October 22, 2013

His Excellency Nguyễn Văn Bình
Governor
State Bank of Vietnam
Hanoi
Socialist Republic of Vietnam

Re: Vietnam – Hanoi Urban Transport Development Project
(Global Environment Facility Grant Number TF058293-VN)
Amendment to Grant Agreement
and Supplemental Letter on Performance Indicators

Excellency:

We refer to the Grant Agreement ("Agreement") dated November 22, 2007 between the Socialist Republic of Vietnam ("Recipient") and the International Bank for Reconstruction and Development, ("World Bank"), acting as an Implementing Agency of the Global Environment Facility, and its attached Supplemental Letter on Performance Indicators ("Supplemental Letter"), for the Hanoi Urban Transport Development Project ("Project"). We further refer to: (a) a letter dated June 14, 2013 from Mr. Le Minh Hung, Deputy Governor of State Bank of Vietnam, on behalf of the Recipient, requesting certain modifications to the Agreement; and (b) further discussions between the Association’s task team and the Recipient’s line ministry.

We are pleased to inform you that the Association concurs with your request and to give effect to such request agrees to amend the Agreement and the Supplemental Letter as follows:


2. Replacing the term “Department of Architecture and Planning Management” with “Department of Planning and Architecture”, and its respective abbreviation “DAPM” with “DPA”, throughout the Agreement.

3. The table under paragraph 2 of Section IV.A of Schedule 2 to the Agreement is amended to read as per the Attachment to this letter.
4. Paragraph 2 of Section IV.B of Schedule 2 to the Agreement is amended to read as follows:

"2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is June 30, 2015."

5. Paragraph 1 of Section V of Schedule 2 to the Agreement is amended to read as follows:

"The Recipient shall cause Hanoi to assign TRANSERCO to operate the BRT system during the start-up period, and then put to tender and award concessions for the operation of the BRT system, according to the time frame acceptable to the Association."

6. The Annex to Schedule 2 on National Competitive Bidding procedures is amended to read as per the Attachment 2 to this letter.

7. Paragraph 3 of the Appendix to the Agreement is amended to read as follows:


8. Paragraph 5 of the Appendix to the Agreement is amended to read as follows:

"5. "DOT" means Hanoi’s Department of Transport, and any successor thereto”.

9. Paragraph 18 of the Appendix to the Agreement is amended to read as follows:


10. Paragraph 24 of the Appendix to the Agreement is amended to read as follows:

"24. “DPA” means Hanoi’s Department of Planning and Architecture, and any successor thereto.”

11. A new paragraph 26 is added to the Appendix to the Agreement to read as follows:

"26. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, based on annual work plans and/or terms of reference acceptable to the Association, 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 government trainers; but excluding salary and salary supplements of the Recipient’s civil servants ("công chức", "viên chức")."
12. A new paragraph 27 is added to the Appendix to the Agreement to read as follows:

"27. "TRANSERCO" means Hanoi's Transport & Services Corporation."

13. The Annex on 'Key Performance Indicators' of the Supplemental Letter is hereby amended to read as per the Attachment 3 to this letter.

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

Please confirm your agreement with this amendment by countersigning, dating and returning to us the enclosed copy of this letter. Upon receipt by the Association of the countersigned copy of this letter, this amendment shall become effective as of the date of the countersignature.

Sincerely Yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Acting as an Implementing Agency of the Global Environment Facility

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

CONFIRMED:
SOCIALIST REPUBLIC OF VIETNAM

By: ___
Name: Le Minh Hung
Title: Deputy Governor
Date: Nov 11, 2013
ATTACHMENT 1

Revised Disbursement Table

<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>(1) Works under the Part I.B; equipment for real-time information at selected bus stations under Part I.A, goods under Parts I.B, I.C, and II.C of the Project; consultants’ services and training under Parts I.B, I.C, II.C, and III.C of the Project</td>
<td>8,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consultants’ services and training under Part III.D of the Project</td>
<td>900,000</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>9,800,000</td>
<td></td>
</tr>
</tbody>
</table>
ATTACHMENT 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 18 on Open Bidding of the Recipient’s Law on Procurement No. 61/2005/QH11 dated November 29, 2005; (b) the Recipient’s Law No. 38/2009/QH12 Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment dated June 19, 2009; and (c) the Recipient’s Decree No. 85/2009/ND-CP Guiding Implementation of the Law on the Procurement and Selection of Construction Contractors under the Construction Law dated October 15, 2009 (collectively, “National Procurement Laws”), subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of 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.

Registration

4. Registration shall not be used to assess bidders’ qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of registering, without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

Advertising; Time for Bid Preparation

5. The complete text of advertisement shall be published in a national newspaper of wide circulation or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access. The Recipient may publish a shorter version of the advertisement text, including the minimum relevant information, in the national press provided that the full text is simultaneously published in the official gazette or on a widely used website or electronic portal with free national and international access. Notification
shall be given to prospective bidders in sufficient time to enable them to obtain relevant documents.

6. The time allowed for the preparation and submission of bids 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

7. Standard bidding documents acceptable to the Association shall be used.

Qualification Criteria

8. Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a pass or fail basis and merit points shall not be used. Such assessment shall only take into account the bidder’s capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment, and construction and manufacturing facilities, and financial capacity. The evaluation of the bidder’s qualifications shall be conducted separately subsequent to the technical and commercial evaluation of the bid.

Bid Submission, Bid Opening, and Bid Evaluation

9. Bidders may submit bids, at their option, either in person or by courier service or by mail, as required in the bidding documents. Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to the Association’s prior review.

(a) Bidding documents shall be sold to anyone who is willing to pay the required fee of the bidding documents which shall not exceed the costs of printing, reproduction, and delivery at any time prior to the deadline for bid submission, and no other conditions shall be imposed on the sale of the bidding documents.

(b) 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.

(c) 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. No negotiations shall be permitted. 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.

(d) No bid shall be eliminated from detailed evaluation on the basis of minor, non-substantive deviations.
(e) The comparison of all bids and the award of contract may be based on the total cost at destination including all taxes and duties.

(f) 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. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised, the qualification criteria were not unduly restrictive, and prices are reasonable in comparison to market values. 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 allowing bidders to protest and have their protests handled in a timely manner. An independent protest mechanism shall provide for the review of complaints by an independent entity that is not involved in any aspect of the underlying procurement process (e.g., bid evaluation, contract approval, etc.).

**Fraud and Corruption**

12. The provisions on fraud and corruption as stated under Section I of the Procurement Guidelines shall apply. Each bidding document and contract financed out of the proceeds of the Financing shall include provisions on matters pertaining to fraud and corruption as defined in the Guidelines. The Association will sanction a firm or individual, at any time, in accordance with prevailing Association sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Association-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded an Association-financed contract.

**Right to Inspect / Audit**

13. Each bidding document and contract financed from the proceeds of the Financing shall include a provision requiring bidders, suppliers, contractors, and subcontractors to permit the Association, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association. Acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for in the Guidelines constitute an obstructive practice as defined in the Guidelines.

**License**

14. Foreign contractors shall be given a reasonable opportunity to apply for and obtain a work license, which shall not be arbitrarily withheld.

**Publication of the Award of Contract**
15. Within two weeks of receiving the Association's no objection to the award recommendation for contracts subject to the Association's prior review, and within two weeks of the Recipient’s award decision for contracts subject to the Association’s post review, the Recipient shall publish the following information on contract award in a national newspaper of wide circulation and/or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access: (a) the name of each bidder which submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract.

Contract Modifications

16. With respect to contracts subject to the Association’s prior review, the Recipient shall obtain the Association’s no objection before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; or (d) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Association.
**ATTACHMENT 3**

**Key Performance Indicators**

**Project Development Objective (PDO):** The objectives of the Project are to: (i) increase the use of public transport on two current corridor and one new corridor; and (ii) reduce travel time between center and the west and northwest sections of Hanoi (Western West Lake).

**The strategic objective of the Global Environment Fund:** Promote more environmentally sustainable transport modes and sustainable urban development plans and promote the replication of this approach in the country and the region.

**Revised Project Development Objective:** Unchanged.

**The strategic objective of the Global Environment Fund:** Unchanged.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators</th>
<th>Core</th>
<th>D=Dropped</th>
<th>N=New</th>
<th>R=Revised</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2010</td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td>1. Number of daily BRT/bus boardings</td>
<td>C</td>
<td>R</td>
<td></td>
<td>R</td>
<td>Person-trips</td>
<td></td>
<td>27,173</td>
<td>30,162</td>
<td>33,480</td>
<td>37,162</td>
</tr>
<tr>
<td>1a. Kim Ma- Khuat Duy Tien</td>
<td>R</td>
<td>R</td>
<td></td>
<td>R</td>
<td></td>
<td></td>
<td>45,868</td>
<td>50,454</td>
<td>55,500</td>
<td>61,050</td>
</tr>
<tr>
<td>1b. Khuat Duy Tien- Yen Nghia</td>
<td>R</td>
<td>R</td>
<td></td>
<td>R</td>
<td></td>
<td></td>
<td>20,373.48</td>
<td>22,818</td>
<td>25,556</td>
<td>28,623</td>
</tr>
<tr>
<td>1c. Dong Anh and West of West lake districts</td>
<td>R</td>
<td>R</td>
<td></td>
<td>R</td>
<td></td>
<td></td>
<td>20,373.48</td>
<td>22,818</td>
<td>25,556</td>
<td>28,623</td>
</tr>
<tr>
<td>2. Number of BRT riders whose alternative mode would have been a private motorized mode/taxi</td>
<td>C</td>
<td>R</td>
<td></td>
<td>R</td>
<td>%</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2a. Kim Ma- Khuat Duy Tien</td>
<td>R</td>
<td>R</td>
<td></td>
<td>R</td>
<td>%</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2b. Khuat Duy Tien- Yen Nghia</td>
<td>R</td>
<td>R</td>
<td></td>
<td>R</td>
<td>%</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Component</td>
<td>Description</td>
<td>Indicator</td>
<td>PMU</td>
<td>Survey</td>
<td>PMU/M&amp;E consultants/ TRAMOC</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2c.</td>
<td>Dong Anh and West of West lake districts</td>
<td>C</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Hanoi GHG emissions saved through 2025 (project corridor)</td>
<td>C</td>
<td>CO₂e emissions 1.5 million tons</td>
<td>1.5 million tons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Financial performance of Hanoi's bus system</td>
<td>D</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>User satisfaction on BRT system (all persons)</td>
<td>N</td>
<td>%</td>
<td>N/A</td>
<td>35% 40% 55% Project Completion User satisfaction survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>User satisfaction on BRT System for women</td>
<td>N</td>
<td>%</td>
<td>N/A</td>
<td>30% 35% 60% Project Completion User satisfaction survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**INTERMEDIATE RESULTS**

Intermediate Result (Component 1): Development of a Bus Rapid Transit System

Revised Intermediate Result (Component A): Remains unchanged

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>7. Travel time by bus</th>
<th>C</th>
<th>Minutes</th>
<th>N/A</th>
<th>50</th>
<th>53</th>
<th>35</th>
<th>Every 6 months</th>
<th>PMU, survey, monitoring</th>
<th>PMU/M&amp;E consultants/ TRAMOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>7a. Kim Ma- Khuat Duy Tien</td>
<td>R</td>
<td>Minutes</td>
<td>N/A</td>
<td>50</td>
<td>53</td>
<td>35</td>
<td>Every 6 months</td>
<td>PMU, survey, monitoring</td>
<td>PMU/M&amp;E consultants/ TRAMOC</td>
<td></td>
</tr>
<tr>
<td>7b. Khuat Duy Tien- Yen Nghia</td>
<td>R</td>
<td>Minutes</td>
<td>N/A</td>
<td>45</td>
<td>50</td>
<td>30</td>
<td>Every 6 months</td>
<td>PMU, survey, monitoring</td>
<td>PMU/M&amp;E consultants/ TRAMOC</td>
<td></td>
</tr>
</tbody>
</table>

Basic Result (Component B): Strategic Road Infrastructure and Sustainable Urban Planning

Revised Basic Result (Component B): Remains unchanged

<table>
<thead>
<tr>
<th>Intermediate Result indicator</th>
<th>9a. Travel time by bus Cau Giay to Dyke Road at Nhat Tran</th>
<th>C</th>
<th>Minutes</th>
<th>N/A</th>
<th>35</th>
<th>37</th>
<th>20</th>
<th>Every 6 months</th>
<th>PMU, survey, monitoring</th>
<th>PMU/M&amp;E consultants/ TRAMOC</th>
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</thead>
<tbody>
<tr>
<td>9b. Travel time by motor cycle Nhat tan to Cau Giay (PM peak)</td>
<td>C</td>
<td>Minutes</td>
<td>21</td>
<td>N/A</td>
<td>30</td>
<td>33</td>
<td>18</td>
<td>Every 6 months</td>
<td>PMU, survey, monitoring</td>
<td>PMU//M&amp;E consultants</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
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</tr>
</tbody>
</table>

### Intermediate Result indicator

| 10. Adoption of land use TA
| Draft Final Report developed |
| Final Report approved |

| 11. Number of HDPA staff trained |
| C | Number | 15 | 20 | 30 | |

#### Intermediate Result (Component C): Institutional Development

#### Revised Intermediate Result (Component C): Remains unchanged

| Intermediate Result indicator |
| Draft Final Report developed |

| Final Report approved |

| Final report establishment of PTA approved. |

### Intermediate Result indicator

| 13. Coordinated institutional system for AQM policy making in place based on monitoring system and emission data |

| Number | 10 | 32 | 40 | 20 |

### Intermediate Result indicator

| Number of staff trained, skills assessment |

| C | Number | 0 | 1 | 2 | 1 |

### Intermediate Result indicator

| Number of replication activities (workshops, study tours in other Vietnamese cities) |

| C | Number | 0 | 1 | 2 | 1 | Annually | Mission Reports/MOC | PMU/MOC |