LOAN NUMBER 8417-VN

Loan Agreement

(Transmission Efficiency Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated November 12, 2014

LOAN AGREEMENT

AGREEMENT dated November 12, 2014, between SOCIALIST REPUBLIC OF VIETNAM ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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 — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of five hundred million Dollars ($500,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.05. The Payment Dates are April 15 and October 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the provisions set forth in Schedule 3 to this Agreement.

2.07. (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, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference 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 the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the National Power Transmission Corporation in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that NPT's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the NPT to perform any of its obligations under the Project Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely the Subsidiary Agreement has been executed on behalf of the Borrower and NPT.

5.02. The Additional Legal Matter consists of the following, namely: (a) the Subsidiary Agreement has been duly authorized or ratified by the Borrower and NPT and is legally binding upon the Borrower and NPT in accordance with its terms; and (b) the Resettlement Policy Framework has been duly approved by the Prime Minister and is legally binding upon the Borrower in accordance with its respective terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower's Representative is the Governor, or a Deputy Governor, of State Bank of Vietnam.

6.02. The Borrower's Address is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam

Cable address:	Telex:	Facsimile:
VIETBANK Hanoi	412248 NHTWVT	(84-4) 3825 0612

6.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Hanoi, Socialist Republic of Vietnam, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIETNAM

By _____

Authorized Representative

Name: Nguyen Van Binh

Title: Governor State Bank of Vietnam

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By _____

Authorized Representative

Name: Axel van Trotsenburg

Title: Regional Vice President

SCHEDULE 1

Project Description

The objective of the Project is to improve the capacity, efficiency and reliability of electricity transmission services in selected parts of the electricity transmission network in the territory of the Borrower.

The Project consists of the following:

Part 1: Enhancing Transmission Infrastructure

Carrying out of an investment infrastructure program to increase the capacity and reliability of the electricity transmission network, including the construction of transmission lines and substations at the 220kV and 500kV levels.

Part 2: Developing Smart Grid Network

Carrying out of: (i) a substation modernization strategy in targeted areas, including the replacement or upgrading of monitoring, control, protection, and other ancillary equipment in transmission substations at voltage levels of 220 kV and 500 kV; (ii) upgrading an information system for operation and equipment management; and (iii) establishment of a data and metering system for NPT.

Part 3: Capacity Building

Provision of support for capacity building of NPT, including: (a) improvement of the asset management system; (b) assistance in cost-reflective transmission tariff application; (c) building financial reporting capacity on the basis of international financial reporting standards; and (d) upgrading of the electrical testing laboratory center.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

Ministry of Industry and Trade

1. The Borrower shall be responsible for the provision of policy and strategic orientation to the Project through its Ministry of Industry and Trade.

Vietnam Electricity

2. EVN shall be responsible for overall Project coordination, and monitoring and evaluation.

B. Subsidiary Agreement

1. To facilitate NPT's implementation of the Project, the Borrower shall make the proceeds of the Loan available to NPT under a Subsidiary Agreement between the Borrower, represented by its Ministry of Finance, and NPT, under terms and conditions satisfactory to the Bank, which shall include the obligations of NPT to:

   (a) (i) pay the Borrower a front-end-fee in an amount equal to the Front-end Fee specified in Section 2.03 of this Agreement; (ii) repay the proceeds of the Loan over a period of twenty six (26) years, inclusive of a grace period of ten (10) years; and (iii) pay interest on the principal amount of the Loan withdrawn and outstanding from time to time at the rate payable by the Borrower pursuant to Section 2.04 of this Agreement, subject to any request that the Borrower may make pursuant to Section 2.07 of this Agreement, plus an on-lending fee of a quarter of one percent (0.25%);

   (b) ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower;

   (c) ensure that the Project is carried out in accordance with the provisions of the Project Operations Manual, and except as the Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

(d) ensure that the Project is carried out in accordance with the provisions of the Safeguard Instruments, and except as the Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

(e) ensure that: (i) an acceptable financial management system is maintained and financial statements are prepared in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of NPT, including the operations, resources, and expenditures related to the Project; and (ii) such statements are audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and such audited financial statements are furnished to the Borrower and the Bank in accordance with the provisions of Section II.D.3 of the Schedule to the Project Agreement and made publicly available in a timely fashion and in a manner acceptable to the Bank; and

(f) ensure that procurement of the goods, works, and services required for the Project is carried out in accordance with the provisions of Section III of this Schedule 2, as said provisions may be further elaborated in the Procurement Plan.

2. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Project Operations Manual

1. The Borrower shall: (a) ensure that the Project is carried out in accordance with the POM; and (b) except as the Bank shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of such POM and those of this Agreement, the latter shall govern.

E. **Safeguards**

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework, the Environment Management Plans, the Resettlement Policy Framework, the Resettlement Plans, the Ethnic Minority Planning Framework, and the Ethnic Minority Development Plans, and, except as the Bank shall otherwise agree in writing, the Borrower shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived the aforementioned, or any provision thereof.

Section II. Project Monitoring Reporting and Evaluation

A. Semi-Annual Reviews

The Borrower shall review jointly with the Bank and NPT, no later than one (1) month after the transmittal by NPT of each Project Report to the Bank, such Report, and thereafter cause NPT to take all measures required to ensure the efficient completion of NPT's implementation of the Project and the achievement of the objectives of the Project, based on the conclusions and recommendations of such Report and the Borrower and the Bank's views on the matter.

B. Midterm Review

The Borrower shall:

(a) carry out jointly with the Bank and NPT, no later than twenty-four (24) months after the Effective Date, a midterm review to assess the status of NPT's implementation of the Project, as measured against the performance indicators set forth in the POM. Such review shall include an assessment of the following: (i) overall progress in implementation of the Project; (ii) results of monitoring and evaluation activities; (iii) progress on the implementation of annual work plans and budgets; (iv) progress on procurement and disbursement; (v) progress on the implementation of safeguards measures; (vi) implementation arrangements; and (vii) the need to make any adjustments to the Project and reallocate funds to improve performance;

(b) cause NPT to prepare and furnish to the Borrower and the Bank, at least three (3) months before such review, a report, in scope and detail satisfactory to the Borrower and the Bank, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding

the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives of the Project during the period following such date; and

(c) review, jointly with the Bank and NPT, the report referred to in subparagraph (b) of this Part B and thereafter cause NPT to take all measures required to ensure the efficient completion of NPT's implementation of the Project and the achievement of the objectives of the Project, based on the conclusions and recommendations of said report and the Borrower and the Bank's views on the matter.

C. Financial Management, Financial Reports, and Audits

1. The Borrower shall maintain or cause to be maintained an acceptable financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of NPT. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. <u>Procurement</u>

A. General

1. **Goods, Works, and Non-consulting Services.** All goods, works, and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works, and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, non-consulting services, and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding, subject to the additional procedures set out in the Annex to this Schedule
(b) Shopping
(c) Direct Contracting

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

3. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality- and Cost-Based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Quality-Based Selection
(b) Selection Based on the Consultants' Qualifications
(c) Single-Source Selection
(d) Selection of Individual Consultants
(e) Least-Cost Selection

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance: (a) the Front-end Fee in accordance with Section 2.07 (b) of the General Conditions; and (b) Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	**Amount of the Loan Allocated (expressed in USD)**	**Percentage of Expenditures to be financed (inclusive of Taxes)**
(1) Goods, works, non-consulting services, consultants' services, Training and Workshops, and Incremental Operating Costs for the Project	498,750,000	100%
(2) Front-end Fee	1,250,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	**500,000,000**	

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 date of this Agreement.

2. The Closing Date is December 31, 2019.

ANNEX to SCHEDULE 2

National Competitive Bidding: Additional Procedures

The procedures to be followed for the procurement of goods, non-consulting services, and works under contracts awarded on the basis of National Competitive Bidding shall be those set forth in: (a) Article 20 on Open Bidding of the Borrower's Law on Procurement No. 43/2013/QH13 dated November 26 2013; (b) the Borrower's Law No. 38/2009/QH12 Amending and Supplementing a Number of Articles of Laws Concerning Capital Construction Investment dated June 19, 2009; and (c) the Borrower's Decree No. 63/2014/ND-CP Guiding Implementation of the Law on the Procurement and Selection of Construction Contractors under the Construction Law dated June 26, 2014 October 15, 2009 (collectively, "National Procurement Laws"), subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the Procurement Guidelines and the following provisions:

Conflict of Interest

1. A bidder shall not have a conflict of interest. Any bidder found to have a conflict of interest shall be ineligible for award of a contract. The provisions on conflict of interest as stated under Section I of the Procurement Guidelines shall apply.

Eligibility

2. The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section I of the Guidelines. Foreign bidders shall be eligible to participate in bidding under the same conditions as national bidders. In particular, no domestic preference over foreign bidders shall be granted to national bidders in bid evaluation, nor shall foreign bidders be asked or required to form joint ventures with or be subcontractors to national bidders in order to submit a bid.

3. Government-owned enterprises or institutions of the Borrower's country are eligible to bid in the Borrower's country only if they can establish that they: (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of the Borrower or Sub-Borrower.

Registration

4. Registration shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and, if determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of registering, without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

Advertising: Time for Bid Preparation

5. The complete text of advertisement shall be published in a national newspaper of wide circulation or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access. The Borrower may publish a shorter version of the advertisement text, including the minimum relevant information, in the national press provided that the full text is simultaneously published in the official gazette or on a widely used website or electronic portal with free national and international access. Notification shall be given to prospective bidders in sufficient time to enable them to obtain relevant documents.

6. The time allowed for the preparation and submission of bids shall not be less than thirty (30) days from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later.

Standard Bidding Documents

7. Standard bidding documents acceptable to the Bank shall be used.

Qualification Criteria

8. Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a pass or fail basis and merit points shall not be used. Such assessment shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment, and construction and manufacturing facilities, and financial capacity. The evaluation of the bidder's qualifications shall be conducted separately subsequent to the technical and commercial evaluation of the bid.

Bid Submission, Bid Opening, and Bid Evaluation

9. Bidders may submit bids, at their option, either in person or by courier service or by mail, as required in the bidding documents. Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the Bank with respect to contracts subject to the Bank's prior review.

(a) Bidding documents shall be sold to anyone who is willing to pay the required fee of the bidding documents which shall not exceed the costs of printing, reproduction, and delivery at any time prior to the deadline for

bid submission, and no other conditions shall be imposed on the sale of the bidding documents.

(b) Evaluation of bids shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation.

(c) A contract shall be awarded, within the period of the validity of bids, to the bidder who meets the appropriate standards of capability and resources and whose bid has been determined (i) to be substantially responsive to the bidding documents and (ii) to offer the lowest evaluated cost. No negotiations shall be permitted. A bidder shall neither be required nor permitted, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

(d) No bid shall be eliminated from detailed evaluation on the basis of minor, non-substantive deviations.

(e) The comparison of all bids and the award of contract may be based on the total cost at destination including all taxes and duties.

(f) No bid shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Bank's prior written agreement.

Rejection of All Bids and Re-bidding

10. Rejection of all bids is justified when there is lack of effective competition, or all bids are not substantially responsive, or no bidder meets the specified qualification criteria, or the bid price of the lowest evaluated winning bid is substantially higher than the Borrower's updated estimated cost or available budget. Lack of competition shall not be determined solely on the basis of the number of bidders. Even when only one bid is submitted, the bidding process may be considered valid, if the bid was satisfactorily advertised, the qualification criteria were not unduly restrictive, and prices are reasonable in comparison to market values. All bids shall not be rejected or new bids solicited without the Bank's prior written agreement.

Complaints by Bidders and Handling of Complaints

11. The Borrower shall implement an effective and independent protest mechanism allowing bidders to protest and have their protests handled in a timely manner. An independent protest mechanism shall provide for the review of complaints by an independent entity that is not involved in any aspect of the underlying procurement process (e.g., bid evaluation, contract approval, etc.).

independent protest mechanism shall provide for the review of complaints by an independent entity that is not involved in any aspect of the underlying procurement process (e.g., bid evaluation, contract approval, etc.).

Fraud and Corruption

12. The provisions on fraud and corruption as stated under Section I of the Procurement Guidelines shall apply. Each bidding document and contract financed out of the proceeds of the Financing shall include provisions on matters pertaining to fraud and corruption as defined in the Guidelines. The Bank will sanction a firm or individual, at any time, in accordance with prevailing Bank sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded an Bank-financed contract.

Right to Inspect / Audit

13. Each bidding document and contract financed from the proceeds of the Financing shall include a provision requiring bidders, suppliers, contractors, and subcontractors to permit the Bank, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Bank. Acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for in the Guidelines constitute an obstructive practice as defined in the Guidelines.

License

14. Foreign contractors shall be given a reasonable opportunity to apply for and obtain a work license, which shall not be arbitrarily withheld.

Publication of the Award of Contract

15. Within two weeks of receiving the Bank's no objection to the award recommendation for contracts subject to the Bank's prior review, and within two weeks of the Borrower's award decision for contracts subject to the Bank's post review, the Borrower shall publish the following information on contract award in a national newspaper of wide circulation and/or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access: (a) the name of each bidder which submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract.

Contract Modifications

16. With respect to contracts subject to the Bank's prior review, the Borrower shall obtain the Bank's no objection before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; or (d) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Bank.

SCHEDULE 3

Amortization Schedule

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 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 the Bank by multiplying: (a) the Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	**Installment Share (Expressed as a Percentage)**
On each April 15 and October 15 Beginning October 15, 2024 through October 15, 2039	3.13%
On April 15, 2040	2.97%

2. If the proceeds of the Loan have not 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 have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

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

3. (a) Amounts of the Loan withdrawn within two 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.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

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

5. If the Withdrawn Loan Balance is 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.

APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means 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.

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

3. "Central Project Management Board" or "CPMB" means NPT's entity responsible for the management of power transmission project activities, mainly in the central part of the Borrower's territory, or any successor thereto.

4. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.

5. "Department of Compensation" means the department of each of the Project Management Boards responsible for the management of environmental and social safeguards in relation to the respective Board's activities, or any successor thereto.

6. "Department of Natural Resources and Environment" or "DONRE" means the Borrower's provincial-level entity, responsible for the management of natural resources and the environment within the respective Provincial People's Committee, or any successor thereto.

7. "Displaced Person" means a person who, on account of implementation of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and "Displaced Persons" means, collectively, all such persons.

8. "Environment Management Plans" or "EMPs" means NPT's plans, to be agreed with the Bank and setting out mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental impacts of activities to be implemented under a Subproject, offset them, or reduce them to acceptable levels, or enhance positive impacts, in accordance with the provisions of the Environmental and Social

Management Framework, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plans.

9. "Environmental and Social Management Framework" or "ESMF" means the framework acceptable to the Bank, adopted by MOIT pursuant to its Decision Number 5838/QD-BCT dated June 27, 2014, which sets forth the environmental protection measures in respect of the Project, including the preparation of EMPs during the implementation of the Project, and administrative and monitoring arrangements to ensure the implementation of said framework, as said ESMF may be revised from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

10. "Ethnic Minority Development Plans" or "EMDPs" means NPT's plans, to be agreed with the Bank and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by NPT to address any adverse effects on ethnic minorities associated with, and ensure culturally appropriate social and economic benefits for Ethnic Minorities under, a Subproject, in accordance with the provisions of the Ethnic Minority Planning Framework, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plans.

11. "Ethnic Minority Planning Framework" or "EMPF" means the framework adopted by MOIT pursuant to Decision Number 5838/QD-BCT dated June 27, 2014, agreed with the Bank and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, that have been identified by NPT to ensure meaningful consultation with, and the informed participation of, ethnic minorities within the Project area who are affected by the Project, and guidelines and procedures for the preparation of Ethnic Minority Development Plans, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

12. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012.

13. "Incremental Operating Costs" means the incremental operating costs under the Project incurred by the Borrower for purposes of Project management, implementation, and monitoring and evaluation, including 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, and salaries

of contractual and temporary staff, but excluding salary and salary supplements of staff of the Borrower's civil service ("công chức" and "viên chức").

14. "kV" means kilovolt, or one thousand (1,000) volts, a standard unit of measure of electric voltage.

15. "Ministry of Natural Resources and Environment" or "MONRE" means the Borrower's ministry responsible for the management of natural resources and environment, or any successor thereto.

16. "Ministry of Finance" or "MOF" means the Borrower's ministry responsible for the management of finance, or any successor thereto.

17. "Ministry of Industry and Trade" or "MOIT" means the Borrower's ministry responsible for the management of industry and trade, or any successor thereto.

18. "National Power Transmission Corporation" or "NPT" means EVN's wholly-owned subsidiary, established and operating pursuant to EVN's Decision Numbers 223/QD-EVN dated April 11, 2008 and 324/QD-EVN dated May 14, 2012, and NPT's charter, as adopted pursuant to the latter Decision, responsible for power transmission activities, or any successor thereto.

19. "Northern Project Management Board" or "NPBM" means NPT's entity responsible for the management of power transmission project activities, mainly in the northern part of the Borrower's territory, or any successor thereto.

20. "NPT's Legislation" means EVN's Decision Numbers 223/QD-EVN dated April 11, 2008 and 324/QD-EVN dated May 14, 2012, and NPT's charter, as adopted pursuant to the latter Decision; and such term includes any other decisions, or any laws and regulations governing the organization, reorganization, restructuring, and operations of NPT as of the date of this Agreement.

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

22. "Project Operations Manual" means the document adopted by MOIT pursuant to Decision Number 5439/QD-BCT dated June 17, 2014, and referred to in paragraph 1(c) of Section I.B of Schedule 2 to this Agreement, agreed with the Bank and setting out implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of Project implementation, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such manual.

23. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.

24. "Procurement Plan" means the Borrower's procurement plan for the Project, dated March 12, 2014 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

25. "Project Management Boards" or "PMBs" means, collectively, the NPMB, CPMB, and SPMB, responsible for the management of projects in the respective parts of the Borrower's territory, or any successors thereto.

26. "Resettlement Plans" or "RPs" means NPT's plans, to be agreed with the Bank and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to carry out acquisition of land and other assets, compensation, resettlement, and rehabilitation of Displaced Persons under a Subproject, in accordance with the provisions of the Resettlement Policy Framework, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such plans.

27. "Resettlement Policy Framework" or "RPF" means the framework, approved by the Prime Minister pursuant to Decision Number 1081/QD-TTg dated July 7, 2014, agreed with the Bank and setting out the mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to carry out acquisition of land and other assets, compensation, resettlement, and rehabilitation of Displaced Persons, and guidelines and procedures for the preparation of Resettlement Plans, under the Project, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such framework.

28. "Safeguards Instruments" means, collectively, the Environmental and Social Management Framework, the Environment Management Plans, the Resettlement Policy Framework, the Resettlement Plans, the Ethnic Minority Planning Framework, and the Ethnic Minority Development Plans

29. "Southern Project Management Board" or "SPMB" means NPT's entity responsible for the management of power transmission project activities, mainly in the southern part of the Borrower's territory, or any successor thereto.

30 "Subproject" means one (1) or more contract packages under Parts 1 and 2 of the Project, grouped together for procurement purposes.

31. "Subsidiary Agreement" means the agreement referred to in Section I.E.1 of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to the NPT.

32. "Training and Workshops" means the reasonable costs of expenditure incurred by the Borrower, based on annual work plans and terms of reference acceptable to the Bank, in facilitating and conducting domestic and overseas training and workshop activities of the Project, including costs of training or workshop materials; honoraria; interpretation and translation; 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 Borrower's civil servants ("công chức" and "viên chức").

33. "Vietnam Electricity" or "EVN" means the Borrower's wholly-owned enterprise, established and operating pursuant to the Prime Minister's Decision No. 975/2010/QD-TTg dated June 25, 2010, and EVN's charter, as adopted under said Decision, responsible for the development, operation, and maintenance, direct or indirect, of facilities for the generation, transmission, and distribution of electricity throughout the Borrower's territory, or any successor thereto.

LOAN NUMBER 8117-VN

Project Agreement

(Transmission Efficiency Project)

among

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,

NATIONAL POWER TRANSMISSION CORPORATION,

and

VIETNAM ELECTRICITY

Dated , 2014

PROJECT AGREEMENT

AGREEMENT dated [illegible] 2014, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"), NATIONAL POWER TRAMSMISSION CORPORATION, and VIETNAM ELECTRICITY (the latter two, collectively, "NPT and EVN") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between SOCIALIST REPUBLIC OF VIETNAM ("Borrower") and the Bank. The Bank and the NPT and EVN hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral 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 this Agreement, the Loan Agreement, or the General Conditions.

ARTICLE II — PROJECT

2.01. The NPT and EVN declare their commitment to the objectives of the Project. To this end, NPT shall carry out the Project in accordance with the provisions of Article V of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its implementation of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the NPT and EVN shall otherwise agree, the NPT and EVN shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The NPT and EVN's Representatives are as follows, namely, for National Power Transmission Corporation, its President, and for Vietnam Electricity, its President and Chief Executive Officer.

3.02. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. The NPT and EVN' Addresses are:

For National Power Transmission Corporation:

18, Tran Nguyen Han Street
Hanoi, Vietnam

Facsimile: 84-4-2220-4430

For Vietnam Electricity:

11, Cua Bac Street
Hanoi, Vietnam

Facsimile: 84-4-824-9462

AGREED at Hanoi, Vietnam, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By _____
Authorized Representative

Name: _____

Title: _____

NATIONAL POWER TRANSMISSION
CORPORATION

By _____
Authorized Representative

Name: _____

Title: _____

VIETNAM ELECTRICTY

By _____
Authorized Representative

Name: _____

Title: _____

SCHEDULE

Execution of the Project by the NPT and EVN

Section I. **Implementation Arrangements**

A. **Institutional Arrangements**

1. EVN shall be responsible for overall Project coordination, and monitoring and evaluation.

2. NPT shall be responsible for the management, implementation, including administrative and financial management, disbursement, and procurement, and monitoring and evaluation of the Project in accordance with the institutional arrangements set forth below.

3. NPT, as Project owner, shall be responsible for its implementation of the Project through the Project Management Boards in their respective geographical areas of coverage.

4. To this end, NPT shall maintain, throughout implementation of the Project, the Project Management Boards, with an adequate institutional framework, functions, and resources, including competent personnel in adequate numbers, as shall be required for purposes of implementation of the Project.

B. **Anti-Corruption**

The NPT and EVN shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. **Project Operations Manual**

1. NPT shall: (a) ensure that the Project is carried out in accordance with the Project Operations Manual; and (b) except as the Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of such Manual and those of this Agreement, the latter shall govern.

D. Annual Work Plans and Budgets

NPT shall:

(a) furnish to the Bank for approval as soon as available, but in any case not later than November 30 of each year, an annual work plan and budget for the Project for each subsequent year of implementation of the Project, of such scope and detail as the Bank shall have reasonably requested and including a list of proposed Subprojects and feasibility studies for such Subprojects, including technical, budget, and funding details; and

(b) thereafter ensure that such Subprojects are carried out in accordance with such plan and budget as approved by the Bank.

E. Subprojects

No proposed Subproject shall be eligible for financing under the Project unless, on the basis of a review and appraisal conducted in accordance with the provisions of this Part E and the Project Operations Manual, NPT has determined that the proposed Subproject satisfies eligibility criteria satisfactory to the Bank, described in the Project Operations Manual, which shall include the following:

(a) NPT has:

(i) carried out a feasibility study thereof providing evidence satisfactory to the Bank that the Subproject: (A) contributes to the fulfillment of the objectives of the Project; (B) meets international technical standards and best practices; (C) figures in the Borrower-approved master plan for power sector development applicable at the time; (D) has been selected taking into account alternative designs and investments; and (E) has an economic rate of return of at least ten percent (10%) and a financial rate of return of at least six and one half percent (6.50%), calculated on the basis of methodology satisfactory to the Bank;

(ii) prepared, agreed with the Bank, adopted, and publicly disclosed, as required pursuant to and in accordance with the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Ethnic Minorities Development Framework, any Environmental Management Plan, Resettlement Plan, and / or Ethnic Minorities Development Plan for the Subproject;

(iii) obtained all necessary Borrower approvals, including environmental approvals from the relevant agencies of the Borrower, in accordance with applicable law, for the Subproject; and

(iv) prepared financing, procurement, and implementation plans, in form and substance satisfactory to the Bank, for the Subproject; and

(b) The Bank has carried out an appraisal of the Subproject and communicated its non-objection in writing to the Borrower and NPT.

F. Safeguards

1. NPT shall ensure that the Project is carried out in accordance with the provisions of the Safeguards Instruments, and, except as the Bank shall otherwise agree in writing, NPT shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of any of such instruments and those of this Agreement, the latter shall govern.

3. Wherever required in terms of the Environmental and Social Management Framework, the Resettlement Policy Framework, or the Ethnic Minorities Development Framework, as the case may be, NPT shall or shall cause the respective Project Management Board, for the purposes of any Subproject, and prior to implementation thereof, proceed to have an Environmental Management Plan, a Resettlement Plan, or an Ethnic Minorities Development Plan, as the case may be:

   a. prepared in form and substance satisfactory to the Bank;

   b. except as otherwise agreed with the Bank, submitted to the Bank for review and approval: and

   c. thereafter, adopted and publicly disclosed.

4. NPT shall ensure that each contract for a Subproject includes the obligation of the respective contractor to implement and monitor and evaluate any Environmental Management Plan, Resettlement Plan, and Ethnic Minorities Development Plan (collectively referred to as "Plans" in this Section I.F), as the case may be.

5. NPT shall take all measures necessary on its part to regularly collect, compile, and submit to the Bank, as part of the Project Reports, information on the status of compliance with such Plans, giving details of:

   a. measures taken in furtherance of such Plans;

   b. conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Plans; and

   c. remedial measures taken or required to be taken to address such conditions.

6. NPT shall be responsible for the oversight of implementation of the ESMF, EMPs, RPF, RPs, EMPF, and EMDPs through the Project Management Boards, particularly the respective Department of Compensation, in their respective geographical areas of coverage, and preparation and adoption as applicable, implementation, and monitoring and evaluation of all such instruments through the PMBs in their respective geographical areas of coverage.

7. NPT shall maintain, throughout implementation of the Project, for purposes of independent monitoring and evaluation of implementation of such instruments, (a) consultant(s), with qualifications, experience, and terms of reference satisfactory to the Bank as shall be required for such purpose.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. NPT shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators set forth in the POM. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Borrower and the Bank not later forty-five (45) days after the end of the period covered by such Report.

2. NPT shall provide to the Borrower not later than five (5) months after the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions, all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

3. EVN shall promptly take all measures necessary on its part to enable NPT to comply with said requirements.

B. Semi-Annual Reviews

NPT shall review jointly with the Borrower and the Bank, no later than one (1) month after the transmittal by NPT of each Project Report to the Bank, such Report, and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives of the Project, based on the conclusions and recommendations of such Report and the Borrower and the Bank's views on the matter.

C. Midterm Review

NPT shall:

(a) participate in the midterm review referred to in Section II.B of Schedule 2 to the Loan Agreement;

(b) prepare and furnish to the Borrower and the Bank, at least three (3) months before such review, the report referred to therein, in scope and detail satisfactory to the Borrower and the Bank; and

(c) participate in the review, jointly with the Borrower and the Bank, of the report referred to in subparagraph (b) of this Part C and thereafter collaborate with the Borrower in taking all measures required to ensure the efficient completion of the Project and the achievement of the objectives of the Project, based on the conclusions and recommendations of said report and the Borrower and the Bank's views on the matter.

D. Financial Management, Financial Reports and Audits

1. NPT shall maintain an acceptable financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of NPT, including the operations, resources, and expenditures related to the Project.

2. Without limitation on the provisions of Part A of this Section, NPT shall prepare and furnish to the Borrower and the Bank, not later than forty-five (45) days after the end of each calendar semester, interim un-audited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. NPT shall have its financial statements referred to in paragraph 1 above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) fiscal year of NPT. NPT shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works, and services required for NPT's implementation of the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.