LOAN NUMBER 2730-VIE

LOAN AGREEMENT
(Ordinary Operations)

(Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project – Loan 1)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 5 MAY 2011

LAL:VIE 41414

LOAN AGREEMENT
(Ordinary Operations)

LOAN AGREEMENT dated 5 May 2011 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a framework financing agreement dated 30 November 2010 between the Borrower and ADB, ADB has agreed to provide a multitranche financing facility to the Borrower for purposes of financing projects under the Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project ("Investment Project");

(B) by a periodic financing request dated 30 November 2010 submitted by the Borrower, the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(C) the Borrower has also applied for a loan not exceeding the equivalent of six hundred thirty-five million Dollars ($635,000,000) to the Government of Japan, through Japan International Cooperation Agency ("JICA"), to finance a part of the Investment Project ("JICA Loan") upon terms and conditions set forth in the loan agreement between the Borrower and the Government of Japan ("JICA Loan Agreement");

(D) the Project will be carried out by Vietnam Expressway Corporation ("VEC"), and for this purpose the Borrower will make available to VEC the proceeds of the Loan provided for herein upon terms and conditions satisfactory to ADB; and

(E) ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and the Project Executing Agency;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of the Ordinary Operations Loan Regulations Applicable to LIBOR-Based Loans Made from ADB's Ordinary Capital Resources, dated 1 July 2001 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

(a) Section 2.01(50) is deleted and the following is substituted therefor:

"Project Agreement" means the Project Agreement of even date herewith between ADB and VEC.

(b) The term "Project Executing Agency" appearing in Section 7.04(b), 9.01(d), 9.01(f), 9.01(k), 10.01(c) and 10.02(c) of the Loan Regulations shall be substituted by the term "VEC".

(c) Section 3.03 is deleted and the following is substituted therefor:

Commitment Charge; Credit. (a) The Borrower shall pay a commitment charge on the unwithdrawn amount of the Loan at the rate and on the terms specified in the Loan Agreement.

(b) ADB shall provide to the Borrower a credit at the rate specified in the Loan Agreement, which credit shall remain fixed for the term of the Loan. ADB shall apply the amount of the credit against the interest payable by the Borrower.

(d) Section 3.06 is deleted and the following is substituted therefor:

(a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be reduced, ADB shall provide a Rebate to any Borrower with an outstanding Loan on which a higher Fixed Spread is applicable. The amount of the Rebate shall be determined by multiplying (i) the difference between the Fixed Spread applicable to the outstanding Loan and the Fixed Spread that will be applied to new Loans (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the lower Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB achieving savings, ADB shall provide a Rebate to the Borrower. The amount of the Rebate shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall apply the amount of the Rebate against the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

(e) Section 3.07 is deleted and the following is substituted therefor:

(a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be increased, any Borrower with an outstanding Loan on which a lower Fixed Spread is applicable shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the difference between the Fixed Spread that will be applied to new Loans and the Fixed Spread applicable to the outstanding Loan (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the higher Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB incurring additional costs, the Borrower shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall add the amount of the Surcharge to the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

(a) "Component" means a component which is implemented under the Project, as more fully described in Schedule 1 to this Loan Agreement;

(b) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2010, as amended from time to time);

(c) "Consulting Services" means the services to be financed out of the proceeds of the Loan, but excluding any services provided in relation to Goods and Works;

(d) "EIA" means the environmental impact assessment prepared for the Investment Project;

(e) "EMA" means an external monitoring agency to be engaged for monitoring and evaluating (i) update and implementation of the RP, and (ii) implementation of the EIA and EMP;

(f) "EMP" means the environmental management plan for the Investment Project in the EIA agreed between the Borrower and ADB;

(g) "FAM" means the facility administration manual for the Project dated 26 October 2010 and agreed between the Borrower and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(h) "Goods" means equipment and materials to be financed out of the proceeds of the Loan, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services;

(i) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome;

(j) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2007, as amended from time to time);

(k) "MOT" means the Borrower's Ministry of Transport, or any successor thereto;

(l) "Procurement Guidelines" means ADB's Procurement Guidelines (2010, as amended from time to time);

(m) "Procurement Plan" means the procurement plan for the Project dated 26 October 2010 and agreed between the Borrower and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(n) "Project facilities" means facilities developed, constructed, updated and/or maintained under the Project;

(o) "RP" means the resettlement plan prepared for the Investment Project;

(p) "SBV" means the State Bank of Vietnam established and operating within the territory of the Borrower;

(q) "Subsidiary Loan Agreement" means the subsidiary loan agreement between the Borrower and VEC, as described in Section 3.01(a) of this Loan Agreement;

(r) "VEC" means Vietnam Expressway Corporation duly incorporated within the territory of the Borrower, or any legal successor thereto; and

(s) "Works" means construction or civil works to be financed out of the proceeds of the Loan, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of three hundred fifty million Dollars ($350,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(b) The Loan has a principal repayment period of 20 years, and a grace period as defined in paragraph (c) of this Section.

(c) The term "grace period" as used in paragraph (b) of this Section means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of LIBOR and 0.60% as provided by Section 3.02 of the Loan Regulations, less a credit of 0.30% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 1 June and 1 December in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 2 to this Loan Agreement.

Section 2.06. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:

(i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, whether withdrawn and outstanding or unwithdrawn, to an Approved Currency;

(ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and

(iii) the setting of limits on the Floating Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Floating Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by ADB shall be considered a "Conversion", as defined in Section 2.01(6) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. (a) The Borrower shall relend the proceeds of the Loan to VEC under a Subsidiary Loan Agreement upon terms and conditions satisfactory to ADB.

(b) The Borrower shall cause VEC to apply the proceeds of the Loan to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure or cause to be procured items of expenditure in accordance with the provisions of Schedule 4 to this Loan Agreement, as applicable. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.

Section 3.04. Except as ADB may otherwise agree, the Borrower shall cause all items of expenditure financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.

Section 3.05. The Loan Closing Date for withdrawals from the Loan Account for the purposes of Section 9.02 of the Loan Regulations shall be 31 December 2017 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. (a) The Borrower shall cause VEC to carry out the Project with due diligence and efficiency and in conformity with sound applicable technical, financial, business, and development practices.

(b) In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.

Section 4.02. The Borrower shall make available, promptly as needed, the funds, facilities, services, land and other resources, as required, in addition to the proceeds of the Loan, for the carrying out of the Project.

Section 4.03. The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Project and operation of the Project facilities are conducted and coordinated in accordance with sound administrative policies and procedures.

Section 4.04 The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.05. The Borrower shall take all actions which shall be necessary on its part to enable VEC to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.06. (a) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) No rights or obligations under the Subsidiary Loan Agreement shall be assigned, amended, abrogated or waived without the prior concurrence of ADB.

ARTICLE V

Suspension; Acceleration of Maturity

Section 5.01. The following are specified as additional events for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 9.01(l) of the Loan Regulations:

(a) the JICA Loan shall have become liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date; and

(b) VEC shall have failed to perform any of its obligations under the Project Agreement or the Subsidiary Loan Agreement.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 9.07(a)(iv) of the Loan Regulations: any of the events specified in Section 5.01 of this Loan Agreement shall have occurred.

ARTICLE VI

Effectiveness

Section 6.01. The following is specified as an additional condition to the effectiveness of this Loan Agreement for the purposes of Section 10.01(f) of the Loan Regulations: the Subsidiary Loan Agreement shall have been duly executed and delivered, and all conditions precedent to its effectiveness (other than a condition requiring the effectiveness of this Loan Agreement) shall have been fulfilled.

Section 6.02. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

ARTICLE VII

Delegation of Authority

Section 7.01. The Borrower hereby designates VEC as its agent for the purposes of taking any action or entering into any agreement required or permitted under Sections 3.02, 3.03 and 3.05 of this Loan Agreement and under Sections 6.01, 6.02, 6.03 and 6.04 of the Loan Regulations.

Section 7.02. Any action taken or any agreement entered into by VEC pursuant to the authority conferred under Section 7.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 7.03. The authority conferred on VEC under Section 7.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VIII

Miscellaneous

Section 8.01. SBV is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

SCHEDULE 1

Description of the Project

1. The objective of the Investment Project is expected to be the increased competitiveness of the regional economy in southern Viet Nam and the neighboring countries, through expanding access to markets, facilitating the movement of goods and people, and contributing to connectivity improvements to neighboring countries. As part of the Investment Project, the outcome of the Project is more efficient and safer movement of goods and people in Ho Chi Minh City and its neighboring provinces. The Project is the first project of the Investment Project.

2. The Project shall comprise the following components:

Component 1: Constructing the western section of the Ben Luc–Long Thanh Expressway starting from Ben Luc;

Component 2: Constructing VEC's laboratory building and providing necessary equipment to the laboratory;

Component 3: Providing Project supervision and monitoring consulting services for the construction of the Ben Luc–Long Thanh Expressway sections; and

Component 4: Supporting VEC's incremental administration cost.

3. The Project is expected to be completed by 30 June 2017.

SCHEDULE 2

Amortization Schedule

(Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project – Loan 1)

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by ADB by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Date Payment Due	Installment Share (Expressed as a % based on 10% annuity)
01-Jun-18	0.827816
01-Dec-18	0.869207
01-Jun-19	0.912667
01-Dec-19	0.958301
01-Jun-20	1.006216
01-Dec-20	1.056526
01-Jun-21	1.109353
01-Dec-21	1.164820
01-Jun-22	1.223061
01-Dec-22	1.284214
01-Jun-23	1.348425
01-Dec-23	1.415846
01-Jun-24	1.486639
01-Dec-24	1.560971
01-Jun-25	1.639019
01-Dec-25	1.720970
01-Jun-26	1.807019
01-Dec-26	1.897369
01-Jun-27	1.992238
01-Dec-27	2.091850
01-Jun-28	2.196442
01-Dec-28	2.306264
01-Jun-29	2.421578
01-Dec-29	2.542657
01-Jun-30	2.669789
01-Dec-30	2.803279
01-Jun-31	2.943443
01-Dec-31	3.090615

For the Borrower

State Bank of Vietnam
47 – 49 Ly Thai To
Hanoi, Viet Nam

Facsimile Numbers:

(84-4) 38250-612
(84-4) 38258-385.

For ADB

Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Manila, Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2015.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

SOCIALIST REPUBLIC OF VIET NAM

By _____
NGUYEN VAN GIAU
Governor
State Bank of Vietnam

ASIAN DEVELOPMENT BANK

By _____
HARUHIKO KURODA
President

01-Jun-32	3.245146
01-Dec-32	3.407403
01-Jun-33	3.577773
01-Dec-33	3.756662
01-Jun-34	3.944495
01-Dec-34	4.141720
01-Jun-35	4.348806
01-Dec-35	4.566246
01-Jun-36	4.794558
01-Dec-36	5.034286
01-Jun-37	5.286000
01-Dec-37	5.550311
Total	100.000000

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. Withdrawals made within 2 calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to said Conversion; or (ii) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each such Category ("Table"). (Reference to "Category" or "Categories" in this Schedule is to a Category or Categories of the Table).

Percentages of ADB Financing

2. Except as ADB may otherwise agree, each item of expenditure shall be financed out of the proceeds of the Loan on the basis of the percentages set forth in the Table.

Interest and Commitment Charge

3. The amount allocated to Category 5 is for financing interest and commitment charge on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest and commitment charge.

Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

5. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Schedule 3

Imprest Account and Statement of Expenditures

6. (a) Except as ADB may otherwise agree, the Borrower shall establish immediately after the Effective Date, an imprest account at a commercial bank acceptable to ADB. The imprest account shall be established, managed, replenished and liquidated in accordance with the Loan Disbursement Handbook, and detailed arrangements agreed upon between the Borrower and ADB. The currency of the imprest account shall be Dollars. The ceiling for the imprest account shall not exceed the lower of (i) the estimated expenditure to be financed through the imprest account for the coming 6 months of Project implementation, or (ii) the equivalent of 10% of the Loan amount.

(b) The statement of expenditures procedure may be used for reimbursement of eligible expenditures and to liquidate advances provided into the imprest account, in accordance with the Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower and ADB. Any individual payment to be reimbursed or liquidated under the statement of expenditures procedure shall not exceed the equivalent of $100,000.

Retroactive Financing

7. Withdrawals from the Loan Account may be made for reimbursement of eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement in connection with Consulting Services, Works, laboratory equipment, and VEC's incremental administration cost, subject to a maximum amount equivalent to three million Dollars ($3,000,000).

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Greater Mekong Subregion Ben Luc–Long Thanh Expressway Project – Loan 1)			
CATEGORY			**ADB FINANCING**
Number	**Item**	**Total Amount Allocated for ADB Financing ($) Category**	**Percentage and Basis for Withdrawal from the Loan Account**
1	Works	254,700,000	100 percent of total expenditure claimed
2	VEC Laboratory Equipment	1,100,000	100 percent of total expenditure claimed
3	Consulting Services	9,600,000	100 percent of total expenditure claimed
4	VEC Incremental Administration Cost	9,200,000	100 percent of total expenditure claimed
5	Interest and Commitment Charge	20,900,000	100 percent of amounts due
6	Unallocated	54,500,000	
	Total	350,000,000	

SCHEDULE 4

Procurement of Goods, Works and Consulting Services

General

1. The procurement of Goods, Works and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.

2. All terms used and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

Procurement of Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the methods of procurement set forth below:

(a) International Competitive Bidding;
(b) National Competitive Bidding; and
(c) Shopping.

4. The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

Domestic Preference

5. The Borrower may grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(a) and 2.56 of the Procurement Guidelines for domestically manufactured Goods and paragraphs 2.55(b) and 2.56 of the Procurement Guidelines for domestic Works.

National Competitive Bidding

6. The Borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after approval of such change by the Borrower and ADB.

Consulting Services

7. Except as ADB may otherwise agree, and except as set forth in the paragraph below, the Borrower shall apply quality- and cost-based selection for selecting and engaging consulting services.

8. The Borrower shall apply the following method for selecting and engaging the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan:

> Consultants' Qualifications Selection for external environmental monitoring, external resettlement monitoring and external auditing.

Industrial or Intellectual Property Rights

9. (a) The Borrower shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The Borrower shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

10. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

ADB's Review of Procurement Decisions

11. Contracts procured under international competitive bidding procedures and contracts for Consulting Services shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB and set forth in the Procurement Plan.

SCHEDULE 5

Execution of Project and Operation of Project Facilities; Financial Matters

Implementation Arrangements

1. The Borrower and VEC shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the FAM. Any subsequent change to the FAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the FAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Institutional Development

2. The Borrower shall cause MOT and its line agencies to implement the guidelines to be (a) developed under ADB's technical assistance for Strengthening Institutional and Financial Arrangements, Operation and Maintenance, and Governance in Road Transport; and (b) jointly agreed between ADB and the Borrower. In particular, MOT and its line agencies shall adopt and carry out (a) efficient management of (i) the Directorate for Roads in Viet Nam, and (ii) upon its establishment, the Vietnam Expressway Management Administration; (b) financial arrangements of expressway projects and financial empowerment of VEC; (c) flexible design standards; and (d) improved framework for governance of the road sector.

Environment

3. The Borrower and VEC shall ensure that the Borrower's laws and regulations governing environmental impact assessments, as well as ADB's *Safeguard Policy Statement* (2009) are followed. If there is any discrepancy between the Borrower's laws and regulations, and the *Safeguard Policy Statement*, the requirements under *the Safeguard Policy Statement* shall apply.

4. The Borrower shall cause VEC to ensure that the required environmental measures in the EMP are appropriately incorporated in bidding and contract documents for Works. VEC shall ensure that Works contractors to be financed under the Project prepare the relevant site-specific environmental management plans on the basis of the measures indicated in the EMP.

5. The Borrower shall cause VEC to ensure that (a) VEC allocates sufficient staff resources for implementation and monitoring of the EMP; and (b) the Project complies with best environmental practices and meets the mitigation and monitoring requirements in a timely manner, as required in the EMP. The Borrower shall ensure that VEC is responsible for internal monitoring of the EMP resettlements and will submit progress reports on environmental activities to ADB on a quarterly basis, as part of the Project progress reports.

6. The Borrower and VEC shall ensure that the provisions of the EIA and EMP as well as any requirements under the *Safeguard Policy Statement* also apply to the expressway sections of the Project to be financed by the Borrower and the JICA Loan.

7. The Borrower shall ensure that VEC engages qualified and experienced external expert(s), acceptable to ADB. Such experienced external expert(s) shall (a) review and verify the accuracy, breadth, depth, and relevance of information provided by VEC to ADB with regard to implementation of the EMP; (b) determine if provisions under the EMP are being carried out in a thorough and timely manner and in accordance with budget identified within the EMP; and (c) undertake monitoring annually and shall submit corresponding report to VEC and ADB on a timely basis.

8. The Borrower shall cause VEC to establish an environmental grievance redress mechanism, acceptable to ADB, through which it receives and facilitates resolution of affected peoples' concerns, complaints, and grievances about the Project's environmental performance. VEC shall (a) make public the existence of this grievance redress mechanism through public awareness campaigns; (b) review and address environmental grievances of stakeholders in relation to the Project, any of the service providers, or any person responsible for carrying out any aspect of the Investment Project; and (c) proactively and constructively respond to such grievances.

Resettlement

9. The Borrower and VEC shall ensure that the RP is updated, on a district by district basis, upon completion of detailed designs and is submitted to ADB for review and concurrence. No land acquisition or site clearing shall commence until (a) the RP has been updated and agreed between VEC and ADB; and (b) provisions of such updated RP have been implemented. In case of differences between the Borrower's laws and regulations and the *Safeguard Policy Statement*, *the Safeguard Policy Statement* shall prevail. The Borrower shall ensure that VEC is responsible for internal monitoring of resettlement and will submit progress reports on resettlement activities to ADB on a quarterly basis, as part of the Project progress reports.

10. The Borrower shall ensure that an EMA, acceptable to ADB, is engaged within 1 month of the commencement of updating RP. The budget provided to the EMA shall include funds sufficient, in the opinion of ADB, to adequately perform its functions. The Borrower and VEC shall provide to the EMA, at no cost, all documents necessary to monitor the resettlement process. Such documents shall include, among other things, the RP, detailed measurement survey documents and all associated documents which may be reasonably requested by the EMA.

11. The Borrower shall ensure that VEC does not issue a notice of possession of site for any expressway section until its head of District Compensation and Site Clearance Committee has officially confirmed in writing that (a) payment has been fully disbursed to the affected persons and rehabilitation measures are in place as per the RP and its updates; (b) already-compensated affected persons have cleared the area in a timely manner; and (c) the area is free from any encumbrances.

12. The Borrower shall ensure that (a) the counterpart funds for land acquisition, resettlement and monitoring activities specified in the RP are provided to the relevant agencies on timely basis; (b) any unforeseen obligations in excess of the initial RP budget estimate shall be fulfilled; and (c) the counterpart funds for compensation and entitlements under the RP are fully provided directly to affected persons prior to their displacement from housing and prior to loss of land, livelihood, income or other assets.

13. The Borrower and VEC shall ensure that the provisions of the RP as well as any requirements under the *Safeguard Policy Statement* also apply to the expressway sections of the Project to be financed by the Borrower and the JICA Loan.

Social Protection

14. The Borrower shall cause VEC to ensure that all Works contracts incorporate provisions and allocate budgets, so that such contractors shall: (a) comply with the Borrower's applicable labor laws and related international treaty obligations and do not employ child labor; (b) provide safe working conditions, and water and separate sanitation facilities for male and female workers; (c) provide equal wages to male and female workers for work of equal value; (d) provide day care services for female construction workers; and (e) carry out programs on prevention of HIV/AIDS, illicit drugs and human trafficking in the respective construction campsites with such programs being held in coordination with the Borrower's programs and other initiatives. VEC and Works contractors shall conduct the programs on prevention of HIV/AIDS, illicit drugs and human trafficking during construction in the construction camps, towns, and rural areas of provinces where the Project is implemented.

Operation and Maintenance

15. The Borrower shall ensure that at least 6 months prior to the transfer of any one of Project expressway sections to VEC from a Works contractor, VEC shall have developed an internal department responsible for the Project expressway's operations and maintenance management. If appropriate, VEC shall select an appropriately experienced entity to carry out operations and maintenance works on the Project expressway in an appropriate manner thereafter.

Financial Matters

16. For the purposes of this paragraph, all financial calculations, ratios, and financial covenants shall be applied in respect of VEC's Operations only.

(a) Except as ADB shall otherwise agree, the Borrower shall ensure that VEC does not incur any Debt unless a Reasonable Forecast of the revenues and expenditures of VEC shows that the estimated Net Revenues of VEC for each Fiscal Year during the term of the Debt to be incurred shall be at least 1.2 times the estimated Debt Service Requirements of VEC in such year on all Debt of VEC including the debt to be incurred and no event has occurred since the date of the forecast which has, or may reasonably be expected in the future to have, a material adverse effect on the financial condition of future operating results of VEC.

(b) For the purposes of this paragraph:

(i) The term "VEC's Operations" refers to the operations of VEC.

(ii) The term "Debt" means any indebtedness of VEC maturing by its terms more than one year after the date on which it is originally incurred.

(iii) Debt shall be deemed to be incurred: (A) under a loan contract or agreement or other instrument providing for such Debt or for the modification of its terms of payment on the date of such contract, agreement or instrument; and (B) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into. Financial liabilities incurred by a borrower who is a lessee under finance leasing agreements may also be included as debt.

(iv) "Fiscal Year" means the period from 1 January to 31 December;

(v) "Net Revenues" means the difference between: (A) the sum of revenues from all sources related to Operations and Net Non-operating Income, after making adequate provisions for uncollectible Debts; and (B) the sum of all expenses related to Operations including administration, maintenance, taxes and payments in lieu of taxes, but excluding provision for depreciation, other non-cash operating charges, movements in Working Capital, and interest and other charges on debt.

(vi) "Net Non-operating Income" means the difference between: (A) revenues from all sources, including extraordinary gains, other than those related to operations; and receipts relating to the disposal of physical assets; and (B) expenses including taxes and payments in lieu of taxes, and including extraordinary losses, incurred in the generation of revenues in (v)(A) above; and payments for the purchase of physical assets, whether or not actually paid.

(vii) The term "Working Capital" means the difference between Current Assets and Current Liabilities at the end of each Fiscal Year.

(viii) The term "Current Assets" means all assets which could in the ordinary course of business be converted into cash within 12 months, including accounts receivable, marketable securities, inventories and prepaid expenses properly chargeable to operating expenses within the next Fiscal Year.

(ix) The term "Current Liabilities" means all liabilities which will become due and payable or could under circumstances then existing be called for payment within twelve months, including accounts payable, customer advances, debt service requirements, taxes and payments in lieu of taxes, and dividends.

(x) The term "Debt Service Requirements" means the aggregate amount of repayments (including sinking fund payments, if any) of, and interest and other charges on Debt.

(xi) The term "Reasonable Forecast" means a forecast to be prepared and submitted in accordance with the requirements of paragraph 21 of this Schedule.

(xii) Whenever for the purposes of this Section it shall be necessary to value Debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such other currency is at the time of such valuation obtainable for the purposes of servicing such Debt, or, in the absence of such rate, on the basis of a rate of exchange acceptable to ADB.

17. For the purposes of this paragraph, all financial calculations, ratios and financial covenants shall be applied in respect of VEC's Operations only.

(a) Except as ADB shall otherwise agree, the Borrower shall ensure that VEC does not incur any debt, if after the incurrence of such debt the estimated ratio of debt to equity becomes greater than 90 to 10 beginning with Fiscal Year 2020.

(b) For purposes of this paragraph:

(i) The term "debt" means any indebtedness of VEC maturing by its terms more than one year after the date on which it is originally incurred.

(ii) Debt shall be deemed to be incurred: (A) under a loan contract or agreement, or other instrument providing for such debt or for the modification of its terms of payment on the date of such contract, agreement or instrument; and (B) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into. Financial liabilities incurred by a borrower who is a lessee under finance leasing agreements may also be included as debt.

(iii) The term "equity" means the sum of the total unimpaired paid-up capital, retained earnings and reserves of VEC not allocated to cover specific liabilities.

(iv) Whenever for purposes of this paragraph it shall be necessary to value, debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such currency is, at the time of valuation, obtainable for the purposes of servicing such debt, or, in the absence of such rate, on the basis of a rate of exchange acceptable to ADB.

18. If it appears that VEC will not meet requirements provided in paragraphs 16 and 17 above by its own revenues from its properties, the Borrower shall review financing reports of VEC and the feasibility of each project, and take necessary measures for VEC to meet the above requirements.

19. The Borrower shall cause VEC, when establishing the toll rates, to ensure that they are sufficient to satisfy VEC's minimum debt service coverage ratio and debt to equity ratio as described in paragraphs 16 and 17 above while also taking into account the Project's social objectives. VEC will carry out periodic reviews (every three to five years as deemed appropriate) of the toll structure (i.e., vehicle classifications) and toll levels (i.e., amounts) to adjust for inflation or unanticipated costs.

20. The Borrower shall ensure that by using the internal financial information and management system, VEC produces a financially sustainable expressway investment plan utilizing monitoring and planning, cost recovery tariff levels, traffic forecast planning, and preparing projected financial statements and debt management strategies.

21. The Borrower shall ensure that VEC maintains a separate set of records for incremental administration costs, and VEC shall submit to ADB: (a) within 3 months prior to the start of each applicable fiscal year, an annual operating plan, projected financial statements, anticipated debt obligations, and estimated incremental administration costs for charging to the Project and which estimates are based on an acceptable standard costing method; and (b) an audited statement in the annual audit of accounts confirming that the charged services were duly provided to the Project.

Governance

22. The Borrower and VEC shall comply with ADB's *Anticorruption Policy* (1998, as amended to date) and the *Combating Money Laundering and the Financing of Terrorism Policy* (2003). The Borrower (a) acknowledges ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the Project; (b) agrees to cooperate fully with, and to cause VEC to cooperate fully with, any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation; and (c) agrees to refrain, and cause the VEC to refrain, from engaging in money laundering activities or financing of terrorism and shall allow, and cause VEC to allow, ADB to investigate any violation or potential violation of these undertakings.

23. The Borrower shall ensure that VEC conducts periodic inspections on the contractors' activities related to fund withdrawals and settlements, and the Borrower and VEC shall ensure that all contracts financed by ADB in connection with the Project include provisions specifying the right of ADB to audit and examine the records and accounts of all contractors, suppliers, consultants and other service providers as they relate to the Project.

24. The Borrower shall ensure that VEC publicly discloses on VEC website the information regarding (a) procurement contract awards, including for each such contract (i) the list of participating bidders, (ii) name of the winning bidder, (iii) basic details on bidding procedures adopted, (iv) amount of the contract awarded, (v) list of Goods and/or services purchased, (vi) intended and actual utilization of Loan proceeds under each contract; and (b) internal and external resettlement reports. The website shall be updated within 2 weeks after: (a) each award of contract; (b) each submission of the EMA's quarterly resettlement report; (c) each submission of VEC's internal quarterly environmental reports, as described in paragraph 5 above; and (d) each submission of VEC's internal quarterly resettlement reports, as described in paragraph 9 above.

Schedule 5

Project Performance Monitoring and Evaluation

25. The Borrower shall cause VEC to ensure the implementation of a systematic Project performance monitoring and evaluation system for use throughout the Project period and thereafter as needed. Such systematic Project performance monitoring and evaluation system indicates: (a) the effectiveness of Project implementation activities, including (i) the precise nature, timeliness, cost and quality of physical infrastructure implemented in the Project, (ii) the integrity of resettlement and related programs, and (iii) the extent to which the programs as referred to in paragraph 14(e) above are implemented as planned, and their impacts; and (b) the effectiveness of the Project with regard to its anticipated effect on economic and social development relative to the baseline prior to its implementation as indicated by at least the following indicators: (i) per capita income in the Project area, (ii) level of cross-border trade at Moc Bai, (iii) passenger and freight vehicle operating costs and poverty rate on the Project expressway and between key locations, (iv) cost for freight and fare for passenger movement between selected locations that indicate the impact of the Project on the community, (v) traffic volume at selected locations and travel time between the selected locations; (vi) number of traffic accidents; and (vii) number of new small and medium businesses and employment of local people. The impacts of development on low income households resulting from improved road access shall receive particular attention with regard to consideration of the effectiveness of the Project.

26. The Borrower shall ensure that disaggregated monitoring indicators by gender and ethnic minority are developed for monitoring of social benefits, economic opportunities, livelihood program, road safety, resettlement activities, and the programs as referred to in paragraph 14(e) above.

27. The Borrower shall ensure that baseline data is collected within 6 months of the Effective Date, with a second survey to be conducted upon Project completion and a third survey to be conducted 3 years after Project completion to establish Project impact. The baseline and subsequent surveys shall draw on data collected during Project preparatory activities and data collected from traffic and travel surveys, household socioeconomic sample surveys, participatory rapid appraisals and secondary data from government sources.