LOAN NUMBER 8739 -VN

Loan Agreement

(Vietnam Energy Efficiency for Industrial Enterprises Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated August 18, 2017

LOAN NUMBER 8739 -VN

LOAN AGREEMENT

AGREEMENT dated August 18, 2017, entered into between SOCIALIST REPUBLIC OF VIETNAM ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank")

WHEREAS:

(A) the Borrower has requested the Bank/Association to provide assistance towards the financing of the project described in Schedule 1 to this Agreement ("Project"); and

(B) by an agreement of even date herewith between the Borrower and the Association ("Financing Agreement"), the Association has agreed to provide such assistance in the amounts equivalent to one million three hundred thousand Special Drawing Rights (SDR1,300,000) (variously, "Credit" and "Financing").

NOW the Borrower and 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 one hundred million Dollars ($100,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 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 Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. 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 Fixed Spread; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and 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.

2.06. The Payment Dates are March 15 and September 15 in each year.

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

2.08. (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 carry out the Project through its Ministry of Industry and Trade and shall cause the Project to be carried out by each of the Project Financial Institutions in accordance with the provisions of Article V of the General Conditions and each of their respective Project Agreements.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and 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 Events of Suspension consist of the following, namely any of the Project Financial Institutions' Legislation has been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of the Project Financial Institutions to perform any of their obligations under the Project Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) the Subsidiary Loan Agreement has been executed between the Borrower, through its Ministry of Finance, and each of BIDV and VIETCOMBANK;

(b) the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

5.02. The Additional Legal Matter is that the Subsidiary Loan Agreement executed between the Borrower, through its Ministry of Finance, and each of BIDV and VIETCOMBANK has been duly authorized by the Borrower and is legally binding upon the Borrower in accordance with its 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 Lý Thái Tổ
Hanoi
Vietnam

Facsimile:

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:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

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

SOCIALIST REPUBLIC OF VIETNAM

By _____

Authorized Representative

Name: Le Minh Hung

Title: Governor

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By _____

Authorized Representative

Name: Ousmane Dione

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to improve energy efficiency in Vietnam's industrial sector.

The Project would contribute to achieving the Borrower's energy efficiency and greenhouse gas reduction objectives. The Project consists of the following parts:

1. Energy Efficiency Investment Lending

   Carrying out of an energy efficiency investment lending program through the provision of a credit line for the Project Financial Institutions providing Energy Efficiency Sub-loans to Industrial Enterprises or Energy Services Companies.

2. Project Implementation Support

   Provision of technical assistance and capacity building support to the Ministry of Industry and Trade on Project monitoring and supervision, including audits of Project activities and safeguards implementation.

SCHEDULE 2

Project Execution

Section I. **Implementation Arrangements**

A. Institutional Arrangements

1. The Borrower shall be responsible for overall Project coordination, implementation, and monitoring and evaluation through the Ministry of Industry and Trade.

2. The Borrower, through the Ministry of Industry and Trade, shall maintain the Project Management Board throughout Project implementation and cause said Project Management Board to oversee the day-to-day operations of the Project, including: the provision of support to, and supervision of Project activities; maintaining accounting and financial systems, and competent staff, including a Project coordinator, technical, environmental, social, financial and procurement personnel in adequate numbers, in each case with relevant qualifications and expertise; all in form and substance satisfactory to the Bank.

B. Subsidiary Loan Agreement

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

   (a) with respect to the proceeds of the Loan made available to each PFI: (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 ten (10) years, inclusive of a grace period of five (5) years in Dollars or any other Currency as the Loan may be converted from time to time through a Currency Conversion (such principal amount determined on the date, or respective dates, of withdrawal from the Loan Account) of the value of the currency or currencies so withdrawn; and (iii) pay the Borrower: (A) the Commitment Charge at the rate payable by the Borrower pursuant to Section 2.04 of this Agreement; (B) interest on the principal amount of the Loan withdrawn and outstanding from time to time pursuant to Section 2.05 of this Agreement, subject to any request that the Borrower may make pursuant to Section 2.08 of this Agreement; and (C) and any premium for Interest Rate Caps or Interest Rate Collars.

(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 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: (a) 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 the PFI, including the operations, resources, and expenditures related to the Project; and (b) 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 Bank in accordance with the provisions of the relevant 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 Loan Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Subsidiary Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan 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. Operations Manual

1. The Borrower, through the Ministry of Industry and Trade, shall:

   (a) ensure that the Project is carried out in accordance with the 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 the Operations Manual and those of this Agreement, the latter shall govern.

E. Safeguards

1. The Borrower, through the Ministry of Industry and Trade, shall, and shall cause the PFIs to, 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, the Borrower 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 the Safeguards Instruments and those of this Agreement, the latter shall govern.

3. The Borrower, through the Ministry of Industry and Trade, shall, and shall cause the PFIs to ensure, that all studies and technical assistance to be supported under the Project are carried out under terms of reference satisfactory to the Bank, and that such terms of reference are consistent with, and pay due attention to, the Bank's Safeguards Policies.

4. Without limitation upon its other reporting obligations under Section II.A.1 of this Schedule, the Borrower, through the Ministry of Industry and Trade, shall, and shall cause the PFIs to, take all measures necessary to regularly collect, compile, and submit to the Bank, as part of the Project Reports, and promptly in a separate report whenever the circumstances warrant, information on the status of compliance with the Safeguards Instruments, providing details of:

   (a) measures taken in furtherance of said Instruments;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of said Instruments; and

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Borrower, through the Ministry of Industry and Trade, shall, and shall cause the PFIs to, monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in the Operations Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Midterm Review

The Borrower, through the Ministry of Industry and Trade, shall:

(a) carry out jointly with the Bank and the PFIs, not later than thirty-six (36) months, or such other period as may be agreed with the Bank, after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators acceptable to the Bank. Such review shall include an assessment of the following: (i) overall progress in implementation; (ii) results of monitoring and evaluation activities; (iii) progress on procurement and disbursement; (iv) progress on implementation of safeguards measures; and (v) implementation arrangements.

(b) cause the PFIs to prepare and furnish to the Borrower and the Bank, at least one (1) month before such review, a report, in scope and detail satisfactory to the Bank and integrating the results of the monitoring and evaluation activities performed pursuant to Part A.1 of this Section and Section II.A of the Schedule to the relevant Project Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review jointly with the Bank and the PFIs the report referred to in the preceding paragraph and thereafter cause the PFIs to take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of such report 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 a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

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

3. The Borrower, through the Ministry of Industry and Trade, shall, and shall cause each PFI to have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. 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. Procurement

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. **Other Methods of Procurement of Goods, Works, and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works, and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule; (b) Shopping; (c) Direct Contracting; and (d) Commercial Practice for procurement activities carried out under the Energy Efficiency Sub-loans under Part 1 of the Project.

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.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality-and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

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. <u>Withdrawal of the Proceeds of the Loan and Credit</u>

A. General

1. The Borrower may withdraw the proceeds of the Loan and Credit 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 "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the Bank and as made applicable

to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth 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 and the Credit ("Category"), the allocation of the amounts of the Loan and the Credit 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)	Amount of the Credit Allocated (expressed in SDR equivalent)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Energy Efficiency Sub-loans under Part 1 of the Project	99,250,000		100% of amounts disbursed
(2) Goods, works, non-consulting services, consultants' services, and Incremental Operating Costs under Part 2 of the Project		1,300,000	100%
(3) Commitment Charge on the Loan accrued on or before the last Payment Date immediately preceding the Closing Date.	500,000		Amount payable pursuant to Section 2.04 of this Agreement, in accordance with Section 2.07 (c) of the General Conditions
(4) Front-end Fee	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	**100,000,000**	**1,300,000**	

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, except that withdrawals up to an aggregate amount not to exceed USD20,000,000 equivalent under the Loan may be made for payments made prior to this date but on or after July 15, 2016, for Eligible Expenditures.

2. The Closing Date is July 31, 2022.

5. The standard bidding documents acceptable to the Bank shall be used.

Bid Opening and Bid Evaluation

6. Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received.

7. 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. No bid shall be eliminated from detailed evaluation on the basis of minor, non-substantive deviations. The evaluation of bidder's qualifications shall be conducted separately subsequent to the technical and commercial evaluation of the bid.

8. 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. 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.

9. No bid shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the Bank's/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. 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, acceptable to the Bank/Bank, allowing bidders to complaint and have their complaints handled in a timely manner.

SCHEDULE 3

Repayment Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each March 15 and September 15, the first installment to be payable on the eleventh (11th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the twentieth (20th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. The following table sets forth the percentage of the Disbursed Amount payable on each Principal Payment Date.

Principal Payment Date	Installment Share (Expressed as a Percentage)
First	9.34%
Second	9.48%
Third	9.62%
Fourth	9.77%
Fifth	9.91%
Sixth	10.06%
Seventh	10.21%
Eighth	10.37%
Ninth	10.52%
Tenth	10.72%

2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after March 15, 2032, the Borrower shall also pay on such date the aggregate amount of all such installments.

3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount 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.

APPENDIX

Section I. Definitions

1. "Additional Environmental Impact Assessments" means, collectively, the Industrial Enterprises' (as hereinafter defined) plans, to be prepared pursuant to the Environmental and Social Management Framework (as hereinafter defined) and agreed with the Bank, setting forth the environmental impact assessment in respect of activities to be implemented under Energy Efficiency Sub-projects (as hereinafter defined), 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 assessments.

2. "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.

3. "Bank's Safeguards Policies" means the operational policies and procedures for financing of development projects by the Bank at the date of this Agreement and relating to Environmental Assessment, Natural Habitats, Pest Management, Indigenous Peoples (Ethnic Minorities), Physical Cultural Resources, Involuntary Resettlement, Forests, Safety of Dams, Projects on International Waterways, and Projects in Disputed Areas, as published under www.WorldBank.org/opmanual.

4. "BIDV" means the Joint Stock Commercial Bank for Investment and Development of Vietnam, established and operating pursuant to Business Registration Certificate Number 0100150619, first registered on April 3, 1993, issued by Department of Planning and Investment of Hanoi City; or any successor thereto.

5. "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, revised July 2014.

6. "Energy Efficiency Sub-loan" means an Energy Efficient Sub-loan provided by the Project Financial Institutions (as hereinafter defined) to an Industrial Enterprise (as hereinafter defined) or Energy Service Company (as hereinafter defined) under Part 1 of the Project for the purpose of carrying out an Energy Efficiency Sub-project (as hereinafter defined) under Part 1 of the Project.

7. "Energy Efficiency Sub-project" means a specific activity under Part 1 of the Project carried out by an Industrial Enterprise or Energy Service Company under Part 1 of the Project.

8. "Energy Service Companies" means, collectively energy service companies selected by the Project Financial Institutions to receive Energy Efficiency Sub-loans to carry out Energy Efficiency Sub-projects under Part 1 of the Project.

9. "Environmental and Social Management Framework" means the Borrower's framework, prepared by the Ministry of Industry and Trade, as agreed with the Bank on April 20, 2016, setting forth mitigation, enhancement, monitoring, and institutional measures, including capacity building, to eliminate any adverse environmental impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, and guidelines and procedures for the preparation of Environmental Management Plans (as hereinafter defined), 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.

10. "Environmental Management Plans" means, collectively, the Industrial Enterprises' or Energy Service Companies' (as hereinafter defined) plans, prepared pursuant to the Environmental and Social Management Framework, and agreed with the Bank, setting forth mitigation, enhancement, monitoring, and institutional measures, including capacity building, to eliminate any adverse environmental impacts of activities to be implemented under Energy Efficiency Sub-projects, offset them, or reduce them to acceptable levels, or enhance positive impacts, 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 Minorities" means social groups disadvantaged in the development process and with a social and cultural identity distinct from those which constitute the predominant ethnic group in the Borrower's territory.

12. "Ethnic Minority Development Plans" means, collectively, the Industrial Enterprises' or Energy Service Companies' plans, prepared pursuant to the Environmental Minority Planning Framework, and agreed with the Bank, setting forth the mitigation, enhancement, monitoring, and institutional measures, including capacity building, to address any adverse effects on Ethnic Minorities associated with, and ensure culturally appropriate social and economic benefits for Ethnic Minorities under Energy Efficiency Sub-projects, 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.

13. "Ethnic Minority Planning Framework" means the Borrower's framework, prepared by the Ministry of Industry and Trade, as agreed with the Bank on April 20, 2016, and setting forth the mitigation, enhancement, monitoring, and institutional measures, including capacity building, to ensure meaningful consultation with, and the informed participation of, Ethnic Minorities within the Project area who are affected by Energy Efficiency Sub-projects and guidelines

and procedures for the preparation of Ethnic Minority Development Plans (as hereinafter defined), 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.

14. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

15. "Industrial Enterprises" means, collectively, the industrial enterprises selected by the Project Financial Institutions to receive Energy Efficiency Sub-loans to carry out Energy Efficiency Sub-projects under Part 1 of the Project.

16. "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") and staff of the implementing agencies.

17. "Involuntary Resettlement" means the following caused on account of Project implementation: (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 the affected 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 the affected person.

18. "Ministry of Finance" means the Borrower's ministry responsible for finance, or a successor thereto.

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

20. "Operations Manual" means the Borrower's manual, agreed with the Bank, and approved pursuant to the Borrower's Ministry of Industry and Trade's Decision No. 2646/QD-BCT dated June 28, 2016, setting out implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements for purposes of Project implementation, 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 manual.

21. "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, revised July 2014.

22. "Procurement Plan" means the Borrower's procurement plan for the Project, dated March 6, 2017, 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.

23. "Project Affected Persons" means persons who, on account of implementation of Energy Efficiency Sub-projects, have experienced or would experience direct economic or 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 persons 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 persons.

24. "Project Financial Institutions" or "PFIs" means collectively BIDV and VIETCOMBANK, and any additional financial institution selected by the Borrower and agreed with the Bank; and the Project Implementing Entity for the purpose of the General Conditions.

25. "Project Financial Institutions' Legislation" means any decisions or any laws and regulations governing the organization, reorganization, restructuring, and operations of the Project Financial Institutions as of the date of this Agreement.

26. "Project Management Board" means the Borrower's Project Management Board under the direction of the Ministry of Industry and Trade, established pursuant to Decision No. 74/QD-TCNL, dated November 23, 2012, or any successor thereto.

27. "Resettlement Plans" means, collectively, the Industrial Enterprises' or Energy Service Companies' plans, prepared pursuant to the Resettlement Policy Framework, and agreed with the Bank, setting forth the mitigation, enhancement, monitoring, and institutional measures, including capacity building, to carry out acquisition of land and other assets, compensation, resettlement, and rehabilitation, including livelihood restoration, of Project Affected Persons under Energy Efficiency Sub-projects, 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.

28. "Resettlement Policy Framework" means the resettlement policy framework, prepared and approved by the Borrower as agreed with the Bank on April 20, 2016, setting forth the mitigation, enhancement, monitoring, and institutional measures, including capacity building, to carry out acquisition of land and other assets, compensation, resettlement, and rehabilitation, including livelihood restoration, of Project Affected Persons, and guidelines and procedures for the preparation of Resettlement 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.

29. "Respective Part of the Project" means (a) Part 2 of the Project to be implemented by the Borrower, through Ministry of Industry and Trade; (b) Part 1 of the Project to be implemented by the Project Financial Institutions.

30. "Safeguards Instruments" means, collectively, the Environmental and Social Management Framework, the Environmental Management Plans, any Additional Environmental Impact Assessment, the Resettlement Policy Framework, the Resettlement Plans, the Ethnic Minority Planning Framework, and the Ethnic Minority Development Plans.

31. "Subsidiary Loan" means each subsidiary loan made available to the PFIs by the Ministry of Finance out of the proceeds of the Loan of even date herewith to finance activities carried out under Part 1 of the Project and in accordance with the provisions of the Operations Manual, Section I.B of Schedule 2 to this Agreement, and the relevant Subsidiary Loan Agreement (as hereinafter defined).

32. "Subsidiary Loan Agreements" means, collectively, the agreements referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make part of the proceeds of the Loan available to the PFIs; and "Subsidiary Loan Agreement" means any one (1) of such agreements.

33. "VIETCOMBANK" means the Joint Stock Commercial Bank for Foreign Trade of Vietnam, established and operating pursuant to the Business Registration Certificate Number 0100112437 first registered on June 2, 2008, issued by the Department of Planning and Investment of Hanoi City; or any successor thereto.

Section II. Modification to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:

"68. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".