LOAN NUMBER 9582-VN

Loan Agreement

(Nghe An Province's Vinh City Priority Infrastructure and Urban Resilience Development Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN NUMBER 9582-VN

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower the amount of one hundred twenty-nine million six hundred thousand Dollars ($129,600,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are January 15 and July 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause Nghe An PPC to carry out the Project, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV— EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is the Minister, or Vice Minister, of the Ministry of Finance.

5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Ministry of Finance
28 Tran Hung Dao
Ha Noi, Viet Nam; and

(b) the Borrower's Electronic Address is:

Facsimile:
(84-24) 2220 8020

5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED as of the Signature Date.

SOCIALIST REPUBLIC OF VIET NAM

By _____
Authorized Representative

Name: Vo Thanh Hung

Title: Vice - Minister of Finance

Date: 02 August 2024

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By _____
Authorized Representative

Name: Mariam Sherman

Title: Country Director for Vietnam, Cambodia & Lao PDR

Date: 02 August 2024.

SCHEDULE 1

Project Description

The objective of the Project is to reduce flood risk in the core urban area, strengthen capacity for urban resilience management and support development of integrated infrastructure in Vinh City.

The Project consists of the following parts:

Part 1: Integrated Drainage, Environmental Sanitation and Connectivity Investments

1.1. *Integrated Secondary and Tertiary Sewer Improvement:* (a) Upgrading existing and constructing new sewers; (b) upgrading associated facilities of existing drainage pumping stations; (c) installing real-time monitoring equipment in the Hung Hoa Wastewater Treatment Plant; and (d) installing equipment for Vinh City's early warning system.

1.2. *Resilient Road Connectivity Improvement.* Constructing or upgrading selected road links and associated wastewater and drainage system improvements.

Part 2: Expansion of Water Storage Capacity

2.1. *Hung Hoa 2 Regulation Lake.* Constructing a new Hung Hoa 2 regulation lake; rehabilitating connecting channels to the existing Hung Hoa 1 regulation lake; and developing green public spaces around the new regulation lake.

2.2. *Hoi Chua Drainage Pumping Station.* Constructing a drainage pumping station at the existing Hoi Chua discharge sluice gate.

Part 3: River Improvements and Upgrades

Upgrading selected sections of the riverbank of the Vinh river through: (a) dredging, slope protection improvements, and embankment strengthening; (b) constructing intercepts for wastewater collection; and (c) developing green public spaces along the riverbank of the Vinh river.

Part 4: Systems and Capacity Development

4.1. *Integrated Flood Risk Management System Development:* (a) Creating and calibrating a hydraulic model for flood forecasting and early warning scenarios; (b) developing a protocol for operating sluice gates for predicted extreme conditions and an early warning system for potential flooding events; (c) establishing a framework and information system for improving operations and maintenance of the flood control structures; and (d) improving flood risk management capacity.

4.2. *Project Implementation Support.* Supporting: (a) completion of detailed design of Project activities and preparation of associated bidding documents; (b) contract management and construction supervision; (c) environmental and social risk management and monitoring;

(d) monitoring and evaluation activities; (e) financial audits; (f) technical audits; (g) house connection programming and management; and (h) other day-to-day Project management and implementation support activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower shall cause Nghe An PPC to maintain, throughout the period of implementation of the Project, a Project Management Unit with composition, powers, functions, staffing, facilities and other resources acceptable to the Bank, responsible for: (i) planning and managing the implementation of the Project, including, procurement, financial management, implementation of the environmental and social instruments; (ii) ensuring coordination among all relevant departments and agencies; and (iii) monitoring and reporting on all Project activities.

2. Notwithstanding the provision of paragraph 1 of this Section I.A, the Borrower shall cause Nghe An PPC to, not later than one (1) month prior to the signing of the first contract for works under the Project, recruit, and thereafter retain a construction supervision consultant to support the functions of Project Management Unit, with terms of reference acceptable to the Bank as further detailed in the Project Implementation Plan.

B. Subsidiary Agreement.

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to Nghe An PPC under a subsidiary agreement between the Borrower and Nghe An PPC under the same terms and conditions as shall have been received from the Bank and in accordance with the provisions of this Agreement and the Borrower's on-lending policies and regulations ("Subsidiary Agreement").

2. Notwithstanding the provisions of paragraph 2 above, in the event that the on-lending policies and regulations of the Borrower as relevant or applicable to the Subsidiary Agreement are inconsistent with this Agreement, the provisions of this Agreement shall govern. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.

C. Annual Work Plans and Project Implementation Plan

1. The Borrower shall cause Nghe An PPC to: (a) prepare and furnish to the Bank by January 15 in each year during the implementation of the Project, a draft Annual Work Plan for review and comment; (b) taking into account the Banks's comments, finalize and furnish to the Bank no later than February 15 in each year, during the implementation of the Project, the Annual Work Plan, acceptable to the Bank; (c) thereafter ensure the implementation of the Project during the following calendar year in accordance with the agreed Annual Work Plan and in a manner acceptable to the Bank; and (d) except as the Bank shall otherwise agree in writing, not amend, suspend, abrogate, or waive said Annual Work Plans or any provision thereof.

2. Throughout the implementation of the Project, the Borrower shall cause Nghe An PPC to carry out the Project in accordance with the Project Implementation Plan in a timely and efficient manner acceptable to the Bank, and except as the Bank shall otherwise agree in writing, not amend, suspend, or waive said Project Implementation Plan or any provision or schedule thereof. In the event of any inconsistency between the provisions of the Project Implementation Plan and those of this Agreement, the provisions of this Agreement shall prevail.

D. Environmental and Social Standards.

1. The Borrower shall cause Nghe An PPC to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Borrower shall cause Nghe An PPC to ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower shall cause Nghe An PPC to ensure that:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;

   (b) sufficient funds are available to cover the costs of implementing the ESCP;

   (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and

   (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Borrower shall cause Nghe An PPC to ensure that:

   (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

(b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Borrower shall cause Nghe An PPC to establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

6. The Borrower shall cause Nghe An PPC to ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring Reporting and Evaluation

1. The Borrower shall cause Nghe An PPC to furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

2. The Borrower shall cause Nghe An PPC to carry out jointly with the Bank, not later than thirty (30) months after the Effective Date, or such other period as may be agreed by the Bank, a midterm review to assess the status of Project implementation, as measured against the performance indicators set forth in the Project Implementation Plan. Such review shall include an assessment of: (i) the progress in implementation; (ii) the results of monitoring and evaluation activities; (iii) the progress on procurement and disbursement; (iv) compliance with environmental and social requirements; (v) adequacy of implementation arrangements; and (vi) the need to make any adjustments to the Project to improve performance.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (exclusive of Taxes)
(1) Goods and works for the Project	129,600,000	100%
TOTAL AMOUNT	**129,600,000**	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.

2. The Closing Date is November 30, 2029.

SCHEDULE 3

Disbursement-Linked Amortization Repayment Schedule – Level Repayment

1. Subject to the provisions of Section 3.03 of the General Conditions, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each January 15 and July 15, the first installment to be payable on the thirteenth (13th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the fiftieth (50th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to 2.63% of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.

2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after July 15, 2054, the Borrower shall also pay on such date the aggregate amount of all such installments.

3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

APPENDIX

Definitions

1. "Annual Work Plans" means each of the annual plans for the Project to be duly prepared and adopted by Nghe An PPC (within the limits of its statutory authority as established by the Borrower's regulatory framework) as provided for in Section I.C.1 of Schedule 2 to this Agreement, which plan shall set forth the implementation progress of the Project for the previous year and the Project activities to be undertaken in the following calendar year, including the proposed annual budget for the Project; as the same may be amended from time to time by Nghe An PPC (within the limits of its statutory authority as established by the Borrower's regulatory framework) with the prior written agreement of the Bank.

2. "Anti-Corruption Guidelines" means, for purposes of paragraph 6 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

4. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated June 22, 2023, and adopted by Nghe An PPC (within the limits of its statutory authority as established by the Borrower's regulatory framework), as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall cause Nghe An PPC to carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

5. "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard 8: Cultural Heritage"; (ix) "Environmental and Social Standard 9: Financial Intermediaries"; and (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Bank.

6. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing", dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).

7. "Hung Hoa Wastewater Treatment Plant" means the existing wastewater treatment plant in Vinh City's Hung Hoa ward.

8. "Nghe An PPC" means the provincial people's committee of Nghe An Province.

9. "Nghe An Province" means the Borrower's province of the same name, or any successor thereto.

10. "Procurement Regulations" means, for purposes of paragraph 84 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.

11. "Project Implementing Entity" means Nghe An PPC.

12. "Project Implementation Plan" means the overall implementation plan for the Project dated June 14, 2023, acceptable to the Bank, prepared and adopted by Nghe An PPC (within the limits of its statutory authority as established by the Borrower's regulatory framework) for Project implementation, which sets forth detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement; (d) environmental and social risks and impacts management; (e) monitoring and evaluation, reporting and communication; (f) an integrity action plan; (g) performance indicators; and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; as the same may be amended from time to time by Nghe An PPC (within the limits of its statutory authority as established by the Borrower's regulatory framework) with the prior written agreement of the Bank, and such term includes any annexes or schedules or amendments to such plan.

13. "Project Management Unit" means the unit established and maintained by Nghe An PPC, in accordance with the Section I.A.1 of Schedule 2 to this Agreement, and any successor thereto.

14. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.

15. "Vinh City" means Nghe An Province's city of the same name, or any successor thereto.