October 23, 2012

H.E Nguyen Van Binh
Governor
State Bank of Vietnam
49 Ly Thai To
Hanoi
Socialist Republic of Vietnam

Re: IDA Financing 4398-VN (Northern Uplands Health Support Project)
Additional Instructions: Revised Disbursement Letter

Dear Sir:

I refer to the Financing Agreement between the Socialist Republic of Vietnam (the “Recipient”) and the International Development Association (the “Association”) for the above-referenced project, dated July 10, 2003. The Financing Agreement provides that the Association may issue additional instructions regarding the withdrawal of the proceeds of Credit 4398 -VN (“Financing”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions and replaces the previous version dated July 10, 2008.

The attached World Bank Disbursement Guidelines for Projects, dated May 1, 2006, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Financing 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 Financing:

- Reimbursement
- Advance
- Direct Payment

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

(iii) Disbursement conditions (subsection 3.8). Please refer to the Disbursement Condition(s) in the Financing Agreement.
II. Withdrawal of Financina Proceeds

(i) Authorized Signatures (subsection 3.1). Applications for this Financing will be signed by the official(s) authorized to sign Applications as indicated in the letter dated December 10, 2010 signed by Nguyen Van Binh, Governor, State Bank of Vietnam (Attachment 2).

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed Applications for withdrawal, together with supporting documents to the address indicated below:

The World Bank  
23/F, The Taipan Place Building  
Emerald Avenue, Ortigas Center  
Pasig City, Metro Manila  
Philippines  
Attention: Loan Department

(iii) Electronic Delivery (subsection 3.4). The Association may permit the Recipient to electronically deliver to the Association Applications (with supporting documents) through the Association’s Client Connection, web-based portal. The option to deliver Applications to the Association 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 devices (“Tokens”) from the Association 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 Association agrees, the Association will provide the Recipient with Tokens 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 Association 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 Tokens to Process Applications. By designating officials to accept Tokens 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 Devices in connection with Use of Electronic Means to Process Applications and Supporting Documentation (“Terms and Conditions of Use of Tokens”) provided in Attachment 3; and (b) to deliver the Terms and Conditions of Use of Tokens to each such official and to cause such official to abide by those terms and conditions.

(v) Minimum Value of Applications (subsection 3.5). The Minimum Value of Applications is United States Dollars (USD) 500,000 equivalent.
(vi) Advances (sections 5 and 6).

- **Type of Designated Account (subsection 5.3):** Segregated

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

- **Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):** Vietnam Bank for Agriculture and Rural Development

- **Ceiling (subsection 6.1):** USD 4,000,000

III. Reporting on Use of Financing Proceeds

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

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

- **For reporting eligible expenditures paid from the Designated Account:**
  - Statement of Expenditures for payments against contracts that are NOT subject to the Association's prior review in the form attached (Attachment 4).
  - List of payments against contracts that are subject to the Association's prior review in the form attached (Attachment 5) including Records evidencing eligible expenditures (e.g., copies of receipts, supplier invoices).
  - DA Reconciliation Statement (Attachment 6).

- **For requests for Direct Payment:**
  - Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Monthly.
IV. Other Important Information


If you have not already done so, the Association 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 Financing, 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 effected. For more information about the website and registration arrangements, please contact the Association at <clientconnection@worldbank.org>.

If you have any queries in relation to the above, please contact us at ctrln-manila@worldbank.org using the above Project name and Financing No. as a reference in the subject line.

Yours sincerely,

Miguel-Santiago Oliveira
Senior Finance Officer
CTRLN

Attachments - Not attached
2. Authorized Signatures Letter Received on December 10, 2010
4. Form of Statement of Expenditure
5. Form of Payments Against Contracts Subject to the Association’s Prior Review
6. Form of Designated Account Reconciliation Statement

Prepared by: Thao Thi Do and Miguel-Santiago Oliveira (CTRLN)

Cleared with and cc: Martin Serrano, (LEGES)
Kari Hurt, (EASHD)

Cc with copies: Mr. Nguyen Hoang Long
PMU Director
Telephone no.: (84) 913503255
Fax no.:  
Email: longmoh@yahoo.com