CREDIT NUMBER 6954-VN

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Association has decided to provide this financing on the basis, inter alia, of: (i) the actions which the Recipient has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement; and (ii) the Recipient's maintenance of an adequate macroeconomic policy framework. The Recipient and the Association therefore 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 — FINANCING

2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred fifty four million three hundred Special Drawing Rights (SDR 154,300,000) ("Credit").

2.02. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Credit Balance.

2.03. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

2.04. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.

2.05. The Payment Dates are June 1and December 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 2 to this Agreement.

2.07. The Payment Currency is Dollar.

2.08. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.

ARTICLE III — PROGRAM

3.01. The Recipient declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:

(a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient's macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension is that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness is that the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient's macroeconomic policy framework.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister, or a Vice Minister, of the Ministry of Finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Finance
28 Tran Hung Dao
Hanoi, Vietnam; and

(b) the Recipient's Electronic Address is:

Facsimile:

(84-24) 2220 8020

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

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

(b) the Association's Electronic Address is:

Facsimile:

1-202-477-6391

AGREED as of the Signature Date.

SOCIALIST REPUBLIC OF VIETNAM

By _____

Authorized Representative

Name: Hồ Đức Phớc

Title: Minister of Finance

Date: 22nd December 2021

INTERNATIONAL DEVELOPMENT ASSOCIATION

By _____

Authorized Representative

Name: Carolyn Turk

Title: Country Director for Viet Nam

Date: 14th December, 2021

SCHEDULE 1

Program Actions; Availability of Credit Proceeds

Section I. Actions Taken Under the Program

A. Support Inclusive Recovery

1. The Recipient, through its government, has approved the second package of tax deferrals for COVID-19 affected businesses, as evidenced by Decree No. 52/2021/ND-CP, April 19, 2021.

2. The Recipient, through its government, has adopted the investment policy for the National Targeted Program for Ethnic Minorities and Mountainous Areas, which commits to increase investments in human capital and livelihood interventions in targeted communes, as evidenced by Decision No. 1409/QD-TTG, September 15, 2020.

3. The Recipient, through its government, has adopted entitlements for subsidized nursery and pre-school care and education for children of workers in worker-populated areas, including industrial parks, as evidenced by Decree No. 145/2020/ND-CP, dated December 14, 2020.

4. The Recipient, through its Prime Minister, has adopted criteria for participating enterprises, customer registration requirements and eligible services for demonstrating the implementation of a nationwide mobile money system, as evidenced by Decision No. 316/QD-TTg, dated March 9, 2021.

B. Promote Sustainable Recovery

5. The Recipient, through its National Assembly, has adopted a resolution ratifying the EVFTA, determining the scope of its direct application and committing to its implementation in the domestic legal framework by the government and relevant agencies, as evidenced by Resolution No. 102/2020/QH14, dated June 8, 2020.

6. The Recipient, through its government, has regulated the conduct of administrative procedures by ministries, agencies and people's committees using electronic means, as evidenced by Decree No. 45/2020/ND-CP, dated April 8, 2020.

7. The Recipient, through its government, has adopted rules for managing, connecting, and sharing digital data across ministries, agencies, and people's committees at all levels, as evidenced by Decree No. 47/2020/ND-CP, dated April 9, 2020.

8. The Recipient, through its government, has committed to increase renewable energy-based power generation in in its plan to implement the Orientations of the National Energy Development Strategy of Vietnam to 2030, with a vision to 2045, as evidenced by Resolution No. 140/NQ-CP, dated October 2, 2020.

9. The Recipient, through MOIT, has established common standards for commercial agreements for solar power projects under the feed-in-tariff regime, as evidenced by Circular No. 18/2020/TT-BCT, dated July 17, 2020.

Section II. Availability of Credit Proceeds

A. **General.** The Recipient may withdraw the proceeds of the Credit in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.

B. **Allocation of Credit Amounts.** The Credit is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Credit proceeds. The allocation of the amounts of the Credit to this end is set out in the table below:

Allocations	Amount of the Credit Allocated (expressed in SDR)
(1) Single Withdrawal Tranche	154,300,000
TOTAL AMOUNT	**154,300,000**

C. **Withdrawal Tranche Release Conditions.**

No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied: (a) with the Program being carried out by the Recipient; and (b) with the adequacy of the Recipient's macroeconomic policy framework.

D. **Deposit of Credit Amounts.**

The Recipient, within forty-five (45) days after the withdrawal of the Credit from the Credit Account, shall report to the Association: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the record that an equivalent amount has been accounted for in the Recipient's budget management systems, which will include the details of all the accounts to which the Vietnamese Dong equivalent of the Credit proceeds will be

credited; and (c) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

E. **Audit.** Upon the Association's request, the Recipient shall:

1. have the account referred to in Section 2.03 (a) of the General Conditions audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association;

2. furnish to the Association as soon as available, but in any case, not later than four (04) months after the date of the Association's request for such audit, a certified copy of the report of such audit, of such scope and in such detail as the Association shall reasonably request, and make such report publicly available in a timely fashion and in a manner acceptable to the Association; and

3. furnish to the Association such other information concerning the account referred to in Section 2.03 (a) of the General Conditions and their audit as the Association shall reasonably request.

F. **Closing Date.** The Closing Date is December 15, 2022.

SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage) *
On each June 1 and December 1:	
commencing December 1, 2026 to and including June 1, 2046	**1.65%**
commencing December 1, 2046 to and including June 1, 2051	**3.40%**

* 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 3.05 (b) of the General Conditions.

APPENDIX

Definitions

1. "COVID-19" means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).

2. "EVFTA" means the free trade agreement signed between the European Union and the Socialist Republic signed on June 30, 2019.

3. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Development Policy Financing", dated December 14, 2018 (revised on August 1, 2020 and April 1, 2021).

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

5. "National Assembly" means the highest-ranking institution in the legislative branch of the Recipient, having the mandate and competence for enacting laws and passing amendments thereto.

6. "National Targeted Program for Ethnic Minorities and Mountainous Areas" means the Recipient's National Targeted Program for Ethnic Minorities and Mountainous Areas for the period 2021-2030 approved by the National Assembly pursuant to Resolution 120/2020/QH14, June 19, 2020.

7. "Prime Minister" means the Prime Minister of the Socialist Republic of Vietnam, the highest ranking official in the executive branch of the Recipient's government.

8. "Orientations of the National Energy Development Strategy of Vietnam to 2030, with a vision to 2045" means Politburo's Resolution No. 55- NQ/TW, dated February 11, 2020.

9. "Program" means: the program of objectives, policies, and actions set forth or referred to in the letter dated June 4, 2021 from the Recipient to the Association declaring the Recipient's commitment to the execution of the Program and requesting assistance from the Association in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program's objectives.

10. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

11. "Single Withdrawal Tranche" means the amount of the Credit allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.

12. "Vietnamese Dong" means currency having legal tender in the Recipient's territory.