OFFICIAL
DOCUMENTS

CREDIT NUMBER 7367-VN

Financing Agreement

(Viet Nam Inclusive and Sustainable Recovery Development Policy Financing (2nd Operation))

between

SOCIALIST REPUBLIC OF VIET NAM

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 7367-VN

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between SOCIALIST REPUBLIC OF VIET NAM ("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 ninety-five million nine hundred thousand Special Drawing Rights (SDR 195,900,000) (variously, "Credit" and "Financing").

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 The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.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 The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.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 April 1 and October 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 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 including any action specified in Section I of Schedule 1 to this Agreement.

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 and twenty (120) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

601. 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
Ha Noi, Viet Nam; 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 VIET NAM

By _____
Authorized Representative

Name: Võ Thành Hưng

Title: Vice Minister of Finance

Date: 22nd December 2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By _____
Authorized Representative

Name: Carolyn Turk

Title: Country Director for Viet Nam

Date: 20th December 2023

SCHEDULE 1

Program Actions; Availability of Financing Proceeds

Section I. Actions Taken under the Program

A. Promote and Sustain Inclusive Economic Recovery

1. To reduce the administrative burden for taxpayers, the Recipient, through its Ministry of Finance, has expanded the use of e-invoices, as evidenced by Decision No. 206/QD-BTC dated February 24, 2022.

2. To promote the development of disadvantage areas, the Recipient, through its Prime Minister, has established funding formulas based on, among others, multidimensional poverty measures, subprogram-specific criteria, and the number of extremely disadvantaged communes and villages for the allocation of central budget funds to line ministries, agencies, and participating localities under NTP-SEDEMA, as evidenced by Prime Minister Decision No. 39/2021/QD-TTg dated December 30, 2021.

3. To support resilience and financial inclusion, the Recipient has regulated the provision of micro-insurance products for low-income population including by mutual organizations, as evidenced by Law No. 08/2022/QH15 on Insurance Business dated June 16, 2022, and Decree No. 21/2023/ND-CP dated May 5, 2023.

4. To enable digital payment of social assistance benefits nationwide, the Recipient, through its Prime Minister, has required relevant ministries and agencies to: (i) implement the digitalization of the paper based social assistance database; and (ii) establish the connection of the social assistance database with the national ID database, as evidenced by Prime Minister Directive No. 21/CT-TTg dated November 25, 2022.

5. To promote gender equality in the workplace, the Recipient, through the Certain Provincial People's Councils, has guaranteed fund transfers for subsidizing nursery and preschool care and education for children of workers in areas with industrial parks, as evidenced by the Issued Resolutions of the Certain Provincial People's Councils.

B. Promote and Sustain Green and Digital Friendly Economic Recovery

6. To promote competitiveness and green growth, the Recipient, through its Ministry of Planning and Investment, has introduced green and sustainable principles for the procurement of goods, civil works, and non-consulting services contracts

governed under the scope of CPTPP, EVFTA and UKVFTA, as evidenced by Circular No. 12/2022/TT-BKHDT dated June 30, 2022, Circular No. 15/2022/TT-BKHDT dated June 30, 2022, and Circular No. 21/2022/TT-BKHDT dated September 30, 2022.

7. To facilitate the digitalization of the public administration, the Recipient, through its Prime Minister, has required ministries and central and local government agencies to integrate the citizen registry with the administrative procedure information systems for priority public services concerning citizens' life events, as evidenced by Decision No. 06/QD-TTg dated January 06, 2022.

8. To improve transparency and efficiency of public spending, the Recipient, through its Ministry of Planning and Investment, has operationalized the new e-procurement system, as evidenced by Circular No. 08/2022/TT-BKHDT dated May 31, 2022, and Circular No. 10/2022/TT-BKHDT dated June 15, 2022.

9. To promote the financial sustainability of the power sector, the Recipient, through its Prime Minister, has established the new framework range for the level of the average electricity retail tariff, as evidenced by Decision No. 02/2023/QD-TTg dated February 03, 2023.

Section II. Availability of Financing Proceeds

A. General. The Recipient may withdraw the proceeds of the Financing 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 Financing Amounts. The Financing is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing proceeds. The allocation of the amounts of the Financing to this end is set out in the table below:

Allocations	Amount of the Financing Allocated (expressed in SDR)
(1) Single Withdrawal Tranche	195,900,000
TOTAL AMOUNT	**195,900,000**

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 Financing Amounts.** The Recipient, within thirty (30) days after the withdrawal of the Financing from the Financing 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 details of the account to which the equivalent of the Financing proceeds will be credited; and (c) the record that an equivalent amount has been accounted for in the Recipient's budget management systems.

E. **Closing Date.** The Closing Date is November 30, 2024.

SCHEDULE 2

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 1 and October 1:	
commencing October 1, 2028, to and including April 1, 2048	**1.65%**
commencing October 1, 2048, to and including April 1, 2053	**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. "Certain Provincial People's Councils" means, collectively, the City/Provincial People Councils of Ba Ria – Vung Tau, Bac Giang, Bac Ninh, Ben Tre, Binh Dinh, Binh Duong, Binh Phuoc, Binh Thuan, Can Tho, Da Nang, Dak Lak, Dak Nong, Dong Nai, Dong Thap, Gia Lai, Ha Nam, Ha Noi, Ha Tinh, Hai Duong, Hai Phong, Hau Giang, Hoa Binh, Ho Chi Minh City, Hung Yen, Khanh Hoa, Kien Giang, Kon Tum, Lao Cai, Long An, Nghe An, Ninh Binh, Ninh Thuan, Phu Tho, Phu Yen, Quang Nam, Quang Ngai, Tay Ninh, Thai Binh, Thai Nguyen, Thanh Hoa, Tien Giang, Tra Vinh, Thua Thien Hue, Tuyen Quang, Vinh Long, and Vinh Phuc.

2. "CP-TPP" means the Comprehensive and Progressive Agreement for Trans-Pacific Partnership signed on March 8, 2018.

3. "EVFTA" means EU-Viet Nam Free Trade Agreement signed on June 30, 2019.

4. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Development Policy Financing", dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).

5. "Issued Resolutions of the Participating Provincial People's Councils" means, collectively, Resolution No. 05/2021/NQ-HDND issued by Provincial People's Council of Ba Ria – Vung Tau, Resolution No. 23/2021/NQ-HDND issued by Provincial People's Council of Bac Giang, Resolution No. 05/2021/NQ-HDND issued by Provincial People's Council of Bac Ninh, Resolution No. 12/2021/NQ-HDND issued by Provincial People's Council of Ben Tre, Resolution No. 34/2022/NQ-HDND issued by Provincial People's Council of Binh Dinh, Resolution No. 09/2021/NQ-HDND issued by Provincial People's Council of Binh Duong, Resolution No. 07/2021/NQ-HDND issued by Provincial People's Council of Binh Phuoc, Resolution No. 09/2022/NQ-HDND issued by Provincial People's Council of Binh Thuan, Resolution No. 05/2021/NQ-HDND issued by Can Tho City People's Council, Resolution No. 38/2021/NQ-HDND issued by Da Nang City People's Council, Resolution No. 14/2022/NQ-HDND issued by Provincial People's Council of Dak Lak, Resolution No. 05/2021/NQ-HDND issued by Provincial People's Council of Dak Nong, Resolution No. 22/2021/NQ-HDND issued by Provincial People's Council of Dong Nai, Resolution No. 72/2021/NQ-HDND issued by Provincial People's Council of Dong Thap, Resolution No. 02/2021/NQ-HDND issued by Provincial People's Council of Gia Lai, Resolution No. 22/2022/NQ-HDND issued by Provincial People's Council of Ha Nam, Resolution No. 08/2020/NQ-HDND issued by Ha Noi People's Council, Resolution No. 264/2020/NQ-HDND issued by Provincial People's Council of Ha Tinh, Resolution No. 13/2021/NQ-HDND

issued by Provincial People's Council of Hai Duong, Resolution No. 04/2021/NQ-HDND issued by Hai Phong City People's Council, Resolution No. 35/2021/NQ-HDND issued by Provincial People's Council of Hau Giang, Resolution No. 27/2021/NQ-HDND issued by Provincial People's Council of Hoa Binh, Resolution No. 27/2022/NQ-HDND issued by Ho Chi Minh City People's Council, Resolution No. 169/2021/NQ-HDND issued by Provincial People's Council of Hung Yen, Resolution No. 22/2021/NQ-HDND issued by Provincial People's Council of Khanh Hoa, Resolution No. 36/2022/NQ-HDND issued by Provincial People's Council of Kien Giang, Resolution No. 69/2021/NQ-HDND issued by Provincial People's Council of Kon Tum, Resolution No. 28/2020/NQ-HDND issued by Provincial People's Council of Lao Cai, Resolution No. 24/2022/NQ-HDND issued by Provincial People's Council of Long An, Resolution No. 12/2021/NQ-HDND issued by Provincial People's Council of Nghe An, Resolution No. 40/2021/NQ-HDND issued by Provincial People's Council of Ninh Binh, Resolution No. 22/2021/NQ-HDND issued by Provincial People's Council of Ninh Thuan, Resolution No. 26/2021/NQ-HDND issued by Provincial People's Council of Phu Tho, Resolution No. 04/2021/NQ-HDND issued by Provincial People's Council of Phu Yen, Resolution No. 22/2021/NQ-HDND as amended by Resolution No. 03/2022/NQ-HDND issued by Provincial People's Council of Quang Nam, Resolution No. 32/2021/NQ-HDND issued by Provincial People's Council of Quang Ngai, Resolution No. 10/2021/NQ-HDND issued by Provincial People's Council of Tay Ninh, Resolution No. 16/2022/NQ-HDND issued by Provincial People's Council of Thai Binh, Resolution No. 11/2020/NQ-HDND issued by Provincial People's Council of Thai Nguyen, Resolution No. 05/2022/NQ-HDND issued by Provincial People's Council of Thanh Hoa, Resolution No. 11/2021/NQ-HDND issued by Provincial People's Council of Tien Giang, Resolution No. 10/2021/NQ-HDND issued by Provincial People's Council of Tra Vinh, Resolution No. 27/2021/NQ-HDND issued by Provincial People's Council of Thua Thien Hue, Resolution No. 07/2020/NQ-HDND issued by Provincial People's Council of Tuyen Quang, Resolution No. 06/2021/NQ-HDND issued by Provincial People's Council of Vinh Long, and Resolution No. 14/2021/NQ-HDND issued by Provincial People's Council of Vinh Phuc.

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

7. "Ministry of Planning and Investment" means the Recipient's Ministry of Planning and Investment, or any successor thereto.

8. "National Assembly" means the Recipient's National Assembly.

9. "NTP-SEDEMA" means the Recipient's National Target Program for Socio-Economic Development in Ethnic Minority and Mountainous Areas for the

period of 2020-2025 adopted under Decision 90/QD-TTg by the Prime Minister on January 18, 2022.

10. "Prime Minister" means the Recipient's Prime Minister.

11. "Program" means the program of selected objectives, policies, and actions under the Recipient's "Fiscal and Monetary Policies for Supporting Socio-Economic Recovery and Development Program" adopted pursuant to Resolution No. 43/2022/QH15 adopted by the National Assembly on January 11, 2022, as further set forth or referred to in the letter dated May 24, 2023 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.

12. "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.

13. "Single Withdrawal Tranche" means the amount of the Financing 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.

14. "UKVFTA" means UK-Viet Nam Free Trade Agreement signed on December 29, 2020.