May 26, 2010

H.E. Nguyễn Văn Giàu
Governor
State Bank of Vietnam
Socialist Republic of Vietnam

Re: Vietnam: HIV/AIDS Prevention Project (Grant No.H152-VN)
Amendment to the Development Grant Agreement

1. We refer to the Development Grant Agreement dated May 26, 2005 (the “Development Grant Agreement”) entered into between the Socialist Republic of Vietnam (the “Recipient”) and the International Development Association (the “Association”) for the above-mentioned Project. We also refer to the letter from Mr. Nguyễn Văn Bính, Deputy Governor, State Bank of Vietnam, dated April 28, 2010, requesting for an amendment to the Development Grant Agreement.

2. We are pleased to inform you that, after due consideration the Association concurs with your request, and consequently proposes to amend the Development Grant Agreement as follows:

3. Section 1.02 (i) of Article I to the Development Grant Agreement is hereby amended to read as follows:

“(i) “Health Care Waste Management Plan” means the plan dated January 2005, adopted by the Recipient’s Ministry of Health through Decision No. 431/QD-BYT dated February 23, 2005, satisfactory to the Bank, which sets out the environmental mitigation measures in respect of the treatment of the health care waste generated at the rehabilitation centers and community-based clinics at the pilot sites under Part A and part B of the Project.”

4. Section 2.03 of Article II to the Development Grant Agreement is hereby amended to read as follows:

“Section 2.03. The Closing Date shall be December 31, 2012 or such later date as the Association shall establish. The Association shall promptly notify the Recipient of such later date.”

5. The table under paragraph 1 of Schedule 1 to the Development Grant Agreement is hereby amended to read as follows:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant allocated (Expressed in SDR equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Provincial Sub-Grants under Part A of the Project</td>
<td>14,250,000</td>
<td>100% of Sub-Grant amount disbursed</td>
</tr>
<tr>
<td>(2) Innovation Sub-Grants under part B.1(d) of the Project</td>
<td>330,000</td>
<td>100% of Sub-Grant amount disbursed</td>
</tr>
<tr>
<td>(3) Civil works</td>
<td>50,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods</td>
<td>1,880,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Consultants' services</td>
<td>3,420,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Training</td>
<td>1,790,000</td>
<td>100%</td>
</tr>
<tr>
<td>(7) Incremental Operating Costs</td>
<td>1,310,000</td>
<td>100%</td>
</tr>
<tr>
<td>(8) Unallocated</td>
<td>70,000</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL 23,100,000**

6. Paragraph 4 of Schedule 1 to the Development Grant Agreement is hereby amended to read as follows:

   “4. The Association may require withdrawals from the Grant Account to be made on the basis of statements of expenditure for expenditures under contracts for: (a) goods costing less than $300,000 equivalent per contract; (b) works costing less than $100,000 equivalent per contract; (c) services of individual consultants costing less than $50,000 equivalent per contract; (d) services of consulting firms under contracts costing less than $100,000 equivalent per contract; (e) training; (f) incremental operating costs; and (g) Provincial and Innovation Sub-grants; all under such terms and conditions as the Association shall specify by notice to the Recipient.”

7. Schedule 2 to the Development Grant Agreement is amended to read as shown in Attachment 1 to this letter of amendment.

8. Schedule 3 to the Development Grant Agreement is amended to read as shown in Attachment 2 to this letter of amendment.
9. Paragraph 1(c) of Schedule 5 to the Development Grant Agreement is hereby amended to read as follows:

“(c) the term “Authorized Allocation” means an amount equivalent to $6,000,000 to be withdrawn from the Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to $1,500,000 until the aggregate amount of withdrawals from the Grant Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 5,000,000.

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

11. 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.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Victoria Kwakwa
Victoria Kwakwa
Country Director

AGREED:
SOCIALIST REPUBLIC OF VIETNAM

By Nguyen Van Binh
Authorized Representative

Name Nguyen Van Binh
Title Deputy Governor of the State Bank of Vietnam
Date June 4, 2010
SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Recipient in establishing and maintaining national, provincial and local policies and capacity to design, implement and evaluate information and service delivery programs designed to halt the transmission of HIV/AIDS among vulnerable populations and between vulnerable populations and the general population.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time to achieve such objectives.

PART A: Provincial HIV/AIDS Action Plans

Preparation and implementation of Provincial HIV/AIDS Action Plans in selected provinces and cities, through the provision of Provincial Sub-grants.

PART B: National HIV/AIDS Policy and Program

1. Policy and Program Development

   (a) Provision of opiate substitution therapy in the form of methadone maintenance, and condom use promotion.

   (b) Development of supportive national and provincial policies and strengthening of research capacity for HIV prevention, care and treatment among vulnerable populations.

   (c) Support for programs of knowledge sharing and training in HIV/AIDS prevention, care and treatment.

   (d) Development of innovative and effective HIV/AIDS prevention and treatment approaches and models among vulnerable groups, through the provision of Innovation Sub-grants.

2. Monitoring and Evaluation

   Development of a national Monitoring and Evaluation results framework, operational plan and system, consisting of:

   (a) Adoption of revised Monitoring and Evaluation plan which establishes the structure for monitoring and evaluation, national indicators and road map for the collection and use of data;
(b) Establishment of a national Monitoring and Evaluation Unit within the Department of HIV/AIDS Control of MOH to coordinate national monitoring and evaluation activities;

(c) Establishment of regional Monitoring and Evaluation centers;

(d) Provision of training to national, regional, provincial personnel; and

(e) Strengthening of: (i) biological and behavioral surveillance of priority communities and vulnerable populations; (ii) health facility surveillance of HIV/AIDS services; (iii) effectiveness research; and (iv) Monitoring and Evaluation dissemination and data use mechanisms.

PART C: Project Management

Strengthening of the national and provincial Project management and implementation capacity, including audit of the Project accounts.

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ANNEX TO SCHEDULE 2

PARTICIPATING PROVINCES AND CITIES

1. Hai Phong
2. Ho Chi Minh City
3. Hanoi
4. Can Tho
5. Da Nang
6. Lang Son
7. Quang Ninh
8. Dong Thap
9. Baria-Vung tau
10. Binh Thuan
11. Thua Thien Hue
12. Ha Tinh
13. Tay Ninh
14. An Giang
15. Bac Giang
16. Ben Tre
17. Cao Bang
18. Dong Nai
19. Hau Giang
20. Khanh Hoa
22. Lai Chau
23. Nam Dinh
24. Nghe An
25. Son La
26. Thai Binh
27. Thai Nguyen
28. Thanh Hoa
29. Tien Giang
30. Vinh Long
31. Yen Bai
32. Soc trang
Section I. General

A. All goods, works and services (other than consultants’ services) shall be procured in accordance with the provisions of Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” dated May 2004 and revised in October 2006 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants’ services shall be procured in accordance with Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated May 2004 and revised in October 2006 (the Consultant Guidelines), and with the provisions of this Schedule.

C. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Association of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

Section II. Particular Methods of Procurement of Goods, Works and Services (other than Consultants’ Services)

A. International Competitive Bidding. Except as otherwise provided in Part B of this Section, contracts shall be awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Recipient and works to be carried out by domestic contractors.

B. Other Procurement Procedures

1. Limited International Bidding. Goods which the Association agrees can only be purchased from a limited number of suppliers may be procured under contracts awarded on the basis of Limited International Bidding.

2. National Competitive Bidding. Goods estimated to cost less than $300,000 equivalent per contract may be procured under contracts awarded on the basis of National Competitive Bidding and the following additional provisions set forth in the Annex to this Schedule.

3. Shopping. Works for the rehabilitation of community-based clinics and goods, in each case estimated to cost less than $50,000 equivalent per contract, may be procured under contracts awarded on the basis of Shopping.

4. Direct Contracting. Goods, including anti-retroviral drugs, which the Association agrees meet the requirements for Direct Contracting may be procured in accordance with the provisions of said procurement method.
5. **Procurement from UN Agencies.** Vehicles to be made available to implementing agencies may be procured directly from the United Nations Office for Project Services, in accordance with the provisions of paragraphs 3.1 and 3.9 of the Procurement Guidelines.

**Section III. Particular Methods of Procurement of Consultants’ Services**

A. **Quality- and Cost-based Selection.** Except as otherwise provided in Part B of this Section, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

B. **Other Procedures**

1. **Least-cost Selection.** Services for assignments which the Association agrees meet the requirements of paragraph 3.6 of the Consultant Guidelines may be procured under contracts awarded on the basis of Least-cost Selection in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

2. **Selection Based on Consultants’ Qualifications.** Services estimated to cost less than $100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1, 3.7 and 3.8 of the Consultant Guidelines.

3. **Single Source Selection.** Services for tasks in circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines for Single Source Selection, may, with the Association’s prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.

4. **Individual Consultants.** Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

**Section IV. Review by the Association of Procurement Decisions**

1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association:

   (a) in respect of contracts for goods, works and services (other than consultants’ services): (i) each contract estimated to cost the equivalent of $300,000 or more, and (ii) each contract procured on the basis of Direct Contracting; and

   (b) in respect of contracts for consultants’ services: (i) each contract with a firm estimated to cost the equivalent of $100,000 or more; and (ii) each contract procured on the basis of Single Source Selection.

2. All other contracts shall be subject to Post Review by the Association.
Section V. Procurement audit

The Recipient shall (a) carry out annual procurement audits of the Project through an independent entity acceptable to the World Bank, under terms of reference satisfactory to the World Bank, (b) by no later than December 31 of each year, commencing from 2010, provide to the World Bank for its review and comments, the report of such procurement audit and promptly review with the World Bank the recommendations presented in said report.
Annex to Schedule 3

National Competitive Bidding

The procedure to be followed for National Competitive Bidding shall be those set forth in Article 18 on Open Bidding of the Law on Procurement 61/2005/QH11 dated November 29, 2005, Law 38/2009/QH12 dated June 19, 2009 on Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment, and Decree 85/2009/ND-CP, Guiding Implementation of Law on Procurement and Selection of Construction Contractors under the Construction Law dated October 15, 2009 (collectively, “National Procurement Laws”) with due consideration to economy, efficiency and transparency as set forth in, and broad consistency with, Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Association in May 2004 and revised in October 2006 (the “Guidelines”) and required by paragraphs 3.3 and 3.4 of the Guidelines. Whenever any procedure in the National Procurement Laws is inconsistent with the requirements of said paragraphs 3.3 and 3.4 of the Guidelines, the latter shall prevail, including the following:

Eligibility

1. The eligibility of bidders shall be as defined under Section I of the 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 national bidders in order to submit a bid. Bidders located in the same province or city as the procuring entity shall not be given preference over bidders located outside that city or province.

2. In addition to the foregoing requirements, equitized Government-owned enterprises in which the Recipient holds less than fifty percent of the shares are eligible to participate, provided that the procuring entity or investment owner does not own shares (or represent the Government’s shares) in the enterprise and the governing Board and management team are autonomous from the procuring entity and the investment owner. Military or security units or enterprises established under, reporting directly or indirectly to, or owned wholly or partly by, the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

Registration

3. 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

4. Invitations to bid shall be advertised in at least one widely circulated national newspaper, allowing a minimum of thirty (30) days, from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later, for the preparation and submission of bids, and potential bidders shall be allowed to purchase bidding documents up to any time prior to the deadline for the submission of bids. In addition, the Recipient is encouraged to advertise in the Government Public Procurement Newspaper and on a free and open access website.

Standard Bidding Documents

5. Standard Bidding Documents, acceptable to the Association, shall be used.

Qualification Criteria

6. 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 merits 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.

Bid Submission, Bid Opening and Bid Evaluation

7. Bidders may submit bids, at their option, either in person or by courier service or by mail. Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened. In addition:

(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, 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 to the technically responsive bid that offers the lowest evaluated price and no negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

(d) A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

(e) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Association’s prior concurrence.
(f) A copy of the minutes of the public bid opening shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to prior review.

**Rejection of All Bids and Re-bidding**

8 All bids shall not be rejected or new bids solicited without the Association’s prior written concurrence.

**Complaints by Bidders and Handling of Complaints**

9. The Recipient shall implement an effective and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.

**Fraud and Corruption**

10. The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.

**Right to Inspect/Audit**

11. Each bidding document and contract financed from the proceeds of a Credit shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association, at its request, 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. The deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

**License**

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

**Publication of the Award of Contract**

13. The Recipient shall publish the following information on contract award in the Government Public Procurement Newspaper or on a free and open access website or on another means of publication acceptable to the Association: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated price of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, price it offered as well as the duration and summary scope of the contract awarded. This publication shall be updated regularly.