FRAMEWORK ARRANGEMENT
BETWEEN
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM
AND
THE GOVERNMENT OF THE REPUBLIC OF KOREA
CONCERNING LOANS FROM
THE ECONOMIC DEVELOPMENT COOPERATION FUND
FOR THE YEARS 2024 THROUGH 2030

The Government of the Republic of Korea (hereinafter referred to as the "Korean Government") and the Government of the Socialist Republic of Viet Nam (hereinafter referred to as the "Vietnamese Government") (hereinafter referred to as the "Parties"),

In accordance with the Agreement between the Government of the Republic of Korea and the Government of the Socialist Republic of Viet Nam concerning Loans from the Economic Development Cooperation Fund signed on April 12, 1995 (hereinafter referred to as the "Agreement"),

Have agreed as follows:

Article 1

The Korean Government shall enable the Vietnamese Government to obtain loans from the Economic Development Cooperation Fund (hereinafter referred to as the "EDCF") up to a maximum commitment amount in Korean Won not exceeding the equivalent of Two Billion US Dollars (US$ 2,000,000,000) for the years 2024 through 2030 to finance EDCF loan projects in the Socialist Republic of Viet Nam, unless otherwise agreed by the Parties.

Article 2

An EDCF loan for each individual project (hereinafter referred to as a "Loan") shall be extended to the Vietnamese Government in accordance with the following procedures:

(a) The Korean Government and the Vietnamese Government shall identify potential projects in close collaboration with each other, and the Parties shall share a list of prospective projects to be financed under this Arrangement;

(b) The Vietnamese Government shall request the Korean Government, /through diplomatic

through diplomatic channels, to extend a Loan for each individual project;

(c) In case the Korean Government decides to extend a Loan for the requested project after appraisal of the project, it shall inform the Vietnamese Government of its decision through diplomatic channels; and the Vietnamese Government shall send its acceptance to the Korean Government through diplomatic channels; and

(d) Details of each individual project and the Loan amount for the project shall be set out in and made available through a loan agreement (hereinafter referred to as a "Loan Agreement") to be concluded between the Export-Import Bank of Korea (hereinafter referred to as the "Bank") and the Ministry of Finance of Viet Nam representing the Vietnamese Government.

Article 3

1. The terms and conditions for each individual project shall be specified in each Loan Agreement to the extent consistent with the Agreement and the provisions of this Arrangement. Each Loan Agreement shall contain, inter alia, the following principles, unless otherwise agreed by the Parties:

(a) The borrower of the Loan shall be the Vietnamese Government;

(b) The repayment terms and the interest rate shall be specified in the Loan Agreement;

(c) No interest shall accrue for the portion of the Loan covering the consulting services costs, in case the consultant is selected from among Korean firms;

(d) In the event that the Vietnamese Government fails to make payment of all or any portion of the principal of the Loan or any other amount due under the Loan Agreements, the unpaid amount shall bear an overdue charge at the rate of two percent (2%) per annum in addition to the interest rate

/specified in

specified in the Loan Agreements;

(e) The eligible source countries for the procurement of goods and services including consulting services, to be financed out of the Loan shall be the Republic of Korea for the portion other than Vietnamese portion[1] and the Socialist Republic of Viet Nam for the Vietnamese portion. Procurement from the third countries other than the eligible source countries, if any, may be acceptable if the Parties agree and shall be set out in the Loan Agreements;

(f) Either the procurement or consulting contracts shall be concluded within eighteen (18) months from the effective date of each Loan Agreement;

(g) Eligible suppliers for EDCF loan-financed projects shall be Korean companies. Considering the characteristics of individual projects, additional eligible suppliers may be allowed by the Korean Government; and

(h) The Vietnamese Government shall ensure that import tax, special consumption tax, environment protection tax and value added tax imposed in the Socialist Republic of Viet Nam with respect to the purchase of materials, equipment and services for the project, which are procured or authorized to be procured by the Vietnamese executing agencies and which duly constitute the value of the project, be borne by the said agencies. In other cases, including the purchase of materials, equipment and services, procured by the suppliers for the project, which do not duly constitute the value of the project, the suppliers and other related organizations and individuals must comply with the laws and regulations of the Socialist Republic of Viet Nam on taxation. The suppliers of the project are obliged to pay corporate income tax and personal income tax in accordance with the laws of the Socialist Republic of Viet Nam, and in accordance with the provisions of the Agreement between the Government of the Republic of Korea and the Government

/of the

[1] "Vietnamese portion" means the portion of the project cost payable to contractor(s) or consultant(s) for the goods and services manufactured in or provided by the borrower's country.

of the Socialist Republic of Viet Nam for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income.

2. The revision of any principle stated in paragraph 1 above may be made with the mutual written consent of the Parties, and shall be set out in the Loan Agreements.

3. The procurement of goods and works (including related services) financed by the EDCF Loan under this Arrangement shall be made through competitive bidding among the eligible suppliers stipulated in paragraph 1(g) in conformity with each Loan Agreement, including the Guidelines for Procurement under the EDCF Loan.

4. The employment of consultants for the consulting services financed by EDCF Loan under this Arrangement shall be made among the eligible suppliers stipulated in paragraph 1(g) in conformity with each Loan Agreement, including the Guidelines for the Employment of Consultants under the EDCF Loan.

Article 4

Should the Loan allocated to a project be insufficient for the implementation of the project, the Vietnamese Government shall take responsibility to provide such funds as shall be needed.

Article 5

The Loans shall be disbursed by the Bank to the Vietnamese Government or, on behalf of the Vietnamese Government, to the suppliers and/or consultants, upon the request of the Ministry of Finance of Viet Nam representing the Vietnamese Government, in accordance with the disbursement procedures specified in the Loan Agreements.

/Article 6

Article 6

The Vietnamese Government shall permit the Bank to maintain an EDCF office in the Socialist Republic of Viet Nam (hereinafter referred to as the "Office") with the same status as the offices of other development partners executing official development assistance (ODA) loans to the Vietnamese Government and shall allow Resident Representatives to be dispatched from the Republic of Korea (hereinafter referred to as the "Representatives") and the EDCF staff to be dispatched from the Republic of Korea (hereinafter referred to as the "Staff") to discharge their duties in connection with the Loans under this Arrangement.

Article 7

The Parties mutually agree to further negotiate the specific terms and conditions of the Loan Agreements in line with this Arrangement.

Article 8

This Arrangement may be amended by the mutual written consent of the Parties. The amendment shall become effective on the date agreed upon by the Parties. The amendment of this Arrangement shall not affect the validity of any Loan advanced prior to such amendment, unless otherwise agreed by the Parties.

Article 9

Any dispute arising out of the interpretation or implementation of this Arrangement shall be settled amicably through negotiations between the Parties.

Article 10

1. This Arrangement shall enter into force on the date of signature and shall

/remain in

remain in force, unless otherwise agreed by the Parties, until December 31, 2030.

2. Either Government may terminate this Arrangement at any time by written notification to the other Government through diplomatic channels. The termination shall take effect six (6) months from the date of the notification of termination to the other Government.

3. The expiry or the termination of this Arrangement, pursuant to paragraph 1 or 2 of this Article, shall not affect the validity and duration of any obligations made under this Arrangement or any of the Loan Agreements until the completion of such obligations, unless the Parties jointly decide otherwise.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Arrangement.

Done in duplicate at Ha Noi, on this 29th day of December, 2023, in the English language.

FOR THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM

Mr. Vo Thanh Hung
Vice Minister

FOR THE GOVERNMENT OF THE REPUBLIC OF KOREA

Mr. Choi Youngsam
Ambassador