March 8, 2012

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

Re: IDF Grant for Vietnam – Strengthening Public Procurement Legislation Project
IDF Grant No. TF011596

Dear Governor Binh,

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 two hundred twenty thousand Dollars ($220,000) ("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").

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.

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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World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 Victoria Kwakwa
Country Director
AGREED:
SOCIALIST REPUBLIC OF VIETNAM

By: ________________________________
Authorized Representative
Name: LE MINH HUNG
Title: Deputy Governor
Date: July 13th, 2012

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
Article I
Standard Conditions; Definitions

1.01. Standard Conditions. The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated July 31, 2010 ("Standard Conditions"), with the modifications set forth in the Appendix to this Agreement, constitute an integral part of this Agreement.

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 strengthen the public procurement system through (a) developing a new public procurement law and implementing decree(s); and (b) building capacity for law implementation and enforcement.

The Project consists of the following parts:

(a) Development of the Public Procurement Law and the Implementing Decree(s): provision of technical advisory services for the development of a new public procurement law and related implementing decree(s);

(b) Training of Trainers in Law Implementation: provision of support for the training of trainers for the implementation of the new law and/or decree(s); and

(c) Financial Audit: provision of support for hiring of external auditors to audit the Project accounts.

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 through the Public Procurement Agency under the Ministry of Planning and Investment ("MPI") 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 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 fiscal year of the Recipient. 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.

2.05. **Procurement**

(a) **General.** All 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 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 Non-consulting Services.** 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) Selection based on Consultants' Qualifications; (B) Selection of Individual Consultants; (C) Single Source Selection; and (D) Least Cost Selection.

(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>(1) Consultants' services</td>
<td>160,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and workshops</td>
<td>50,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Audit</td>
<td>10,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>220,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the term “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, trainers, and travel and subsistence of trainees.
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 for Eligible Expenditures.

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

### 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, the 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  
Socialist Republic of Vietnam

Cable: VIETBANK  
Telex: 412248  
Facsimile: (84-4)825 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: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391  
Washington, D.C.
APPENDIX
Modifications to the Standard Conditions

The modification to the Standard Conditions is as follows, namely paragraph (a) of Section 3.06 is modified to read as follows:

“(a) the payment is for the reasonable cost of goods, works, services, or training and workshops, 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;”