2 August 2012

His Excellency Nguyễn Văn Bình  
Governor  
State Bank of Vietnam  
49 Ly Thái To, Hanoi  
Socialist Republic of Vietnam

And

Mr. Bùi Văn Mai  
General Secretary  
Vietnam Association of Certified Public Accountants  
1 Hang Chuoi, Hanoi  
Socialist Republic of Vietnam

Re: IDF Grant for Vietnam – Modernizing the Vietnam Association of Certified Public Accountants (“VACPA”) Project  
IDF Grant No. TF011743

Dear Sirs:

In response to the request for financial assistance made on behalf of Vietnam Association of Certified Public Accountants (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), for the benefit of the Socialist Republic of Vietnam (“Member Country”), a grant from the World Bank’s Institutional Development Fund (“IDF”) in an amount not to exceed three hundred and fifty thousand United States Dollars (U.S.$350,000) (“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.

The Member Country hereby confirms its support for, and its commitment to, the objectives of the Project and, to this end, hereby undertakes to take all the actions necessary or appropriate to enable the Recipient to carry out its obligation set forth in this Agreement, including, without limitation, the provision of funds, facilities, services or other resources required for that purpose, and all necessary measures required to enable the World Bank to visit the territory of the Member Country for purposes related to the Grant.

Please confirm your agreement to the foregoing by having an authorized official of the Member Country and 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World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 / INTERNATIONAL DEVELOPMENT ASSOCIATION

By Victoria Kwakwa
Country Director

AGREED:
SOCIALIST REPUBLIC OF VIETNAM

By
Authorized Representative
Name: LE MINH HUNG
Title: Deputy Governor
Date: 16 August 2012

AGREED:
VIETNAM ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

By
Authorized Representative
Name: LÊ VĂN MÃI
Title: General Secretary
Date: 2 August 2012

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
IDF Grant No. TF011743
ANNEX

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 further improve the quality of audit works performed by independent auditing firms by: (a) improving the capability of auditors through strengthening advanced member management and training capabilities, and (b) improving the quality of the audit processes of and reports issued by independent auditing firms through applying standardized quality assurance procedures of the VACPA.

The Project consists of the following parts:

(a) **Development of VACPA's Member Management Function:** provision of technical advisory services to develop and apply an improved VACPA's member management function; and carrying out of study tours to best practice professional bodies of certified public accountants.

(b) **Building of VACPA's Training Capability:** provision of technical advisory services to develop business cycles, procedures for training administration, and training curriculum and materials; and carrying out of training and workshops to strengthen VACPA's training capacity.

(c) **Building of VACPA's Standardized Quality Assurance Processes:** provision of technical advisory services and carrying out of training and workshops to develop processes and guidance for quality assurance.

(d) **Financial Audit:** provision of support for the carrying out of Project audit.

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 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 one month 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 goods, 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 goods and 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 Goods and Non-consulting Services.**

Goods and 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) **Quality-based Selection;** (B) **Least Cost Selection;** (C) **Selection based on Consultants' Qualifications;** (D) **Single Source Selection;** and (E) **Selection of Individual Consultants.**

(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, travel, and per diem</td>
<td>277,600</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Equipment, supplies, and materials</td>
<td>19,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training and workshops</td>
<td>53,400</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>350,000</strong></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, study tours, 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 authorized representative of Vietnam Association of Certified Public Accountants.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Vietnam Association of Certified Public Accountants  
1 Hang Chuoi  
Hanoi  
Socialist Republic of Vietnam  
Tel: 84-4-39724334  
Fax: 84-4-39724354

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

<table>
<thead>
<tr>
<th>Cable</th>
<th>Telex</th>
<th>Facsimile</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTBAFRAD</td>
<td>248423 (MCI)</td>
<td>1-202-477-6391</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>64145 (MCI)</td>
<td></td>
</tr>
</tbody>
</table>
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;”