December 10, 2014

Mr. Nguyễn Văn Bình  
Governor  
State Bank of Vietnam  
49 Ly Thai To, Hanoi  
Socialist Republic of Vietnam

Re: International Development Fund Grant for Capacity Building for Involuntary Resettlement in Energy Sector in Vietnam Project  
IDF Grant No. TF016492

Dear Governor Binh:

1. 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 Bank for Reconstruction and Development ("World Bank") proposes to extend to the Recipient a grant from the World Bank's Institutional Development Fund ("IDF") in an amount not to exceed four hundred thousand United States Dollars (US$400,000) ("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").

2. 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.

3. 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.

4. This Agreement shall become effective upon:

   (a) (i) the execution of the countersigned copy of this Agreement by the Recipient; and (ii) the execution of the Subsidiary Agreement by the Recipient and the National Power Transmission Corporation; and

   (b) only when both actions (a)(i) and (a)(ii) above have been completed within ninety (90) days after the date of signature of this Agreement by the World Bank, in which case the later
date of either said actions shall serve as the date of effectiveness, unless the World Bank shall have established a later date for such purpose.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Victoria Kwakwa
Country Director for Vietnam
East Asia and the Pacific Region

AGREED:
SOCIALIST REPUBLIC OF VIETNAM

By

Authorized Representative

Name: Nguyen Van binh
Title: Governor, State Bank of Vietnam
Date: December 22, 2014

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
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 objective of the Project is to enhance the capacity for planning and implementing involuntary resettlement in the Recipient’s transmission grid investments, in targeted districts in the southern region of the Recipient.

The Project consists of the following parts:


(b) Development, Installation, and Application of Software for Planning and Budgeting Involuntary Resettlement: development of software for the planning and budgeting of resettlement activities; purchase of computers to install the developed software; and carrying out of training on the developed software and its follow-up application.

(c) Carrying out of Training and Workshops and Community Diagnostic Meetings: carrying out of training, workshops, study tours, and community diagnostic meetings on planning and implementing involuntary resettlement in transmission grid investments in targeted areas with relevant stakeholders involved in the involuntary resettlement process.

(d) Project Management, Monitoring, and Evaluation: provision of support for Project management, monitoring, and evaluation activities, including the preparation and completion of annual audited financial statements and auditor's reports and final Project evaluation report.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by National Power Transmission Corporation in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 ("Anti-Corruption Guidelines"); and (c) this Article II.
2.03. **Project Monitoring, Reporting and Evaluation.** (a) 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 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.

(b) The Recipient shall, upon the World Bank’s request, 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 five (5) months after the Closing Date.

2.04. **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 forty-five (45) days after the end of each calendar semester, covering the semester, 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 period of one (1) fiscal year of the Recipient. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period, and made publicly available in a timely fashion and in a manner acceptable to the World Bank.

2.05. **Procurement**

(a) **General.** All goods, non-consulting services and consultants’ 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 and non-consulting services;

(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 Sections II and III of the 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 and Non-consulting Services. Goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping.

(d) Particular Methods of Procurement of Consultants’ Services

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

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Least Cost Selection; (C) Selection based on Consultants’ Qualifications; (D) Single Source Selection; and (E) 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.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. 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 Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants' services, goods, audit, and Training and Workshops</td>
<td>400,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>400,000</td>
<td></td>
</tr>
</tbody>
</table>
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 the last countersignature of this Agreement for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three (3) years after the date of the last countersignature of this Agreement.

**Article IV**

**Recipient's Representative; Addresses**

4.01. **Recipient's Representative.** 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.

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

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

Cable address: Telex: Facsimile:

VIETBANK 412248 (84-4) 3825 0612
Hanoi NHTWVT

4.03. **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: Telex: Facsimile:

INTBAFRAD 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)
APPENDIX

Definitions

1. "National Power Transmission Corporation" or "NPT" means Vietnam Electricity’s wholly-owned subsidiary, established and operating pursuant to Vietnam Electricity’s Decision Numbers 223/QD-EVN dated April 11, 2008 and 324/QD-EVN dated May 14, 2012, and NPT’s charter, as adopted pursuant to the latter Decision, responsible for power transmission activities, or any successor thereto.

2. "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.

3. "Subsidiary Agreement" means the agreement, satisfactory to the World Bank, pursuant to which the Recipient shall make the proceeds of the Grant available to the NPT.

4. "Training and Workshops" means reasonable expenditures incurred by the Recipient for the carrying out of training and workshop activities as approved by the World Bank, including expenditures for facilities rental, materials printing and photocopying, supplies, course fees, study tours, trainers, and travel and subsistence of trainees, but excluding salary or salary supplements of the NPT’s staff members.

5. "Vietnam Electricity" means the Recipient’s wholly-owned enterprise, established and operating pursuant to the Prime Minister’s Decision No. 975/2010/QD-TTg dated June 25, 2010, and Vietnam Electricity’s charter, as adopted under said Decision, responsible for the development, operation, and maintenance, direct or indirect, of facilities for the generation, transmission, and distribution of electricity throughout the Recipient’s territory, or any successor thereto.