KB5795

Hanoi, March 20, 2026

Sir,

I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Socialist Republic of Viet Nam concerning a Japanese loan to be extended with a view to promoting the economic stabilisation and development efforts of the Socialist Republic of Viet Nam:

1. A loan in Japanese yen up to the amount of fifty billion yen (¥50,000,000,000) (hereinafter referred to as "the Loan") will be extended, as the Program Loan for Green Transformation toward Green Growth and Climate Resilience, in accordance with the relevant laws and regulations of Japan, to the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam by the Japan International Cooperation Agency (hereinafter referred to as "JICA") to support the Government of the Socialist Republic of Viet Nam in its programme for Green Transformation toward Green Growth and Climate Resilience (hereinafter referred to as "the Programme").

2. (1) The Loan will be made available by a loan agreement to be concluded between the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam and JICA. The terms and conditions of the Loan as well as the procedures for its utilisation will be governed by the said loan agreement, within the scope of the present understanding, which will contain, *inter alia*, the following principles:

(a) The repayment period will be ten (10) years after the grace period of five (5) years;

Mr. Tran Quoc Phuong
Deputy Minister of Finance of
the Socialist Republic of Viet Nam

(b) The rate of interest will be one point five per cent (1.5%) per annum; and

(c) The disbursement period will be two (2) years after the date of coming into force of the said loan agreement.

(2) The disbursement period mentioned in sub-paragraph (1)(c) above may be extended with the consent of the authorities concerned of the two Governments.

3. (1) The Loan will be made available to cover budget expenditures to be made by the competent authorities of the Government of the Socialist Republic of Viet Nam, except those for such products as will be enumerated in a list to be mutually determined between the authorities concerned of the two Governments.

(2) The list mentioned in sub-paragraph (1) above may be modified by arrangement between the authorities concerned of the two Governments.

4. The Government of the Socialist Republic of Viet Nam shall take measures to have the equivalent amount of yen disbursements of the Loan transferred to the state budget account opened in the name of the Government of the Socialist Republic of Viet Nam. The amount thus transferred shall be included in the state budget of the Government of the Socialist Republic of Viet Nam, and shall be used to promote the economic stabilisation and development efforts of the Socialist Republic of Viet Nam.

5. The Government of the Socialist Republic of Viet Nam shall exempt JICA from all fiscal levies and taxes imposed in the Socialist Republic of Viet Nam on and/or in connection with the Loan as well as interest accruing therefrom.

6. The Government of the Socialist Republic of Viet Nam shall take necessary measures to ensure that the Loan is used properly and exclusively for the budget expenditures mentioned in sub-paragraph (1) of paragraph 3, and is not utilised for military purposes.

7. While ensuring fair treatment of sources of information and data, the Government of the Socialist Republic of Viet Nam shall, upon request, furnish the Government of Japan and JICA with:

(a) information and data concerning the use of the Loan and the progress of the implementation of the Programme; and

(b) any other information, including information on corrupt practice, related to the Loan and the Programme.

8. The two Governments shall consult with each other with respect to any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and your Note in reply confirming on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding shall constitute an agreement between the two Governments, which shall enter into force on the date of your Note in reply.

I avail myself of this opportunity to renew to you the assurance of my highest consideration.

ITO Naoki
Ambassador Extraordinary and
Plenipotentiary of Japan
to the Socialist Republic of Viet Nam

Hanoi, March 20, 2026

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Socialist Republic of Viet Nam concerning a Japanese loan to be extended with a view to promoting the economic stabilisation and development efforts of the Socialist Republic of Viet Nam:

1. A loan in Japanese yen up to the amount of fifty billion yen (¥50,000,000,000) (hereinafter referred to as "the Loan") will be extended, as the Program Loan for Green Transformation toward Green Growth and Climate Resilience, in accordance with the relevant laws and regulations of Japan, to the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam by the Japan International Cooperation Agency (hereinafter referred to as "JICA") to support the Government of the Socialist Republic of Viet Nam in its programme for Green Transformation toward Green Growth and Climate Resilience (hereinafter referred to as "the Programme").

2. (1) The Loan will be made available by a loan agreement to be concluded between the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam and JICA. The terms and conditions of the Loan as well as the procedures for its utilisation will be governed by the said loan agreement, within the scope of the present understanding, which will contain, *inter alia*, the following principles:

His Excellency
Mr. ITO Naoki
Ambassador Extraordinary and Plenipotentiary of Japan
to the Socialist Republic of Viet Nam

(a) The repayment period will be ten (10) years after the grace period of five (5) years;

(b) The rate of interest will be one point five per cent (1.5%) per annum; and

(c) The disbursement period will be two (2) years after the date of coming into force of the said loan agreement.

(2) The disbursement period mentioned in sub-paragraph (1)(c) above may be extended with the consent of the authorities concerned of the two Governments.

3. (1) The Loan will be made available to cover budget expenditures to be made by the competent authorities of the Government of the Socialist Republic of Viet Nam, except those for such products as will be enumerated in a list to be mutually determined between the authorities concerned of the two Governments.

(2) The list mentioned in sub-paragraph (1) above may be modified by arrangement between the authorities concerned of the two Governments.

4. The Government of the Socialist Republic of Viet Nam shall take measures to have the equivalent amount of yen disbursements of the Loan transferred to the state budget account opened in the name of the Government of the Socialist Republic of Viet Nam. The amount thus transferred shall be included in the state budget of the Government of the Socialist Republic of Viet Nam, and shall be used to promote the economic stabilisation and development efforts of the Socialist Republic of Viet Nam.

5. The Government of the Socialist Republic of Viet Nam shall exempt JICA from all fiscal levies and taxes imposed in the Socialist Republic of Viet Nam on and/or in connection with the Loan as well as interest accruing therefrom.

6. The Government of the Socialist Republic of Viet Nam shall take necessary measures to ensure that the Loan is used properly and exclusively for the budget expenditures mentioned in sub-paragraph (1) of paragraph 3, and is not utilised for military purposes.

7. While ensuring fair treatment of sources of information and data, the Government of the Socialist Republic of Viet Nam shall, upon request, furnish the Government of Japan and JICA with:

(a) information and data concerning the use of the Loan and the progress of the implementation of the Programme; and

(b) any other information, including information on corrupt practice, related to the Loan and the Programme.

8. The two Governments shall consult with each other with respect to any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and your Note in reply confirming on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding shall constitute an agreement between the two Governments, which shall enter into force on the date of your Note in reply. "

I have further the honour to confirm on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding and to agree that Your Excellency's Note and this Note in reply shall constitute an agreement between the two Governments, which shall enter into force on the date of this Note in reply.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

Tran Quoc Phuong
Deputy Minister of Finance of
the Socialist Republic of Viet Nam