Loan Agreement

(Vinh Phuc Flood Risk and Water Management Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated 31 March, 2017
LOAN AGREEMENT

Agreement dated 31 March, 2017, between SOCIALIST REPUBLIC OF VIETNAM ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred fifty million Dollars (USD150,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the
Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.06. The Payment Dates are April 1 and October 1 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the provisions of Schedule 3 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through Vinh Phuc Province - acting
through Vinh Phuc Provincial People's Committee (Vinh Phuc PPC) in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely that, the Subsidiary Loan Agreement has been executed by the Borrower, acting through its Ministry of Finance, and Vinh Phuc PPC.

4.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Loan Agreement has been duly authorized or ratified by the Borrower and Vinh Phuc PPC and is legally binding upon the Borrower and Vinh Phuc PPC in accordance with its terms.

4.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is the Governor, or a Deputy Governor, of State Bank of Vietnam.

5.02. The Borrower’s Address is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

Cable address: Telex: Facsimile:
VIETBANK 412248 (84-4) 3825 0612
Hanoi NHTWVT
5.03. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391

AGREED at Hanoi, Socialist Republic of Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By ____________________________
Authorized Representative

Name: Le Minh Hung
Title: Governor of the State Bank of Vietnam

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By ____________________________
Authorized Representative

Name: Ousmane Dione
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to strengthen flood risk management capacity and improve wastewater management in the central catchment of Vinh Phuc Province.

The Project consists of the following parts:

**Part 1: Flood Risk Management**

Improving flood risk management in Vinh Phuc Province through the provision of support for:

(a) construction and rehabilitation of retention lakes to increase regulation capacity;

(b) construction of three drainage pumping stations and related canals to divert excessive storm water from Basin B to Pho Day and Red River;

(c) dredging key sections along the Phan River to increase the discharge capacity; and

(d) construction of two flood control gates with associated embankments to prevent storm water from Basin C entering Basin B.

**Part 2: Water Environment Management**

Improving the environmental conditions in the densely populated small towns and rural communities as well as water quality in the Phan River by providing wastewater and drainage services including through construction and rehabilitation of wastewater collection and treatment facilities in district towns and rural villages.

**Part 3: Implementation Support, Technical Assistance and Institutional Strengthening**

Provision of support for Project implementation, technical assistance and institutional strengthening including through:

(a) carrying out detailed engineering designs, construction supervision, safeguard monitoring, Vinh Phuc Project Management Office support and other related activities;

(b) designing and establishing water resource, flood information and early warning systems;
(c) operation and maintenance of assets to be built under the project, including training, development of operation manuals, and provision of necessary equipment; and

(d) institutional development for river basin management and water related sectors in an integrated manner.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower shall cause Vinh Phuc Province acting through Vinh Phuc PPC to maintain, throughout the implementation of the Project, the Vinh Phuc Project Management Office ("VPMO") under the direction of qualified management and provided with sufficient resources, and staffed with competent personnel in adequate numbers, in each case with qualifications, experience and under terms of reference acceptable to the Bank, to be responsible for the overall management and coordination of the Project, the day-to-day implementation of the Project, and the monitoring and evaluation of Project achievements and impacts.

2. The Borrower shall cause Vinh Phuc Province acting through its People’s Committee to maintain, throughout the implementation of the Project, the Project Steering Committee ("PSC") chaired by the Chair or Vice Chair of Vinh Phuc PPC, or any successor thereto, and with composition, mandate, staffing and resources satisfactory to the Bank for the purpose of providing strategic direction and oversight and facilitating coordination of all relevant administrative agencies and departments of Vinh Phuc PPC for effective Project implementation.

3. The Borrower shall cause Vinh Phuc Province acting through Vinh Phuc PPC to ensure the following, for the purposes of implementing the Project, that:

   (a) relevant departments and agencies of Vinh Phuc PPC provide the necessary support for the effective implementation of the Project, including support related to financial, technical, environmental matters as well as land acquisition and resettlement of Displaced Persons in accordance with the relevant operational policies of the Bank;

   (b) necessary counterpart resources including financial support to implement the Project are provided in a timely manner and satisfactory to the Bank; and

   (c) all works and services under the Project are carried out in a timely manner and in accordance with the relevant contractual instruments.
B. **Subsidiary Loan Agreement**

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to Vinh Phuc Province under a subsidiary loan agreement between the Borrower and Vinh Phuc PPC, under terms and conditions – including on-lending and repayment terms – acceptable to the Bank, which shall include the obligation of Vinh Phuc PPC to:

   (a) ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower;

   (b) ensure that the Project is carried out in accordance with the provisions of the Project Operations Manual, and except as the Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

   (c) ensure that the Project is carried out in accordance with the provisions of the Safeguard Instruments, and except as the Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

   (d) ensure that: (i) an acceptable financial management system is maintained and financial statements are prepared in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of Vinh Phuc Province, including the operations, resources, and expenditures related to the Project; and (ii) such statements are audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and such audited financial statements are furnished to the Borrower and the Bank and made publicly available in a timely fashion and in a manner acceptable to the Bank; and

   (e) ensure that procurement of the goods, works, and non-consulting and consultants' services required for the Project is carried out in accordance with the provisions of Section III of this Schedule 2, as said provisions may be further elaborated in the Procurement Plan.

2. The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan
Agreement or any of its provisions reflecting the terms and conditions acceptable to the Bank referred to in paragraph 1 of this Section I.B.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Project Operations Manual

1. The Borrower shall: (a) ensure that the Project is carried out in accordance with the Project Operations Manual; and (b) except as the Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of such Project Operations Manual and those of this Agreement, the latter shall govern.

E. Safeguards

1. The Borrower shall and shall cause Vinh Phuc PPC to:

   (a) take all necessary actions to avoid or minimize to the extent possible any involuntary relocation of persons, or their loss of shelter, assets, or access to assets, or loss of income sources or means of livelihood, temporarily or permanently; and

   (b) in the event that Project activities give rise to Displaced Persons, prior to the commencement of such activities, cause to be prepared, a Resettlement Action Plan (RAP), acceptable to the Bank, in accordance with the guidelines, requirements and procedures set forth in the Resettlement Policy Framework, and thereafter implement in a timely manner said RAP.

2. The Borrower shall and shall cause Vinh Phuc PPC to ensure that all land acquisition required for the purposes of carrying out works under the Project are financed exclusively out of its own resources, and shall provide, promptly as needed, the resources needed for these purposes, including: (a) all land acquisition required for the purposes of carrying out the Project; (b) resettlement and rehabilitation payments to Displaced Persons; and (c) all other costs associated with environmental and/or social mitigation measures set forth in the Safeguard Instruments.

3. The Borrower shall and shall cause Vinh Phuc PPC to:
(a) implement in a timely manner the Environmental and Social Management Plans in accordance with Environmental and Social Impact Assessment acceptable to the Bank, as the case may be;

(b) ensure that no civil works carried out under Parts 1 and 2 of the Project, shall commence unless and until the relevant Safeguards Instruments are furnished to the Bank and all requisite consultation and public disclosure activities have been carried out, all in a manner and form satisfactory to the Bank; and,

(c) ensure that technical assistance activities under Part 3 of the Project are undertaken in accordance with the guidelines, requirements and procedures set forth in the Safeguards Instruments and the relevant operational policies of the Bank.

4. The Borrower shall cause Vinh Phuc PPC to prepare Ethnic Minorities Development Plans (EMDPs), acceptable to the Bank, in accordance with the guidelines, requirements and procedures set forth in the Ethnic Minorities Development Policy Framework, and thereafter implement in a timely manner said EMDPs.

5. The Borrower shall cause Vinh Phuc PPC to prepare Dam Safety Instruments (DSIs), acceptable to the Bank, and thereafter implement in a timely manner the dam safety measures contained in said DSIs (and the plans included therein or developed thereunder as accepted by the Bank).

6. The Borrower shall and shall cause Vinh Phuc PPC to:

   (a) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the Safeguard Instruments or any provision of any one thereof, without the prior written agreement of the Bank; and

   (b) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Safeguard Instruments.

7. In case of any inconsistency between the provisions of any of the Safeguard Instruments and this Agreement, the provisions of this Agreement shall prevail.

8. Without limitation to the provisions of paragraph 1 of Section II.A of this Schedule 2, the Borrower shall cause the Vinh Phuc PPC to take all measures necessary on its part to regularly collect, compile, and submit to the Bank, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:

   (a) measures taken in furtherance of the Safeguards Instruments;
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and cause Vinh Phuc PPC to prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators acceptable to the Bank and as set forth in the Project Operations Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

2. No later than December 31, 2018, the Borrower shall, in conjunction with the Bank, carry out a mid-term review of the Project (the “Mid-term Review”), covering the progress achieved in the implementation of the Project. To this end, the Borrower shall cause Vinh Phuc PPC to prepare and furnish to the Bank not less than three (3) months prior to the beginning of the Mid-term Review, a report integrating the results of the Project’s monitoring and evaluation activities, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Borrower shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Bank to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objective of the Project.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause Vinh Phuc PPC to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause Vinh Phuc PPC to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Borrower shall cause Vinh Phuc PPC to have the Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the 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.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. National Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of National Competitive Bidding procedures subject to the additional procedures set out in the Annex to this Schedule.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than National Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) International Competitive Bidding; (b) Shopping; and (c) Direct Contracting.
C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. **Withdrawal of Loan Proceeds**

A. **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan 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 Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works for Parts 1 and 2 of the Project</td>
<td>91,324,000</td>
<td>85%</td>
</tr>
<tr>
<td>(2) Goods, Consultants' services, Non-consulting Services and Training and Workshops under the Project</td>
<td>49,221,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>375,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(4) Commitment Charge</td>
<td>1,200,000</td>
<td>Amount payable pursuant to Section 2.04 of this Agreement in accordance with Section 2.07 (c) of the General Conditions</td>
</tr>
<tr>
<td>(5) Interest on the Loan accrued on or before the last Payment Date immediately preceding the Closing Date.</td>
<td>7,880,000</td>
<td>Amount payable pursuant to Section 2.05 of this Agreement in accordance with Section 2.07 (c) of the General Conditions</td>
</tr>
<tr>
<td>(6) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>150,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2021.
ANNEX to SCHEDULE 2

National Competitive Bidding: Additional 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 20 on Open Bidding of the Borrower's Law on Procurement No. 43/2013/QH13 dated November 26, 2013 and related provisions necessary to effect the same; and (b) the Borrower’s Decree No. 63/2014/ND-CP Guiding Implementation of the Law on the Procurement dated June 26, 2014 (collectively, “National Procurement Laws”), subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (dated January 2011, revised July 2014) (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 Bank 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 Borrower’s country are eligible to bid in the Borrower’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 Borrower or Sub-Borrower.

Time for Bid Preparation

4. The time allowed for the preparation and submission of bids for large and/or complex packages 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

5. The standard bidding documents acceptable to the Bank shall be used.

Bid Opening and Bid Evaluation

6. Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received.

7. 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. No bid shall be eliminated from detailed evaluation on the basis of minor, non-substantive deviations. The evaluation of bidder's qualifications shall be conducted separately subsequent to the technical and commercial evaluation of the bid.

8. 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. 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.

9. No bid shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Bank'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 Borrower's updated estimated cost or available budget. All bids shall not be rejected or new bids solicited without the Bank's prior written agreement.

Complaints by Bidders and Handling of Complaints

11. The Borrower shall implement an effective and independent protest mechanism, acceptable to the Bank, allowing bidders to protest and have their protests handled in a timely manner.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1 Beginning October 1, 2024 through October 1, 2042</td>
<td>2.63 %</td>
</tr>
<tr>
<td>On April 1, 2043</td>
<td>2.69 %</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the
principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions


2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


4. "Dam Safety Instruments" means, collectively, the instrument acceptable to the Bank, referred to in Section I.E.5 of Schedule 2 to this Agreement, and approved or to be approved by Vinh Phuc PPC, including: (a) the dam safety reports, which present, analyse and make recommendations on: (i) all conditions that could have a bearing on the safety of the dam(s) and ancillary structures; (ii) the impact of a failure of the dam(s) or ancillary structure(s) due to extreme natural conditions, human error or structural error; and (iii) the present and the future institutional framework that is necessary to avoid or mitigate adverse dam safety conditions; (b) the plans for construction supervision and quality assurance; (c) the instrumentation plans; (d) the operations and maintenance plans; and (e) the emergency preparedness plans; all acceptable to the Bank.

5. "Displaced Person" means a person who, on account of implementation of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and "Displaced Persons" means, collectively, all such persons.

6. "Environmental and Social Impact Assessment" means the environmental impact assessment, acceptable to the Bank, approved by the Borrower's Ministry of Natural Resources and Environment in respect of the Project, pursuant to its Decision Number 520/ QD-BTNMT, dated March 11, 2016, and such term includes any annexes or schedules to such assessment.
7. "Environment and Social Management Plan" or "ESMP" means environmental and social management plan, to be agreed with the Bank and setting out mitigation, enhancement, monitoring, reporting and institutional measures, including capacity building through training, to eliminate any adverse environmental or social impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, in accordance with the provisions of the Environmental and Social Impact Assessment, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plans.

8. "Ethnic Minorities Development Plans" or "EMDPs" means the plans, acceptable to the Bank, referred to in Section I.E.4 of Schedule 2 to this Agreement, and approved or to be approved by Vinh Phuc PPC; which set forth measures designed to ensure that ethnic minority communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated for, as said EMDP may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.

9. "Ethnic Minorities Policy Framework" or "EMPF" means the framework, acceptable to the Bank, adopted by the Borrower’s Prime Minister pursuant to Letter Number 490/TTg-QHQT, dated March 24, 2016 and referred to in Section I.E.4 of Schedule 2 to this Agreement, which sets forth the policies and procedures to ensure that ethnic minority communities affected by the Project receive culturally appropriate social and economic benefits, and if any potential adverse effects on such communities are identified, measures to ensure their effects are avoided, minimized, mitigated, or compensated, as well as the preparation of EMDPs during the implementation of the Project, as said EMPF may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.


12. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated March 29, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines.
and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from
time to time in accordance with the provisions of said paragraphs.

13. "Project Operations Manual" means the manual referred to in Section I.D of
Schedule 2 to this Agreement and adopted by Vinh Phuc PPC pursuant to Letter
Number 1467/UBND-CN2 dated March 16, 2016 as amended and/or
supplemented from time to time, or any successor thereto.

14. "Project Steering Committee" means the committee established by Vinh Phuc PPC
pursuant to Decision Number 3246/QD-UBND dated November 7, 2014 and
Decision Number 914/QD-CT dated March 17, 2016, as amended and/or
supplemented from time to time, or any successor thereto.

15. "Resettlement Plans" means Vinh Phuc Province plans, acceptable to the Bank and
setting out detailed measures, covering those related to compensation payment and
support, including also mitigation, enhancement, monitoring, and institutional
measures, and capacity building through training, to carry out compensation,
support, resettlement, and livelihoods restoration of Displaced Persons, grievance
redress mechanisms and land acquisition for a site specific civil works under the
Project, in accordance with the provisions of the Resettlement Policy Framework,
as the same may be modified from time to time with the prior written agreement
of the Bank, and such term includes any annexes or schedules to such plans.

16. "Resettlement Policy Framework" means the framework, adopted by the
Borrower’s Prime Minister pursuant to Letter Number 490/TTg-QHQT dated
March 24, 2016, agreed with the Bank and setting out the principles, covering
those related to compensation payment and support, including also mitigation,
enhancement, monitoring, institutional measures, and capacity building through
training, to carry out compensation payment, support, resettlement, and livelihoods
restoration of any Displaced Persons, and guidelines and procedures for the
preparation of Resettlement Action Plan(s) that are required under the Project, as
the same may be modified from time to time with the prior written agreement
of the Bank, and such term includes any annexes or schedules to such framework.

17. "Safeguards Instruments" means, collectively, the Environmental and Social
Impact Assessment, the Environmental and Social Management Plan(s), the Social
Assessment Report, the Dam Safety Instruments, the Ethnic Minorities
Development Plan(s), the Ethnic Minorities Policy Framework, the Resettlement
Policy Framework, and the Resettlement Plan(s).

19. "Subsidiary Loan Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to Vinh Phuc PPC.

20. "Training and Workshops" means the reasonable costs of expenditure incurred by the Borrower, based on annual work plans and terms of reference acceptable to the Bank, in facilitating and conducting domestic and overseas training and workshop activities of the Project, including costs of training or workshop materials; honoraria; interpretation and translation; equipment and venue rental; lunches; and per diem, accommodation, and transportation for those attending the training or workshop; but excluding salary and salary supplements of Borrower's civil servants ("công chức" and "viên chức") and staff of the implementing agencies.

21. "Vinh Phuc Project Management Office" or "VPMO" means the office referred to in Section I.A.1 of Schedule 2 to this Agreement, established by Vinh Phuc PPC pursuant to Decision Number 1112/QD-CT dated March 29, 2016 as amended and/or supplemented from time to time, or any successor thereto.

22. "Vinh Phuc Provincial People's Committee" or "Vinh Phuc PPC" means the local government of Vinh Phuc Province, or any successor thereto.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

"Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the
Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."