CREDIT NUMBER 4564-VN

Financing Agreement

(Renewable Energy Development Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 16, 2009

CREDIT NUMBER 4564 -VN

FINANCING AGREEMENT

AGREEMENT dated June 16, 2009 entered into between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred thirty-six million nine hundred thousand Special Drawing Rights (SDR 136,900,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are April 1 and October 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Industry and Trade and the Participating Banks in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) any action has been taken for the dissolution, disestablishment or suspension of operations of a Participating Bank;

(b) a Participating Bank has ceased to exist in the same legal form as that prevailing as of the date of its Subsidiary Agreement with the Recipient;

(c) in the opinion of the Association, the legal character, ownership or control of a Participating Bank has changed from that prevailing as of the date of its Subsidiary Agreement with the Recipient so as to materially and adversely affect its ability to perform any of its obligations arising under or entered into pursuant to said Subsidiary Agreement, or to achieve the objectives of the Project; or

(d) the Association or the Bank has declared a Participating Bank ineligible to receive proceeds of credits or grants made by the Association or of loans made by the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that said Participating Bank has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a credit or grant made by the Association or of a loan made by the Bank.

4.02. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is September 30, 2010.

4.03. The Additional Event of Acceleration consists of the following: namely any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Recipient has entered into a Subsidiary Agreement satisfactory to the Association with each Participating Bank, in accordance with the provisions of paragraph B.1(a), Section I of Schedule 2 to this Agreement.

5.02. The Additional Legal Matters consist of the following:

(a) Each of the Subsidiary Agreements referred to in Section 5.01 above has been duly executed and authorized or ratified by the Recipient and the respective Participating Bank, and is legally binding upon the Recipient and the respective Participating Bank in accordance with its respective terms.

(b) The Resettlement Policy Framework has been duly approved by the Prime Minister and adopted by MOIT, and is valid and enforceable in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Governor, or a Deputy Governor, of State Bank of Vietnam.

6.02. The Recipient's Address is:

State Bank of Vietnam
49 Lý Thái Tổ
Hà Nội
Socialist Republic of Vietnam

Cable:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	(84-4) 3 825 0612

6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	48423 (MCI)	(1-202) 477-6391

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

SOCIALIST REPUBLIC OF VIETNAM

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By Uwakwa

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the supply to the national grid of electricity from renewable energy sources, on a commercially, environmentally and socially sustainable basis.

The Project consists of the following parts:

Part I: Renewable Energy Investments

A. Establish a re-financing facility for commercial loans provided by Participating Banks in support of eligible renewable energy sub-projects.

B. Strengthen the capacity of: (i) MOIT to review and evaluate renewable energy sub-project proposals and re-financing applications, and monitor the eligibility of Participating Banks and developers and the implementation of eligible sub-projects; (ii) Participating Banks and developers to prepare re-financing applications and implement sub-projects; and (iii) MOIT to manage and coordinate Project implementation, including the audit of Project accounts; and disseminate knowledge and information regarding renewable energy development.

Part II: Regulatory Development

A. Build the regulatory infrastructure for renewable energy development, including: (i) prepare laws and regulations on renewable energy and carry out studies to support the application of power purchase agreements and avoided cost tariff; (ii) develop mechanisms for the transparent allocation to developers of renewable energy development sites; (iii) formulate technical standards for renewable energy technologies; and (iv) develop environmental and social safeguard guidelines for the implementation of renewable energy projects.

B. (i) Strengthen the institutional capacity of central and local government entities to evaluate and monitor renewable energy projects; and (ii) disseminate information and strengthen public understanding of the regulatory infrastructure, technical standards, and environmental and social safeguard guidelines for renewable energy.

Part III: Pipeline Development

Carry out a program to facilitate the large-scale development of renewable energy through:

A. Support the preparation of feasibility studies on potential renewable energy sub-projects through the provision of cost-sharing grants to potential developers;

B. Build the capacity of potential developers of renewable energy sub-projects and of financial institutions in regard to analysis of investment risks, implementation of safeguard requirements, formulation of credit policies and appraisal of sub-projects, through the provision of small grants to develop training programs; and

C. Carry out strategic studies on systemic barriers to and long-term potential for renewable energy development.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Throughout the period of implementation of the Project, the Recipient shall maintain the Project Management Board for Rural Energy and Renewable Energy of the Ministry of Industry and Trade, to be responsible for the overall management of Project activities and monitoring and reporting on its implementation and, in particular, for: (a) verifying the eligibility of Sub-projects proposed for re-financing by Participating Banks; and (b) directly managing all technical assistance activities under the Project. Said Project Management Board shall be under the direction of qualified and experienced managers, provided with sufficient resources and staffed with competent personnel in adequate numbers and under terms of reference acceptable to the Association.

2. To support the Project Management Board PMB in particular in verifying the eligibility of Sub-projects proposed for re-financing by Participating Banks and in monitoring the implementation of Part I(A) of the Project, including monitoring the implementation of safeguards requirements, the Recipient shall maintain throughout the period of Project implementation the Administrative Unit within the PMB, with competent staff engaged in accordance with the provisions of Section III of this Schedule 2, under terms of reference satisfactory to the Association, including a full-time Project manager and a financial specialist.

3. In connection with proposed Sub-projects involving hydropower, the Recipient shall, from time to time as may be necessary pursuant to the provisions of the Dam Safety Framework, constitute a Dam Safety Panel to be responsible for reviewing and evaluating the technical design and construction procedures for such Sub-projects, the instrumentation plans, and plans for operation and maintenance, for emergency preparedness, and for periodic safety inspection following the completion of works; each such Panel to be provided with adequate resources and comprising experts with qualifications, experience and terms of reference acceptable to the Association, selected in accordance with the provisions of Section III of this Schedule 2.

4. The Recipient, through MOIT, shall ensure that the Project is implemented in accordance with the Operations Manual, in a manner satisfactory to the Association; including the provisions of said Manual concerning:

(a) in respect of the Project as a whole: (i) financial management policies, requirements and detailed procedures consistent with the provisions of paragraph B.1, Section II of this Schedule 2, including budgeting procedures and practices, flow of funds and disbursement, accounting and record keeping, reporting and auditing; and (ii) guidelines and procedures for procurement consistent with the provisions of Section III of this Schedule 2; and

(b) more particularly in respect of Part I of the Project: (i) criteria for the Participating Banks to participate in the Project and in the re-financing facility; (ii) eligibility criteria for Sub-projects and for loans made by the Participating Banks for said Sub-projects and proposed for re-financing under Part I(A) of the Project; (iii) re-financing terms and conditions, application processes, review and approval of re-financing requests; and (iv) the Resettlement Policy Framework, Ethnic Minority Planning Framework, Environment Safeguard Framework and Dam Safety Framework.

5. The Recipient, through MOIT, shall ensure that the technical assistance and institutional strengthening activities under Parts I(B), II and III of the Project are implemented in accordance with the Project Implementation Plan, in a manner satisfactory to the Association, including the provisions of said Implementation Plan concerning terms of reference, selection criteria, processes for application, review and approval for grants to prepare feasibility studies for new renewable-energy sub-projects and to design training programs under Part III (A) and (B) of the Project, implementation arrangements and time line for such activities.

6. The Recipient shall not, and shall not permit to, revise, amend, waive or abrogate the Operations Manual or the Project Implementation Plan, or any provisions thereof, without the prior concurrence of the Association.

B. Subsidiary Agreements; Sub-projects and Sub-loan Agreements.

1. For purposes of facilitating the financing of eligible Sub-projects, the Recipient shall make part of the proceeds of the Financing available from time to time to the Participating Banks under terms and conditions acceptable to the Association and in accordance with the provisions of the Operations Manual; *provided* that the Recipient shall not provide re-financing to a Participating Bank, using the proceeds of the Credit, for purposes of any Sub-project, unless all following conditions have been met:

(a) The Recipient and said Participating Bank have entered into a Subsidiary Agreement satisfactory to the Association whereby said Participating Bank undertakes:

(i) to remain, throughout the period of Project implementation, in compliance with all applicable banking legal and regulatory requirements;

(ii) to meet all minimum performance criteria as set forth in the Operations Manual; and, in the event it is subject to an Institutional Development Plan, to strictly implement such Plan in a manner satisfactory to the Recipient and the Association in order to regain its compliance status in regard to said performance criteria;

(iii) to prepare and furnish to the Recipient not later than thirty (30) days after the end of each calendar quarter, unaudited interim financial reports covering the quarter, in form and substance satisfactory to the Association, adequate to reflect its operations, resources and expenditures related to each Sub-project for which the Participating Bank has been granted re-financing under the Project;

(iv) to have its annual financial statements: (A) prepared in accordance with International Financial Reporting Standards commencing no later than the fiscal year in which the Participating Bank enters into the Subsidiary Agreement with the Recipient; and (B) audited in accordance with International Standards on Auditing by independent auditors acceptable to the Recipient and the Association; each audit of the Participating Bank's annual financial statements to cover the period of one (1) fiscal year and to be furnished to the Recipient and the Association not later than six (6) months after the end of such period;

(v) (X) in respect of all Sub-projects for which the Participating Bank proposes to obtain, or has been granted, re-financing under the Project, to make Sub-loans to the respective developers under terms and conditions consistent with the provisions of the Operations Manual; (Y) to exercise its right under all Sub-loan Agreements in respect of such Sub-loans in such manner as to protect its interests and the interests of the Recipient and the Association and to accomplish the purposes of the Financing; and (Z) not to assign, abrogate or waive, in whole or in part, said Sub-loan Agreements without the prior approval of the Recipient and the Association;

(vi) to implement its Respective Part of the Project with due diligence and efficiency, in accordance with sound economic,

financial, managerial standards and practices satisfactory to the Recipient and the Association, including in accordance with the provisions of the Anti-corruption Guidelines applicable to recipients of loan or credit proceeds other than the Recipient;

(vii) to prepare and furnish, and/or cause to be prepared and furnished, to the Recipient and the Association all such information and documents as the Recipient or the Association shall reasonably request relating to its Respective Part of the Project; and

(viii) to facilitate the access of the Recipient and the Association to its personnel and auditors as the Recipient or the Association shall reasonably request for purposes of supervising the implementation of its Respective Part of the Project;

(b) personnel of the Participating Bank assigned to handling Sub-projects and their financing have completed training in financial management and disbursement in a manner satisfactory to the Association;

(c) the Participating Bank has entered into a Sub-loan Agreement regarding said Sub-project with the respective developer, under terms and conditions acceptable to the Recipient and the Association and consistent with the provisions of the Operations Manual, which shall include the terms and conditions set forth in paragraph B.3 below;

(d) (i) SBV has provided to MOF and MOIT its confirmation in writing that SBV has no knowledge or warning of any material violation of applicable banking laws and regulations by the Participating Banks; and

(ii) in respect of the particular Participating Bank, SBV has not amended such confirmation by further written notice to MOF and MOIT of any violation of such laws and regulations by the Participating Bank; and

(e) the Association has appraised the proposed Sub-project and determined its eligibility in accordance with the criteria set forth in the Operations Manual.

2. (a) The Recipient shall exercise its rights under each Subsidiary Agreement with a Participating Bank in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, including in the event a Participating Bank fails to meet the minimum performance criteria established in the Operations Manual:

(i) the Recipient shall not approve any new re-financing request from said Bank, for otherwise eligible Sub-projects, unless and until said Bank shall have again met its performance criteria for a continuous period of at least six (6) months;

(ii) the Recipient shall allow said Bank to participate in the institutional strengthening activities under Part I(B) of the Project *provided* that said Bank undertakes to implement an Institutional Development Plan satisfactory to the Recipient and the Association; and

(iii) if, after implementing its Institutional Development Plan over a period of twelve (12) months, said Bank continues to fail to meet its minimum performance criteria, the Recipient shall withdraw its right to seek re-financing under Part I(A) of the Project for further Sub-projects.

(b) Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive, in whole or in part, any Subsidiary Agreement or any provisions thereof.

3. In respect of each Sub-project for which a Participating Bank requests re-financing under the Project:

(a) the Participating Bank and the respective developer shall enter into a Sub-loan Agreement acceptable to the Recipient and the Association whereby said Participating Bank obtains rights adequate to protect its interests, those of the Recipient and the Association, including the right to require the developer to:

(i) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Participating Bank, the Recipient and the Association, including in accordance with the provisions of the Safeguard Frameworks and the provisions of the Anti-Corruption Guidelines applicable to recipients of loan or credit proceeds other than the Recipient;

(ii) provide promptly as needed, the resources required for the implementation of its Sub-project;

(iii) ensure that goods, works and services financed out of the Sub-loan be procured at a reasonable price in accordance with the provisions of Section III of this Schedule;

(iv) maintain procedures and records adequate to enable the Participating Bank to monitor and evaluate the progress of the Sub-project and the achievement of its objectives;

(v) promptly enable the Participating Bank by itself, or jointly with the Recipient and/or the Association, if the Association so requests, to inspect the Sub-project, its operation and any relevant records and documents; and

(vi) prepare and furnish, in a timely manner, to the Participating Bank, the Recipient and the Association all such information as the Participating Bank, the Recipient or the Association shall reasonably request relating to the Sub-project;

(b) the Participating Bank shall exercise its rights under each Sub-loan Agreement with a developer in such manner as to protect its interests and the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Recipient and the Association shall otherwise agree, the Participating Bank shall not assign, abrogate or waive, in whole or in part, any Sub-loan Agreement.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Recipient shall:

(a) ensure that the Resettlement Policy Framework is implemented in a manner satisfactory to the Association;

(b) wherever implementation of any eligible Sub-project would give rise to Displaced Persons, ensure that the respective developer and the Participating Bank: (i) provide to the Association for its review, resettlement plan or plans, as may be the case, prepared in accordance with the principles and procedures set forth in said Policy Framework; and thereafter (ii) prior to initiating the related civil works, implement, and cause to be implemented, in a manner satisfactory to the Association, such resettlement plan(s) as shall have been approved by the Association;

(c) ensure that the Association is provided for its prior review and approval any revision proposed to be introduced into said Policy Framework, or into any resettlement plan(s) prepared pursuant to said Policy Framework, in order to achieve their respective objectives; and thereafter

only introduce, and allow to be introduced, such revision into said Policy Framework or resettlement plan(s) as shall have been agreed with the Association; and

(d) maintain, and cause to be maintained, policies and procedures adequate to enable it, and the respective developer and the Participating Bank, to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of said Policy Framework and any resettlement plan(s) prepared pursuant thereto, and the achievement of their respective objectives.

2. The Recipient shall:

(a) ensure that the Environment Safeguard Framework is implemented in a manner satisfactory to the Association and that each eligible Sub-project is carried out in accordance with sound environmental practices and standards;

(b) as may be necessary in accordance with the requirements set forth in said Framework and in a manner satisfactory to the Association, ensure that the respective developer and the Participating Bank: (i) carry out, and cause to be carried out, environmental assessments; and (ii) prepare and implement, and cause to be prepared and implemented, environmental management plans consistent with said Framework and acceptable to the Association;

(c) ensure that the Association is provided for its prior review and approval any revision proposed to be introduced into said Framework or environmental assessment(s) or environmental management plan(s), in order to achieve their respective objectives; and thereafter only introduce, and allow to be introduced, such revision into said Framework, environmental assessment(s) and environmental management plan(s) as shall have been agreed with the Association; and

(d) maintain, and cause to be maintained, policies and procedures adequate to enable it, and the respective developer and the Participating Bank, to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of said Framework and environmental management plans, and the achievement of their respective objectives.

3. The Recipient shall:

(a) ensure that the Ethnic Minority Planning Framework is implemented in a manner satisfactory to the Association and designed to provide meaningful consultation with, and the informed participation of ethnic

minority groups within the areas of each Sub-project, and to ensure that benefits under such Sub-Project are socially and culturally acceptable to such groups;

(b) whenever implementation of a Sub-project would take place in areas which an ethnic minority community resides or lives in, cultivates or is otherwise dependent on for their livelihood, ensure that the respective developer and the Participating Bank: (i) provide to the Association for its approval an ethnic minorities development plan or plans, as may be the case, prepared in accordance with the principles and procedures set forth in said Framework and with the full participation of such ethnic minority community, designed to ensure that activities under such Sub-project adequately address the needs, cultural practices and preferences of such community; and thereafter (ii) implement, and cause to be implemented, in a manner satisfactory to the Association, such ethnic minorities development plan(s) as shall have been approved by the Association;

(c) ensure that the Association is provided for its prior review and approval any proposed revision of said Framework or ethnic minorities development plan(s) in order to achieve their objectives; and thereafter only introduce, and allow to be introduced, such revision into said Framework or said plan(s) as shall have been agreed with the Association; and

(d) maintain, and cause to be maintained, policies and procedures adequate to enable it, and the respective developer and the Participating Bank, to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of said Framework and ethnic minorities development plan(s), and the achievement of their objectives.

4. The Recipient shall:

(a) implement, and cause to be implemented, the Dam Safety Framework in a manner satisfactory to the Association; and

(b) ensure, and cause the Participating Bank to ensure, that, in any Sub-project involving a large dam, the respective developer: (i) prepare and provide to the Association for its review and comments detailed plans for construction supervision and quality assurance, instrumentation, operation and maintenance and emergency preparedness; and thereafter (ii) implement such plans as shall have been agreed with the Association, in a manner satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall cover the period of one (1) calendar quarter and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain, and cause to be maintained, a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section II, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association, consolidating therein the interim unaudited financial reports submitted by the Participating Banks to the Recipient.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, or such other period as may be agreed by the Association. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule, for goods estimated to cost less than $150,000 equivalent per contract
(b) Shopping for goods estimated to cost less than $50,000 equivalent per contract
(c) Direct Contracting for goods under the circumstances described in paragraph 3.6 of the Procurement Guidelines
(d) Established private sector or commercial practices acceptable to the Association for works estimated to cost less than $7,000,000 equivalent per contract and goods estimated to cost less than $1,000,000 equivalent per contract for Sub-projects under Part I(A) of the Project

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

Short lists for consultants' services estimated to cost less than $200,000 equivalent per contract may comprise entirely national consultants.

2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) Quality-Based Selection
(b) Selection based on the Consultants' Qualifications
(c) Individual Consultants
(d) Single-Source Selection for consultants' services under the circumstances described in paragraph 3.10 of the Consultant Guidelines
(e) Established Private Sector or Commercial Practices acceptable to the Association for consultants' services estimated to cost less than $1,000,000 equivalent per contract for Sub-projects under Part I(A) of the Project

D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) the first contract for works procured through competitive bidding under established private sector or commercial practices; (b) each contract for goods or works procured on the basis of International Competitive Bidding; (c) each contract for consultants' services provided by a firm procured on the basis of Quality- and Cost-based Selection; (d) each contract for consultants' services provided by a firm and estimated to cost the equivalent of $100,000 equivalent or more, or provided by individual consultants and estimated to cost the equivalent of $30,000 or more; and (e) each contract for consultants' services procured through Single Source Selection. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Subsidiary Loans to Participating Banks under Part I(A) of the Project	135,000,000	100% of the amount of Subsidiary Loans disbursed
(2) Goods, consultants' services, training and workshops, and incremental operating costs under the Project, *except* for Sub-projects under Part I (A) of the Project; and *except* under Parts II (B) and III of the Project	1,900,000	100%
TOTAL AMOUNT	136,900,000	

For purposes of this paragraph A.2 of Section IV, the term "incremental operating costs" means the reasonable costs of incremental expenditures incurred under the Project (which expenditures would not have been incurred absent the Project), namely transportation costs and per diem for Project staff for purposes of Project management and supervision, office consumables, communication costs, costs of translation and interpretation, but in all cases excluding salaries and salary supplements for civil servants.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section IV, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $12,000,000 equivalent may be made for payments made prior to this date for Subsidiary Loans to Participating Banks under Category (1) to re-finance sub-loans for eligible Sub-projects for which Sub-loan Agreements were signed between Participating Banks and the respective developers on or after March 1, 2009.

2. The Closing Date is June 30, 2014.

Annex to Schedule 2

National Competitive Bidding Procedures

The procedure to be followed for National Competitive Bidding shall be those set forth in Article 18 on Open Bidding of the *Law on Procurement 61 / 2005/QH11* dated November 29, 2005 and *Decree 58/2008/ND-CP, Guiding Implementation of Law on Procurement and Selection of Construction Contractors under the Construction Law* dated May 5, 2008 (collectively, "National Procurement Laws") with due consideration to economy, efficiency and transparency as set forth in, and broad consistency with, Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Association in May 2004 and revised in October 2006 (the Guidelines) and required by paragraphs 3.3 and 3.4 of the Guidelines. Whenever any procedure in the National Procurement Laws is inconsistent with the requirements of said paragraphs 3.3 and 3.4 of the Guidelines, the latter shall prevail, including the following:

Eligibility

(i) The eligibility of bidders shall be as defined under Section I of the Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign bidders shall be granted to national bidders in bid evaluation, nor shall foreign bidders be asked or required to form joint ventures with national bidders in order to submit a bid. Bidders located in the same province or city as the procuring entity shall not be given preference over bidders located outside that city or province.

(ii) In addition to the foregoing requirements, equitized Government-owned enterprises in which the Recipient holds less than fifty percent of the shares are eligible to participate, *provided that* the procuring entity or investment owner does not own shares (or represent the Government's shares) in the enterprise and the Governing Board and management team are autonomous from the procuring entity and the investment owner. Military or security units or enterprises established under, reporting directly or indirectly to, or owned wholly or partly by, the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

Registration

(iii) Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of

registering, without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

Advertising; Time for Bid Preparation

(iv) Invitations to bid shall be advertised in at least one (1) widely circulated national newspaper, allowing a minimum of thirty (30) days, from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later, for the preparation and submission of bids, and potential bidders shall be allowed to purchase bidding documents up to any time prior to the deadline for the submission of bids. In addition, the Recipient is encouraged to advertise in the Government Public Procurement Bulletin and on a free and open access website.

Standard Bidding Documents

(v) Standard Bidding Documents, acceptable to the Association, shall be used.

Qualification Criteria

(vi) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a pass or fail basis and merits points shall not be used. Such assessment shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity.

Bid Submission, Bid Opening and Bid Evaluation

(vii) Bidders may submit bids, at their option, either in person or by courier service or by mail. Bids shall be opened in public, immediately after the deadline for submission of bids. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened.

(a) Bidding documents shall be sold to anyone who is willing to pay the required fee of the bidding documents which shall not exceed the costs of printing, reproduction and delivery, and no other conditions shall be imposed on the sale of the bidding documents.

(b) Evaluation of bids shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation.

(c) A contract shall be awarded to the technically responsive bid that offers

the lowest evaluated price and no negotiations shall be permitted. A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

(d) A bidder shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

(e) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Association's prior concurrence.

(f) A copy of the minutes o f the public bid opening shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to prior review.

Rejection of All Bids and Re-bidding

(viii) All bids shall not be rejected or new bids solicited without the Association's prior written concurrence.

Complaints by Bidders and Handling of Complaints

(ix) The Recipient shall implement an effective and independent protest mechanism allowing bidders to protest and to have their protests handled in a timely manner.

Fraud and Corruption

(x) The Association shall declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the Association, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the Association.

Right to Inspect/Audit

(xi) Each bidding document and contract financed from the proceeds of a Credit shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association. The deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

License

(xii) Foreign contractors shall be given a reasonable opportunity to apply for and obtain work license, which shall not be arbitrarily withheld.

Publication of the Award of Contract

(xiii) The Recipient shall publish the following information on contract award in the Government Public Procurement Bulletin or on a free and open access website or on another means of publication acceptable to the Association: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated price of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, price it offered as well as the duration and summary scope of the contract awarded. This publication shall be updated regularly.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1:	
commencing October 1, 2019 to and including April 1, 2029	1%
commencing October 1, 2029 to and including April 1, 2049	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX

Definitions

1. "Administrative Unit" means the unit within the Project Management Board for Rural Energy and Renewable Energy of the Ministry of Industry and Trade, established pursuant to a decision dated February 12, 2009 of the Director of the Project Management Board, and referred to in paragraph A.2, Section I of Schedule 2 to this Agreement.

2. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006.

3. "Bank for Investment and Development of Vietnam" and the acronym "BIDV" mean the state-owned commercial bank established pursuant to Decision No.287/QĐ-NH5 dated September 21, 1996 of State Bank of Vietnam; and operating pursuant to: (i) Decision No. 936/2002/QĐ-NHNN dated September 3, 2002 of State Bank of Vietnam; (ii) the Charter on Organization and Operation of the Bank for Investment and Development of Vietnam dated August 12, 2002; and (iii) the Business Registration No. 0106000439.

4. "Category" means a category set forth in the table in paragraph A.2, Section IV of Schedule 2 to this Agreement.

5. "Co-financier" means the Government of Australia acting through the Australian Agency for International Development, referred to in paragraph 10 of the Appendix to the General Conditions.

6. "Co-financing" means an amount of about three million five hundred thousand Australian Dollars (A$3,500,000) to be provided by the Co-financier to assist in financing the Project.

7. "Co-financing Agreement" means the agreement to be entered into between the Recipient and the Association acting as administrator of funds provided by the Co-financier to assist in financing the Project.

8. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in May 2004 and revised in October 2006.

9. "Displaced Person" means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location;

or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and "Displaced Persons" means, collectively, all such Displaced Persons.

10. "Environment Safeguard Framework" and the acronym "ESF" mean the Framework adopted by the Ministry of Industry and Trade pursuant to its Decision No.0470/QĐ-BCT of February 2, 2009, and referred to in paragraph D.2, Section I of Schedule 2 to this Agreement.

11. "Ethnic Minority Planning Framework" and the acronym "EPF" mean the Framework adopted by the Ministry of Industry and Trade pursuant to its Decision No.4456/QĐ-BCT of August 13, 2008, and referred to in paragraph D.3, Section I of Schedule 2 to this Agreement; said Framework establishing principles and procedures for the preparation and implementation of ethnic minority development plan or plans, as may be necessary, in connection with the construction and operation of each Sub-project, to ensure: (i) meaningful consultation with and the informed participation in Project activities of ethnic minority communities in the Sub-project area; and (b) Project benefits for said communities which are culturally appropriate and socially inclusive.

12. "Dam Safety Framework" and the acronym "DSF" mean the Framework adopted by Ministry of Industry and Trade pursuant to Decision No.6647/QĐ-BCT of December 18, 2008, and referred to in paragraphs A.3 and D.4, Section I of Schedule 2 to this Agreement.

13. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 1, 2005 (as amended through October 15, 2006).

14. "Joint Stock Commercial Bank for Foreign Trade of Vietnam" and "Vietcombank" mean the commercial bank arising out of the equitization of the state-owned Bank for Foreign Trade of Vietnam, established pursuant to License No. 138/GP-NHNN of May 23, 2008 issued by State Bank of Vietnam, and operating pursuant to: (i) its Charter dated April 2008; and (ii) Business Registration No. 0103024468.

15. "Ministry of Finance" and the acronym "MOF" mean the Recipient's Ministry of Finance, and any successor thereto.

16. "Ministry of Industry and Trade" and the acronym "MOIT" mean the Recipient's Ministry of Industry and Trade, and any successor thereto.

17. "Operations Manual" means the manual referred to in paragraph A.4, Section I of Schedule 2 to this Agreement.

18. "Participating Banks" means, collectively, Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam and Saigon Thuong Tin Commercial Joint Stock Bank, as such list may be amended from time by mutual agreement between the Recipient and the Association; and a "Participating Bank" means any of said Participating Banks.

19. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October, 2006.

20. "Procurement Plan" means the Recipient's procurement plan for the Project, dated January 22, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. "Project Implementation Plan" means the plan referred to in paragraph A.5, Section I of Schedule 2 to this Agreement.

22. "Resettlement Policy Framework" and the acronym "RPF" mean the Policy Framework approved by Prime Minister's Communication No. 1343/TTg-KTN of August 15, 2008, adopted by MOIT pursuant to its Decision No. 4592/QĐ-BCT of August 20, 2008, and referred to in paragraph D.1, Section I of Schedule 2 to this Agreement; said Policy Framework setting out the policies and procedures for the acquisition of land and other assets, resettlement, compensation and rehabilitation of Displaced Persons, and for the preparation of resettlement plans as may be required for Project activities, as said Policy Framework may be revised from time to time with the prior concurrence of the Association.

23. "Safeguards Frameworks" means, collectively: (i) the Resettlement Policy Framework; (ii) the Environmental Safeguard Framework; (iii) the Ethnic Minority Planning Framework; and (iv) the Dam Safety Framework, referred to, respectively in paragraphs D.1, D.2, D.3, D.4 and A.3, Section I of Schedule 2 to this Agreement.

24. "Saigon Thuong Tin Commercial Joint Stock Bank" and the expression "Sacombank" mean the commercial bank established pursuant to License No.0006/NH-GP dated December 5, 1991 issued by State Bank of Vietnam, and operating pursuant to: (i) its Charter dated August 8, 2002; and (ii) Business License No.059002.

25. "Sub-loan Agreement" means each agreement to be entered into between a Participating Bank and a developer in respect of a renewable energy investment sub-project, and referred to in paragraph B.3(b), Section I of Schedule 2 to this

Agreement; and "Sub-loan Agreements" means, collectively, all such Agreements.

26. "Sub-project" means a renewable energy investment project with a capacity not exceeding thirty megawatt (30 MW), based on hydropower, wind energy or biomass (as defined in the Operations Manual), prepared and implemented by a developer.

27. "Subsidiary Agreement" means each agreement to be entered into between the Recipient, through MOF, and a Participating Bank, and referred to in paragraph B.1(a), Section I of Schedule 2 to this Agreement; and "Subsidiary Agreements" means, collectively, all such Agreements.