

- 4608-VN 1214

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.
Washington, D.C. 20433
U.S.A.

(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

September 16, 2015

Mr. Nguyễn Văn Bình
Governor
State Bank of Vietnam
Hanoi
Socialist Republic of Vietnam

Dear Governor Bình,

**Re: Vietnam School Education Quality Assurance Program
Amendment to Financing Agreement
and Supplemental Letter on Performance Indicators
(Credit No. 4608-VN)**

We refer to the Financing Agreement (“Agreement”) dated August 21, 2009 between the Socialist Republic of Vietnam (“Recipient”) and the International Development Association (“Association”) and its attached Supplemental Letter on Performance Indicators (“Supplemental Letter”), for the Vietnam School Education Quality Assurance Program (“Program”). We further refer to a letter dated August 20, 2015 from Mr. Ha Hai An, Deputy Director General, State Bank of Vietnam, on behalf of the Recipient, requesting certain modifications to the Agreement.

We are pleased to inform you that the Association concurs with your request and to give effect to such request agrees to amend the Agreement and Supplemental Letter as follows:

1. The second paragraph of the preamble of the Agreement is amended to read as follows:

“WHEREAS the Recipient intends to seek from Belgium through the Directorate General of Development Cooperation (DGDC) a grant in an amount of five million Euros (€5,000,000); and from the United Kingdom of Great Britain and Northern Ireland through its Department of International Development (DFID) a grant in an amount of twelve million

Pounds Sterling (£12,000,000) to assist in the financing of the School Education Quality Assurance Program (“the Program”) on terms and conditions set for in an agreement or arrangement to be entered into between the Recipient and DGDC and DFID respectively (individually, a Co-financing Agreement, and collectively, the Co-financing Agreements); and”

2. Part C.2 of Schedule 1 to the Agreement is amended to read as follows:

“2. Carry out a program to assist Participating Provinces and their selected primary schools in implementing the FDS Program, including: (a) providing incremental recurrent expenditure support to selected primary schools through provision of School Education Grants and School Student Grants; (b) providing incremental teacher salaries support to BOETs for helping primary schools to transition from half-day schooling to full-day schooling; (c) providing technical assistance to Participating Provinces and their selected primary schools in implementing the FDS program, including planning, monitoring, and evaluation, and reporting; (d) providing learning materials to poor and ethnic minority students; (e) supporting community coordinators in their community mobilization campaigns; and (f) providing financial support for DOET’s staff of Participating Provinces for the planning, monitoring, evaluating and reporting of the Program.”

3. Paragraph 1 of Section III.C of Schedule 2 to the Agreement is amended to read as follows:

“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.”

4. Section III.D of Schedule 2 to the Agreement is amended to read as follows:

“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.”

5. The table under paragraph 2 of Section IV.A of Schedule 2 to the Agreement is amended to read as per Annex 1 to this letter, and such amendment shall be effective as of the date of the signing of the Amendment

6. Paragraph 2 of Section IV.B of Schedule 2 to the Agreement is amended to read as follows:

“2. The Closing Date is December 31, 2016”.

7. The Attachment to Schedule 2 on National Competitive Bidding Procedures is amended to read as per Annex 2 to this letter, and such amendment shall become effective as of the date of the signing of the Amendment.

8. Item (e) of the Definitions section of the Appendix to the Agreement is amended to read as follows:

“(e) “Co-financings” means, collectively, a grant in an amount of five million Euros (€5,000,000) from Belgium through the Directorate General for Development Cooperation (DGDC) and a grant in an amount of twelve million Pounds Sterling (£12,000,000) from the United Kingdom of Great Britain and Northern Ireland through its Department for International Development (DFID), assisting in financing the Program; and “Co-financing” means either of the Co-financings.”

9. Item (o) of the Definitions section of the Appendix to the Agreement is amended to read as follows, and such amendment is effective as of the date of the Agreement:

“(o) “Operating Costs” means the reasonable costs incurred by the Recipient’s implementing agencies responsible for Program implementation, on account of Program management, monitoring and evaluation, which expenditures would not have been incurred absent the Program, including costs for office supplies, repairs of equipment and vehicles, staff travel, rental of office space, fuel costs, communication costs and bank charges; but excluding the salary and salary supplements of the Recipient’s civil servants, with the exception of the allowance of the DOET’s staff of the Participating Provinces who are responsible for the planning, monitoring, evaluating and reporting of the Program.”

10. Item (p) of the Definitions section of the Appendix to the Agreement is amended to read as follows, and such amendment is effective as of the date of the Agreement.


“(p) “Participating Provinces” means the Recipient’s Provinces of Ha Giang, Cao Bang, Yen Bai, Lang Son, Son La, Lai Chau, Dien Bien, Lao Cai, Hoa Binh, Tuyen Quang, Bac Kan, Thanh Hoa, Nghe An, Quang Tri, Quang Nam, Quang Ngai, Ninh Thuan, Binh Thuan, Binh Phuoc, Gia Lai, Kon Tum, Dak Lak, Dak Nong, Lam Dong, Ben Tre, Tra Vinh, Dong Thap, Soc Trang, Vinh Long, Bac Lieu, Hau Giang, Ca Mau, An Giang, Kien Giang, Long An and Bac Giang, and any successors thereto; and a “Participating Province” means any of said Provinces, as such list may be amended from time to time by mutual agreement between the Recipient and the Association.”

11. The Annex on ‘Key Performance Indicators’ of the Supplemental Letter is hereby amended to read as per Annex 3 to this letter.

Except as specifically amended herein, all other provisions of the Agreement remain in full force and effect.

Please confirm your agreement with this amendment by countersigning, dating and returning to us the enclosed copy of this letter. Upon receipt by the Association of the countersigned copy of this letter, this amendment shall become effective as of the date of the countersignature.

Sincerely Yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
Victoria Kwakwa
Country Director for Vietnam
East Asia and Pacific Region

CONFIRMED:
SOCIALIST REPUBLIC OF VIETNAM

By: 

Name: NGUYEN THI HONG

Title: DEPUTY GOVERNOR

Date: October 13, 2015

ANNEX 1

Revised Disbursement Table

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Application for withdrawal submitted prior to the date of countersignature of this amendment letter		
(1) Eligible Expenditures under Parts A, B3, C3 of the Program (off-budget)		
(a) consulting services	1,730,062.84	100%
(b) training and workshops	2,000,772.85	100%
(2) Eligible Expenditures under Part D of the Program (off-budget)		
(a) consulting services	1,139,351.84	100%
(b) training and workshops	454,640.00	100%
(c) Operating Costs	597,670.58	100%
(3) Works under Part C1 of the Program (on-budget)	14,402,260.80	80%
(4) Training and workshops under Parts B1, B2, C2 of the Program (on-budget)	3,423,624.49	80%
(5) Eligible Expenditures under Part C2 of the Program (on-budget)		
(a) School Education Grants	2,002,370.71	80%
(b) Pupil's Welfare Grants	5,167,491.91	80%
(c) consulting services	896,959.23	80%
(d) teacher incremental salaries	253,806.75	40%
Application for withdrawal submitted on or after the date of countersignature of this amendment letter		
(6) Eligible Expenditures under Parts A, B3, C3 and D of the Program (off-budget)	3,096,994	100%
(7) Eligible Expenditures under Parts B1, B2, C1, C2 (with the exception of Teacher Incremental Salaries and School Grants) of the Program (on-budget)	22,449,543	100%
(8) Teacher incremental salaries under Part C2 (b) of the Program	355,791	50%
(9) School Grants under Part C2 (a) of the Program (on-budget)	27,428,660	100%
TOTAL AMOUNT	85,400,000	

ANNEX 2

National Competitive Bidding 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 Recipient's Law on Procurement No. 43/2013/QH13 dated November 26, 2013 and related provisions necessary to effect the same; and (b) the Recipient's Decree No. 63/2014/ND-CP dated June 26, 2014 Guiding Implementation of the Law on the Procurement (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 and 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 Association 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 Recipient's country are eligible to bid in the Recipient'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 Recipient or Sub-Recipient.

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 Association 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 Association'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 Recipient's updated estimated cost or available budget. All bids shall not be rejected or new bids solicited without the Association's prior written agreement.

Complaints by Bidders and Handling of Complaints

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

ANNEX 3

Key Performance Indicators

Program Year	Baseline	Year 1				Year 4							
School Year	2009-2010	2010-2011				2013-2014							
Level	N	P	D	S	N	P	D	S	N	P	D	S	
1	Grade 5 students achieving “Excellent” or “Good” in Vietnamese												
	a) General												
	b) Non-Kinh												
	c) Female												
	d) Urban												
	e) Rural												
2	Grade 5 students achieving “Excellent” or “Good” in Mathematics												
	a) General												
	b) Non-Kinh												
	c) Female												
	d) Urban												
	e) Rural												
3	Students completing Grade 5 as a proportion of total Grade 5 students												
	a) General												
	b) Non-Kinh												
	c) Female												
	d) Urban												
	e) Rural												
4	Students receiving 30 periods/week or more as a proportion of all students												
	a) General												
	b) Non-Kinh												
	c) Female												
	d) Urban												
	e) Rural												
5	Schools with 100% students receiving 30 periods/week or more as a proportion of all schools												
	a) General												
	b) Urban												
	c) Rural												
6	Proportion of classrooms meeting the “Level 4 standard” or higher												
	a) General												
	b) Urban												
	c) Rural												
7	Proportion of Grade 1 and Grade 2 Ethnic Minority students with LTAs												
	a) General												
	b) Urban												
	c) Rural												

Program Year	Baseline				Year 1				Year 4			
School Year	2009-2010				2010-2011				2013-2014			
Level	N	P	D	S	N	P	D	S	N	P	D	S
8	Teachers receiving training on effective use of increased instructional time as a proportion of all teachers											
	a) General											
	b) Non-Kinh											
	c) Female											
	d) Urban											
	e) Rural											
9	Head Teachers and school managers receiving training on FDS implementation as a proportion of all Head Teachers and school managers											
	a) General											
	b) Non-Kinh											
	c) Female											
	d) Urban											
	e) Rural											
1	FDS Roadmap ^a											