

Hanoi, March 20, 2026

Sir,

I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Socialist Republic of Viet Nam concerning a Japanese loan to be extended with a view to promoting the economic stabilisation and development efforts of the Socialist Republic of Viet Nam:

1. A loan in Japanese yen up to the amount of seventeen billion six hundred and sixty-six million yen (¥17,666,000,000) (hereinafter referred to as "the Loan") will be extended, in accordance with the relevant laws and regulations of Japan, to the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam by the Japan International Cooperation Agency (hereinafter referred to as "JICA") for the purpose of implementing the Project for Development of Climate Adaptive Infrastructure to Support Production for Ethnic Minority Communities in North Mountain and Midland Area (hereinafter referred to as "the Project").

2. (1) The Loan will be made available by a loan agreement to be concluded between the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam and JICA. The terms and conditions of the Loan as well as the procedures for its utilisation will be governed by the said loan agreement, within the scope of the present understanding, which will contain, *inter alia*, the following principles:

(a) The repayment period will be twenty (20) years after the grace period of ten (10) years;

Mr. Tran Quoc Phuong
Deputy Minister of Finance of
the Socialist Republic of Viet Nam

- (b) The rate of interest will be two point three per cent (2.3%) per annum; and
 - (c) The disbursement period will be seven (7) years after the date of coming into force of the said loan agreement.
 - (2) The loan agreement mentioned in sub-paragraph (1) above will be concluded after JICA is satisfied with the feasibility of the Project, including environmental and social considerations.
 - (3) The disbursement period mentioned in sub-paragraph (1)(c) above may be extended with the consent of the authorities concerned of the two Governments.
3. (1) The Loan will be made available to cover payments to be made by the Vietnamese executing agencies to suppliers, contractors and/or consultants of eligible source countries under such contracts as may be entered into between them for purchases of products and/or services required for the implementation of the Project, provided that such purchases are made in such eligible source countries for products produced in and/or services supplied from those countries.
- (2) The scope of eligible source countries mentioned in sub-paragraph (1) above shall be determined between the authorities concerned of the two Governments.
- (3) A part of the Loan may be used to cover eligible local currency requirements for the implementation of the Project.
4. The Government of the Socialist Republic of Viet Nam shall ensure that the products and/or services mentioned in sub-paragraph (1) of paragraph 3 are procured in accordance with the guidelines for procurement of JICA, which set forth, *inter alia*, the procedures of international competitive bidding to be followed except where such procedures are inapplicable or inappropriate.

5. With regard to the shipping and marine insurance of the products purchased under the Loan, the Government of the Socialist Republic of Viet Nam shall refrain from imposing any restrictions that may hinder fair and free competition among the shipping and marine insurance companies.

6. Japanese nationals whose services may be required in the Socialist Republic of Viet Nam in connection with the supply of the products and/or services mentioned in subparagraph (1) of paragraph 3 shall be accorded, in accordance with the relevant laws of the Socialist Republic of Viet Nam, such facilities as may be necessary for their entry into the Socialist Republic of Viet Nam and stay therein for the performance of their work.

7. (1) The Government of the Socialist Republic of Viet Nam shall exempt JICA from all fiscal levies and taxes imposed in the Socialist Republic of Viet Nam on and/or in connection with the Loan as well as interest accruing therefrom.

(2) The Government of the Socialist Republic of Viet Nam shall ensure that import tax, value added tax, environmental protection tax and special consumption tax imposed in the Socialist Republic of Viet Nam with respect to the import of materials and equipment procured for the Project by the Vietnamese executing agencies to duly constitute the value of the Project, are borne by the said agencies, except for the case of materials and equipment imported by suppliers, contractors and/or consultants to implement the Project.

8. The Government of the Socialist Republic of Viet Nam shall take necessary measures to:

- (a) ensure that the Loan is used properly and exclusively for the Project, and is not used for military purposes;
- (b) ensure and maintain the safety of persons engaged in the implementation of the Project and of the general public of the Socialist Republic of Viet Nam in constructing the facilities under the Loan and in using such facilities; and

- (c) ensure that the facilities constructed under the Loan are maintained and used properly and effectively for the purpose prescribed in the present understanding, and are used neither for military purposes nor as collateral for other loans.

9. While ensuring fair treatment of sources of information and data, the Government of the Socialist Republic of Viet Nam shall, upon request, furnish the Government of Japan and JICA with:

- (a) information and data concerning the progress of the implementation of the Project; and
- (b) any other information, including information on corrupt practice, related to the Project.

10. The two Governments shall consult with each other with respect to any matter that may arise from or in connection with the present understanding.

I have further the honour to propose that this Note and your Note in reply confirming on behalf of the Government of the Socialist Republic of Viet Nam the foregoing understanding shall constitute an agreement between the two Governments, which shall enter into force on the date of your Note in reply.

I avail myself of this opportunity to renew to you the assurance of my high consideration.



ITO Naoki

Ambassador Extraordinary and
Plenipotentiary of Japan
to the Socialist Republic of Viet Nam

Hanoi, March 20, 2026

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Socialist Republic of Viet Nam concerning a Japanese loan to be extended with a view to promoting the economic stabilisation and development efforts of the Socialist Republic of Viet Nam:

1. A loan in Japanese yen up to the amount of seventeen billion six hundred and sixty-six million yen (¥17,666,000,000) (hereinafter referred to as "the Loan") will be extended, in accordance with the relevant laws and regulations of Japan, to the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam by the Japan International Cooperation Agency (hereinafter referred to as "JICA") for the purpose of implementing the Project for Development of Climate Adaptive Infrastructure to Support Production for Ethnic Minority Communities in North Mountain and Midland Area (hereinafter referred to as "the Project").

2. (1) The Loan will be made available by a loan agreement to be concluded between the Government of the Socialist Republic of Viet Nam represented by the Ministry of Finance of the Socialist Republic of Viet Nam and JICA. The terms and conditions of the Loan as well as the procedures for its utilisation will be governed by the said loan agreement, within the scope of the present understanding, which will contain, *inter alia*, the following principles:

His Excellency
Mr. ITO Naoki
Ambassador Extraordinary and Plenipotentiary of Japan
to the Socialist Republic of Viet Nam

5. With regard to the shipping and marine insurance of the products purchased under the Loan, the Government of the Socialist Republic of Viet Nam shall refrain from imposing any restrictions that may hinder fair and free competition among the shipping and marine insurance companies.

6. Japanese nationals whose services may be required in the Socialist Republic of Viet Nam in connection with the supply of the products and/or services mentioned in sub-paragraph (1) of paragraph 3 shall be accorded, in accordance with the relevant laws of the Socialist Republic of Viet Nam, such facilities as may be necessary for their entry into the Socialist Republic of Viet Nam and stay therein for the performance of their work.

7. (1) The Government of the Socialist Republic of Viet Nam shall exempt JICA from all fiscal levies and taxes imposed in the Socialist Republic of Viet Nam on and/or in connection with the Loan as well as interest accruing therefrom.

(2) The Government of the Socialist Republic of Viet Nam shall ensure that import tax, value added tax, environmental protection tax and special consumption tax imposed in the Socialist Republic of Viet Nam with respect to the import of materials and equipment procured for the Project by the Vietnamese executing agencies to duly constitute the value of the Project, are borne by the said agencies, except for the case of materials and equipment imported by suppliers, contractors and/or consultants to implement the Project.

8. The Government of the Socialist Republic of Viet Nam shall take necessary measures to:

- (a) ensure that the Loan is used properly and exclusively for the Project, and is not used for military purposes;
- (b) ensure and maintain the safety of persons engaged in the implementation of the Project and of the general public of the Socialist Republic of Viet Nam in constructing the facilities under the Loan and in using such facilities; and