
GRANT NUMBER 0450-VIE (EF)

GRANT AGREEMENT
(Regional Malaria and Other Communicable Disease Threats Trust Fund)
(Second Greater Mekong Subregion Regional Communicable Diseases Control Project)
(Viet Nam Component)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 19 FEBRUARY 2016

VIE 41508

GRANT AGREEMENT
(Regional Malaria and Other Communicable Disease Threats Trust Fund)

GRANT AGREEMENT dated 19 February 2016 between SOCIALIST REPUBLIC OF VIET NAM ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a loan agreement dated 23 February 2011 between the Recipient and ADB ("ADB Loan Agreement"), ADB had agreed to make a loan to the Recipient from ADB's Special Funds resources in an amount in various currencies equivalent to seventeen million two hundred sixty-three thousand Special Drawing Rights (SDR17,263,000) for the purposes of the project described in Schedule 1 to the ADB Loan Agreement ("Initial Project");

(B) by grant agreements dated 8 December 2010 between the Lao People's Democratic Republic and ADB, and dated 27 January 2011 between the Kingdom of Cambodia and ADB ("ADB Grant Agreements"), ADB had agreed to make grants to the Lao People's Democratic Republic and the Kingdom of Cambodia from ADB's Special Funds resources in amounts of twelve million Dollars (\$12,000,000) and ten million Dollars (\$10,000,000) respectively for the purposes of the Project described in Schedule 1 to the respective ADB Grant Agreements;

(C) the Recipient has applied to the Regional Malaria and Other Communicable Disease Threats Trust Fund for a grant, to be administered by ADB, for the purposes of financing additional activities under the Initial Project as described in Schedule 1 to this Grant Agreement;

(D) the Lao People's Democratic Republic and the Kingdom of Cambodia have also applied to the Regional Malaria and Other Communicable Disease Threats Trust Fund for grants, to be administered by ADB, for the purposes of financing additional activities under the Initial Project as described in Schedule 1 to their respective Grant Agreements;

(E) by the ADB's Board Paper dated 9 December 2013 ("Board Paper"), the Regional Malaria and Other Communicable Disease Threats Trust Fund has been established within ADB, and ADB has agreed to administer, the grant provided for herein upon the terms and conditions set out in the Board Paper; and

(F) ADB has agreed to make the proceeds of the grant from the Regional Malaria and Other Communicable Disease Threats Trust Fund available to the Recipient upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of the Externally Financed Grant Regulations of ADB, dated 8 April 2009 ("Grant Regulations"), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Grant Agreement, the several terms defined in the Grant Regulations and ADB Loan Agreement have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Grant Agreement have the following meanings:

(a) "ADB Loan" means the loan provided for in the ADB Loan Agreement;
and

(b) "Project" means the additional activities under the Initial Project, as described in Schedule 1 to this Grant Agreement.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient a grant from the Regional Malaria and Other Communicable Disease Threats Trust Fund in the amount of two million five hundred thousand Dollars (\$2,500,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 2 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Grant in accordance with the provisions of Schedule 4 to the ADB Loan Agreement.

Section 3.04. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 31 December 2017 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 5 to the ADB Loan Agreement.

Section 4.02. (a) The Recipient shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with accounting principles acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report (which includes the auditors' opinion on the financial statements, use of the Grant proceeds and compliance with the financial covenants of this Grant Agreement as well as on the use of the procedures for imprest fund and statement of expenditures) and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

(c) The Recipient shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Recipient's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Recipient, unless the Recipient shall otherwise agree.

Section 4.03. The Recipient shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.04. The Recipient acknowledges and agrees that this Grant Agreement is entered into by ADB, not in its individual capacity, but as grant administrator for the Regional Malaria and Other Communicable Disease Threats Trust Fund. Accordingly, the Recipient agrees that (i) it may only withdraw Grant proceeds to the extent that ADB has received proceeds for the Grant from the Regional Malaria and Other Communicable

Disease Threats Trust Fund, and (ii) that ADB does not assume any obligations or responsibilities of the Regional Malaria and Other Communicable Disease Threats Trust Fund in respect of the Project or the Grant other than those set out in this Grant Agreement.

ARTICLE V

Suspension

Section 5.01. The following is specified as an additional event for suspension of the right of the Recipient to make withdrawals from the Grant Account for the purposes of Section 8.01(k) of the Grant Regulations: the ADB Loan Agreement shall have been suspended pursuant to the Loan Regulations.

ARTICLE VI

Effectiveness

Section 6.01. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of this Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VII

Miscellaneous

Section 7.01. The Governor of the State Bank of Vietnam is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

State Bank of Vietnam
47 – 49 Ly Thai To
Hanoi, Viet Nam

Facsimile Numbers:

(84-4) 38250-612
(84-4) 38258-385.

For ADB

Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

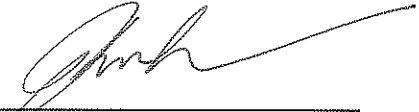
Facsimile Numbers:

(632) 636-2444
(632) 636-2331.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

SOCIALIST REPUBLIC OF VIET NAM

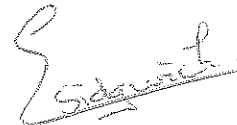
By



NGUYEN VAN BINH
Governor
State Bank of Vietnam

ASIAN DEVELOPMENT BANK

By



ERIC SIDGWICK
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The objective of the Project is timely and adequate control of communicable diseases likely to have a major impact on the region's public health and economy.
2. The Project shall comprise the following outputs. Detailed description of the Project Outputs is in the PAM.

Output 1: Enhanced Regional CDC Systems. Strengthening and harmonizing the national malaria programs.

Output 2: Improved CDC along Borders and Economic Corridors. Reinforcing and coordinating malaria program activities with local CDC programs to increase efficiency in case of detection and treatment management at village level.

Output 3: Integrated Project Management. Helping integrated Project management for national malaria programs' managers to ensure better coordination and complementarity, both at the central and local levels.

3. The Project is expected to be completed by 30 June 2017.

SCHEDULE 2**Allocation and Withdrawal of Grant Proceeds**General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Grant and the allocation of the Grant proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the Grant Account

2. Except as ADB may otherwise agree, the proceeds of the Grant shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Reallocation

3. Notwithstanding the allocation of Grant proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Recipient, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Grant allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Recipient, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Second Greater Mekong Subregion Regional Communicable Diseases Control Project)				
Number	Item	Total Amount Allocated for Second Greater Mekong Subregion Regional Communicable Diseases Control Trust Fund Financing (\$)		Basis for Withdrawal from the Grant Account
		Category	Subcategory	
1	Laboratory and Office Equipment	156,400		100% of total expenditure claimed
2	System Development	1,064,600		100% of total expenditure claimed
3	Training, Workshop, Fellowships	352,400		100% of total expenditure claimed
4	Community Mobilization	150,000		100% of total expenditure claimed
5	Consulting Services	145,000		100% of total expenditure claimed
6	Regional and Cross-border Activities	264,000		100% of total expenditure claimed
7	Project Management	211,000		100% of total expenditure claimed
8	Unallocated	156,600		
	Total	2,500,000		