds of the Grant are as set forth in Attachment [1] to this Annex.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with: (a) the provisions of Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. Project Deliverables. The Recipient shall:

(a) furnish to the World Bank all reports, documents or programs (each, a "Deliverable") to be developed under the Project, in electronic (electro-magnetic or machine readable format) and printed format;

(b) if the Deliverable is a conference or workshop, the Recipient shall furnish to the World Bank an agenda of the event and any reports or papers resulting from the event on a timely basis as agreed with the World Bank; and

(c) ensure that infoDev is clearly identified as a sponsor on all Deliverables.

2.04. Project Monitoring, Reporting and Evaluation. The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

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

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made; provided, however, that in the event that the Closing Date referred to in Section 3.03 of this Agreement is extended, such audit shall, if so requested by the World Bank, separately cover such additional period as shall be indicated in the World Bank’s request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.
2.06. **Procurement**

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

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods, works and non-consulting services; and

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

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

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

(c) **Particular Methods of Procurement of Goods, Works and Non-consulting Services.**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) the following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, (B) Shopping; and (C) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants’ Services.**

(i) Except as otherwise provided in sub-paragraph (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (A) Selection based on Consultants’ Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Procurement Audit. The Recipient shall ensure that the audit conducted pursuant to Section 2.05 (c) of this Agreement shall also include an audit of the procurement of goods and services financed out of the proceeds of the Grant.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions) to finance [100%] (inclusive of Taxes) of Eligible Expenditures consisting of consultants’ services including audits, Workshops and Training, and Operating Costs.

(b) For the purposes of paragraph (a) of this Section: (i) the term “Workshops and Training” means the costs associated with workshops and training carried out under the Project including travel and subsistence costs for workshop and training participants, costs associated with securing the services of workshop speakers and trainers, rental of workshop and training facilities, preparation and reproduction of workshop and training materials, and other costs directly related to workshop and training course preparation and implementation; and (ii) the term “Operating Costs” means the operating costs incurred on account of the implementation of the Project including maintenance of vehicles, fuel, equipment, office supplies, rental charges, utilities, consumables, bank charges, advertising expenses, insurance, travel, per diems, and accommodation, but excluding salaries of civil servants.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2013.

Article IV
Intellectual Property Rights/Licenses

4.01. Intellectual Property Rights/Licenses

(a) The World Bank shall, except as provided below, own all right, title and interest, including all intellectual property rights, in and to any Deliverable created under this Agreement. The World Bank hereby grants to the Recipient a perpetual, royalty-free, non-exclusive, worldwide license to use, modify, copy, exploit, distribute (including sublicensing), create derivative works of, make, have made, sell, offer for sale and import such intellectual property contained in any such Deliverable. To the extent that any Deliverable contains any intellectual property previously developed by the Recipient or by third parties, and to the extent that the Recipient creates any derivative works as referred to above, the Recipient hereby grants to the World Bank a license over such previously developed intellectual property and over any derivative works on the same terms as specified above. Any such previously developed intellectual property shall be so identified.
(b) The Recipient hereby represents and warrants to the World Bank, and the World Bank enters into this Agreement in the express reliance upon such representation and warranty, that:

(i) the Recipient either owns or holds valid and continuing licenses to any intellectual property used in connection with the performance of the Project or any Deliverables provided hereunder, and that, as a result of such use, the Recipient will not be in violation of any such licenses; and

(ii) the Recipient has the right to grant the licenses in sub-article 4.01 (a), above.

(c) The Recipient hereby expressly protects, indemnifies and holds harmless the World Bank, its affiliates and each of their officers, directors, employees, contractors and agents (collectively the “Indemnified Parties”) from and against any liabilities, claims, suits, damages and expenses (including but not limited to reasonable attorneys’ fees) arising from any third party claims alleging that any Deliverables or other materials provided by the Recipient hereunder, or the use of such Deliverables or materials in connection with the Project or by the Indemnified Parties during or after the termination or expiration of this Grant, infringe or misappropriate any trade name, trademark, trade secret, patent, copyright or any other intellectual propriety right of a third party, provided that such infringement does not result from negligent use.

Article V
Recipient’s Representative; Addresses

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its official who has countersigned this Agreement on behalf of the Recipient.

5.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is its address indicated in the cover letter of this Agreement.

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

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

Cable: INTBAFRAD
Tellex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
PROJECT OBJECTIVES AND ACTIVITIES

The Virtual Incubation Pilot Program in Vietnam ("Project") aims to develop a pilot to test virtual incubation in Vietnam. The activities of the project are:

1. Pilot virtual incubation in Vietnam, to take the benefits of business incubation beyond the major cities to more rural populations.
2. To explore the use of different tools and business models that can lead to future sustainability for virtual incubation initiatives.
3. Assess the impact and cost-effectiveness of virtual incubation and, by way of a strong M&E component, to derive the necessary lessons for potential future scaling-up in Vietnam and other countries.
4. Build upon and leverage the mobile applications laboratory (mLab) being established in Vietnam by infoDev, with funding from the Government of Finland, at the Saigon High-Tech park, and from the mobile social networking grant awarded by infoDev to TOPICA, as well as the work of Vietnam’s existing business incubators.

For more details about Project Objectives and Activities please see below “Project Scorecard”.

PROJECT SCORECARD

Intermediary project deliverables are as follows:

1. Develop networking chapters
2. Disseminate start-up best practices
3. Develop angel networks
4. Develop satellite incubation centers with access to services
5. Pilot outreach to 10-15 non-resident incubation clients by June 2013.

Project deliverables expected during the first eight (8) months of the Project are as follows:

1. A virtual space established including a website established and access to virtual tools initiated (interaction potential through email, Skype and SMS)
2. A defined governance model for the START Consortium, which shall have representation of importance stakeholders as well as tie-in to the Vietnam mLab.
3. A viable business model and business plan finished and complemented by a sustainability and revenue plan to ensure the longer-term future of the VI hub/satellite hubs.
4. Appointment of at least one Satellite Manager. A written no-objection notice must be obtained from the World Bank Group before the recipient proceeds with the intended appointment.
(6) Establishment of at least one networking chapter and organization of at least one virtual event

(7) Dissemination of start-up best practices through the virtual space

(8) Build at least one angel network

(9) Select at least one location and 1-2 focus industries for the operations

(10) Translation of all slides into Vietnamese (ensuring and performing quality control on relevant training materials to be translated)

(11) Delivery of training modules in 3-4 Vietnamese cities (cities may include Hanoi and Ho Chi Minh City among others) in coordination with infoDev and with support from MOET and MOST, with at least one training module to be delivered before the second tranche of the grant is triggered

(12) Reporting to infoDev on number of people trained and on the dates and timing of the training courses