OTF GRANT NUMBER TF0C9671-VN

Ozone Projects Trust Fund
Grant Agreement

(Sustainable Management of Substances Controlled by the Montreal Protocol Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as an Implementing Agency of the Multilateral Fund for the Implementation of the Montreal Protocol and Trustee of the Ozone Projects Trust Fund

OTF GRANT NUMBER TF0C9671-VN

OZONE PROJECTS TRUST FUND
GRANT AGREEMENT

AGREEMENT dated as of the Signature Date between SOCIALIST REPUBLIC OF VIET NAM ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"), acting as an Implementing Agency of the Multilateral Fund for the Implementation of the Montreal Protocol and Trustee of the Ozone Projects Trust Fund ("OTF"). The Recipient and the Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard 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 Standard Conditions or in the Appendix this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through its Ministry of Agriculture and Environment ("MAE") in accordance with the provisions of Article II of the Standard Conditions, Schedule 2 to this Agreement, and with the Montreal Protocol.

Article III
The Grant

3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed twelve million one hundred ninety-nine thousand seventeen Dollars ($12,199,017) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Multilateral Fund. In accordance with Section 3.02 of the Standard Conditions, the Bank's payment obligations in connection with this

Agreement are limited to the amount of funds made available to it by the treasurer of the Multilateral Fund based on instructions of the Executive Committee, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions is that the Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the Signature Date, an event has occurred which would have entitled the Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The Recipient, through MAE, has adopted a Project Implementation Plan in form and substance acceptable to the Bank and in accordance with this Agreement.

5.02. By signing this Agreement, the Recipient shall be deemed to represent and warrant that on the Signature Date, this Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification this Agreement is legally binding upon the Recipient in accordance with its terms.

5.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the

dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred twenty (120) days after the Signature Date, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Governor, or a Deputy Governor, of State Bank of Viet Nam.

6.02. For purposes of Section 7.01 of the Standard Conditions:

(a) The Recipient's address is:

State Bank of Viet Nam
49 Ly Thai To
Ha Noi, Viet Nam; and

(b) The Recipient's Electronic Address is:

Facsimile:

(84-4) 3825 0612

6.03. For purposes of Section 7.01 of the Standard 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	1-202-477-6391	64145 (MCI)

AGREED as of the Signature Date.

SOCIALIST REPUBLIC OF VIET NAM

By 

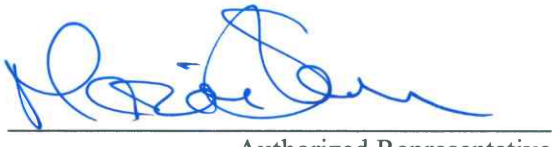
Authorized Representative

Name: Nguyen Ngoc Canh

Title: Deputy Governor

Date: January 6th, 2026

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Multilateral Fund for the Implementation of the Montreal Protocol and Trustee of the Ozone Projects Trust Fund

By 

Authorized Representative

Name: Mariam J. Sherman

Title: Division Director for Viet Nam, Cambodia and Lao PDR

Date: January 5th, 2026

SCHEDULE 1

Project Description

The objective of the Project is to reduce HFC and HCFC consumption in support of the Recipient's obligations under the Montreal Protocol.

The Project consists of the following parts:

Part 1: HFC Consumption Reductions

1.1. Developing and testing refrigerant technology to reduce high-GWP HFCs in MAC train systems.

1.2. Reducing HFC consumption and emissions in MAC repair and maintenance through provision of: (a) training equipment to the MAC Sector Training and/or Assessment Centers; and (b) MAC servicing tools to Technicians as incentive for participating in training and/or completing assessment for certification.

1.3. Supporting: (a) awareness raising activities, training, and study tours on lower-GWP alternative technology for priority sectors, including real estate, fire suppression, and rail; (b) research and development of guidance and related management measures on reducing HFCs in relevant sectors, including domestic and stand-alone commercial refrigeration, fire suppression, train and bus MAC, and AC using high-GWP HFCs; and (c) feasibility studies on HFC phasedown and management in public transport, non-HFC alternatives in fire suppression systems, and green public procurement of lower-GWP products.

Part 2: HCFC Consumption Reductions

2.1. Strengthening AC servicing sector training capacity through: (a) training of trainers at the AC Sector Training Centers on AC good servicing and energy efficiency maintenance practices; (b) provision of training equipment to the AC Sector Training Centers; and (c) training of AC servicing Technicians.

2.2. Strengthening competency-based servicing capacity in the AC servicing sector through: (a) development of a vocational skills competency-based certification scheme for AC; (b) training of assessors; (c) provision of assessment equipment to the AC Sector Assessment Centers; and (d) provision of AC servicing tools to Technicians as incentive for participating in training and/or completing assessment for certification.

2.3. Providing technical assistance and capacity building support for sustainable HCFC phaseout, including: (a) training on HCFC management and regulation for importers, Customs brokers and Customs monitoring and enforcement officers,

including provision of monitoring equipment; (b) study tours on the development of integrated management approaches to strengthen the import and export control system; (c) workshops, advisory services, and studies on the phaseout timetable and alternatives for HCFC stakeholders, such as refrigeration and chiller end-users; (d) development of a monitoring and evaluation framework to assess effectiveness of training in the servicing sector; (e) study on future servicing needs post-2030 and recovery and recycling approaches to support compliance; and (f) an impact assessment study on eliminating HCFCs.

Part 3: Project Management

Supporting Project management and implementation.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements.

1. The Recipient, through MAE, shall establish and 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, *inter alia*: (a) planning and managing the implementation of the Project, including procurement, financial management and implementation of the environmental and social instruments; (b) ensuring coordination among all relevant departments and agencies, including NOU, MOIT, Customs and other stakeholders; (c) assisting on MAE's regulatory and policy work; and (d) monitoring and evaluation, and reporting on all Project activities.

B. Annual Work Plans and Project Implementation Plan.

1. The Recipient, through MAE, shall: (a) prepare and furnish to the Bank by not later than one (1) month after the Effective Date and August 15 in each subsequent year during the implementation of the Project (or such other period as may be agreed by the Bank and established by notice to the Recipient), a draft Annual Work Plan for review and comment, summarizing the Project activities to be undertaken in the following calendar year, including the proposed annual budget for the Project; (b) taking into account the Bank's comments, finalize and furnish to the Bank by not later than two (2) months after the Effective Date and September 15 in each subsequent year during the implementation of the Project (or such other period as may be agreed by the Bank and established by notice to the Recipient), 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 assign, amend, suspend, abrogate, or waive said Annual Work Plans or any provision thereof.

2. Throughout the implementation of the Project, the Recipient, through MAE, shall 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.

C. Environmental and Social Standards.

1. The Recipient, through MAE, shall 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 Recipient, through MAE, shall 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 Recipient, through MAE, shall 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 Recipient, through MAE, shall 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, including, in accordance with the ESCP, the environmental and

social instruments referenced therein and the Environmental and Social Standards.

5. The Recipient, through MAE, shall 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 accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards, and in a manner acceptable to the Bank .

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient, through MAE, shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

2. The Recipient, through MAE, shall work with the Bank to prepare and ensure the timely submission of documents, including the Tranche Implementation Reports, which are required for reporting purposes to be submitted to the Executive Committee.

B. Mid-term Review

The Recipient, through MAE, shall carry out jointly with the Bank, not later than thirty-six (36) months after the Effective Date, or such other period as may be agreed by the Bank and established by notice to the Recipient, 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: (a) the progress in implementation; (b) the results of monitoring and evaluation activities; (c) the progress on procurement and disbursement; (d) compliance with environmental and social requirements; (e) adequacy of implementation arrangements; and (f) the need to make any adjustments to the Project to improve performance.

C. Completion Report

The Recipient, through MAE, shall prepare the completion report in accordance with the provisions of Section 2.06 of the Standard Conditions. The completion report shall be furnished to the Bank not later than three (3) months after the Closing Date.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) the Tranche Implementation Reports; 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 Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Incremental Operating Costs, and Training and Workshops under the Project	12,199,017	100%
TOTAL AMOUNT	**12,199,017**	

B. Withdrawal Conditions; Withdrawal Period

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

2. The Closing Date is December 31, 2031.

APPENDIX

Definitions

1. "AC" means air conditioning.

2. "AC Sector Assessment Centers" means the facilities that assess the competency of AC servicing sector technicians (by training or practice) under MOET, selected and agreed upon by the Recipient, through MAE, and the Bank, for carrying out activities under Part 2.2 of the Project, in accordance with the selection criteria, procedures and arrangements set forth in the Project Implementation Plan.

3. "AC Sector Training Centers" means the facilities, including, *inter alia*, vocational schools, that train AC servicing sector technicians (by training or practice) under MOET, selected and agreed upon by the Recipient, through MAE, and the Bank, for carrying out activities under Part 2.1 of the Project, in accordance with the selection criteria, procedures and arrangements set forth in the Project Implementation Plan.

4. "Annual Work Plans" means each of the plans for the Project to be prepared or updated by the Recipient (within the scope of its statutory authority as established by the Recipient's regulatory framework), acceptable to the Bank, on an annual basis as provided for in Section I.B.1 of Schedule 2 to this Agreement.

5. "Anti-Corruption Guidelines" means, for purposes of paragraph 2 of the Appendix to the Standard 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.

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

7. "Customs" means the Recipient's Department of Customs under MOF, including its units and local subdepartments, established pursuant to Decision 382/QD-BTC, dated February 26, 2025, as amended, or any successor thereto.

8. "Effective Date" means the date on which this Agreement enters into effect pursuant to Section 5.03 of this Agreement.

9. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, discussed at the Grant's negotiations, which shall form part of this Agreement, as the same may be amended from time to time in accordance with the provisions thereof, which sets out, *inter alia*, the material measures and actions that the Recipient, through MAE, shall 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.

10. "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 African 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.

11. "Executive Committee" means the Executive Committee of the Multilateral Fund.

12. "GWP" means global warming potential.

13. "HCFC" means hydrochlorofluorocarbon.

14. "HFC" means hydrofluorocarbon.

15. "Incremental Operating Costs" the incremental operating costs under the Project incurred by the Recipient, through MAE, based on the Annual Work Plans acceptable to the Bank, for purposes of Project management, implementation, and monitoring and evaluation, including, *inter alia*, office supplies and consumables, utilities, bank charges, communications, information and communication campaigns, mass media and printing services, vehicle rental, operation, maintenance, and insurance, office space rental, building and equipment maintenance, travel, lodging, and subsistence allowances, the incremental operating costs of the auditing services for the Project, and salaries of contractual and temporary staff, but excluding salary and salary supplements of staff of the Recipient's civil service ("công chức" and "viên chức").

16. "MAC" means mobile air-conditioning.

17. "MAC Sector Training and/or Assessment Centers" means the facilities that train and/or assess the competency of MAC servicing sector technicians (by training or practice) under MOET, selected and agreed upon by the Recipient, through MAE,

and the Bank, for carrying out activities under Part 1.2 of the Project, in accordance with the selection criteria, procedures and arrangements set forth in the Project Implementation Plan.

18. "MAE" means the Recipient's Ministry of Agriculture and Environment, or any successor thereto.

19. "MOET" means the Recipient's Ministry of Education and Training, or any successor thereto.

20. "MOF" means the Recipient's Ministry of Finance, or any successor thereto.

21. "MOIT" means the Recipient's Ministry of Industry and Trade, or any successor thereto.

22. "Montreal Protocol" means the Montreal Protocol on Substances that Deplete the Ozone Layer to the Vienna Convention for the Protection of the Ozone Layer, which entered into force on January 1, 1989.

23. "Multilateral Fund" means the Multilateral Fund for the Implementation of the Montreal Protocol.

24. "NOU" means the Recipient's national ozone unit, established within MAE pursuant to Decision No. 69 QD/KTTV, dated February 2, 1996, or any successor thereto.

25. "OTF" means the Ozone Projects Trust Fund which the Bank administers as an implementing agency of the Multilateral Fund and acts as trustee.

26. "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated September 2023.

27. "Project Implementation Plan" means the implementation plan for the Project, acceptable to the Bank, to be prepared and adopted by MAE (within the scope of its statutory authority as established by the Recipient's regulatory framework) for the 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, including required reporting and communication with the Executive Committee; (f) performance indicators; (g) the engagement and terms of reference of the MAC systems contractor, and arrangements with the transportation service provider(s) whose MAC systems are to be upgraded, for the carrying out of Part 1.1 of the Project; (h) the eligibility criteria and procedures for

the selection of the MAC Sector Training and/or Assessment Centers, AC Sector Training Centers, AC Sector Assessment Centers, and Technicians, and the arrangements between MAE and such centers and Technicians for their selection, receipt of equipment or tools and carrying out of Parts 1.2, 2.1 and 2.2 of the Project; and (i) 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 MAE (within the scope of its statutory authority as established by the Recipient's regulatory framework) with the prior written agreement of the Bank, and such term includes any annexes or schedules or amendments to such plan.

28. "Project Management Unit" means the Project management unit established and maintained within MAE, in accordance with Section I.A.1 of Schedule 2 to this Agreement, or any successor thereto.

29. "Signature Date" means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to "the date of the Grant Agreement" in the Standard Conditions.

30. "Standard Conditions" means the "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds", dated February 25, 2019.

31. "Technicians" means the MAC and/or AC servicing sector technicians, by training or practice, who are invited by the Recipient, through MAE, to participate in training and/or assessment under Parts 1.2, 2.1 and/or 2.2 of the Project, in accordance with the selection criteria, procedures and arrangements set forth in the Project Implementation Plan.

32. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, through MAE, based on the Annual Work Plans acceptable to the Bank, in facilitating and conducting domestic and overseas training and workshop activities of the Project, including, *inter alia*, costs of training or workshop materials; honoraria; interpretation and translation; mass media; equipment and venue rental; lunches; and per diem, accommodation, and transportation for those attending the training or workshop; but excluding salary and salary supplements of Recipient's civil servants ("công chức" and "viên chức").

33. "Tranche Implementation Report" means each of the reports for the Project to be prepared by the Recipient, acceptable to the Bank, summarizing the implementation progress of the Project for the year(s) covered by said report and the Project activities to be undertaken in the following calendar year(s), including the proposed annual budget for the Project and the annual reduction targets, for submission to the Executive Committee.