BỘ NGOẠI GIAO

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

Số: 15/2022/TB-LPQT

Hà Nội, ngày 22 tháng 4 năm 2022

THÔNG BÁO
Về việc điều ước quốc tế có hiệu lực

Thực hiện quy định tại Điều 56 của Luật Điều ước quốc tế năm 2016, Bộ Ngoại giao trân trọng thông báo:

Hiệp định tài trợ của Quỹ Khí hậu Xanh cho Dự án Hỗ trợ kỹ thuật "Thúc đẩy tiết kiệm năng lượng cho các ngành công nghiệp Việt Nam giữa nước Cộng hòa xã hội chủ nghĩa Việt Nam và Ngân hàng Tái thiết và Phát triển Quốc tế/Hiệp hội phát triển quốc tế (với vai trò là cơ quan được Quỹ Khí hậu xanh ủy thác) [TF0B4389], ký tại Hà Nội ngày 05 tháng 3 năm 2021, có hiệu lực từ ngày 25 tháng 02 năm 2022.

Bộ Ngoại giao trân trọng gửi bản sao Hiệp định theo quy định tại Điều 59 của Luật nêu trên./.

TL. BỘ TRƯỞNG
KT. VỤ TRƯỞNG
VỤ LUẬT PHÁP VÀ ĐIỀU ƯỚC QUỐC TẾ
PHÓ VỤ TRƯỞNG

Nguyễn Lương Ngọc

GCF GRANT NUMBER TF0B4389

Green Climate Fund Financing Agreement

(Vietnam Scaling Up Energy Efficiency Project)

between

SOCIALIST REPUBLIC OF VIETNAM

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/ INTERNATIONAL DEVELOPMENT ASSOCIATION
Acting as an Accredited Entity of the Green Climate Fund

GCF GRANT NUMBER TF0B4389

GCF FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/ INTERNATIONAL DEVELOPMENT ASSOCIATION acting as an Accredited Entity of the Green Climate Fund ("Bank").

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), has requested the Bank to extend a grant as provided in Section 3.01 of this Agreement, to assist in the financing of the Parts 1.2 and 2 Project;

(B) the Recipient has also requested the Bank to support the implementation of Part 1.1 of the Project, by providing a partial risk guarantee to the Program Implementing Entity, in a maximum aggregate amount of up to seventy five million Dollars ($75,000,000) to be capitalized by the Green Climate Fund, to cover the risk of a capital shortfall in the risk sharing facility to be established under the Part 1.2 of the Project (the "GCF Guarantee"), the terms and conditions of which will be set forth in a guarantee agreement to be entered into between the Bank and the Program Implementing Entity (the "GCF Guarantee Agreement"); and

WHEREAS the Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend a grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, the Recipient and the Bank hereby agree as follows:

ARTICLE I — STANDARD CONDITIONS; DEFINITIONS

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix to this Agreement.

ARTICLE II — PROJECT

2.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts 1.2 and 2 of the Project through the Ministry of Industry and Trade ("MoIT") and cause Part 1.1 of the Project to be carried out by the Program Implementing Entity in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

ARTICLE III — GCF FINANCING

3.01. The Bank agrees to extend to the Recipient a non-reimbursable grant in the amount of eleven million three hundred thousand Dollars ($11,300,000) ("GCF Grant"), to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the GCF Grant in accordance with Section III of Schedule 2 to this Agreement.

3.03. The GCF Grant is funded out of the GCF Accredited Entity Trust Fund for which the Bank receives periodic contributions from the GCF. In accordance with Section 3.02 of the Standard Conditions, the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the GCF under the GCF Accredited Entity Trust Fund, and the Recipient's right to withdraw the GCF Grant proceeds is subject to the availability of such funds.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

(a) the Program Implementing Entity's Legislation has been amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of the Program Implementing Entity to perform any of its obligations under the Implementation Agreement or the GCF Guarantee Agreement.

(b) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Program Implementing Entity of its obligations under the Implementation Agreement or the GCF Guarantee Agreement.

(c) the Program Implementing Entity has failed to perform any obligation under the Implementation Agreement or the GCF Guarantee Agreement.

(d) IBRD or IDA has declared the Program Implementing Entity ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the Program Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Program Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Program Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(e) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Program Implementing Entity will be able to perform its obligations under the Implementation Agreement or the GCF Guarantee Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness is that the Recipient has duly appointed the Program Implementing Entity, in accordance with criteria acceptable by the Bank, as set forth in Annex 1 to this Agreement, and duly authorized said entity to establish, maintain and manage the risk sharing facility under Part 1 of the Project on behalf of the Recipient.

5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.03. For purposes of Section 8.05 (b) of the Standard Conditions, the date on which the obligations of the Recipient under this Agreement shall terminate is: (a) with respect to the obligations set forth in Section I of Schedule 2 to this Agreement the date of expiration or termination of the GCF Guarantee Agreement, in accordance with its terms; and (b) with respect to all other obligations herein, the date of full performance of such obligations by the parties to this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. For purposes of Section 9.01 of the Standard Conditions:

(a) the Recipient's address is:

State Bank of Vietnam
49 Ly Thai To
Hanoi, Vietnam; and

(b) the Recipient's Electronic Address is:

Facsimile:
(84-4) 3825 0612

6.03. For purposes of Section 9.01 of the Standard Conditions:

(a) The Bank's address is:

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

(b) the Bank's Electronic Address is:

Facsimile:
1-202-477-6391

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AGREED as of the Signature Date.

SOCIALIST REPUBLIC OF VIETNAM

By

Authorized Representative

Name: Nguyen Kim Anh

Title: Alternate Governor

Date: March 5, 2021

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/
INTERNATIONAL DEVELOPMENT ASSOCIATION
Acting as an Accredited Entity of the Green Climate Fund

By

Authorized Representative

Name: Carolyn Turk

Title: Country Director

Date: February 25, 2021

SCHEDULE 1

Project Description

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

The Project consists of the following parts:

Part 1. Risk Sharing Facility

1.1 *Guarantee Issuance.* Issuing of RSF Guarantees to the PFIs under the RSF to cover potential defaults on loans provided by said PFIs to IEs and ESCOs to finance eligible EE Sub-projects.

1.2 *Supporting PIE operations.* Supporting the management and the operation of, and the issuance of RSF Guarantees by, the RSF by providing Management Fees and Seed Capital to the Program Implementing Entity.

Part 2. Technical Assistance

2.1 *Capacity building.* Provision of technical and analytical support and associated capacity building to:

(a) the PMB and MoIT for, *inter alia*, Project supervision, monitoring and evaluation, reporting, and independent verification of results; and

(b) relevant government agencies, PFIs, IEs and ESCOs, for awareness raising of potential energy efficiency investment opportunities with knowledge sharing on successful energy efficiency investments, identification of energy efficiency investment opportunities, and development and implementation of a longer term engagement strategy with educational and domestic training institutions in the country for sustainable local capacity building.

2.2 *National energy efficiency program and pipeline development.* Provision of technical and analytical support to:

(a) MoIT and relevant government agencies for the development and implementation of energy efficiency policies and regulations necessary for scaling up energy efficiency investment, including the implementation of

voluntary agreements with relevant industries, the improvement of incentives for industry to carry out energy efficiency investments, and the development of mandatory energy efficiency standards and benchmarks in energy-intensive industries; and

(b) (i) PFIs for identification, appraisal, and implementation of EE Sub-Projects in the industrial sector and business development to generate EE lending pipeline; and (ii) IEs, ESCOs for the development of bankable EE Sub-Projects.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient, through MoIT, shall, throughout the period of implementation of the Project, maintain, the Project Management Board, with composition, powers, functions, staffing, facilities and other resources satisfactory to the Bank, responsible for: (i) planning and managing the day-to-day implementation of the activities under Parts 1.2 and 2 of the Project; (ii) ensuring coordination among all relevant departments and agencies; (iii) monitoring and reporting; and (iv) overseeing and supporting the activities of the Program Implementing Entity under Part 1.1 of the Project.

B. Operations Manual

Throughout the implementation of the Project, the Recipient shall, and shall cause the Program Implementing Entity to, carry out Part 1 of the Project in accordance with the Operations Manual in a timely and efficient manner satisfactory to the Bank. The Recipient shall not and shall ensure that the Program Implementing Entity shall not, amend, suspend, or waive said Operations Manual or any provision or schedule thereof, without the prior written agreement of the Bank. In the event of any inconsistency between the provisions of the Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

C. Risk Sharing Facility

1. The Recipient, through MoIT,[6] represents and warrants that it: (a) has duly appointed an entity to act as the Program Implementing Entity, in accordance with criteria acceptable by the Bank, as set forth in Annex 1 to this Agreement; and (b) has duly authorized the Program Implementing Entity to establish, maintain and manage the RSF on behalf of the Recipient.

2. The Recipient shall, through MoIT, not replace or otherwise dismiss the Program Implementing Entity except with the prior written agreement of the Bank. Any replacement Program Implementing Entity shall be an entity selected by MoIT in consultation with the State Bank of Vietnam in accordance with the criteria set forth in Annex 1 to this Agreement and acceptable to the Bank, and the Recipient

shall, through MoIT, cause the existing Program Implementing Entity and the replacement Program Implementing Entity take all measures required to ensure that all rights and obligations under the Transaction Documents are transferred to the replacement Program Implementing Entity and that the replacement Program Implementing Entity can assume its role with minimal disruption to the functioning of the RSF, all in a manner acceptable to the Bank.

3. Without limitation or restriction upon any of its other obligations under this Agreement, the Recipient shall, through MoIT, oversee and support the activities of the Program Implementing Entity under Part 1.1 of the Project, and carry out Part 1.2 of the Project in accordance with Annex 2 to this Agreement.

D. Implementation Agreement

1. To facilitate the carrying out of Part 1 of the Project, the Recipient shall, through MoIT, make the proceeds of the GCF Grant allocated from time to time to Category (1) of the table set forth in Section III.A of this Schedule available to the Program Implementing Entity under an implementation agreement between the Recipient, through MoIT, and the Program Implementing Entity, under terms and conditions acceptable to the Bank ("Implementation Agreement").

2. The Recipient shall, through MoIT, exercise its rights under the Implementation Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the GCF Grant. Except as the Bank shall otherwise agree, the Recipient shall, through MoIT, not assign, amend, abrogate or waive the Implementation Agreement or any of its provisions.

E. Safeguards

1. The Recipient shall, and shall cause the Program Implementing Entity to, carry out the Project in accordance with the Safeguards Instruments in a manner and substance satisfactory to the Bank.

2. The Recipient shall, and shall cause the Program Implementing Entity to ensure that:

   (a) all necessary actions are taken to avoid or minimize to the extent possible any involuntary relocation of persons, or their loss of shelter, assets, or access to assets, or loss of income sources or means of livelihood, temporarily or permanently;

(b) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any works which would result in such acquisition or displacement, compensation is made available to such people and, as applicable, the Displaced Persons are relocated and rehabilitated in accordance with the Resettlement Policy Framework and the Resettlement Action Plans, and in a manner satisfactory to the Bank; and

(c) whenever required in terms of the ESMF, the RPF or the EMPF, ESMPs/ECOPs, RAPs or EMDPs, respectively: (i) are prepared in form and substance satisfactory to the Bank; (ii) except as otherwise agreed with the Bank, are furnished to the Bank for review and approval; (iii) thereafter, are adopted and publicly disclosed; and (iv) thereafter, such plans are caused to be implemented, in accordance with their terms and in a manner acceptable to the Bank.

3. The Recipient shall, and shall cause the Program Implementing Entity to, ensure that, promptly as needed, the resources needed for the purposes of implementing the Safeguards Instruments are provided by the IEs and ESCOs carrying out eligible EE Sub-projects, including: (a) all land acquisition required for the purposes of carrying out the Project; (b) resettlement and rehabilitation payments to Displaced Persons; and (c) all other costs associated with environmental and/or social mitigation measures set forth in the Safeguard Instruments.

4. The Recipient shall, and shall cause the Program Implementing Entity to, ensure that each contract for works under Part 1.1 of the Project includes the obligations of the work contractors and any sub-contractor to comply with the relevant provisions of the ESMF and the ESMPs/ECOPs, as the case may be.

5. The Recipient, and shall cause the Program Implementing Entity to, ensure, that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the Bank's Safeguards Policies.

6. The Recipient shall, and shall cause the Program Implementing Entity to:

(a) not amend, revise or waive, nor allow to be amended, revised or waived, the provisions of the Safeguard Instruments or any provision of any one thereof, without the prior written agreement of the Bank; and

(b) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Safeguard Instruments.

7. In case of any inconsistency between the provisions of any of the Safeguard Instruments and this Agreement, the provisions of this Agreement shall prevail.

8. Without limitation to the provisions of paragraph 1 of Section II.A of this Schedule 2, the Recipient shall, and shall cause the Program Implementing Entity to, take all measures necessary on its part to regularly collect, compile, and furnish 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, giving details of:

(a) measures taken in furtherance of the Safeguards Instruments;

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

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

Section II. <u>Project Monitoring, Reporting and Evaluation</u>

1. The Recipient shall, and shall cause the Program Implementing Entity to, furnish to the Bank each Project Report not later than forty-five (45) days) after the end of each calendar semester, covering the calendar semester.

2. Without limitation upon the provisions of Section 2.09 of the Standard Conditions, the Recipient shall, through MoIT, cause the Program Implementing Entity to:

(a) maintain a 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 the Program Implementing Entity, including the operations, resources and expenditures related to the Part 1 of the Project;

(b) prepare and furnish to the Recipient and the Bank not later than forty-five (45) days after the end of each period of six (6) months, interim unaudited financial reports for the Part 1 of Project covering such period, in form and substance satisfactory to the Bank;

(c) have its financial statements referred to 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 fiscal year of the Program Implementing Entity; and

(d) ensure that the audited financial statements for each period shall be: (i) furnished to the Recipient and the Bank not later than six (6) months after the end of the fiscal year of the Program Implementing Entity; and (ii) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Withdrawal of the Proceeds of the GCF Grant

A. General

Without limitation upon the provisions of Article II of the Standard Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the GCF Grant to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the GCF Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Management Fees and Seed Capital under Part 1.2 of the Project	3,000,000	100%
(2) Goods, non-consulting services, consulting services, Incremental Operating Costs, Training and Workshops under Part 2 of the Project	8,300,000	100%
TOTAL AMOUNT	**11,300,000**	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

(a) for payments made prior to the Signature Date; or

(b) under Category (1) until and unless:

(i) the Recipient has furnished to the Bank evidence acceptable to the Bank that the Implementation Agreement has been executed on behalf of the Recipient, through MoIT, and the Program Implementing Entity, and is binding and enforceable upon the respective parties thereto in accordance with its terms. As part of the evidence to be furnished pursuant to the previous sentence of this sub-paragraph 1 (b)(i), there shall be furnished to the Bank an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank or, if the Bank so requests, a certificate satisfactory to the Bank of a competent official of each of the Recipient and the Program Implementing Entity, showing that the Implementation Agreement referred to in Section I.D of this Schedule has been duly authorized or ratified by the Recipient and the Program Implementing Entity and is legally binding upon each such party in accordance with its terms;

(ii) the Operations Manual has been adopted by the Program Implementing Entity and approved by MoIT, in form and substance satisfactory to the Bank; and

(iii) the GCF Guarantee Agreement has been executed on behalf of the Bank and the Program Implementing Entity.

2. The Closing Date is January 31, 2026.

Section IV. <u>Other Undertakings</u>

A. Cooperation with GCF

Without limitation upon the provisions of Sections 2.10 and 2.11 of the Standard Conditions, the Recipient shall and shall cause the Program Implementing Entity to cooperate with the Bank and the GCF and facilitate the conduct of any reviews, ad hoc checks, verifications or evaluations related to the Project and the GCF Grant as may be requested by the GCF.

APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the Standard Conditions, 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 and as of July 1, 2016.

2. "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 https://policies.worldbank.org.

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

4. "Displaced Persons" means persons who, on account of implementation of the Project, have 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 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 person.

5. "EE Sub-projects" means means each individual energy efficiency sub-project which IEs and ESCOs shall select in accordance with the eligibility criteria set out in the Operations Manual and in respect of which the loan provided by the PFIs for such sub-project will be guaranteed under Part 1.1 of the Project.

6. "Environmental Codes or Practices" or "ECOPs" means the codes to be prepared by IEs or ESCOs in accordance with the ESMF; all setting out measures and procedures to avoid, minimize and/or mitigate any adverse environmental, social, health and safety impacts that may result from the implementation of the Project.

7. "Environmental and Social Management Framework" or "ESMF" means Recipient's environmental and social management framework acceptable to the Bank, dated March 31, 2020, which sets out the policies and procedures for the assessment of environmental and social impacts of, and for the preparation of ESMPs/ECOPs, as may be required for, Project activities, as said framework may

be revised from time to time with the prior written agreement of the Bank; and such term includes all schedules and annexes supplemental to said framework.

8. "Environmental and Social Management Plans" or "ESMPs" means environmental and social plans acceptable to the Bank, to be prepared and approved by IEs or ESCOs in accordance with the ESMF, as referred in Section I.E of Schedule 2 to this Agreement; which set forth the specific actions, measures and policies designed to maximize the benefit of the respective activities under the Project, as well as eliminate, offset or mitigate any adverse environmental and social impacts, or reduce such impacts to acceptable levels, along with administrative and monitoring arrangements to ensure the implementation of said actions, measures and policies, as said ESMP 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 plan.

9. "Ethnic Minority Planning Framework" or "EMPF" means the Recipient's ethic minority planning framework acceptable to the Bank, dated May 16, 2019, setting out the strategy to be implemented in the carrying out of the Project in areas where ethnic minorities are residing, cultivating, hunting and carrying out other similar social activities, which strategy includes special planning measures or actions to be undertaken aimed at ensuring that through informed consultation the ethnic minorities receive the benefits from the Project in a culturally compatible manner acceptable to them, and do not suffer adverse effects as a result of the implementation of the Project, with related public consultation, disclosure, monitoring, reporting and grievance redress procedures, as said framework 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 the ethnic minority development plans acceptable to the Bank, to be prepared and adopted by IEs or ESCOs in accordance with the EMDF; as referred to in Section I.E of Schedule 2 to this Agreement; which set forth the measures to be undertaken in accordance to ensure culturally appropriate social and economic benefits for the ethnic minorities affected by Project activities, and to avoid, minimize, mitigate and/or compensate for any potential adverse effects on the ethnic minorities associated with such activities; as said plan may be 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 plan.

11. "ESCOs" means the energy service companies established and operating under the laws of the Recipient that will receive a loan from PFIs for financing EE Sub-projects.

12. "GCF Guarantee" means the guarantee referred to in paragraph (B) of the preamble to this Agreement.

13. "GCF Guarantee Agreement" means the guarantee agreement referred to in paragraph (B) of the preamble to this Agreement.

14. "IEs" means the industrial enterprises established and operating under the laws of the Recipient that will receive a loan from PFIs for financing EE Sub-projects.

15. "Implementation Agreement" means the agreement referred to in Section I.D of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the GCF Grant available to the Program Implementing Entity, and cause the Program Implementing Entity to carry out Part 1.1 of the Project.

16. "Incremental Operating Costs" the incremental operating costs under the Project incurred by the Recipient 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, the incremental operating costs of the auditing services for the Project, and salaries of contractual and temporary staff, but excluding salary and salary supplements of staff of the Recipient's civil service ("công chức" and "viên chức").

17. "Management Fees" means the fees to be paid out of the proceeds of the GCF Grant by MoIT to the Program Implementing Entity, under terms and conditions acceptable to the Bank and in accordance with the provisions of the Implementation Agreement.

18. "Ministry of Industry and Trade" or "MoIT" means the Recipient's ministry responsible for industry and trade, or any successor thereto.

19. "Operations Manual" means the manual, acceptable to the Bank, to be adopted by the PIE and approved by MoIT, for the operation of Part 1 of the Project referred to in Section I.B of Schedule 2 to this Agreement, which sets forth detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of Part 1 of the Project; (b) application, review and approval for RSF Guarantees; (c) eligibility criteria for PFIs, EE Sub-projects, IEs and ESCOs; (d) payouts and financial management for RSF Guarantees; (e) RSF portfolio risk management; (f) environmental and social safeguards management; (g) monitoring and evaluation, reporting and communication; and (h) such other

administrative, financial, technical and organizational arrangements and procedures as shall be required for Part 1 of the Project; as the said manual may be amended from time to time with the prior written agreement of the Bank.

20. "PFIs" means the participating financial institutions to be selected in accordance with eligibility criteria and procedures set forth in the Operations Manual to provide loans to IEs and ESCOs for the financing of EE Sub-Projects.

21. "Procurement Regulations" means, for purposes of paragraph 50 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.

22. "Program Implementing Entity" means a financial institution duly established and operating under the laws of the Recipient, acceptable to the Bank, and duly appointed by the Recipient, in accordance with criteria acceptable to the Bank, as set forth in Annex 1 to this Agreement, as such institution may be replaced from time to time in accordance with the provisions of Section I.C.2 of Schedule 2 to this Agreement.

23. "Program Implementing Entity's Legislation" means the Program Implementing Entity's charter documents or any decisions or any laws and regulations governing the organization, reorganization, restructuring, and operations of the Program Implementing Entity or the RSF as of the date of this Agreement.

24. "Project Management Board" means the management board established within MoIT pursuant to Decision No. 552/QD-BCT, dated February 19, 2020, or any successor thereto.

25. "Resettlement Action Plans" or "RAPs" means the resettlement plans acceptable to the Bank, to be prepared and adopted by IEs or ESCOs in accordance with the RPF; as referred to in Section I.E of Schedule 2 to this Agreement; which set forth principles and procedures governing the acquisition of land and related assets, and the compensation, resettlement, and rehabilitation of Displaced Persons in accordance with the guidelines and procedures set forth in the RPF, as said plans 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 plan.

26. "Resettlement Policy Framework" or "RPF" means the Recipient's resettlement policy framework acceptable to the Bank, dated May 16, 2019, which sets forth principles for formulating entitlements and/or support for affected households, mitigation measures, grievance redress mechanisms, monitoring and evaluations of resettlement activities, budget and implementation arrangements, including

capacity building through training, to carry out the acquisition of land and related assets under the Project and compensation, resettlement, support and livelihoods rehabilitation of Displaced Persons, and the preparation of additional RAPs during the implementation of the Project, as said RPF 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.

27. "RSF" means the risk sharing facility, a government program created for the purposes of the Project, under the oversight of the Recipient, through MoIT, and managed by the Program Implementing Entity.

28. "RSF Accounts" means the accounts established and maintained by the Program Implementing Entity on behalf of the Recipient for the purpose of depositing, holding and transferring funds for the RSF, and referred to in paragraph 2 of Annex 2 to this Agreement.

29. "RSF Guarantees" means the partial credit guarantees issued by the Program Implementing Entity to PFIs to guarantee loans provided by PFIs to IEs and ESCOs to finance eligible EE Sub-projects.

30. "Safeguards Instruments" means, collectively, the Environmental and Social Management Framework, the Environmental and Social Management Plans, the Resettlement Policy Framework and the Resettlement Action Plans, the Ethnic Minorities Planning Framework, and the Ethnic Minorities Development Plans.

31. "Seed Capital" means a portion of the proceeds of the GCF Grant to be made available from MoIT to the Program Implementing Entity for the costs of operating the RSF, under terms and conditions acceptable to the Bank and in accordance with the provisions of the Implementation Agreement.

32. "Signature Date" means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to "the date of the GCF Financing Agreement" in the Standard Conditions.

33. "Standard Conditions" means the "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Financing Made by the Bank Acting as an Accredited Entity of the Green Climate Fund Out of the GCF Accredited Entity Trust Fund", dated October 8, 2019.

34. "State Bank of Vietnam" means the Recipient's central bank, or any successor thereto.

35. "Training and Workshops" means the reasonable costs of expenditure incurred by the Recipient, 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 Recipient's civil servants ("công chức" and "viên chức").

36. "Transaction Documents" means this Agreement, the Implementation Agreement, the GCF Guarantee Agreement, the Operations Manual, or any agreements entered into by the Program Implementing Entity in connection with the issuance of RSF Guarantees or any other agreements related to the RSF.

ANNEX 1
CRITERIA FOR SELECTION OF THE PROGRAM IMPLEMENTING ENTITY

The criteria for selecting the PIE shall include the following:

(a) that the Program Implementing Entity has the capacity to assess PFIs' due diligence and manage the risks assumed by the RSF;

(b) that the Program Implementing Entity is a commercial bank or an existing guarantee agency with self-sustaining cash flow;

(c) that the Program Implementing Entity has sufficient capacity to fulfil all required responsibilities over the implementation period of the Project; and

(d) that the Program Implementing Entity has the capacity to create knowledge and learning opportunities, particularly on the use of risk guarantee instruments, from risk assessment of each applications to risk and exposure management at the portfolio level, and its effectiveness to open up a new line of business, such as industrial energy efficiency lending, of which the market is less experienced and the perceived risk is high.

ANNEX 2
RISK SHARING FACILITY

1. The provisions in this Annex 2 are without limitation or restriction upon any of the Recipient's other obligations under this Agreement.

2. The Recipient agrees that:

(a) it shall take, and cause to be taken, all lawful actions within its power that shall be necessary or appropriate to enable MoIT and the Program Implementing Entity to perform all of their respective obligations under the Transaction Documents to which they are party;

(b) it shall not take, or permit to be taken, any action which would prevent or interfere with the performance by MoIT or the Program Implementing Entity of any of their respective obligations in connection with the RSF or any Transaction Documents to which they are party;

(c) the Program Implementing Entity shall establish and maintain on behalf of the Recipient such accounts as may be required to deposit, hold and transfer funds for the RSF (the "RSF Accounts");

(d) the RSF Accounts shall be maintained and managed solely for the purpose of the RSF, in accordance with and subject to the terms and conditions of the Implementation Agreement, the GCF Guarantee Agreement and the Operations Manual, and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices (including appropriate protection against set-off, seizure and attachment, and exercise of its rights in such manner as to protect the interests of the Recipient, the Program Implementing Entity and the Bank);

(e) it shall not use, or permit to be used, the resources held in the RSF Accounts for any purpose other than the RSF;

(f) any payments made by the Bahk under the GCF Guarantee Agreement to the Program Implementing Entity shall be transferred to the relevant RSF Account for the purpose of enabling the Program Implementing Entity to make payouts under RSF Guarantees;

(g) any amounts: (i) paid by the Bank under the GCF Guarantee Agreement to the Program Implementing Entity; or (ii) remitted by the Program Implementing Entity to the Bank, including *inter alia* as fees under the GCF Guarantee Agreement or as recoveries following a pay out under the GCF Guarantee, shall be free and clear of any deduction, restrictions or retention of any kind in respect of any taxes; and

(h) at the expiration of the Risk Sharing Facility, any amounts remaining in the RSF Accounts (other than any amounts from the proceeds of any pay out under the GCF Guarantee or from any recoveries made in relation to an RSF Guarantee claim for which a pay out under the GCF Guarantee has been made) that are no longer required by the Program Implementing Entity to meet any RSF Guarantee claims or for the payment of Management Fees (or any other eligible fees or expenses), may, subject to the provisions of Implementation Agreement, be retained by the Program Implementing Entity.

3. The Recipient shall:

(a) promptly inform the Bank of any condition which interferes with, or threatens to interfere with the performance of the Program Implementing Entity's or any other relevant party's obligations in connection with Part 1 of the Project; or which would or could adversely affect the ability of the Recipient, MoIT or the Program Implementing Entity to exercise their respective rights under the Transaction Documents to which they are a party;

(b) provide and facilitate access by the Bank to the Program Implementing Entity in order to discuss and to exchange views with the Program Implementing Entity relating to Part 1 of the Project;

(c) without limitation or restriction upon any of its other obligations under this Agreement, punctually perform all of its obligations under any Transaction Document to which it is a party;

(d) notify, and cause to be notified, the Bank prior to agreeing to any amendment, waiver, termination or other change to any Transaction Document, and shall, other than with respect to the Implementation Agreement and the Operations Manual, obtain the prior written consent of the Bank prior to agreeing to any such amendment, waiver, termination or other change to such Transaction Document which would or could in the opinion of the Bank affect the rights or obligations of the Bank under the GCF Guarantee Agreement (including, without limitation, any assignment, transfer, novation, abrogation, granting of security over or other disposition of any rights or obligations under such Transaction Documents);

(e) promptly notify and provide, or cause to be notified and provided, to the Bank copies of any notification or report issued or received by the Recipient, MoIT or the Program Implementing Entity, under any Transaction Document, which would or could materially affect the rights

or obligations of the Bank under the GCF Guarantee Agreement or any other Transaction Document; and

(f) take all lawful actions within its power to remedy and cure any events within control or responsibility of the Recipient that would or could result in the breach, default, suspension or termination of any of the Transaction Documents.