Australian Trust Fund for the AusAID-World Bank Strategic Partnership in Vietnam
Grant Agreement

(Additional Financing for Mekong Delta Transport Infrastructure Development Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT /
INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as administrator of the Australian Trust Fund for the AusAID-World Bank Strategic Partnership in Vietnam

Dated March 8, 2013
AGREEMENT dated March 8, 2013, entered into between: SOCIALIST REPUBLIC OF VIETNAM ("Recipient"); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT / INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Australian Trust Fund for the AusAID-World Bank Strategic Partnership in Vietnam, for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement).

WHEREAS:

(A) the Recipient has requested the Bank / Association to provide additional assistance towards the financing of the Original Project;

(B) by an agreement of even date herewith between the Recipient and the World Bank ("Financing Agreement"), the World Bank has agreed to provide such assistance in an amount equivalent to one hundred one million three hundred thousand Special Drawing Rights (SDR 101,300,000) ("Financing"); and

NOW the Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012 ("Standard Conditions"), with the modifications set forth in Section II of 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 Standard Conditions, in the Financing Agreement, or in the Appendix to this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to the Financing Agreement ("Project"). To this end, the Recipient shall carry out Parts A, B, C.3 (b), and D of the Project and Part E of the Project.
in relation to said Parts through the Ministry of Transport and Parts C.1, C.2, and C.3 (a) of the Project and Part E of the Project in relation to said Parts through the Project Provinces in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of the Schedule to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to fifteen million Australian Dollars (AU$15,000,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of the Schedule to this Agreement.

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

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred; and

(b) the Recipient has failed to perform any of its obligations under the Financing Agreement.
Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matter, namely, on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Article VI
Recipient's Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Governor or a Deputy Governor of State Bank of Vietnam.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

State Bank of Vietnam
49 Lý Thái Tông
Hanoi
Vietnam

Facsimile:
84-4-3825-0612

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

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

Cable: INTBAFRAD
Telex: INDEVAS 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391 (MCI)
AGREED at Hanoi, Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By

[Signature]

Authorized Representative

Name: Nguyễn Văn Bình

Title: Governor, State Bank of Vietnam

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT / INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of the Australian Trust Fund for the AusAID-World Bank Strategic Partnership in Vietnam

By

[AusAID]

Authorized Representative

Name: Victoria Kwakwa

Title: Country Director
SCHEDULE

Project Execution

Section I. Institutional and Other Arrangements, Project Monitoring, Reporting, and Evaluation, Procurement

1. Sections I, II, and III of Schedule 2 to the Financing Agreement are hereby incorporated by reference in this Section I with the following modifications, unless the context otherwise requires, and shall apply, mutatis mutandis, to the Grant, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement:

(a) "Financing" shall be read as "Grant";

(b) "Association" shall be read as "World Bank";

(c) "General Conditions" shall be read as "Standard Conditions", with the following modifications in relation to references to their Sections:

(i) in Section II.A.1 (a), the reference to Section 4.08 shall be read as referring to Section 2.06;

(ii) in Section II.B.1, the reference to Section 4.09 shall be read as referring to Section 2.07; and

(iii) in Section II.B.3, the reference to Section 4.09 (b) shall be read as referring to Section 2.07 (b).

(d) the term "this Agreement" or "the Financing Agreement" shall be read as "the Grant Agreement".

2. For greater clarity and the avoidance of doubt, in view of the incorporation of the above-mentioned provisions of the Financing Agreement in this Agreement pursuant to the preceding paragraph, if the Financing Agreement terminates prior to the termination of this Agreement, such termination shall have no effect for purposes of this Agreement, and the provisions of the Financing Agreement incorporated in this Agreement pursuant to the preceding paragraph shall continue in full force and effect between the Recipient and the World Bank for purposes of this Agreement following and notwithstanding such termination.

3. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.
Section II.  Withdrawal of Grant Proceeds

A.  General

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 one hundred percent (100%) of Eligible Expenditures consisting of goods, works, non-consulting services, and consultants’ services for Part C of the Project.

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 referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2015.

C.  Other Withdrawal Undertakings

The Recipient intends that, with respect to Part C of the Project, the proceeds of the Original Grant, the Grant, and the Financing will be withdrawn in the following order to the extent practicable, namely, first the proceeds of the Original Grant, subsequently those of the Grant, and finally those of the Financing.
APPENDIX

Section I. Definitions

1. “Original Financing Agreement” means the financing agreement for a Mekong Delta Transport Infrastructure Development Project (Credit No. 4306-VN) between the Recipient and the Association, dated November 22, 2007, as amended to the date of this Agreement.

2. “Original Grant” means the grant in an amount of thirty two million three hundred forty thousand Australian Dollars (AU$32,340,000) extended by the Association, acting as administrator of grant funds provided by the Government of Australia, to the Recipient for the Original Project (as hereinafter defined) pursuant to the Original Grant Agreement (as hereinafter defined).

3. “Original Grant Agreement” means the grant agreement for a Mekong Delta Transport Infrastructure Development Project (Grant No. TF091332-VN) between the Recipient and the Association, acting as administrator of grant funds provided by the Government of Australia, dated March 28, 2008, as amended to the date of this Agreement.

4. “Original Project” means the Project described in the Original Financing Agreement.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows, namely, Section 3.06 (a) is modified to read as follows:

“(a) the payment is for the reasonable cost of goods, works, non-consulting services, consultants' services, or training required for the Project, to be financed out of the proceeds of the Grant and procured, all in accordance with the provisions of the Grant Agreement;”