August 5, 2016

Mr. Lê Minh Hưng
Governor
State Bank of Vietnam
49 Ly Thái To
Hanoi
Vietnam

Re: Grant TF014293-VN
(Vietnam- Additional Financing for the Coastal Resources for Sustainable Development Project)
Additional Instructions: Disbursement Letter (Second Amendment)

Dear Governor Hưng:

I refer to the Grant Agreement between the Socialist Republic of Vietnam ("Recipient") and the International Bank for Reconstruction and Development ("World Bank"), acting as the implementing agency of the Global Environment Facility ("GEF"), for the above-referenced Project, dated April 17, 2013. The Grant Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF014293-VN ("Grant"). This letter ("Disbursement Letter"), as revised from time to time, constitutes the additional instructions and replaces the disbursement letter dated January 18, 2016 by adding one pooled designated account for the Ninh Thuan Province and changing the Designated Account ceiling from fixed to variable type, as set forth in paragraph II (vi) below.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, ("Disbursement Guidelines") (Attachment 1), are an integral part of this Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) Disbursement Methods (section 2). The following Disbursement Methods may be used under the Grant:

- Advance
- Reimbursement
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.7). The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

II. Withdrawal of Grant Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:
The World Bank  
8th Floor  
63 Ly Thai To Street  
Ha Noi, Vietnam  

Attention: ____________________

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) Applications for withdrawal, together with supporting documents, and (b) Applications for Special Commitments, together with a copy of the commercial bank letter of credit, to the address indicated below:

The World Bank  
26th Floor, One Global Place  
5th Avenue Corner 25th Street  
Bonifacio Global City  
Taguig City, Philippines 1634  

Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4). The Bank may permit the Recipient to electronically deliver to the Bank Applications (with supporting documents) through the Bank's Client Connection, web-based portal. The option to deliver Applications to the Bank by electronic means may be effected if: (a) the Recipient has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Recipient have registered as users of Client Connection. If the Bank agrees, the Bank will provide the Recipient with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (https://clientconnection.worldbank.org). The Recipient may continue to exercise the option of preparing and delivering Applications in paper form. The Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Recipient.

(iv) Terms and Conditions of Use of SIDC to Process Applications. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 3; and (b) to cause such officials to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications for Reimbursement, Direct Payment and Special Commitment is United States Dollars (US$) 20,000 equivalent.

(vi) Advances (sections 5 and 6).

- Type of Designated Accounts (subsection 5.3) Ten (10) Pooled (together with IDA 5113-VN) Designated Accounts are as follows:
  1. One Account for Ca Mau PPMU
  2. One Account for Soc Trang PPMU
  3. One Account for Khanh Hoa PPMU
  4. One Account for Phu Yen PPMU
  5. One Account for Binh Dinh PPMU
6. One Account for Thanh Hoa PPMU
7. One Account for Nghe An PPMU
8. One Account for Ha Tinh PPMU
9. One Account for MARD PCU
10. One Account for Ninh Thuan PPMU

- **Currency of Designated Accounts (subsection 5.4):** United States Dollars.

- **Financial Institutions at which the Designated Accounts Will Be Opened (subsection 5.5):** A commercial bank / financial institution acceptable to the World Bank.

- **Ceilings (subsection 6.1):**

1. Ca Mau PPMU- Variable, based on one (1) quarter forecast
2. Soc Trang PPMU- Variable, based on one (1) quarter forecast
3. Khanh Hoa PPMU- Variable, based on one (1) quarter forecast
4. Phu Yen PPMU- Variable, based on one (1) quarter forecast
5. Binh Dinh PPMU- Variable, based on one (1) quarter forecast
6. Thanh Hoa PPMU- Variable, based on one (1) quarter forecast
7. Nghe An PPMU- Variable, based on one (1) quarter forecast
8. Ha Tinh PPMU- Variable, based on one (1) quarter forecast
9. MARD PCU- Variable, based on one (1) quarter forecast
10. Ninh Thuan PPMU Variable, based on one (1) quarter forecast

### III. Reporting on Use of Grant Proceeds

(i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each Application for withdrawal as set out below:

- **For requests for Reimbursement:**
  - List of payments against contracts that are subject to the World Bank's prior review in the form attached (Attachment 4) including Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices).
  - Statement of Expenditure for payments against contracts that are NOT subject to the World Bank's prior review in the form attached (Attachment 5).

- **For reporting Eligible Expenditures paid from the Designated Accounts:**
  - List of payments against contracts that are subject to the World Bank's prior review in the form attached (Attachment 4) including Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices).
  - Statement of Expenditure for payments against contracts that are NOT subject to the World Bank's prior review in the form attached (Attachment 5).
  - One (1) quarter forecast statement (Attachment 6)
  - DA Reconciliation Statement (Attachment 7) with copy of bank statement.

- **For requests for Direct Payment:**
(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Accounts**

(subsection 6.3): Quarterly.

### IV. Other Important Information


If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (https://clientconnection.worldbank.org). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. All Recipient officials authorized to sign and deliver Applications by electronic means are required to register with Client Connection before electronic delivery can be affected. For more information about the website and registration arrangements, please contact the World Bank at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact us at wfaln-manila@worldbank.org using the above Project name and Grant number as a reference in the subject line.

Yours sincerely,

Phạm Minh Đức
Acting Country Director for Vietnam
East Asia and Pacific Region

**Attachments**

2. Form for Authorized Signatures
4. Form of Payments Against Contracts Subject to the World Bank’s Prior Review
5. Form of Statement of Expenditure
6. One (1) quarter forecast statement
7. Form of Designated Account Reconciliation Statement