# Financing Agreement

dated

18 November, 2014

between

**KfW, Frankfurt am Main**

("KfW")

and the

**Government of the Socialist Republic of Viet Nam**

("Recipient")

represented by the

**Ministry of Agriculture and Rural Development**

for

EUR 8,000,000.00

**- Protection and Inclusive Management of Forest Ecosystems in Quang Nam, Kontum and Gia Lai Provinces -**

On the basis of an agreement still to be concluded between the Government of the Federal Republic of Germany and the Government of the Socialist Republic of Viet Nam on Financial Cooperation ("Government Agreement"), the Recipient and KfW hereby enter into the following Financing Agreement:

## Article 1

Amount and Purpose of the Financial Contribution

1.1 KfW shall extend to the Recipient a financial contribution not exceeding

EUR 8,000,000.00.

This financial contribution shall not be repayable unless otherwise stipulated in Article 3.2.

1.2 The Recipient shall use the financial contribution exclusively for "Protection and Inclusive Management of Forest Ecosystems in Quang Nam, Kontum and Gia Lai Provinces" ("Project"), and primarily to finance the foreign exchange costs. The Recipient and KfW shall determine the details of the Project and the goods and services to be financed from the financial contribution by a separate agreement.

1.3 Taxes and other public charges to be borne by the Recipient and import duties shall not be financed from the financial contribution.

## Article 2

Disbursement

2.1 KfW shall disburse the financial contribution in accordance with the progress of the Project and upon request of the Recipient. By a separate agreement, the Recipient and KfW shall determine the disbursement procedure, in particular the evidence proving that the requested funds are used for the stipulated purpose.

2.2 KfW shall have the right to refuse to make disbursements after December 31, 2019.

## Article 3

Suspension of Disbursements and Repayment

3.1 KfW may not suspend disbursements unless

a) the Recipient or the Socialist Republic of Viet Nam fails to perform its obligations to KfW to make payments when due,

b) obligations under this Agreement or under separate agreements pertinent to this Agreement have been violated,

c) the Recipient is unable to prove that the disbursed amounts have all been used for the stipulated purpose, or

d) extraordinary circumstances arise that preclude or seriously jeopardize the implementation, the operation, or the purpose of the Project.

3.2 If any of the situations specified in Article 3.1 b) or c) has occurred and has not been eliminated within a period determined by KfW, which shall, however, be at least 30 days, KfW may,

a) in the case of Article 3.1 b), demand the immediate repayment of all disbursed amounts;

b) in the case of Article 3.1 c), demand the immediate repayment of such amounts as the Recipient is unable to prove to have been used for the stipulated purpose.

## Article 4

Costs and Public Charges

The Recipient shall bear all taxes and other public charges accruing outside the Federal Republic of Germany in connection with the conclusion and execution of this Agreement, as well as all transfer and conversion costs accruing in connection with the disbursement of the financial contribution.

## Article 5

Contractual Statements and Power of Representation

5.1 The Minister of Agriculture and Rural Development of the Socialist Republic of Viet Nam and such persons as designated by him or her to KfW and authorised by specimen signatures authenticated by him or her shall represent the Recipient in the execution of this Agreement. The power of representation shall not expire until its express revocation by the representative of the Recipient authorised at the time has been received by KfW.

5.2 Amendments or addenda to this Agreement and any notices and statements delivered by the contracting parties under this Agreement shall be in writing. The amendments or addenda shall form an integral part of this Agreement. Any such notice or statement shall have been received once it has arrived at the following address of the corresponding contracting party or at such other address of the corresponding contracting party as notified to the other contracting party:

| | |
|---|---|
| For KfW: | KfW<br>LEc4<br>Postfach 11 11 41<br>60046 Frankfurt am Main<br>Federal Republic of Germany<br>Fax: +49 69 7431-2944 |
| For the Recipient: | Ministry of Agriculture and Rural Development (MARD)<br>2 Ngoc Ha Street<br>Ba Dinh Hanoi<br>Socialist Republic of Viet Nam<br>Fax: +84 4 3733 0752 |

## Article 6

The Project

6.1 The Recipient shall

a) prepare, implement, operate and maintain the Project in conformity with sound financial and engineering practices and substantially in accordance with the Project conception agreed upon between the Recipient and KfW;

b) assign the preparation and supervision of construction of the Project to independent, qualified consulting engineers, and the implementation of the Project to qualified firms;

c) award the contracts for the goods and services to be financed from the financial contribution according to the regulations determined in the separate agreement to this Agreement;

d) ensure the full financing of the Project and, upon request of KfW, furnish to KfW evidence proving that the costs not paid from this financial contribution are covered;

e) maintain, or cause to be maintained, books and records unequivocally showing all costs of goods and services required for the Project and clearly identifying the goods and services financed from this financial contribution;

f) enable the representatives of KfW at any time to inspect said books and records and any and all other documentation relevant to the implementation and the operation of the Project, and to visit the Project and all installations related thereto;

g) furnish to KfW any and all such information and reports on the Project and its further progress as KfW may reasonably request; and

h) of its own accord promptly inform KfW of any and all circumstances that preclude or seriously jeopardize the implementation, the operation, or the purpose of the Project.

6.2 The Recipient and KfW shall determine the details pertinent to Article 6.1 by a separate agreement.

6.3 For the transport of the goods to be financed from the financial contribution, the provisions of the Government Agreement, which are known to the Recipient, shall apply.

## Article 7

Miscellaneous Provisions

7.1 The Recipient shall ensure that the persons charged by the same with the preparation and implementation of the project, the award of any contract for the supplies and services to be financed and with requesting disbursements of financial contribution amounts do not demand, assume, render, grant, promise or obtain a promise of unlawful payments or other advantages in connection with these tasks.

7.2 If any of the provisions of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting therefrom shall be filled by a provision consistent with the purpose of this Agreement.

7.3 The Recipient may not assign or transfer, pledge or mortgage any claims from this Agreement.

7.4 This Agreement shall be governed by the law of the Federal Republic of Germany. The place of performance shall be Frankfurt am Main.

7.5 The legal relations established by this Agreement between KfW and the Recipient shall terminate with the end of the useful life of the Project, but not later than 15 years after the signing of this Agreement.

7.6 This Financing Agreement shall not enter into force until the Government Agreement on which it is based has entered into force.

Done in two originals in the English language.

Hanoi,
this November 18, 2014

Government of the
Socialist Republic of Viet Nam
represented by the
Ministry of Agriculture and Rural Development

Frankfurt am Main,
this

KfW

