Loan Agreement No. VN-C20

LOAN AGREEMENT

For

Support Program to Respond to Climate Change (V)

Between

JAPAN INTERNATIONAL COOPERATION AGENCY

And

THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM

Dated March 31, 2015

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Loan Agreement No. VN-C20, dated March 31, 2015, between the JAPAN INTERNATIONAL COOPERATION AGENCY and THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM

On the basis of the Exchange of Notes between THE GOVERNMENT OF JAPAN and THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM dated March 31, 2015, concerning a Japanese loan to be extended with a view to promoting the economic stabilization and development efforts of the Socialist Republic of Viet Nam,

the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") and THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM (hereinafter referred to as the "**Borrower**") herewith conclude the following Loan Agreement (hereinafter referred to as the "**Loan Agreement**", which includes all agreements supplemental hereto).

Article I

Loan

Section 1. Amount and Purpose of Loan

JICA agrees to lend the Borrower an amount not exceeding FIFTEEN BILLION Japanese Yen (¥15,000,000,000) as the principal for the implementation of Support Program to Respond to Climate Change (V) described in Schedule 1 attached hereto (hereinafter referred to as the "**Program**") in the form of co-financing with the loans extended by International Development Association (hereinafter referred to as "IDA"), French Development Agency (hereinafter referred to as "AFD") and The Export-Import Bank of Korea (hereinafter referred to as "**Korea Eximbank**") on the terms and conditions set forth in the Loan Agreement and in accordance with the relevant laws and regulations of Japan (hereinafter referred to as the "**Loan**"); provided, however, that when the cumulative total of disbursements under the Loan Agreement reaches the above-mentioned maximum amount of the Loan, JICA shall make no

further disbursement.

Section 2. Use of Proceeds of Loan

(1) The Borrower shall use the proceeds of the Loan to cover budget expenditures already made and/or to be made for the purchase of eligible goods and services by purchasers in the Socialist Republic of Viet Nam (hereinafter referred to as the "**Purchaser(s)**") from suppliers (hereinafter referred to as the "**Supplier(s)**") of the eligible source country(ies) described in Section 2. of Schedule 4 attached hereto (hereinafter referred to as the "**Eligible Source Country(ies)**") in accordance with the provisions described in Section 2. of Schedule 2 attached hereto, provided that such purchases are made in the Eligible Source Country(ies) for goods produced in and services supplied from those country(ies).

(2) The Borrower shall take measures to have the equivalent in Vietnamese currency of the amount of yen disbursements of the Loan transferred to the state budget account opened in the name of the Borrower. The amount thus transferred shall be included in the state budget of the Borrower, and shall be used to support the implementation of the Program.

(3) The final disbursement under the Loan Agreement shall be made within the period from the Effective Date of the Loan Agreement to the same day and month two (2) years after the effective date of the Loan Agreement unless otherwise agreed upon between JICA and the Borrower (hereinafter referred to as the "**Disbursement Period**"), and no further disbursement shall be made by JICA after the Disbursement Period has expired.

(4) Notwithstanding the stipulation in Section 2. (3) above, if the expiry date of the Disbursement Period is not a banking business day in Japan, the immediately succeeding banking business day in Japan shall be deemed the expiry date of the Disbursement Period.

(5) In the event that a specified amount of the Loan is determined to have been used for the purpose other than that stipulated in Section 2. (1) above, or overpaid upon the Borrower's request, the Borrower shall refund to JICA, such amount together with the interest accrued thereon. Notwithstanding the

above, if such refund is made before the Disbursement Period expires, the interest accrued thereon shall be paid to JICA on the Payment Date immediately following the date the refund is made.

(6) Notwithstanding the provisions of Section 1. and Section 2. (1) above, no disbursement shall be made in respect of payments made for budget expenditures prior to January 1, 2012.

Article II

Repayment, Interest and Front-End Fee

Section 1. Repayment of Principal

The Borrower shall repay the principal of the Loan to JICA in accordance with the Amortization Schedule as set forth in Schedule 3 attached hereto.

Section 2. Interest and Method of Payment thereof

(1) The Borrower shall pay the interest on the Loan to JICA semi-annually on March 20 and September 20 each year (hereinafter each referred to as the "Payment Date") in arrears at the rate of three-tenths percent (0.3%) per annum on the principal disbursed and outstanding for each Interest Period.

(2) Such interest shall be payable in arrears on each Payment Date:
   (a) (in case of the initial payment of the interest with respect to any disbursement) for the period from and including the day on which the first disbursement is made under the Loan Agreement up to but excluding the first Payment Date on or after the day on which the first disbursement is made; and
   (b) (in case of each subsequent payment of the interest with respect to any disbursement) for the period from and including the immediately preceding Payment Date up to but excluding such each Payment Date.

(3) Notwithstanding Section 2. (2), for each of the following cases, each payment that is required to be paid on each Payment Date shall instead become due

and payable on the corresponding date of the month which is one (1) month after such each Payment Date:

(a) if any Payment Date of the interest falls during the period from and including the day on which the first disbursement is made up to and including the Completion Date; and

(b) if the Payment Date of the first payment of the interest on or after the Completion Date falls during the period from and including the Completion Date up to and including the corresponding date of the month which is two (2) months after the Completion Date.

Section 3. Front-End Fee and Method of Payment thereof

The Borrower shall pay the Front-End Fee as stipulated in Section 3.05 of the General Terms and Conditions.

Article III

Particular Covenants

Section 1. General Terms and Conditions

Other terms and conditions generally applicable to the Loan Agreement shall be set forth in JICA's General Terms and Conditions for Japanese ODA Loans, dated November 2014 (hereinafter referred to as the "**General Terms and Conditions**"), with the following supplemental stipulations:

(1) The following shall be substituted for Section 2.01. (k) of the General Terms and Conditions:
(k) "Front-End Fee" means a fee to be paid by the Borrower to JICA at the rate of one-tenth percent (0.1%) on the maximum amount of the Loan.

(2) Section 3.01. (2) of the General Terms and Conditions shall be read as follows:
(2) In the event that, in the reasonable opinion of JICA, any part of the proceeds of the Loan has been overpaid upon the Borrower's request or used for any purpose other than those stipulated in the Loan Agreement, the Borrower shall refund to JICA, such overpaid or used amount as determined

by JICA together with interest accrued thereon at the interest rate applicable to principal under the Loan Agreement (hereinafter referred to as the "Refund") for the period from and including the immediately preceding Payment Date up to but excluding the date on which the Refund becomes due, which will be decided reasonably by JICA after consultation with the Borrower (hereinafter referred to as the "Refund Date"). Notwithstanding the above, if the Refund Date falls before the Disbursement Period expires, the interest accrued thereon shall be paid to JICA on the Payment Date immediately succeeding the Refund Date.

(3) The following shall be substituted for Section 3.05. (1) of the General Terms and Conditions (as defined below):
The Borrower shall pay the Front-End Fee anytime on or after the date of effectuation of the Loan Agreement through the proceeds of the Loan by submitting a Request for Disbursement, the amount of which is larger than the Front-End Fee to enable the deduction from the disbursement. The Borrower agrees that such amount deducted shall be applied and appropriated to the Front-End Fee by JICA and that the Borrower shall keep and maintain such records evidencing the usage of the proceeds of the Loan for the total amount of such disbursement after the deduction.

(4) Section 3.05. (2) of the General Terms and Conditions shall be disregarded.

(5) With regard to Section 3.08. (1) of the General Terms and Conditions, the Borrower shall have all repayment and/or prepayment of principal and payment of Refund, interest and Any Other Charges under the Loan Agreement credited to "JICA-Loan" account No. 0207787 with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Head Office, Japan.

(6) The following shall be replaced to the Conditions Precedent for Making Disbursement in Section 5.07. (3) of the General Terms and Conditions:
(3) The Borrower submits a Request for Reimbursement allowing JICA to deduct the full payment for the Front-End Fee from the disbursement.

(7) The following (i) and (j) shall be added to Section 6.01. of the General Terms and Conditions:
(i) An event that shall make it improbable that the Program, or, significant part thereof, will be carried out.

(j) An event that IDA, AFD, and/or Korea Eximbank shall, under the provisions of the loan agreements between either IDA, AFD and/or Korea Eximbank and the Borrower for the Program, if any, become itself entitled to suspend or terminate disbursement to the Borrower and/or to declare all of the principal then outstanding, with the interest and the charges thereon to be due and payable immediately.

Section 2. Procurement Procedure

The guidelines for procurement mentioned in Section 4.01. of the General Terms and Conditions shall be as stipulated in the Procurement Procedure attached hereto as Schedule 4.

Section 3. Disbursement Procedure

The disbursement procedure mentioned in Section 5.01. of the General Terms and Conditions shall be as follows:

(1) Reimbursement Procedure attached hereto as Schedule 5 shall apply for disbursement of the proceeds of the Loan for the payment made and/or to be made of the eligible source country(ies) on or after January 1, 2012.

(2) Disbursement of the proceeds of the Loan shall be made within the limit of the Japanese Government's budgetary appropriations for JICA.

Section 4. Administration of Loan

(1) The Borrower shall authorize the Ministry of Natural Resources and Environment (hereinafter referred to as the "**Executing Agency**") to implement the Program.

(2) The Borrower and JICA shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program.

(3) Prior to each exchange of views described in Section 4. (2) above, the Borrower

shall furnish JICA, for its review and comment, with a report on the progress achieved in carrying out the Program, in such detail as JICA shall reasonably request.

(4) Promptly, but in any event not later than one (1) year after completion of the Program, the Borrower shall cause the Executing Agency to furnish JICA with a program completion report in such form and in such detail as JICA may reasonably request.

(5) The Borrower shall designate the State Bank of Vietnam as the "**Agent Bank**". The Borrower shall maintain, or cause the Agent Bank to maintain five (5) years after the Completion Date under the Loan, all supporting documents evidencing each payment and its usage as stipulated in Section 2. (1) of Article I of the Loan Agreement. The Borrower shall also enable JICA to inspect these documents as JICA shall reasonably request.

Section 5. Table of Contents and Headings

Table of Contents and the headings of Articles or Sections herein are inserted for convenient reference only, are not part of the Loan Agreement and do not affect the construction of, or be taken into consideration in interpreting the Loan Agreement.

Section 6. Notice and Requests

The following addresses are specified for the purpose of Section 9.03. of the General Terms and Conditions:

For JICA

Postal address:

JAPAN INTERNATIONAL COOPERATION AGENCY
JICA VIETNAM OFFICE
11th Floor, Corner Stone Building, 16 Phan Chu Trinh Street,
Hoan Kiem District, Hanoi, VIET NAM

Attention: Chief Representative

For the Borrower

Postal address:

MINISTRY OF FINANCE

28 Tran Hung Dao Street, Hanoi, VIET NAM

Attention: Director General of Debt Management and External Finance Department

For the Executing Agency

Postal address:

MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT

10 Ton That Thuyet Street, Cau Giay, Hanoi, VIET NAM

Attention: Deputy Director General of Department of Hydrology, Meteorology and Climate Change and Program Coordinator of Support Program to Respond to Climate Change

If the above addresses and/or names are changed, the party concerned shall immediately notify the other party hereto in writing of the new addresses and/or names.

IN WITNESS WHEREOF, JICA and the Borrower, acting through their duly authorized representatives, have caused the Loan Agreement to be duly executed in their respective names and delivered in Hanoi, Viet Nam, as of the day and year first above written.

For

JAPAN INTERNATIONAL
COOPERATION AGENCY

Mutsuya Mori
Chief Representative
Vietnam Office

For

THE GOVERNMENT OF
THE SOCIALIST REPUBLIC
OF VIET NAM

Truong Chi Trung
Vice Minister
Ministry of Finance

Schedule 1

Description of Program

Section 1. Objective of the Program

The objective of the Program is to support the implementation of climate change related policies and strategies of the Socialist Republic of Viet Nam based on the Decision No. 2139/2011/QD-TTg dated December 5th, 2011 by the Prime Minister on approval of the "National Climate Change Strategy" through policy dialogue, thereby contributing to (i) mitigation of global warming through absorption and control of greenhouse gasses emissions, (ii) strengthening the capacity of adaptation against the negative impact of climate change, and (iii) addressing cross-sectoral issues in terms of climate change.

Section 2. Scope of the Program

The scope of the Program is identical with the Policy Matrix agreed between the Government of the Socialist Republic of Viet Nam and JICA.

Schedule 2

Use of Proceeds of Loan

Section 1. Subject to the provisions set forth or referred to in this Schedule, the proceeds of the Loan may be disbursed for expenditures made and/or to be made for the purchases of goods and services at reasonable cost and to be financed out of such proceeds.

Section 2. Notwithstanding the provisions of Section 1. above, no disbursement shall be made in respect of:

(1) budget expenditures for goods included in the following SITC* groups or sub-groups, or any successor groups or sub-groups under future revision to the SITC, as designated by JICA by notice to the Borrower;

Group SITC Code No.	Description of Items
112	Alcoholic Beverage
121	Tobacco, unmanufactured tobacco refuse
122	Tobacco, manufactured (whether or not containing tobacco substitutes)
525	Radioactive and associated materials
667	Pearls, precious and semi-precious stones, unworked or worked
718.7	Nuclear reactors and parts thereof, fuel elements (cartridges), non-irradiated for nuclear reactors
728.43	Tobacco processing machinery
897.3	Jewelry of gold, silver, or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)

971 Gold, non-monetary (excluding gold ores and gold concentrates)

*Note "SITC" means the Standard International Trade Classification, Revision 3 (SITC Rev.3), published by the United Nations in Statistical Papers, Series M, No.34/Rev.3 (1986).

(2) any type of arms;

(3) any environmentally hazardous goods (for purposes of this paragraph the term "environmentally hazardous goods" means goods, the manufacture, use or import of which is prohibited under the laws of the Socialist Republic of Viet Nam or international agreements to which the Socialist Republic of Viet Nam is a party);

(4) expenditures in the currency of the Socialist Republic of Viet Nam or for commodities supplied from the territory of the Socialist Republic of Viet Nam;

(5) payments made for expenditures prior to January 1, 2012;

(6) payments for taxes levied by, or in the territory of the Socialist Republic of Viet Nam on commodities, or in the importation, manufacture, procurement or supply thereof; and

(7) budget expenditures for commodities supplied under a contract which have been financed or to be financed with sources of official assistance other than the Loan.

Schedule 3

Amortization Schedule

Due Date	Amount (in Japanese Yen)
On March 20, 2025	245,940,000
On each March 20 and September 20 beginning September 20, 2025 through March 20, 2055	245,901,000

Schedule 4

Procurement Procedure

Section 1. Guidelines to be used for procurement under the Loan

Procurement of all goods and services to be financed out of the proceeds of the Loan shall be in accordance with the Guidelines for Procurement under Japanese ODA Loans dated April 2012 (hereinafter referred to as the "**Procurement Guidelines**").

Section 2. Eligible Source Country(ies)

The Eligible Source Country(ies) for procurement of all goods and services to be financed out of the proceeds of the Loan are all countries and areas except the Socialist Republic of Viet Nam.

Section 3. JICA's review of decisions relating to procurement of goods and services

With reference to the Section 1.03. (1) of the Procurement Guidelines, JICA may consider procedures other than International Competitive Bidding acceptable in any of the following cases:

(1) When the amount of a contract does not exceed FIVE HUNDRED MILLION Japanese Yen (¥ 500,000,000) or equivalent in other currency accepted for international transactions in terms of the currency of a contract;

(2) When the number of qualified supplier(s) is limited;

(3) When the purchase of a commodity with a particular specification, brand

name or designation is necessary in order to assure the interchangeability or standardization of equipment, or because of special design requirements;

(4) When the Purchaser is not the government or a government agency; and

(5) When JICA finds International Competitive Bidding to be inappropriate for the reasons other than the case (1), (2), (3) and (4) above (e.g. in case of emergency procurement).

Schedule 5

Reimbursement Procedure

Brochure on Reimbursement Procedure for Japanese ODA Loans dated August 2012, as may be amended from time to time (hereinafter referred to as the "**Reimbursement Brochure**") shall be applied with the following supplemental stipulations, for disbursement of the proceeds of the Loan for the payment made to the Supplier(s) of the Eligible Source Country(ies) on or after January 1, 2012:

1. The Paying Bank mentioned in this Schedule, including the Reimbursement Brochure shall be The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo.

2. The Agent Bank mentioned in the Reimbursement Brochure shall be State Bank of Vietnam.

3. Section 2.01. of the Reimbursement Brochure shall be read as follows:
   2.01. This brochure is to be followed in cases where expenditures, eligible for JICA's financing, have already been incurred. The Borrower shall request JICA to make reimbursement for a sum not exceeding the amount actually paid in accordance with the attached Form RFD(R). Each Request for Reimbursement shall be accompanied by the Summary Sheet of Payments made substantially as per Form SSP(R).

4. The supporting documents evidencing each payment and its usage, as mentioned in, Section 4. (5) of Article III of the Loan Agreement shall be as follows:
   (a) Final Suppliers' Invoices; and
   (b) Payment Certificate

5. Section 2.03. of the Reimbursement Brochure shall be read as follows:
   The amount stated in the Request for Reimbursement shall be in Japanese Yen. When the currency used for the actual payment is different from the currency used in the Request for Reimbursement, the amount stated in the Request for Reimbursement shall be calculated using the telegraphic transfer buying (TTB) rate quoted by a foreign exchange bank authorized as such by the authority in the territories of the Borrower, one (1) business day prior to the date on which the Request for Reimbursement is made. The exchange rate used for conversion to Japanese Yen shall be described in the Summary Sheet of Payments as per Form SSP(R) and submitted together with the evidence of such conversion rate.

In case telegraphic transfer buying (TTB) rate is not available, the reference rate provided by authorized foreign exchange bank of the Borrower's country may be applied as well.

6. Form JICA-RFR attached hereto shall be substituted for Form JICA-RFD(R) attached to the Reimbursement Brochure.

7. Form JICA-SSP attached hereto shall be substituted for Form JICA-SSP(R) attached to the Reimbursement Brochure.

(Form JICA-RFR)

Request for Reimbursement

Date:
Loan No.: VN-C20
App. Serial No.:

To: JAPAN INTERNATIONAL COOPERATION AGENCY
JICA VIETNAM OFFICE

Attention: Chief Representative

Ladies and Gentlemen:

1. Pursuant to the Loan Agreement No.VN-C20, dated March , 2015, for (Support Program to Respond to Climate Change (V)) between JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") and THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIET NAM, the undersigned hereby requests for disbursement under the said Loan Agreement, of the sum of _____ (say _____) for the payment of expenditures as described in the Summary Sheet of Payment attached hereto.

2. The undersigned has not previously requested for reimbursement of any amount from the Loan for the purpose of meeting the expenditures described in the Summary Sheet of Payment. The undersigned has not obtained nor will obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the undersigned.

3. The undersigned certifies that:
(a) the Supplier(s) and goods and/or services described in the Summary Sheet of Payment are eligible under the Loan;
(b) the goods and services purchased with these expenditures have been procured in accordance with the applicable procurement procedures agreed with JICA pursuant to the said Loan Agreement and the cost and terms of purchase thereof are reasonable;
(c) the said goods and services were or will be supplied by the Supplier(s) specified in the attached Summary Sheet of Payment and were or will be produced in (or, in the case of services, supplied from) the Eligible Source Country(ies) for Japanese ODA Loans.

4. Please reimburse the amount requested for herein by paying into the non-resident Yen account of XXXXXXXXXXXX on behalf of the Borrower with The Bank of Tokyo-Mitsubishi UFJ, Ltd., after deducting the Front-End Fee.

5. This request consists of page(s) and signed and numbered Summary Sheet(s).

Very truly yours,

For:

(Name of the Borrower)

By:

(Authorized Signature)

(Form JICA-SSP)

Summary Sheet of Payment

Date:
L/A No.:VN-C20
Serial No.:

1. Transaction	2. Purchaser	3. Supplier	4.* Nationality of Supplier	5.** Description of goods and/or services	6. Origin	7. Date of Payment	8.*** Contract Amount	9.*** Exchange rate	10.*** Amount of Payment	11.**** Procurement Procedure	12. Amount Applied for Financing
1. 2. 3.											
Total											

The undersigned certifies that the Supplier(s) and goods and/or services stated above are eligible under the Loan Agreement.

* Note for 4. Nationality of Supplier: Country in which the Supplier(s) is incorporated and registered.
** Note for 5. Description of goods and/or services: In the case of Commodity Loan, use SITC Code (Rev. 3).
*** Note for 8-10. Amount of Payment: If not in Japanese Yen, state both the amount in the currency in which the payment was made to the Supplier(s), and its converted amount(s) calculated in accordance with paragraph 4. of Reimbursement Procedure for Japanese ODA Loans, as well as the conversion rate(s).
**** Note for 11. Procurement Procedure: State reasons for choice where other than international competitive bidding.

For: (Name of the Borrower)

By: _____
(Authorized Signature)