
LOAN NUMBER 8739-VN

Project Agreement

(Vietnam Energy Efficiency for Industrial Enterprises Project)

among

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

JOINT STOCK COMMERCIAL BANK FOR INVESTMENT AND
DEVELOPMENT OF VIETNAM

and

JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM

Dated *August 18*, 2017

PROJECT AGREEMENT

Agreement dated *August 18*, 2017, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and JOINT STOCK COMMERCIAL BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM ("BIDV") and JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM ("VIETCOMBANK") (collectively, "Project Financial Institutions") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between SOCIALIST REPUBLIC OF VIETNAM ("Borrower") and the Bank. The Bank and the Project Financial Institutions hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Financial Institutions declare their commitment to the objectives of the Project. To this end, the Project Financial Institutions shall carry out Part 1 of the Project in accordance with the provisions of Article V of the General Conditions, and shall provide, promptly as needed, the funds, facilities, services and other resources required for their Respective Part of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Financial Institutions shall otherwise agree, the Project Financial Institutions shall carry out their Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.
- 2.03. An amendment to this Agreement affecting only the Respective Parts of the Project of one (1) Project Financing Institution may be agreed in writing between the World Bank and the relevant Project Financial Institution.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Financial Institutions' Representative is: (a) for BIDV, its General Director; and (b) for VIETCOMBANK, its Chairman of the Board of Directors.
- 3.02. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Facsimile:

1-202-477-6391

3.03. The Project Financial Institutions' Addresses are:

For BIDV:

Joint Stock Commercial Bank for Investment and
Development of Vietnam
BIDV Tower, 35 Hang Voi Street, Ly Thai To Ward,
Hoan Kiem District
Hanoi, Vietnam

Facsimile:

84-4-22200399

For VIETCOMBANK

Joint Stock Commercial Bank for Foreign Trade of Vietnam
198 Tran Quang Khai Street, Ly Thai To Ward
Hoan Kiem District
Hanoi, Vietnam

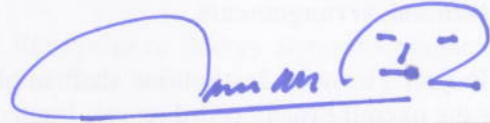
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84-4-38341395

AGREED at Hanoi, Socialist Republic of Vietnam, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



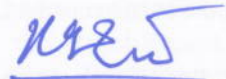
Authorized Representative

Name: Ouomane Dione

Title: Country Director

JOINT STOCK COMMERCIAL BANK FOR INVESTMENT
AND DEVELOPMENT OF VIETNAM

By



Authorized Representative

Name: LE NGOC LAM

Title: Deputy General Director of

JOINT STOCK COMMERCIAL BANK FOR FOREIGN
TRADE OF VIETNAM

By



Authorized Representative

Name: PHAM THANH HA

Title: Deputy CEO of VCB

SCHEDULE

Execution of the Project Financial Institutions' Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

The Project Financial Institutions shall implement their Respective Part of the Project under the overall Project coordination, implementation, and monitoring and evaluation of the Ministry of Industry and Trade. To this end, the Project Financial Institutions shall be responsible for the management, implementation, including administrative and financial management, disbursement, and procurement, and monitoring and evaluation of their Respective Part of the Project in accordance with the institutional arrangement set forth under this Agreement.

B. Anti-Corruption

The Project Financial Institutions shall ensure that their Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Subsidiary Loan Agreement

1. To facilitate the implementation of the Project, the Borrower shall make the proceeds of the Loan available to the Project Financial Institutions under a Subsidiary Loan Agreement between the Borrower, acting through its Ministry of Finance, and each of the Project Financial Institutions ("Subsidiary Loan Agreement") under terms and conditions acceptable by the Bank, for on-lending by the Project Financial Institutions to Industrial Enterprises or Energy Services Companies on terms and conditions set forth in Part D of this Section I.
2. The Project Financial Institutions shall exercise their rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purpose of the Loan. Except as the Bank shall otherwise agree, the Project Financial Institutions shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or any provision thereof.

D. Energy Efficiency Sub-Projects

1. For the purpose of Part 1 of the Project, the Project Financial Institutions shall:
 - (a) select, appraise and evaluate sub-project proposals to be financed by Energy Efficiency Sub-Loans and enter into Energy Efficiency Sub-Loan Agreements in accordance with the principles, eligibility criteria and procedures set forth in the Operations Manual, the Anti-Corruption Guidelines, the Safeguard Instruments and the provisions of this Part D;

- (b) monitor the execution of the Energy Efficiency Sub-Project by the Industrial Enterprise or Energy Service Company, as the case may be, in accordance with policies and procedures satisfactory to the Bank;
 - (c) bear all credit risk associated with the respective proceeds of the Loan provided to the Industrial Enterprise or Energy Service Company; and
 - (d) require each Energy Efficiency Industrial Enterprise or Energy Service Company, under the related Energy Efficiency Sub-Loan Agreement, to:
 - (i) carry out a feasibility study thereof providing evidence satisfactory to the Bank that the Energy Efficiency Sub-Project: (A) contributes to the fulfillment of the objectives of the Project; (B) meets applicable technical standards and best practices; (C) features in the Borrower-approved master plan for power sector development applicable at the time; (D) has been selected taking into account alternative designs and investments; and (E) has a certain economic rate of return as set forth in the Operations Manual;
 - (ii) prepare, adopt, and publicly disclose, as required pursuant to and in accordance with the Environmental and Social Management Framework, the Ethnic Minority Planning Framework, or the Resettlement Policy Framework, any Environmental Management Plan, Resettlement Plan, and/or Ethnic Minorities Development Plan for the Energy Efficiency Sub-Project;
 - (iii) obtain all necessary approvals, including environmental approvals from the relevant agencies of the Borrower, in accordance with the Borrower's applicable law, for the Energy Efficiency Sub-Project;
 - (iv) prepare financing, procurement, and implementation plans, in form and substance satisfactory to the Bank, for the Energy Efficiency Sub-Project;
 - (v) enable the Borrower and the Bank to inspect the Energy Efficiency Sub-Project, its operation and any relevant records and documents; and
 - (vi) prepare and furnish to the Borrower and the Bank all such information as the Borrower and the Bank shall reasonably request relating to the forgoing.
2. The Project Financial Institutions shall exercise its rights under the respective Energy Efficiency Sub-Loan Agreements in such manner as to protect the interests of the Bank and the Borrower and to accomplish the purposes of the Loan, and, except that the Bank shall otherwise agree, not assign, amend, abrogate or waive any such Agreements or any provision thereof.

E. Operations Manual

1. The Project Financial Institutions shall: (a) ensure that their Respective Part of the Project are carried out in accordance with the Operations Manual; and (b) except as the Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. In the event of a conflict between the provisions of such Operations Manual and those of this Agreement, the latter shall govern.

F. Annual Work Plans and Budgets

The Project Financial Institutions shall: (a) furnish to the Bank for approval as soon as available, but in any case not later than [November 30] of each year, an annual work plan and budget for their Respective Part of the Project for each subsequent year of implementation of the Project, of such scope and detail as the Bank shall have reasonably requested, except for the annual work plan and budget for the first year of Project implementation, which shall be furnished no later than [one (1) month] after the Effective Date; and (b) thereafter ensure that their Respective Part of the Project is carried out in accordance with such plan and budget as approved by the Bank.

G. Safeguards

1. The Project Financial Institutions shall ensure that their Respective Part of the Project is carried out in accordance with the provisions of the Safeguards Instruments, and, except as the Bank shall otherwise agree in writing, the Project Financial Institutions shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. In the event of a conflict between the provisions of any of such instruments and those of this Agreement, the latter shall govern.
3. The Project Financial Institutions shall ensure that all studies and technical assistance to be supported under the Project are carried out under terms of reference satisfactory to the Bank, and that such terms of reference are consistent with, and pay due attention to, the Bank's Safeguards.
4. Wherever required in terms of the Environmental and Social Management Framework, the Ethnic Minority Planning Framework, or the Resettlement Policy Framework, as the case may be, the Project Financial Institutions shall, and shall cause the respective Industrial Enterprise or Energy Service Company, for the purposes of any Energy Efficiency Sub-Project, and prior to implementation thereof, proceed to have an Environmental Management Plan, a Resettlement Plan, or an Ethnic Minorities Development Plan, as the case may be:
 - (a) prepared in form and substance satisfactory to the Bank;

- (b) except as otherwise agreed with the Bank, submitted to the Bank for review and approval; and
 - (c) thereafter, adopted and publicly disclosed.
- 5. The Project Financial Institutions shall cause the relevant Industrial Enterprise or Energy Service Company ensure that each contract for an Energy Efficiency Sub-Project includes the obligation of the respective contractor to implement and monitor and evaluate any Environmental Management Plan, Resettlement Plan, and Ethnic Minorities Development Plan (collectively referred to as "Plans" in this Section I.G), as the case may be.
- 6. The Project Financial Institutions shall take all measures necessary on its part to regularly collect, compile, and submit to the Bank, as part of the Project Reports, and promptly in a separate report whenever the circumstances warrant, information on the status of compliance with such Plans, giving details of:
 - (a) measures taken in furtherance of such Plans;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Plans; and
 - (c) remedial measures taken or required to be taken to address such conditions.
- 7. The Project Financial Institutions shall, and shall cause the relevant Industrial Enterprise or Energy Service Company, be responsible for the oversight of implementation of the Safeguards Instruments in their respective geographical areas of coverage, and preparation and adoption as applicable, implementation, and monitoring and evaluation of all such instruments in their respective geographical areas of coverage.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Financial Institutions shall monitor and evaluate the progress of their Respective Part of] the Project and prepare Project Reports for their Respective Part of the Project in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators set forth in the Operations Manual. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Borrower not later forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.
2. The Project Financial Institutions shall provide to the Borrower not later than three (3) months, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

B. Midterm Review

The Project Financial Institutions shall:

- (a) carry out jointly with the Bank and the Borrower, not later than thirty-six (36) months, or such other period as may be agreed with the Bank, after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators acceptable to the Bank. Such review shall include an assessment of the following: (i) overall progress in implementation; (ii) results of monitoring and evaluation activities; (iii) progress on procurement and disbursement; (iv) progress on implementation of safeguards measures; and (v) implementation arrangements.
- (b) prepare and furnish to the Borrower and the Bank, at least one (1) month before such review, a report, in scope and detail satisfactory to the Bank and integrating the results of the monitoring and evaluation activities performed pursuant to Part A.1 of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
- (c) review jointly with the Bank and the Borrower the report referred to in the preceding paragraph and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of such report and the Bank's and the Borrower's views on the matter.

C. Financial Management, Financial Reports and Audits

1. The Project Financial Institutions shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Financial Institutions, including the operations, resources and expenditures related to their Respective Part of the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Financial Institutions shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for their Respective Part of Project covering the semester, in form and substance satisfactory to the Bank.
3. The Project Financial Institutions shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Financial Institutions. The Project Financial Institutions shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works and services required for the Project Financial Institutions' Respective Part of the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.