29 July 2008

Administration Agreement for the Australian Trust Fund for Co-financing of the Rural Distribution Project (TF No.071086)
AusAID Agreement 45877

Article 1
Subject and amount of the Grant

Section 1.01 In pursuance of the Cofinancing and Trust Funds Framework Agreement between the Government of Australia represented by the Australian Agency for International Development (AusAID) ("Donor") and the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively the "Bank") dated June 2, 2004 as amended on December 14, 2004 (the "Framework Agreement"), I am pleased to inform you of the intention of the Donor to make available a grant (the "Grant") of three million five hundred thousand Australian Dollars (AUD3,500,000), to be administered by the Bank for the co-financing of the Rural Distribution Project for the Socialist Republic of Vietnam ("the "Project") (TF No.071086).

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

Section 1.03 The Grant shall be used exclusively for the co-financing of Part B of the Project, Corporate Development of Power Companies, as described in the Annex hereto, which forms an integral part of this Agreement. In accordance with Article 9.01 of the Framework Agreement, the Bank may invest and reinvest the Grant pending its disbursement, in accordance with the Bank's policies and procedures for the investment of trust funds administered by the Bank.

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.

Article 2
Payment schedule and modalities

Section 2.01 The Donor shall deposit the Grant funds with the Bank, upon request from the Bank, in IBRD's Cash Account "T" (Account No. 011-796208-042; Swift Bic code: HKBAAU2SXXX) maintained with HSBC Bank Australia Ltd., at HSBC Centre, Floor 11, 580 George Street, Sydney, Australia, in accordance with the following schedule:

- upon confirmation by the Bank of this Administration Agreement	AUD1,000,000 to be transferred from the AusAID Balance Account (TF 029047) to the Cash Account "T"
- On or before September 30, 2009	AUD1,500,000
- On or before September 30, 2010	AUD1,000,000

Section 2.02 When making such deposit, the Donor shall instruct its bank to include in its payments details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by the Donor for TF No. 071086 (Trust Fund for Co-financing of the Rural Distribution Project), and the date of the deposit. In addition, the Donor shall provide a copy of the Donor's deposit instruction to the Bank's Accounting Trust Funds Division by email sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.

Article 3
Administrative Cost Recovery

Section 3.01 In order to assist in the defrayment of the costs of administration incurred by the Bank under this Agreement, in addition to the amount indicated in Section 9.02 of the Framework Agreement, the Bank may deduct from the Grant and retain for the Bank's own account an amount equal to AUD37,407 as set-up fee.

Article 4
Completion date

Section 4.01 The Grant funds may be used to finance expenditures for the Project commencing on the date of this Administration Agreement and ending on June 30, 2013. The Bank may make disbursements of the Grant funds for up to six (6) months after such latter date for expenditures incurred on or before such date, in accordance with the Bank's applicable policies and procedures.

Article 5
Cancellation

Section 5.01. 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 9.01 of the Framework Agreement.

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:

Ms Rebecca Gibb
Manager Mekong Subregional Program
Australian Agency for International Development (AusAID)
Australian Embassy
255 London Circuit,
Canberra ACT 2601

Tel: +612 6206 4656
Fax: +612 62064636
E-mail: rebecca.gibb@ausaid.gov.au

For the Bank:

Mr. Van Tien Hung
Task Team Leader
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63 Ly Thai To
Hanoi, Vietnam

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Fax: (84-4) 934 6597
E-mail: mvan@worldbank.org

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: ______________________
Richard Moore
Deputy Director General, Asia Division
Australian Agency for International Development
Date: Aug 22 2008

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ______________________
Authorized Representative

Date: JULY 31, 2008

ANNEX

Description of the Project (Credit No. 4444 -VN)

The objective of the Project is to improve the reliability and quality of medium voltage service to targeted retail electricity distribution systems within rural areas of Vietnam.

The Project consists of the following parts:

Part A: Improvement of Rural Distribution Systems

Carry out a program of construction, rehabilitation and/or strengthening of twenty-two, thirty-five and/or one hundred and ten kilovolt (22/ 35/ 110 kV) systems within the territories under the responsibility of the Participating Power Companies:

1. in the Northern Region of Vietnam;
2. in the Southern Region of Vietnam;
3. in the Central Region of Vietnam;
4. in the area of Hai Phong City;
5. in Hai Duong Province; and
6. in Dong Nai Province.

Part B: Corporate Development of Power Companies

Carry out a program of capacity building to enable Power Companies 1, 2 and 3 to act as independent participants in a reformed power market, including, inter alia, developing their financial management practices to act with greater autonomy, enhancing their capacity to forecast market development and undertake commercially-based investment decisions, strengthening performance monitoring systems, preparing them for further reforms of the power sector, and strengthening their capacity to formulate and review technical options and associated costs and financial planning and to carry out project planning and preparation.