Project Agreement

(Inclusive Innovation Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE

Dated September 04, 2014
PROJECT AGREEMENT

AGREEMENT dated September 04, 2014, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE (variously the "Project Implementing Entity" or "Vietinbank") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the SOCIALIST REPUBLIC OF VIETNAM ("Recipient") and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Chairman or Chief Executive Officer or his/her designated representative.
4.02. The Association’s Address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America

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

4.03. The Project Implementing Entity’s Address is:

Vietnam Joint Stock Commercial Bank for Industry and Trade  
108 Tran Hung Dao Street, Hoan Kiem District  
Ha Noi  
Viet Nam

Cable: ICBVVNBX  
Tel: 04-39421030  
Facsimile: 04-39421032
AGREED at Ha Noi, Viet Nam, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]
Authorized Representative

Name: Victoria Kwakwa
Title: Country Director

VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE

By

[Signature]
Authorized Representative

Name: Pham Huy Thong
Title: Deputy General Director
SCHEDULE

Execution of the Project Implementing Entity's Respective Parts of the Project

Section I. Implementation Arrangements

A. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Parts of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

B. Project Documents & Credit Review and Processing Procedures

1. The Project Implementing Entity shall:

   (a) implement its Respective Part of the Project in accordance with the Project Operations Manual (including the FM Manual) and the Credit Review and Processing Procedures; and

   (b) refrain from amending, suspending, waiving, and/or voiding any provision of the Project Operations Manual (including the FM Manual) and/or the Credit Review and Processing Procedures, whether in whole or in part, without the prior written concurrence of the Recipient and the Association.

2. Notwithstanding the foregoing, in the event of any conflict between the provisions of the above referred manuals, on the one hand, and the provisions of this agreement on the other, the provisions of this Agreement.

C. Sub-loans.

1. The Project Implementing Entity shall screen the proposals attached to any applications received for Sub-loans under Component 2 of the Project in accordance with the protocols and eligibility criteria set forth in the Project Operations Manual.

2. Notwithstanding the foregoing, the Project Implementing Entity shall submit to the Association for no-objection: (a) the first two proposals screened and pre-approved pursuant to paragraph 1 above; and, thereafter, (b) any screened and pre-approved proposal for a Sub-loan in excess of the Free-Limit Sub-Loan Amount. To this extent, the Project Implementing Entity shall furnish the Association with: (i) a description of the beneficiary and an appraisal of said proposals, including a description of the expenditures proposed to be financed out of the proceeds of the Credit; (ii) the proposed terms and conditions of the Sub-loan, including its amortization schedule; (iii) if required pursuant to the ESMF, a copy of the proposal's environmental and social impact assessments and the resulting ESMP; and (iv) any other information as the Association shall reasonably request from either the beneficiary and/or the Project Implementing Entity in connection with the Sub-loan under consideration.
3. Upon (I) selection of a proposal pursuant to the screening process prescribed in paragraph 1 above; and (II) the no-objection of such selection by the Association, when applicable, pursuant to paragraph 2 above; the Project Implementing Entity shall enter into a written agreement (the “Sub-loan Agreement”) with the awardee enterprise for the respective Sub-loan, under term and conditions set forth in the Project Operations Manual and the Credit Review and Processing Procedures.

D. Safeguards

1. The Project Implementing Entity shall implement its Respective Parts of the Project in accordance/compliance with the Environmental and Social Management Framework and the objectives, policies and procedures thereof. To this end, Project Implementing Entity shall refrain from extending any Sub-loan until: (a) the screening of the respective Inclusive Innovation investment proposal has been carried out pursuant to the ESMF and the Project Operations Manual; and (b) if applicable, an appropriate Environmental and Social Management Plan setting forth the required mitigation measures for the proposal under consideration has been developed.

2. Notwithstanding the foregoing, Project Implementing Entity shall refrain from awarding any Sub-loan for the financing of a specific Inclusive Innovation investment proposal, if pursuant to the environmental and social screening assessment set forth in paragraph (1) above, the implementation of said investment proposal could potentially cause significant, irreversible, sensitive, diverse and/or unprecedented environmental or social damage.

3. The Project Implementing Entity shall ensure that:
   
   (a) no activities involving land taking shall be carried out under its Respective Parts of the Project. In the event that any land acquisition shall be required for the implementation of any proposal approved for financing under a Sub-loan, the Project Implementing Entity shall ensure that the respective beneficiary shall have purchased or acquired such land on a willing buyer-willing seller basis or by means of an alternative consensual method acceptable to the Association;

   (b) the proceeds of the Credit are not utilized for any purchase/acquisition of land; and

   (c) no activities under its Respective Parts of the Project give rise to Displaced Persons.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each such Project Report shall
cover the period of one (1) calendar quarter, and shall be furnished to the Recipient and the Association not later forty-five (45) days after the end of the respective quarter.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Parts of the Project.

2. The Project Implementing Entity shall prepare and furnish to the Association, by no later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for its Respective Parts of the Project covering the respective quarter, in form and substance satisfactory to the Association; and

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

Section III. Procurement

All goods, and services required for the Project Implementing Entity’s Respective Part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.