

**Administration Agreement for the Australian Trust Fund for Mekong Transport
Infrastructure Development Project
(Trust Fund No. TF070752)**

**Article 1
Subject and amount of the Grant**

Section 1.01 (a) In pursuance of the Cofinancing and Trust Funds Framework Agreement between the Government of Australia ("Donor") and the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively the "Bank") dated June 2, 2004, and amended on December 14, 2004, (the "Framework Agreement"), I am pleased to inform you of the intention of the Donor to provide, for administration by the Bank, certain funds to be made available by the Donor to the Socialist Republic of Vietnam ("Recipient") for the financing of Part C of the Mekong Transport Infrastructure Development Project (Trust Fund No.70752) ("Mekong Project") described in the Annex hereto.

(b) The Donor has decided to contribute an amount not exceeding Thirty-three million Australian dollars (AUD33,000,000) ("Contribution") out of which an amount not exceeding Thirty-two million three hundred and forty thousand Australian dollars (AUD32,340,000) ("Grant") will be made available to the Recipient as a grant to assist the Recipient in implementing Part C of the Mekong Project.

(c) The Recipient has also requested the Bank to provide assistance towards the financing of the Mekong Project and the Bank has agreed to make available to the Recipient, a credit in the amount of one hundred thirty-seven million two hundred thousand Special Drawing Rights (SDR 137,200,000) ("Credit") pursuant to a Financing Agreement to be entered into between the Bank and the Recipient ("Financing Agreement").

Section 1.02 The terms of the Framework Agreement shall apply to the Contribution. The Bank shall administer the Contribution in accordance with the provisions of the Framework Agreement, except as otherwise provided herein.

Section 1.03 (a) The Grant shall be used exclusively for the activities described in Part C of the Mekong Project described in the Annex hereto, which Annex forms an integral part of this Agreement. The Grant shall be used to finance the following categories of expenditures:

Trust Fund No. TF070752

<u>Expenditure Category</u>	<u>Amount allocated (Expressed in AUD)</u>
(a) Civil works	25,160,520
(b) Consultants' services	2,263,800
(c) Goods	530,376
(d) Unallocated	4,385,304

Notwithstanding the foregoing, the Bank may reallocate the Grant funds between such categories of expenditure that are specified in this Administration Agreement in accordance with the Bank's applicable policies and procedures on reallocation, without the need to obtain Donor approval for any such reallocation.

(b) The Donor and the Bank have agreed to finance the cost of Part C of the Mekong Project, to be shared as follows: Donor: 33% and the Bank: 67%. Reimbursement to the Recipient of Eligible Expenditures (as defined in the Financing Agreement) under Part C of the Mekong Project will be shared between the Donor and the Bank as follows until the Grant funds are fully disbursed: Donor: 33% and the Bank: 67%.

(c) Pursuant to the provisions of the additional instructions to be issued by the Bank to the Recipient as provided in Schedule 2, Section IV, paragraph A.1 of the Financing Agreement, the Recipient may open a Pooled Designated Account ("Pooled Designated Account") in a financial institution acceptable to the Bank. The proceeds of the Grant and the Credit, allocated for the financing of Part C of the Mekong Project, will be disbursed into and commingled in the Pooled Designated Account. The initial deposit into and subsequent replenishment of the Pooled Designated Account will be financed by the Donor and the Bank as follows until the Grant funds are fully disbursed: Donor: 33% and the Bank: 67%.

Section 1.04 In addition to the financial reporting of the Grant to be provided pursuant to Section 11.01 of the Framework Agreement, the Bank shall provide an annual report on the activities financed by the Grant and a final report on the activities following the Completion Date.

Section 1.05 The Bank shall decide, in its sole discretion, on the enforcement of any provision in the Financing Agreement, and the Bank shall decide, in sole discretion, to declare that expenditures are ineligible for financing when expenditures are not made in accordance with the provisions of the Financing Agreement; or that a contract has been misprocured when procurement is not consistent with the provisions of the Financing Agreement. However, the Bank will promptly inform the Donor of any contractual remedy that is exercised by the Bank under the Grant Agreement and of any significant modification to the provisions of the Grant Agreement. To the extent practicable, the

Bank will afford the Donor the opportunity to exchange views before exercising any such remedy or effecting any such modification.

Article 2

Payment schedule and modalities

Section 2.01 The Donor shall deposit the Contribution funds with the Bank, upon request from the Bank, in IBRD's Cash Account "T"# 011-796208-042, Swift Bic Code: HKBAAU2SXXX, maintained with HSBC Bank Australia Ltd, HSBC Centre, Floor 11,580, George Street, Sydney, Australia in accordance with the following schedule:

- (a) Upon the signing of this Administration Agreement by both parties, the Donor shall make an initial deposit of five million Australian dollars (AUD5,000,000).
- (b) By no later than October 1, 2008, the Donor shall make a deposit of five million Australian dollars (AUD5,000,000).
- (c) By no later than October 1, 2009, the Donor shall make a deposit of six million three hundred thousand Australian dollars (AUD6,300,000).
- (d) By no later than April 1, 2010, the Donor shall make a deposit of six million Australian dollars (AUD6,000,000).
- (e) By no later than October 1, 2010, the Donor shall make a deposit of five million seven hundred thousand Australian dollars (AUD5,700,000).
- (f) By no later than April 1, 2011, the Donor shall make a deposit of five million Australian dollars (AUD5,000,000).

Section 2.02 When making such deposit, the Donor will instruct their bank to include in their payment details information (remittance advice) field of their SWIFT payment message, information indicating: the amount paid, that the payment is by Australia for *TF No. 70752 - Mekong Transport Infrastructure Development Project*, and the date of the deposit. In addition, the Donor will send a copy of their deposit instruction to the Bank's Trust Funds Accounting Division by e-mail to "tfremitadvice@worldbank.org" or by fax to (202) 614-1315.

Article 3

Completion date

Section 3.01 The Grant funds may be used to finance expenditures for Part C of the Mekong Project commencing on July, 30 2007 and ending on December 31, 2012. The Bank may make disbursements of the Grant funds for up to six (6) months after such latter date in accordance with the Bank's applicable policies and procedures.

Article 4 Cancellation

Section 4.01 Either party may, upon giving the other party three (3) months' prior written notice, cancel that part, if any, of the Grant funds provided under this Administration Agreement that the Bank has not committed prior to receipt of such notice under agreements entered into by the Bank with any third party, including any Grant Agreement. Upon such cancellation, and unless the parties hereto agree on another arrangement, the Bank shall credit the uncommitted balance of the Grant funds to the trust fund account specified in Section 9.03 of the Framework Agreement.

Article 5 Cooperation

Section 5.01 Representatives of the Donor shall be invited to participate in supervision missions relating to the Mekong Project. In addition to the reports to be provided pursuant to Section 1.04 of this Administration Agreement, the Bank shall provide to the Donor all reports relating to the Mekong Project that are furnished to the Bank by the Recipient pursuant to the Grant Agreement, including semi-annual progress reports and interim un-audited financial reports.

Article 6 Communications

Section 6.01 The offices responsible for coordination of all matters related to this Administration Agreement are:

For the Government of Australia:

Mekong Subregion Program Manager
Mekong Section
Australian Agency for International Development
GPO Box 887
Canberra ACT 2601
Australia

Tel: 612 62064000
Fax: 612 62064696

For the Bank:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

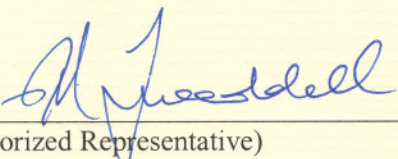
INDEVAS
Washington, D.C.

248423 (MCI) or
64145 (MCI)

(1-202) 477- 6391

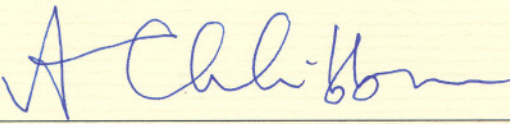
This Administration Agreement is drawn up in two originals, one for each party.
It may be amended only by written agreement of the parties hereto.

GOVERNMENT OF AUSTRALIA

By: 
(Authorized Representative)

Date: 28 . 03 . 08

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT
ASSOCIATION

By: 
(Authorized Representative)

Date: March 28, 2008

Annex

Project Description

The objective of the Project is to assist the Recipient in relieving key bottlenecks of the main transport corridors in the Mekong Delta region and improving access of the poor to those corridors.

The Project consists of the following parts:

PART A: National Road Corridors

Improving the standard of national trunk roads connecting to the main economic hub of the Mekong Delta, including:

1. Widening and upgrading selected national highways, constructing bridges, providing culverts and raising road levels in flood prone areas.
2. Providing technical assistance for engineering design and construction supervision related to the implementation of Part A.1 of the Project.

Part B: National Waterway Corridors

Improving the standard of trunk waterways connecting the northern and coastal delta areas to Can Tho City and Ho Chi Minh City, including:

1. Widening and deepening selected national waterways, establishing bank protection in selected areas, constructing ship locks, improving bridges and providing 24-hour aids to navigation.
2. Providing technical assistance for engineering design and construction supervision related to the implementation of Part B.1 of the Project.

Part C: Connecting the Poor to the Supply Corridors

Improving feeder waterways, roads, ports and landing stages at the district and provincial levels in the Project Provinces to link poorer and remotely located producer communities to the main supply corridors, including:

1. (a) Upgrading and rehabilitating secondary roads, constructing bridges and culverts, raising road levels in flood prone areas and providing erosion protection from neighboring waterways; and (b) widening and deepening canals, establishing bank protection, raising bridges and providing 24-hour aids to navigation.

2. Enhancing the infrastructure of provincial ports and rural landing stages, including: (a) construction of roads to provide access to said ports and construction of landing stages, new wharfs and storage areas; (b) rehabilitation of landing stages; and (c) provision of equipment.

3. Providing technical assistance for: (a) carrying out feasibility studies, engineering design and construction supervision related to implementation of Parts C.1, and C.2 of the Project; and (b) establishing a regional support center, based at the Southern Transport College in Can Tho City, to support the Project Provinces in Project implementation and to develop a training program for the improvement of technical and management skills of relevant government personnel in the implementation of the Project.

Part D: Institutional Support to Ministry of Transport

Providing institutional support to the Ministry of Transport, including:

1. Providing technical assistance to relevant departments within the Ministry of Transport for: (a) the development of appropriate policies and planning frameworks governing multi-modal transport; (b) building the technical capacity of relevant policy makers, managers and operators to better plan and manage multi-modal transport operations, and (c) development of a training program for foregoing activities.

2. Providing technical assistance to: (a) the Vietnam Inland Waterway Administration to improve the management of inland waterways (including reorganization, asset management and maintenance, and cost recovery); (b) port authorities at the Project Province level to improve port administration and management; and (c) develop a training program for the foregoing activities.

3. Carrying out the training programs developed under Parts C.3(b), D.1 and D.2 of the Project.

4. Providing technical assistance for carrying out independent Project audits, including integrated Project implementation audits and Project financial audits.

5. Providing technical assistance for the preparation of future transport projects to be implemented in the Red River Delta area.

Part E: Resettlement

Resettlement and rehabilitation of Displaced Persons in connection with the carrying out of the Project.