

Nature of the services: Technical assistance programme to assist (BIDV) in its trajectory towards a green bank model

Beneficiary: Joint-Stock Commercial Bank for Investment and Development of Vietnam (BIDV)

Funding Partner: Agence Française de Développement (AFD)

Location: Vietnam

Contract duration: 2 years (2024-2026)



In partnership
with



I. Background & Rationale

1. Presentation of BIDV

Established in 1957, BIDV is the longest-standing commercial bank in Vietnam with over 67 years of continued development and growth. Presently, BIDV is the largest joint stock commercial bank by total assets in Vietnam. By the end of December 31, 2023, BIDV's total assets reached approximately USD 94.8 billion and total outstanding loans reached USD 72 billion. BIDV has a diverse financial ecosystem including banking, securities and insurance, with an operating network of nearly 1,100 branches and transaction offices covering Vietnam, along with commercial presences in 5 countries and territories, serving nearly 500,000 corporate customers, 20 million individual customers and cooperation with more than 2,300 financial institutions in 178 countries and territories.

BIDV has initiated and continues to make some significant efforts towards a the deployment of a comprehensive strategy on sustainable development and Environmental – Social - Governance (ESG) practices, has made some strong commitments to reduce carbon emissions, protect the environment, promote green credit, green bonds, renewable energy, and green economy, as well as the circular economy in Vietnam in line with the orientations of the Vietnamese Government, Ministries, Departments, branches and closely coordinated with some major international financial institutions in the process of organising the implementation. In particular, BIDV has:

- issued a Resolution on the implementation of Vietnam's National Strategy on Green Growth for the period 2021 - 2030, vision to 2050, and the National Strategy on Climate Change for the period to 2050 at BIDV;
- established a Steering Committee to develop an action plan for ESG implementation and sustainable financial development in the period of 2023 - 2025, with a vision to 2030;
- directed the promulgation of the Green Bond Framework according to the green bond principles of the International Capital Market Association (ICMA Green Bond Principles)¹, which have been rated as “very good” by the international rating agency Moody's;
- been the first bank in Vietnam to successfully issue VND 2,500 billion of green bonds on the domestic bond market with the aim to finance green projects, save energy, reduce emissions, and protect the environment.

In terms of products and services, BIDV has also actively promoted the deployment of products and services towards sustainable development such as pioneering digital transformation to create a Green revolution for BIDV's comprehensive ecosystem; prioritising the implementation of “Green Credit Packages” to support the market; leading in foreign entrusted fund activities, focusing on promoting the mobilisation of sustainable development funds, and transitioning to a green economy to increase the proportion of green credit outstanding loans. BIDV is always in the “Top 5” Vietnamese banks with the largest green credit balances in the national financial system. As of 31 December 2023, BIDV's green credit balance reached USD 3 billion (accounting for 4.24% of the total balance).

¹ See: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

In addition to business activities, BIDV also makes a mark as a pioneering enterprise in implementing social responsibility for the community - one of the core values that the bank strives to devote a lot of resources and energy to. BIDV has been very creative in community activities and spread human values to attract customers and the public to join hands and bring positive values to the whole society. One of them is the organisation of an annual online charity race on the BIDVRUN application platform to mobilise staff, employees, customers, and the public to participate to carry out activities such as: giving Tet gifts to the poor; planting one million trees; building community cultural houses to avoid floods in the Central and Central Highlands provinces of Vietnam, donating fresh water tanks to localities suffering from drought and saltwater intrusion in the Mekong Delta, etc.

All information about BIDV and the bank's activities is posted and publicly available on the bank's website: <https://bidv.com.vn/en/ve-bidv>

2. Presentation of AFD

A public institution at the heart of the French development aid system, the Agence Française de Développement (AFD) has been working for more than seventy years to tackle poverty and foster development in developing countries. As France's bilateral development financial institution, it is a state-owned institution active in over 115 countries with a mission defined by the French Government and a mandate to contribute to a more sustainable and shared economic growth, improve living conditions and preserve the planet. Through grants, loans, reserve funds or debt-reducing and development contracts, AFD finances projects and supports its partners in their capacity-building and the transformation of their practices and strategies towards a sustainable development.

Within this framework, Climate has become a core objective of AFD Group's activities and strategic plan. AFD's core strategy indeed integrates the concept of alignment with the Paris Agreement, with an aim to become the first development agency to be '100% compatible with the Paris Agreement' through four commitments: (i) ensure a 100% Paris Agreement-compatible activity, (ii) increase the volume of climate finance, (iii) contribute to redirecting finance and investment flows, and (iv) co-build solutions and bring influence to bear on standards. To this end, AFD finances and supports development projects and programmes and participates in the debate, research and public policy dialogues with its local partners and the stakeholders at regional and national levels. Since 2012, AFD has committed to the objective that at least 50% of its annual financial commitments shall support the low-carbon and resilient transitions in developing and emerging countries, by financing projects with direct beneficial impacts on climate. With more than 40 billion euros of financing approved for the climate since 2005 and almost 8 billion euros in 2022, AFD is currently one of the main international donors providing climate finance.

In this context, AFD's support to financial systems and stakeholders has accounted for nearly 20% of AFD Group's commitments since the early 2000s. In the financial sector, AFD supports the development of inclusive, diversified and resilient economic models and financial systems by facilitating the redirection of resources towards sustainable development. Within AFD's Sustainable Development Solutions Department, the Financial Systems division assists financial actors to build inclusive, sustainable and responsible financial systems in the various countries where AFD operates, along 3 main strategic axes: (i) promoting access to financial

systems, offering adapted and diversified financial services (Access), (ii) supporting the emergence of a new sustainable finance model through the transformation of the financial actors' practices and strategies (Transition), (iii) consolidating the financial systems and enhancing their resilience to ensure their stability (Consolidation).

In Vietnam, AFD Group has a long track record of supporting financial institutions in financing the country's green transition. AFD's strategy for Vietnam for the period 2021-2025 aims to support the country on its path towards a low-carbon future and its commitments under COP 26 by developing renewable energy capacity, promoting changes in the energy model and supporting production methods and public services that are less emissive and more environmentally friendly, as well as promoting the development of inclusive, ecological and resilient cities and territories. In the financial sector, after offering sovereign financing in the form of on-lending to financial institutions (Agribank, VDB, Mekong Housing Bank, CoopBank) or urban investment funds (HFIC, DDIF, CADIF, KDIF) in the 2000s, the Group is supporting the sector's contribution to Vietnam's climate ambitions through non-sovereign financing to financial institutions, combined with technical assistance to support the transformation of the financial players' practices.

Complete information on AFD, and in particular, its Code of Ethics, which the service provider is strongly invited to read, is available at www.afd.fr

3. Rationale & Presentation of the AFD-BIDV project

The lack of green financing is a risk factor for the socio-economic development of Vietnam, whose financing needs to combat climate change between 2022 and 2040 are estimated at 368 billion USD (6.8% of GDP/year). To this end, Vietnam has made international commitments (COP 26, JETP agreement in 2022, etc.) and has set itself the objective of promoting financial flows in favour of low-carbon transition and adaptation. The mobilisation of the financial sector through the development of a green credit offer is one of the main levers for achieving this. Although dominated by state-owned commercial banks, the sector is still under-invested in this area.

As the leading bank in terms of total assets, outstanding deposits and loans, the Vietnamese public bank BIDV (Joint-Stock Commercial Bank for Investment and Development of Vietnam) plays a special role in this landscape. A pioneer in the implementation of government policies, it is also a key partner for projects with international development funders: its strategic ambitions to become a "Net Zero" bank and its proactive stance on JETP make it a key player in the promotion of green finance.

Building on a first collaboration in the form of a 100 MUSD non-sovereign credit facility, AFD (as the lender) and BIDV (as the borrower) have therefore decided to renew their partnership in order to contribute to promoting green finance as a means of supporting Vietnam's energy transition, circular economy and sustainable growth.

Building on the momentum of the first financing, a new project was jointly designed by AFD and BIDV in order to bring the ambitions of their partnership to another level and continue to support BIDV in its trajectory towards a green bank model.

Approved by AFD's Board on December 13th, 2023, the credit-facility agreement related to this project was officially signed between the two parties on 31 July 2024, with the aim to

densify and redirect BIDV's financial flows for the bank to finance private sector investments contributing to reduce GHG emissions, as well as to adapt and improve the resilience of the Vietnamese economy to the effects of climate change.

To this end, the operation is built around two components:

- a non-sovereign credit facility of fifty million Euros (EUR 50,000,000) to BIDV, dedicated to financing projects with climate co-benefits. With a target of 100% of the amount devoted to projects with climate co-benefits, the facility was signed at the end of July 2024 and will finance standard climate change mitigation projects for a maximum of 50% ("Climate" projects), and innovative climate change mitigation or adaptation projects with increased co-benefits, including on biodiversity ("Impact +" projects);² and
- a EUR 200,000 technical assistance (TA) programme to support BIDV in its climate and biodiversity ambitions, the management of E&S risks, and the monitoring of the environmental impacts and climate risks related to the projects and clients financed by BIDV through the funds of AFD's credit-facility.

Concerning the credit-facility: BIDV is the borrower and direct beneficiary, as well as the sole stakeholder of this project. The final beneficiaries of the project are the borrowers of BIDV (its clients). To allocate AFD' financing to BIDV's loans, the bank will present to AFD eligible investments or projects in any eligible sectors of activity, whose eligibility to the facility will be verified on the basis of criteria defined upstream of the signing of the "eligible loan" agreements between BIDV and its clients.

Concerning the TA programme: The technical assistance programme linked to the credit-facility will first and foremost strengthen the capacities of BIDV in terms of environmental and social (E&S) due diligences and the improvement of its exclusion list for it to comply with the highest requirements and international best practices and standards. It will also support BIDV in the development of its portfolio of climate related projects, and in monitoring and reporting on the impacts of Eligible Investment loans (see in appendix), as well as the monitoring of the physical climate risks of its loans financed through the credit-facility.

II. Nature and Purpose of the services

The aim of the services is to continue the E&S support provided to BIDV under the previous project between AFD and BIDV, and to support BIDV's efforts to transform into a green bank. To this end, it is envisaged to recruit a consulting firm to implement a technical assistance (TA) programme for the bank over a two-year period (between 2024 and 2026), with the following objectives:

- Identifying and building a portfolio of projects that meet the technical and financial eligibility criteria of AFD's new credit-line to BIDV, with *ex-ante* control of the underlying assets/investments;
- Measuring the impact of the projects financed against detailed indicators to be defined in a project operations manual, particularly in environmental and climatic terms;
- Carrying-out an analysis of the physical climate risks of the projects financed by BIDV through the credit-facility;

² See detailed eligibility criteria of the credit-facility in appendix.

- Implementing the activities set out in the Environmental and Social Action Plan (ESAP in appendix of these ToRs) associated with AFD's credit-facility to BIDV. These activities shall build on the achievements of the previous project between AFD and BIDV and with the support of other donors/Development Finance Institutions (DFIs): the Asian Development Bank (AsDB) contributed to BIDV's first E&S procedures, which have since been updated to incorporate the latest regulatory changes introduced by the Vietnamese central bank (the SBV) on the subject in May 2023.

III. Scope of work & Expected activities and deliverables

Component 1: Support in the implementation and disbursement of the new AFD-BIDV climate credit-facility

➤ Activity 1: Production of the Operations Manual, including a methodology for the identification of eligible projects to the new AFD-BIDV credit-facility

At the beginning of the assignment, the Consultant will work together with BIDV to produce an Operations Manual for the project. The purpose of the Manual will be to:

- describe the general rules, policies and procedures that govern the administration of the project, including in terms of reporting and follow-up, as well as the roles of the key stakeholders within BIDV who shall be involved in the implementation of the project;
- present the global objective, scope and approach of the project, as well as the detailed technical and financial eligibility criteria relating to the credit-facility: shares of the credit facility dedicated to the financing of "Climate" vs. "Impact+" projects, reminder of the ambitions of each of the two categories and the corresponding criteria, other criteria applicable to the credit-facility as provided for in the credit-facility agreement signed in 2024 between AFD and BIDV, methodology for the identification of eligible projects/investments in connection with these criteria;
- describe the disbursement modalities of the credit-facility, including the modalities for the justification of the use of the funds and evidencing the transfer by BIDV of the financial incentive allowed by the favourable conditions of the credit-facility to the end beneficiaries (clients of BIDV);
- summarize the impact indicators of the project to be monitored during the project implementation and following the project's full achievement, with a view to evidencing the project's development impacts (on the country or on a specific sector, region, type of beneficiary, etc.).

The Consultant shall produce the Operations Manual for the project no later than 30 business-days after the start of the assignment. The Operations Manual could also be enriched and completed later and its content adjusted if necessary, so as to adapt to the reality and needs identified for the smooth and successful implementation of the project.

All information relating to the credit-facility is presented in appendix: purpose of the facility, technical and financial eligibility criteria, conditions relating to the transfer of the financial incentive to BIDV's customers, development impact indicators envisaged at this stage..

Expected deliverable:

- Operations Manual

➤ **Activity 2: Training to BIDV's relevant staff to ensure good understanding of the eligibility criteria and help them in their uptake**

2.1 Training plan development:

Once the Operations Manual is developed, the Consultant will develop a training plan to provide awareness-raising/ training / capacity-building support to BIDV's relevant staff to ensure a good understanding of the credit-facility eligibility criteria.

The training plan should propose an approach and some modalities adapted to enable all key personnel concerned within BIDV (including managers and operational staff) to benefit from the proposed support and familiarise themselves with the criteria applicable to the credit-line, with the aim of rapidly building up a pipeline of projects eligible for the credit-line, and enabling its disbursement.

To this end, the training plan shall present (for guidance only):

- The target personnel within BIDV, who will benefit from the training,
- The objectives and content envisaged for the training modules,
- How the training is to be organised: face-to-face and/or online, number of participants, number and purpose of sessions envisaged, duration, projected calendar/timetable for the training sessions, etc.
- Critical assumptions for a smooth and successful implementation of the training plan (e.g. availability of target audience, etc.).

Refresher courses or additional training, as well as on-the-job capacity-building services, may also be considered if required and deemed appropriate, for example if BIDV team reports more difficulties in some areas in originating deals..

2.2 Training/capacity-building services:

Based on the training-plan and relating schedule developed by the Consultant and approved by BIDV, training modules and sessions will be organised for BIDV concerned staff.

Expected deliverables:

- Training plan
- Training material
- Training sessions (organised), including training evaluation forms

➤ **Activity 3: Sub-project origination support, through different channels**

The identification of eligible sub-projects will be carried out throughout the duration of the assignment (i) directly by BIDV and/or (ii) by BIDV with the support of the Consultant. The objective is to develop a substantial pipeline of potentially eligible sub-projects. The Consultant will take into account the constraints of confidentiality of customer data. It may be expected that this activity will lead to the identification of a number of opportunities which will require further work on the part of project developers (feasibility studies for instance) or on the part of the Consultant and/or BIDV once trained (carbon footprint / adaptation studies) before they may be converted into eligible sub-projects. In order to ensure the rational use of resources, it is critical that this activity is carried out so that the level of support is proportionate to the probability to lead to eligible sub-projects. In its technical offer, the Consultant will detail the methodology it intends to use for these identification activities.

3.1 Screening of BIDV's existing portfolio:

Taking into account the portfolio screening run by BIDV during the design phase of the project, the Consultant will support BIDV in reviewing its client portfolios (SMEs / corporate / municipalities or any other eligible clients) in view of identifying potential "Climate" and "Impact+" opportunities³ likely to be funded by BIDV. If necessary, the Consultant may develop an indicative list of core sectors/clients to be targeted by the project based on their potential/criticality in terms of mitigation and adaptation to climate change⁴ thanks to appropriate surveys, data collection and analysis. As a result, **the Consultant will provide BIDV with recommendations on priority clients / sectors to be targeted**. It will also provide BIDV with recommendations in order for BIDV's staff (especially credit officers) to be able to periodically update this pipeline and pre-identify new potential clients.

3.2 Joint-origination effort:

- If need be, the Consultant will also identify alternative resources to originate potential eligible projects (outside of BIDV's current client base), for instance by relying on line ministries' initiatives, other donor-funded programmes, etc. To the extent possible and as much as it is relevant, these alternative resources should then be disseminated towards BIDV's credit officers.
- The Consultant will also elaborate together with BIDV a dedicated process (check-list, questionnaire...) to help BIDV staff collect and obtain all necessary information to fulfil AFD's templates for sub-project submission and requested supporting documentation, which will then be completed by BIDV with the technical support of the Consultant.⁵
- The Consultant will support BIDV in implementing its commercial approach towards the targeted potential customers. At the beginning of the assignment, upon BIDV's request, the Consultant could accompany some of the bank's credit officers in some of their meetings with prospective customers to present the project and assess, on a preliminary basis, business opportunities emerging from these meetings.

➤ Activity 4: Ex-ante assessment of projects' eligibility

Once the investments/projects are pre-identified (completion of the template for project submission), it will be the responsibility of the Consultant to analyse the documentation provided and to check that the contemplated projects are eligible, in close collaboration with BIDV's teams. For those projects which are not already providing a sound carbon footprint analysis and/or climate adaptation analysis, the Consultant will support BIDV by carrying out, whenever needed, the TA for carbon footprints and adaptation analysis during the first year of the project's implementation. In order for BIDV to be able to provide the necessary analysis to AFD for the whole duration of the project implementation (as this is mandatory for an investment to be considered eligible), the Consultant shall also assist BIDV in the definition, use and appropriation (including through on-the-job training) of existing carbon footprint analysis and available adaptation analysis tools that could be directly implemented or adapted to BIDV's activity. The use of AFD's existing carbon footprint tool will be recommended. As per

³ For the Consultant's reference, see eligibility matrix and criteria in appendix.

⁴ Taking into account the eligibility criteria relating to the "Climate" and "Impact+" projects as well as the other technical and financial criteria relating to the credit-facility in appendix.

⁵ See templates in appendix (as per in the credit-facility agreement signed between AFD and BIDV).

the climate adaptation analysis, the Consultant could for instance build up a sector-specific check-list based upon the characteristics of Vietnam, if possible.

After reviewing available supporting documentation (feasibility studies, energy audits, invoices, etc.), if the Consultant and BIDV consider that the contemplated project meets the eligibility criteria for BIDV's loan to be allocated on AFD's credit-facility, the Consultant will write an assessment report justifying its opinion with the supporting documentation. Thanks to its technical expertise, the Consultant will also confirm that the proposed performance indicators and expected values are relevant.⁶

This analysis shall also cover E&S risk identification and list E&S due diligence required as per Vietnam's E&S regulations. Depending on the level of E&S risks of subprojects (see Component 4), the Consultant will support BIDV in conducting E&S due diligence, such as those performed on E&S Impact Assessments (ESIA), E&S Assessments (ESA), E&S Management Plans (ESMP), etc.

When available, the Consultant will review technical feasibility studies of potential bankable projects. The implementation of sustainable energy projects (as standard "Climate" projects) is subject to the availability of reliable technical feasibility studies. If such studies are available, the Consultant will verify that they have been properly prepared/elaborated by controlling the quality of the reports and their consistency with the requirements of AFD and the credit-facility. If need be, the Consultant may ask for supplements or amendments to the study, or propose any adaptation to its presentation format.

The Consultant will then be able to assist BIDV in preparing allocation requests to be sent to AFD. If the project meets all the eligibility criteria, AFD will provide an allocation authorisation. Please note that even if a project developer submits a project eligibility assessment form which is technically eligible, the financing decision shall be taken by BIDV in accordance with its own credit procedures. BIDV, which finances projects at its own risk, is the sole decision-maker in the financing process and can refuse financing to project developers for any internal reason.

If the Consultant and BIDV consider that the projects do not meet the eligibility criteria or that the information is not complete or sufficient, but that there is high potential for eligible projects, the Consultant will define what additional information would be needed and will offer to bring support to the project developers (written recommendations and/or dedicated meetings). In order to ensure knowledge transfer towards BIDV staff, the Consultant will work closely with BIDV staff members assigned by BIDV to develop an in-house expertise in the field of climate projects financing.

Expected deliverables:

- Pipeline of projects/investments eligible to the credit facility
- Analysis reports/ Allocation request supporting documentation and information collected for eligible projects
- Climate adaptation analysis on BIDV's clients' projects
- Carbon footprints on BIDV's clients' projects

⁶ For example: MW installed, energy savings, tons equivalent CO₂eq reduced or avoided, value of physical assets made more resilient to climate change, hectares of land or forests under improved and effective management, etc.

- Verification document confirming the relevance of technical feasibility studies carried out on sustainable energy projects
- **Projects' eligibility certificates**
- Possibly: meetings/ recommendations to BIDV's clients in case of high-potential but incomplete information to determine projects' eligibility

Component 2: Project monitoring and reporting support

➤ **Activity 1: Supporting BIDV in following-up and monitoring the project implementation progress and impacts**

The Consultant will support BIDV in monitoring the project and the use of the funds of the credit-facility, as well as the development impacts of the project. To this end, the Consultant will assist BIDV in the preparation of the annual progress reports to be provided to AFD. All reports shall comply with the reporting templates and expectations agreed upon between BIDV and AFD in the credit-facility agreement (see appendix).

The reports will include information on (for guidance only):

- the implementation of the credit-facility (number of projects screened, number of projects supported through the facility, use of AFD funds..);
- a narrative on the evolution of the national context regarding climate change and climate finance public policies and incentives if any (evolution of Vietnam's climate commitments, developments in the national regulation, etc.);
- an impact-oriented narrative on the project between AFD and BIDV under implementation and a detailed measurement of the consolidated impacts of the projects financed through the credit-facility;
- E&S risk management topics, as per AFD's related requirements (see below).

To this end, the Consultant will conduct a quick review of the information system of BIDV and assess its capacity to produce the data necessary for the measurement of the development impacts of the project, as per required in the credit-facility agreement between AFD and BIDV.⁷ The Consultant will suggest a methodology to measure these impacts if a simple extraction is not sufficient.

The Consultant will then support BIDV in the production of the first annual project progress report. After that, BIDV will be in charge of the production of the following annual progress reports. The Consultant will offer second-level controls of the following reports and provide advice to BIDV on how to possibly improve, enrich and refine them before their submission by BIDV to AFD. These second checks will specifically aim at ensuring a sound level of reporting and follow-up on expected development impacts.⁸

Expected deliverables:

- Annual progress reports: first report (drafted) and second report (reviewed)
- Data and information relating to the development impact indicators of the projects

⁷ See information expected in appendices.

⁸ Detailed information on development impact indicators and reporting modalities agreed upon between AFD and BIDV in appendix.

➤ **Activity 2: Following-up and reporting on the Consultant's assignment progress**

To ensure a smooth implementation of the services, the Consultant will ensure common understanding of the services and related outcomes at the start of the assignment, as well as facilitate the implication and ensure sufficient follow-up of the services' implementation by BIDV's concerned staff and management, via the following activities:

- **Production of an inception report:** no later than thirty (30) business-days after the start of the assignment, the Consultant will submit an Inception Report to BIDV and AFD. The report will fine-tune the description of the services and expected deliverables for each component of the present terms of reference, include a first draft of the operations manual, and present a budgeted six-month work program and a detailed schedule of mobilisation of the short-term experts (name of the experts, number of expert-days...) for the first six months.
- **Coordination of quarterly follow-up meetings with BIDV and AFD representatives:** every three (3) months, the Consultant will organise and run a meeting gathering representatives from AFD and BIDV to (i) update the participants on the implementation of the services, (ii) present a summary of the achieved activities or tasks and produced deliverables, (iii) discuss and remedy any potential challenge for the smooth implementation of the services, and (iv) agree collectively on the detailed schedule and activities for the upcoming quarter.

Expected deliverables:

- Inception report
- Agendas and minutes of quarterly follow-up meetings with AFD and BIDV representatives

Component 3: Development of a climate risk methodology to assess the exposure to climate-related risks of BIDV's portfolio of loans financed through the credit-facility

The Consultant will support BIDV in the analysis and monitoring of the impacts of climate change on its portfolio of loans that will be financed through the AFD-BIDV credit-facility.

The Consultant will integrate an analysis of the impacts of climate change into BIDV's risk-management process applied to all the loans financed through the credit-facility (development and implementation of climate risk management processes and methodologies applicable to these loans). In this regard, BIDV, with the support of the Consultant, will elaborate and use climate change scenarios in order to assess the impact in the short, medium and long term of climate change on its portfolio of loans financed through the credit-facility. To this end, the Consultant will carry out the following activities:

➤ **Activity 1: Diagnostic on BIDV's portfolio exposure in relation to climate risk**

As a first step, the Consultant will advise BIDV on public and private databases that could provide relevant data on the climate risks that the bank is exposed to through its lending activity, and in particular the loans that could be similar to the ones that will match with the eligibility criteria of the credit-facility.

Then, the Consultant will realise a diagnostic of the bank's portfolio (over a sample to be determined in accordance and coherence with climate finance loans) in relation to climate risk

exposure, with the objective to identify the main climate risks regarding the lending activity. In doing so, the Consultant will make sure that it follows best international practices and will define with BIDV and AFD the perimeter of this analysis and assess the exposure and significant concentrations and risks transmission channels in BIDV's portfolio from the standpoint of climate financial risks (physical risk, transition risk...), at the most appropriate level of granularity. This will also depend *inter alia* on quantitative and qualitative data availability.

The Consultant will then support BIDV in developing scenarios related to climate change in various time horizons for this sample of the bank's loan portfolio. These scenarios are expected to include assumptions regarding the impact of climate-related risks and the time horizons over which these effects are expected to materialise. If any, the Consultant will assess existing scenarios at national level in order to propose a relevant set of scenarios for the bank. Once the most relevant scenarios are selected, the Consultant will help BIDV in running the scenarios in the credit portfolio analysis. The Consultant will analyse the impact of climate change scenarios on BIDV's targeted portfolio and produce a mapping of BIDV's sample of portfolio regarding its exposure to climate risks.

The diagnostic may also contribute to the Component 1 of the services.

Expected deliverables:

- List of database with relevant information/data to assess climate risks
- Diagnostic and mapping of BIDV's targeted portfolio exposure in relation to climate risk

➤ **Activity 2: Implementation of a climate risk dedicated methodology for BIDV's loans eligible to the funds of AFD-BIDV credit-facility:**

Based on the diagnostic above-mentioned, the Consultant will support BIDV in incorporating a dedicated climate risk methodology in its credit process for a selection of loans, ideally the loans eligible to AFD-BIDV credit-facility's criteria.

Based on the findings of the diagnostic, the Consultant will carry out the following activities:

- Support BIDV in incorporating climate-related risks as drivers of existing risk categories into its risk-management framework applied to the eligible loans;
- Propose and coordinate the incorporation of climate change related criteria in BIDV's credit policies and processes for specific sectors/targeted clients or specific projects determined by the Consultant and BIDV. This entails an assessment of climate related risk in the relevant stages of BIDV's credit-granting process and credit processing;
- Train the teams of BIDV who are involved in the process.

Expected deliverables:

- Risk-management framework incorporating climate-related risks for the loans of BIDV that are eligible to the project's credit facility
- Revised credit policies and processes, incorporating climate-related risks for a selection of sectors/BIDV's loans, if possible (and as long as it does not create any delay in the disbursement of the credit-facility) the loans eligible to the credit-facility
- Training modules on climate risk analysis and management, delivered to BIDV's relevant staff

Component 4: To the extent necessary/required, strengthening of the implementation of the existing Environmental and Social Risk Management process

If the Consultant considers that the environmental and social risk management system (ESMS) is adapted to the requirements of AFD Group and that this Component 4 is unnecessary, the Consultant will produce a note justifying their position. In all cases however, the planned training activities described below shall be maintained as part of the Consultant's tasks.

The Consultant will assist BIDV in strengthening the implementation of the E&S management system (ESMS) applying to the credit-facility between AFD and BIDV, as well as revising BIDV's existing Exclusion list in order for it to comply with AFD Group's standards.

BIDV has indeed already elaborated a document named an implementation guide for E&S risk-management. If necessary, this document will be adapted to the specificities of AFD's new credit-facility.

➤ Activity 1: Definition of a detailed ESMS Action Plan and update of BIDV's Exclusion List

This initial phase aims at starting the ESRM adaptation process, by detailing the E&S Action Plan (ESAP) agreed upon between BIDV and AFD (see in appendix). It will comprise the following steps:

1.1: Short diagnosis of BIDV in relation to E&S issues

With a view to take stock of the situation and needs regarding E&S matters, the Consultant will conduct the following activities:

- Present the governance of BIDV, globally and in particular in connection with E&S issues;
- Make a rapid assessment of the gaps between the existing procedure and AFD's financing needs;
- Assess the level of awareness, willingness and the capacities of BIDV's staff and management on E&S aspects;
- Realise an analysis of the environmental and social (E&S) risks of BIDV's portfolio of loans to be financed through AFD's credit-facility and of the policies.

Expected deliverable:

- Short diagnostic report

1.2: Identification of objectives for the enhancement of BIDV's E&S risk-management process

Following the conclusions and recommendations of the diagnosis mentioned above, the Consultant will propose some simple resolution measures, identifying some crucial objectives to adapt the E&S risk-management process to AFD's financing. Such objectives may for instance consist in the following:

- Adapting the existing procedure related to the implementation guide for E&S risk-management to the characteristics of the new AFD credit-facility/financing;
- Drafting short supplements to the existing procedure, enabling it to take AFD financing into account.
- Raising awareness of and commitment to this process among the bank's management;
- Increasing awareness among staff and/or customers to E&S issues; etc...

These objectives will be presented to BIDV and AFD for validation prior to the implementation of Step 1.3 defined hereafter.

1.3: Presentation of improvement actions to be implemented

In terms of the E&S risk-management process, the improvement actions could particularly concern the following points:

- Awareness-raising and buy-in: training of the E&S coordinator and of several E&S managers that BIDV will identify among its staff. Such actions may also mention the active training of staff in charge of processing operations.
- Implementation, monitoring and control:
 - o The managerial organisation which must be set up in order to implement the E&S risk management process and monitor its implementation;
 - o If necessary, the adoption of existing tools to manage the implementation of the process in place and monitor and control its implementation.

1.4: Update of BIDV's Exclusion List

BIDV updated its exclusion list in the regulation No 3266/QyD – BIDV dated as of May 31st, 2023 on Environmental Risk Management its credit extension activities to comply with the new national regulation that took effect from 1st June 2023 (Circular 17/2022 on environmental risk-management in lending activities by credit institutions). However, some gaps remain between BIDV's current Exclusion list and the one of AFD Group; which also applies to AFD Group's partners. For BIDV to comply with AFD Group's Exclusion List (in appendix to the credit-facility agreement signed between the two parties), it is in particular required that BIDV applies section C of AFD Group's Exclusion List⁹ to all its financial activities. The Consultant will consequently in charge of the following tasks, which shall be achieved by 31st July 2025 (i.e. 12 months after the signature of the credit-facility agreement between AFD and BIDV):

- Carrying out a gap analysis between BIDV's existing Exclusion list and AFD's Exclusion list;
- Updating BIDV's Exclusion list and some of BIDV's internal documentation/policies, procedures and processes to ensure full compliance with AFD Group's Exclusion list.

Expected deliverables:

- Updated procedures and ESMS based, as far as possible, on the existing documents
- Updated exclusion list

1.5: Presentation of organisational methods for the implementation of the suggested actions

The Consultant will provide a description of the organisation required for the implementation of the actions described above. It shall give precise information on the persons or departments in charge of each of these actions (in-house staff or external persons, which may be required for support, training or defining tools).

1.6: Presentation of the implementation schedule for the suggested actions and estimate of their cost

For each of the actions described above, the Consultant shall set out, at least: (i) their implementation schedule (time limit to be fixed by BIDV), and (ii) an estimate of their cost.

⁹ See AFD Group Exclusion List here for reference: <https://www.afd.fr/en/ressources/afd-group-exclusion-list>

Expected deliverables:

- Report (having received and taking into account the comments of BIDV);
- Training material

➤ **Activity 2: Implementation of the ESMS**

This phase aims at providing further details to the approach (procedures, tools and training) appropriate for BIDV and implementing the finalised E&S action plan.

2.1: Support BIDV in carrying out the necessary E&S due-diligence on the eligible projects to be financed through the BIDV-AFD credit facility as long as the ESMS is not updated

The Consultant will provide advice and technical support to BIDV to carry out the necessary E&S due diligence and ensure that the content of the E&S evaluation and risk-management approach applied to the projects to be financed through the new AFD-BIDV credit-facility meet AFD E&S requirements. This task may be used as a case study for BIDV awareness-raising on E&S matters.

2.2: Organise a training workshop to the attention of BIDV's managers and credit officers on the issues at stake and on the methods of E&S risk-management

The Consultant shall organise a training workshop intended for employees that will be involved in the implementation of the updated ESMS. It will discuss with BIDV to (i) define the most appropriate training format and (ii) identify the most relevant positions in BIDV that will participate to the training workshop, to maximise the leverage effect of the capacity building.

2.3: Support BIDV in the implementation of the new exclusion list

The consultant will provide advice and support to BIDV to ensure implementation and monitoring of the updated exclusion list. If need be, the content of the training workshop defined in step 2.2 above will be adapted to include training on the updated exclusion list.

2.4: Draft and implement E&S procedures and tools

- The Consultant will support BIDV in fully integrating the E&S procedures into the decision-making processes of the bank for the projects to eligible to AFD's credit-facility and shall, to this end, in particular: Train the relevant credit officers to that procedure (awareness-raising and appropriation): definition and implementation of a consistent training program;
- Accompany the adapted ESMS implementation;
- Define and accompany its monitoring and reporting (to define the structure and indicative content of the annual E&S report that BIDV would have to send to AFD following the implementation of the E&S action plan).

Expected deliverables:

- Template for the yearly monitoring report defined in the credit-facility agreement
- Completion report.

IV. Required qualifications & Selection process

1. Profile of the Consultant

The Consultant will be expected to work closely with BIDV's operational teams for the implementation of all the activities described above.

In order to achieve the services, it is expected that the recruited Consultant be a consulting firm mobilising national (Vietnamese) staff and/or sub-consultants, or a consortium of consulting firms with international exposure and a locally based support capacity.

The international Consultant (lead) will bring in its experience working with similar financial institutions and on similar assignments (whenever relevant, existing material such as tools, checklists, guidelines, etc. could be mobilised and valued – for example on E&S matters). The local consultant will contribute their knowledge of the Vietnamese context (national commitments on climate, E&S national regulation and its application, understanding of the Vietnamese financial sector and institutions – in particular public banks), to which the relevant procedures and tools may be adapted.

In particular, **the international Consultant** should therefore:

- Demonstrate relevant knowledge and experience in the overall financial sector and more specifically the banking sector and lending activities, especially among the following areas: green and climate finance, in particular on adaptation finance, in addition to mitigation
- Demonstrate solid skills and professional experience (7 years minimum) providing technical advisory services to financial institutions, and in particular major public commercial banks with strong sustainable development commitments and ambitions
- Have some solid experience (5 years minimum) in the E&S risk-assessment for financial institutions
- Have some solid experience (5 years minimum) and demonstrate some expertise on climate finance
- Have some experience of successful collaborations implementing projects and technical programmes financed by international development partners such as AFD (references expected)
- Demonstrate some skills and experience in training and capacity-development, including for the staff and management of financial institutions;
- Have some expertise in monitoring and evaluation, impact measurement of development projects
- Have a good knowledge of E&S international standards (World Bank in particular);
- Have excellent facilitation and communication skills (both verbal and written).

In addition, **the local Consultant/support capacity** expected for the services as a complement to the international expertise should, in particular:

- Demonstrate a strong knowledge of the Vietnamese context, including the financial sector, public banks, and E&S national regulation applying to financial institutions
- Demonstrate a proven expertise in Environmental & Social matters, with effective and strong E&S assessment capacity and a solid experience on E&S assignments;

- Have carried out E&S services and developed some E&S professional experience in the Vietnamese context.

Excellent fluency in written and spoken English is compulsory for all mobilised experts.

V. Organisational arrangements

1. Contracting authority & Expected Methodology and Languages

Contracting authority: The Contracting authority will be AFD, who will sign the contract directly with the Consultant. Payments will also be made directly by AFD to the Consultant upon submission of the concerned invoices and requests for payments, and following the approval of the relevant deliverables by BIDV and AFD.

Expected methodology: The consultant should suggest the most adapted methodology to meet the objectives, taking into account the following expectations:

- In addition to the main contacts identified within BIDV's team, the top-management of the bank should be involved at all critical times and on a regular basis, to the extent possible, and in particular from the very early stages of the implementation of the services in order to ensure their complete buy-in and full support for the implemented services.
- Part of the services can be carried out remotely, while some activities will require an on-site presence (interviews, meetings and/or workshops with bank staff, possible visits to the field and/or branches of the bank if relevant, etc.).
- For the implementation of all the components of the technical assistance programme, and in particular the E&S component: BIDV will provide the Consultant with all the existing resources needed to implement the activities. For example, the E&S guide developed for BIDV as part of the previous technical assistance provided to the bank with AFD funding (SUNREF project CVN1239) will have to be taken into account for the implementation of the activities planned under Component 4 of the current TA.

2. Duration and Timeline

The duration of the full assignment is estimated to last for two (2) years. A strong priority shall be given to building up a pipeline of eligible projects/investments in order to ensure a quick disbursement of the credit-facility following its signature on 31st July 2024, ideally permitting for the full disbursement of the credit-facility within 6 months following the signature of the credit-facility agreement.

Concerning the E&S activities: the schedule of the assignment should meet the timeline of the ESAP in appendix, to the extent possible.

A detailed projected schedule shall be suggested by the Consultant in their technical offer. Key milestones shall be clearly identified, to the extent possible, for BIDV and AFD to be able to validate the work achieved at every key step of the work implementation. AFD and BIDV will give some time to review each of the deliverables to be produced as part of the service. The Consultant must anticipate and allow time for the deliverables to be adjusted to take account of and incorporate the comments made in the proposed provisional schedule for the services.

3. Budget:

The total amount of the financial offer **cannot exceed EUR 200.000,00 (Two hundred thousand Euros).**

Appendices:

Appendix 1: List of eligible investments and projects as per the terms of AFD-BIDV credit-facility agreement

Appendix 2: Allocation request supporting documentation (template as per in ADF-BIDV credit facility agreement)

Appendix3: Project monitoring and funds use justification requirements

Appendix 4: E&S Action plan

Appendix 1: List of eligible investments and projects as per the terms of AFD-BIDV credit-line agreement

1 – PURPOSE OF THE FACILITY

The project aims to densify and redirect BIDV's financial flows. These flows shall finance private sector investments/projects contributing to reduce GHG emissions, as well as to adapt and improve the resilience of the Vietnamese economy to the effects of climate change.

To be considered eligible, the loans of BIDV to its clients (the “final beneficiaries”) **shall not**:

- (i) finance any projects/investments listed in AFD Group Exclusions List;¹⁰
 - (ii) finance any entity or person listed in the Financial Sanction Lists; and
 - (iii) be approved by BIDV before 12th December 2023, the signing date of the letter of interest relating to the credit-line between AFD and BIDV, and/or
 - (iv) consist in refinancing existing investments or projects for which BIDV has already disbursed the funds to the final beneficiaries,
- in which cases they would otherwise be regarded as non-eligible.

To be considered eligible, the loans of BIDV to the final beneficiaries **shall**:

- finance projects/investments fulfilling the technical eligibility criteria described in the section below and approved by BIDV after the signing date of the letter of interest relating to the credit-line (12th December 2023), and for which BIDV has not already fully disbursed the funds to the final beneficiary(ies);
- in the case of projects/investments fulfilling the technical eligibility criteria and approved by BIDV after December 12th, 2023, but for which BIDV would already have disbursed part of its loan to the final beneficiary(ies), only the portion of the loan of BIDV that has not been disbursed at the time of AFD's allocation authorisation on the project/investment will be considered.

The credit-facility shall:

- finance at least two (2) projects of final beneficiaries, implemented in at least two (2) different regions of Vietnam.

2 – ELIGIBLE LOANS / FINANCIAL ELIGIBILITY CRITERIA

- Eligible loan size: The total amount of the loan extended by BIDV to the final beneficiary, on each investment or project, should not exceed thirty million euros (EUR 30,000,000) per project/investment;
- For each loan, the amount financed by AFD under the credit-facility could represent up to one hundred per cent (100%) of the financing extended by BIDV to a final beneficiary, but must be at least equal to thirty per cent (30%) of the amount financed by BIDV;
- For each project financed by AFD, the loan extended by BIDV may represent up to a maximum of seventy per cent (70%) of the total amount of the project of the final beneficiary;
- Currency of loans extended by BIDV: USD / VND / EUR;
- Transfer of the financial incentive to the final beneficiaries: In order to transfer the financial incentive of AFD's financing in part or in full to the final beneficiaries, BIDV's margin, including fees, will be systematically discounted by zero point fifty per cent (0.50%) as a minimum. The fees applied shall be set by BIDV according to its standard

¹⁰ Publicly available on: <https://www.afd.fr/en/ressources/afd-group-exclusion-list>

pricing policy, not exceeding those charged on comparable loans. For each eligible loan, BIDV will report in the Allocation Request addressed to AFD for the disbursement of the funds:

- The actual interest rate offered to the final beneficiary through AFD's credit-facility;
 - The basic interest rate that would have been proposed to the final beneficiary without AFD's credit-facility to BIDV.
- Minimum tenor of the loans extended by BIDV:
 - Five (5) years for renewable energy /clean energy investments;
 - Three (3) years for other investments.

3 – ELIGIBLE INVESTMENTS / TECHNICAL ELIGIBILITY CRITERIA

With a target of 100% of the amount devoted to projects with climate co-benefits, the credit-facility will finance:

- **Climate projects:** Up to a maximum of fifty per cent (50%) of the amount of the credit-facility shall be dedicated to financing standard climate mitigation investments/projects (such as renewable energy projects); and
- **Impact+ projects:** A minimum of fifty per cent (50%) of the amount of the credit-facility shall be dedicated to financing more innovative climate mitigation or adaptation projects with enhanced impacts on climate change - e.g. projects with biodiversity cobenefits, or investments in more challenging and still under-served sectors of activity such as energy efficiency, agriculture, water supply, treatment & sanitation, depollution of industrial sectors, waste management, public transportation, or investments contributing to climate change adaptation.

Classification as “mitigation” or “adaptation” shall be in line with the following definitions, and evaluated as such with the AFD methodology applied to characterise mitigation or adaptation projects:

- Mitigation of greenhouse gas emissions or carbon sequestration: as defined in the [IDFC/MDBs Common principles for climate mitigation finance tracking](#), a project contributes to mitigation when it allows the GHG emissions to be reduced compared to a benchmark situation without project. A project is defined as a "climate/mitigation" project when: (1) the estimate of its carbon footprint demonstrates that i/ it reduces or avoids (for renewable energy projects) GHG emissions including gases regulated by the Montreal Protocol or ii/ it contributes to protecting and/or enhancing GHG sinks and reservoirs – this carbon footprint measurement shall include scopes 1, 2 and 3 of the project's activities; (2) or if the carbon footprint cannot be estimated at the time when the commitment is approved, this financing will be dedicated to actions contributing to mitigation (studies, reinforcement of capacity and intermediated bank credit lines in favour of renewable energy and energy efficiency projects).
- Adaptation to climate change: projects (or parts of projects) leading to limitation of the vulnerability of assets, people and ecosystems to the consequences of climate change and climate-related risks are considered to contribute to adaptation. This encompasses a range of activities from information and knowledge generation, to capacity development, planning and the implementation of climate change adaptation actions and investments. As defined in the [IDFC/MDBs Common principles for climate adaptation finance tracking](#), in order for a project to be accounted for under "climate/adaptation", an analysis must show

that the project specifically intends to reduce a vulnerability to climate change identified in the project zone. This demonstration shall be made, according to the following methodology:

1. identify the investment / environment vulnerabilities / current and future risks to climate change in the project area (vulnerability studies);
2. explicitly express the intent of the project to address the vulnerabilities identified;
3. explain the activities/components of the project that specifically cover these vulnerabilities, by providing (i) a study of the vulnerabilities to climate change of the project's geographical area, with (ii) an analysis of the activities planned in the light of a positive list of actions that can contribute to reducing vulnerability or to strengthening the resilience of communities, goods or ecosystems to climate change.

Only the part of the investment contributing to adaptation finance is eligible for financing by the credit-facility.

Environmental and social risk assessments should be carried out and be satisfactory to AFD for each project financed through the credit-facility.

Specific case of the Ben Tre V1_3 Wind project:

Following the thorough review and analysis of the project and its impacts, the Ben Tre V1_3 Wind project, located on the coastal area of Ba Tri district, Ben Tre Province, Vietnam, financed by BIDV, is considered as eligible to the credit-facility in continuation to AFD's credit-facility CVN 1239 01 K to BIDV subject to:

- verification by BIDV that financing the project does not cause AFD to violate any applicable sanctions and prior clearance related to the final beneficiary and its suppliers for the project in light of applicable sanctions; and
- The confirmation by BIDV that local experts have been recruited to ensure a monitoring of the E&S impacts of the project (avifauna study) for a period of two (2) years and BIDV's commitment to share their reports with AFD.

The tables below list different categories of investments that can be classified as mitigation climate finance, subject to compliance with the eligibility criteria and points of attention indicated.

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
<u>1. Renewable energy:</u>	Utility-scale electricity production renewable Energy projects	<ul style="list-style-type: none"> Implemented on a power purchase agreement (PPA) basis 	No
	Grid-connected on-site renewable energy production, including grid interconnection equipment and meters		No
	Renewable energy projects that produce electricity/steam/heating/cooling for local consumption	<ul style="list-style-type: none"> For own consumption or commercial purposes in industrial processes, as well as in administrative, commercial or public buildings 	No
	Biomass-based power and/or heat generation project	<ul style="list-style-type: none"> With feedstock from agricultural or tree plantation waste (renewable biomass). Eligible feedstock: bagasse from sugar-mills, waste from ply-mills, rice husk, cassava The power generation feedstock needs to be based only on waste that would have no other use and would not be otherwise recovered. 	Yes Biodiversity cobenefits
	Wind power projects		No
	Hydropower projects	<ul style="list-style-type: none"> Power capacity less than thirty megawatt (30 MW) with ratio Installed capacity / area of reservoir must be above four watt per square meter (4W/m²) and emission factor below 100gCO₂e/kW. The AFD GHG Assessment tool can be used to assess the GHG emissions of the project. 	No

¹¹ For a project or investment financed by the bank to be considered as eligible to AFD's credit line, these criteria have to be complied with.

¹² Projects or investments financed by the bank can be considered as eligible to the « Impact + » category either automatically (for projects where "yes" is specified alone in this column) or, in case there are some additional requirements mentioned in this column, if the projects or investments comply with these requirements in addition to the standard climate eligibility criteria.

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
<p>2. EE Improvement Projects in Industry: General requirements for the category:</p> <ul style="list-style-type: none"> The Best Available Technologies (BAT)¹³ must be used. The use of the credit facility will be limited to the energy part of the investment. Projects may be strictly brownfield (i.e. production capacity remains constant) or may involve an increase in production capacity. <p>Energy intensity savings (MWh/unit) = 20% min.</p>	Partial replacement or upgrades of technical equipment	<ul style="list-style-type: none"> Electric individual manufacturing machines or machinery complexes are replaced with more energy efficient ones or upgraded. Restoration, repair and preventive works on electric boilers and furnaces and in drying facilities, refrigeration installations, compressed air systems, etc. Increase of condensed fluid returned, restoration or installation of thermal insulation on pipelines, fixtures, containers, etc. Elimination of lapses on heating systems and/or refrigerant. Thermal insulation of technological aggregates, facilities and pipelines. Waste heat from flue gas is utilised; heat/cold from ventilation and air-conditioning systems, compressors, refrigeration installations, etc., is recovered 	Yes
	Total replacement of technical equipment by electric technical equipment.	<ul style="list-style-type: none"> Replacement of electric motors with more efficient units, including frequency management inverters Replacement of fossil-fuel based boilers and drying facilities by electric equipment 	

¹³ Best Available Technologies (BAT) are advanced and proven techniques for the prevention and control of industrial emissions and the wider environmental impact caused by industrial installations, which are developed at a scale that enables implementation under economically and technically viable conditions.

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
		<ul style="list-style-type: none"> New fossil fuel installations will be eligible only for the case of technologies for which there is no electrical alternative available (e.g. high temperature processes). 	
	Introduction of energy consumption monitoring and control systems	<ul style="list-style-type: none"> Energy and fuel consumption registration, measurement, control and management tools and systems are installed or upgraded 	Yes
	Measures for transformers	<ul style="list-style-type: none"> Energy losses decrease. Insulation gas should have a low greenhouse effect. 	Yes
	Measures for lighting installations	<ul style="list-style-type: none"> Replacement of inefficient fixtures with more efficient units, e.g. incandescent light bulbs with light-emitting diode (LED) lamps and control systems 	Yes
3. Buildings: General criteria: <ul style="list-style-type: none"> Each project must include an energy and environmental performance improvement study compared to a baseline. This study must consider in its building performance calculations the temperatures projected over a 30-year horizon. 	Partial or total improvement of DHW and HVAC (excluding all fossil fuels such as gas)	<ul style="list-style-type: none"> Replacement and upgrading of the HVAC installation Replacement and upgrading of DHW systems Additional thermal insulation of cooling systems 	Yes
	Partial or total improvement of building envelope	<ul style="list-style-type: none"> Improvement of thermal features of envelope elements: <ul style="list-style-type: none"> + Window panels and frames – replacement with highly efficient modern units with a low heat transfer coefficient and thermal break. + Walls, roof – installation of additional thermal insulation or 	Yes

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
<ul style="list-style-type: none"> - For light renovation projects, demonstration that the best available technology has been selected (market analysis, energy cost/benefit analysis, etc.) and that it allows reductions of at least 20% of GHG emissions, 20% of energy consumption and/or 20% of water consumption. Only the expenses related to eligible actions shall be accounted for (“at cost” approach). - For heavy renovation projects, demonstration of reductions of at least 40% of GHG emissions or 40% of energy consumption compared to the baseline scenario (that shall consider the building before renovation). Heavy renovation projects that do not meet these criteria are treated as light renovation projects, i.e. only the eligible expenses can be accounted for (“at cost” approach). If reductions are 	Partial or total replacement of DHW and HVAC (excluding fossil fuel such as gas)	<p>replacement of old materials, with highly efficient insulation materials.</p> <ul style="list-style-type: none"> • Modernization through total or partial replacement of the following systems: <ul style="list-style-type: none"> + Replacement and upgrading of the HVAC installation by highly energy efficient equipment, excluding fossil fuels-based equipment. + Substitution of a fossil fuel based boiler by an electric boiler ; + Repairs of electric boilers (standard electric boilers, heat-pump based electric boilers), introduction of more efficient automatic regulation and control, or substitution of electric boilers by other electric boilers + Restoration and installation of thermal insulation for chimneys, pipelines, fixtures, etc. + Replacement and upgrading of DHW systems by highly energy efficient system, excluding systems based on fossil fuels. + Additional thermal insulation of heating/cooling systems + Installation of heat recovery systems + Possible use of heat pump or inverter air conditioners as an alternative to inefficient heating systems 	Yes

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
<p>above 40%, then the total renovation value (or a fixed share of it can be accounted for).</p> <p>- For new construction projects, if it targets reductions of at least 20% of GHG emissions compared to the baseline scenario, 20% of energy consumption and/or 20% of consumption of water (2 of the 3 conditions are sufficient). Baseline must consider thermal regulations (if existing and applied by the majority of constructors) otherwise a recent counterfactual building of the same type or theoretical counterfactual building (EDGE). The total project value (or a fixed share of it) can be accounted for.</p>	Replacement of fossil fuel with renewable energy resources	<ul style="list-style-type: none"> Replacement of fossil fuels (fuel oil, diesel fuel, etc.) with renewable energy such as biogas, biomass, solar PV, etc. When using biomass, use agricultural or tree plantation waste (renewable biomass). Eligible feedstock: bagasse from sugar-mills, waste from ply-mills, rice husk, cassava. The power generation feedstock needs to be based only on waste that would have no other use and would not be otherwise recovered. Electrical heat pumps, which could replace fossil fuel boilers/furnaces in heating installations. Solar collectors for DHW, cooling Any renewable energy system (geothermal, solar, wind, etc.) 	<p>Yes</p> <p>Replacement of polluting fossil fuels (fuel oil, diesel fuel, etc.) with biogas (biodiversity cobenefits)</p> <p>Replacement of polluting fossil fuels (fuel oil, diesel fuel, etc.) with biomass subject that the project uses an invasive species, the harvesting of which allows ecosystems to regenerate, or because the source is made up of waste (agricultural in particular) that would have no other use at the moment. i.e The recovery of waste that is not otherwise recovered (biodiversity cobenefits)</p> <p>Yes</p>
	Energy management systems	<ul style="list-style-type: none"> Installation of tools and systems to measure and record fuel, electricity, thermal energy, cold water consumption, etc.; control and management of facilities and processes. 	Yes
	Measures for transformers	<ul style="list-style-type: none"> Reduction of energy losses. Insulation gas should have a low greenhouse effect. 	Yes
	Measures for lighting installations	<ul style="list-style-type: none"> Replacement of inefficient fixtures with more efficient units, e.g. incandescent light bulbs with light- 	Yes

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
		emitting diode (LED) lamps; and control systems.	
<u>4. Energy Saving Measures in Household</u> Energy saving (MWh/y) = 20% min. OR Greenhouse gas emission reduction (ton CO ₂ e/y) = 20% min	Energy management systems	<ul style="list-style-type: none"> Reduction of energy losses. 	Yes
	Measures for lighting installations	<ul style="list-style-type: none"> Replacement of inefficient fixtures with more efficient units, e.g. incandescent light bulbs with light-emitting diode (LED) lamps; and control systems. 	Yes
	Air conditioning	<ul style="list-style-type: none"> Split inverter. The capacity is expressed in W or in BTU. The EE is assessed thanks to the seasonal EE ratio: SEER in cooling mode and SCOP in heating mode. 	Yes
	Electric and hybrid passenger cars ¹⁴	<ul style="list-style-type: none"> Electric vehicles Only plug-in hybrid cars only those generating less than 75 g/km of CO₂ 	Yes
<u>5. Other Energy Saving Measures</u>	Electric and hybrid electric public transport	<ul style="list-style-type: none"> Green transport projects shall prove their capacity to ensure a modal shift from a higher carbon mode to be eligible, as demonstrated by a reduction in net GHG emissions 	Yes
<u>6. Agriculture</u>	Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agriculture processes.		Yes
	Rural energy (mill, solar pumping, other renewables)		Yes

¹⁴ The carbon footprint calculation is obtained by the difference in emissions in the project scenario and in the reference scenario, for which it is considered that equivalent thermal vehicles would have circulated, in number equivalent to the electric vehicles in the project scenario. It depends on two main criteria: the emission factor of the country's electricity system and the number and type of vehicles constituting the replaced fleet. Attention shall be paid to the decommissioning of the replaced fleet of thermal vehicles (if the fleet is not dismantled, it must be taken into account in the carbon footprint calculation).

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
	Agriculture projects that do not deplete and/or improve existing carbon pools.	<ul style="list-style-type: none"> Reduction in fertilizer use, rangeland management, collection and use of local bagasse, rice husks, or other agricultural waste¹⁵, low tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, etc. 	Yes
	Organic agriculture	<ul style="list-style-type: none"> Production of organic products, rice (for projects aimed to converting existing rice production areas to organic farming), coconut, coffee, cocoa, tea, vegetables, fruits, cinnamon, anise, and other farm products. 	Yes Biodiversity co-benefits ¹⁶
	Adaptable / Climate-resilient species (resistant to drought, flooding, high temperatures, salinity, etc)	<ul style="list-style-type: none"> Drought-resistant, salinity-resistant and fast-growing plants and cultures (e.g. rice, quinoa, coffee, other) Improvement of water management 	Yes
	Other agricultural sector mitigation technologies	<ul style="list-style-type: none"> E.g. Alternate wetting and drying (climate-smart rice production, improved feed and fodder production, other) 	Yes
	Improvement of water management	<ul style="list-style-type: none"> Smart irrigation technologies (e.g. drip irrigation systems) 	Yes in case these activities do not lead to an increase pressure on water resources
	Renewable energy in sustainable aquaculture and sustainable fisheries	<ul style="list-style-type: none"> <u>Renewable energy equipment</u> 	Yes

¹⁵ Only if produced locally (close to the fields where it will be used)

¹⁶ This corresponds to target 10 of the Global Diversity Framework and would be given a 40% valuation according to AFD's methodology for the estimation of biodiversity impacts.

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
	Precision farming (e.g. with drones and satellites)	<ul style="list-style-type: none"> • Reduction of fertilizers and water consumption 	Biodiversity co-benefits ¹⁷ Yes
<u>7. Waste and water resources management</u>	Water resources management	<ul style="list-style-type: none"> • Water efficient irrigation techniques • Rehabilitation of water distribution networks to reduce water leakages • Water supply projects • Water distribution networks • Diversification of water provision resources ensuring an efficient and sustainable use of water: rainwater harvesting system, water reuse/recycling system, sustainable water production unit in water stressed context 	Yes
	Wastewater	<ul style="list-style-type: none"> • Treatment of wastewater - if not a compliance requirement (e.g. performance standard or safeguard)- as part of a larger project that reduce methane emissions (only if net emission reductions can be demonstrated) 	Yes

¹⁷ “Sustainable fisheries projects” shall imply contributions to fighting against overfishing (if there is a proven risk of overfishing) OR to improving the sustainability of fishing industry practices OR enabling the reduction, on a large scale, of pollution and waste induced by economic activities (reduction at source, treatment, recovery via the circular economy – for example: a coastal plastic waste reduction project). This corresponds to target 10 of the Global Diversity Framework and would be given a 40% valuation according to AFD’s methodology for the estimation of biodiversity impacts.

CATEGORY	TECHNOLOGY DESCRIPTION	1. CLIMATE ELIGIBILITY CRITERIA ¹¹	2. IMPACT + REQUIREMENTS ¹²
	Waste to energy	<ul style="list-style-type: none"> Waste management and waste-to-energy projects that reduce methane emissions and generate energy¹⁸. 	Yes Biodiversity co-benefits for waste reduction projects ¹⁹
	Recycling or reuse	<ul style="list-style-type: none"> Waste-recycling projects that recover or reuse materials and waste as inputs into new products or as a resource (only if net emission reductions can be demonstrated and if proper social and sanitary conditions are respected). 	Yes
<u>8. Forestry and natural habitats:</u>	Plantations and reforestation on previously deforested land (applying international best practices and promoting diversified plantations), and circular or integrated activities that enhance carbon stock, supply chains that promote sustainable agroforestry, restoration of degraded natural land-based habitats, biosphere conservation, policy interventions that explicitly protect carbon stocks (e.g. through land-use zoning, enforcement of sanctions on deforestation, or sustainable intensification of land use), maintaining healthy forests, switching from conventional logging to reduced-impact logging, land degradation prevention measures and fire risk mitigation.	<ul style="list-style-type: none"> The GHG emissions reduction/ carbon sequestration of the project shall be above 5000 tCO₂e/year for the activity to be eligible. 	Yes

¹⁸ Landfills must be equipped with a biogas recovery system or at least a flaring system of the biogas. This installation may only be planned after 3 years for a new landfill as biogas emissions are not immediate, and the carbon footprint shall take this into account.

¹⁹ This corresponds to target 7 of the Global Diversity Framework and would be given a 20% valuation according to AFD's methodology for the estimation of biodiversity impacts.

Appendix 2: Allocation request supporting documentation (template as per in ADF-BIDV credit facility agreement)

The table below sets out the basic information required by AFD from BIDV in order to determine the eligibility of the underlying investments /projects that BIDV wishes to finance by granting credit to the project holders (the final or end beneficiaries).

If need be, given the eligibility criteria envisaged for the credit-facility and the possible diversity in the nature of the underlying projects, additional information may also be required by AFD, on a case-by-case basis and depending on the projects concerned, in order to determine their eligibility to the funds of the credit-facility.

In addition, all the necessary information concerning the transfer of the financial incentive to the final beneficiaries shall be shared with AFD, i.e:

- The actual interest rate offered to BIDV's clients through the credit-facility;
- The basic interest rate that would have been proposed to BIDV's client without the credit-facility.

1. Information concerning the Final Beneficiary (BIDV's Client)			
1.1. Company Name			
1.2. Legal existence	Country of registered office		
	Number and place of registration		
	Date of incorporation		
1.3. Address	Postal address		
	Phone		
	Fax		
1.4. Ownership (list all shareholders owning 5% or more of the share capital)	Name	Shares (%)	Nationality
	Total	100%	
1.5. Senior Corporate management	Name	Position	Nationality
1.6. Members of the Board of Directors	Name	Position	Nationality
1.7. Sector of Activity	(Commercial / industrial sector? Sub-sectors? etc.)		
1.8. Number of employees			
1.9. Classification of the Financial Beneficiary by the Bank (SME, corporate...)			
1.10. Is the Sponsor / Final Beneficiary an existing client of the Bank			
1.11. Aggregated financial position	(Financials to be provided on demand)		
2. Information concerning the Eligible investment/ project			

2.1 Type of project	<i>(please indicate main objective and describe keeping in mind the Technical Eligibility criteria in Schedule 2)</i>
2.2 Description of the investment	<i>(Including the features of the financed project making it eligible in terms of the AFD Facility. Eligibility criteria should be referred to) (For EE Greenfield projects please indicate the standard technology to which the superior project technology is compared) (For RE investments, please indicate the size of scheme and how the energy generation is calculated.) (For other types of projects, please refer to the detailed list of technical eligibility criteria and related descriptions in Schedule 2. Depending on the nature and objective of the project, AFD Climate experts shall request for specific information on the considered investment in order to determine its eligibility to the Facility)</i>
2.3 Project location (region, town)	
2.4 Project timetable / Status & preparedness	<i>(Present physical status of project w.r.t. availability of land, project inputs, engineering, procurement, infrastructure, site work etc.)</i>
2.5 Total cost	In VND / equivalent in EURO
2.6 Details and costs and financing plan	<i>(Equity/debt ratio & financing plan)</i>
2.7 Environmental and Social impact	<i>E&S Borrower's categorization and list and summary of the main conclusions of the E&S due diligence.</i>
2.8 For Energy Efficiency projects	
Type of investment: (retrofit, expansion, Greenfield) <i>(if expansion project, percentage of expansion)</i>	Retrofit <input type="checkbox"/> Expansion <input type="checkbox"/> Greenfield <input type="checkbox"/>
Expected annual energy savings <i>(please precise unit: kWh/y)</i>	
Expected annual emissions reductions of greenhouse gas <i>(tons of CO2/year)</i>	
Annual energy savings in VND/year	
Pay Back Period on Energy Savings only	
Other savings and benefits of the project	
Available supporting documentation <i>(feasibility study, supplier's quotation, loan agreement, E&S impact assessment, etc.)</i>	
2.9 For Renewable Energy (RE) projects	
Type of RE project	Photovoltaic <input type="checkbox"/> Solar Water Heating <input type="checkbox"/> Biomass <input type="checkbox"/> Biogas <input type="checkbox"/> Wind <input type="checkbox"/> Geothermal Power <input type="checkbox"/> Other <input type="checkbox"/>
Installed capacity (MW)	
Annual energy production (kWh)	
Value of the annual energy production in VND/year	
Expected annual emissions reductions of greenhouse gas <i>(tons of CO2/year)</i>	

Other savings and benefits of the project	
In case of biomass: please precise the type and origin of biomass	
Power evacuation	<i>Details of proposed power evacuation arrangement.</i>
Marketing & Selling Arrangement	<i>Information regarding any specific agreement (PPA) signed for power transmission.</i>
Procurement/Implementation plan	<i>Procurement plan+ methodology and main milestones</i>
Available supporting documentation (feasibility study, supplier's quotation, loan agreement, E&S impact assessment, etc.)	
2.10 For adaptation projects	
<p>Identification of the risks, vulnerabilities or other projected impacts related to climate variability and climate change in the area of the project (flood, water stress, coastal erosion, cyclone, heat, etc.).</p> <p>Possible sources: https://climateknowledgeportal.worldbank.org/ http://thinkhazard.org/en/</p> <p><u>In case of advanced understanding:</u></p> <p>Other relevant sources</p> <p>Climate driven water stress: https://www.wri.org/applications/maps/aqueduct-atlas/#x=16.88&y=0.11&s=bt!40!28!c&t=waterrisk&w=def&g=0&i=BWS-16!WSV-4!SV-2!HFO-4!DRO-4!STOR-8!GW-8!WRI-4!ECOS-2!MC-4!WCG-8!ECOV-2!&tr=ind-1!prj-1&l=3&b=terrain&m=projected&init=y</p> <p>Other relevant sources</p>	
Description of how the project intends to address the identified risks, vulnerabilities or impacts as described in the project documentation (feasibility studies, additional project design documents, etc).	
Demonstration of a direct link between the identified risks, vulnerabilities or impacts and the financed activities (sufficiently disaggregated cost table where adaptation-relevant components/actions can be identified)	

[Total cost of adaptation activities]	[amount currency]
2.11 For any other project	
<i>The project shall fall under one (1) of the categories of eligible investments/projects described in the matrix of eligible technical criteria in Schedule 2 (Project Description). Depending on the nature, content and objective of the said project, relevant information and data shall be collected and received from the Final Beneficiary applying for a loan from BIDV. AFD shall precise in details to BIDV the information to be provided on the projects on a case-by-case basis.</i>	
3. Information concerning the financing by the BIDV	
3.1 Amount of the loan solicited and contemplated by BIDV for the Final Beneficiary	
3.2 Amount of financing requested on the AFD Facility	
3.3 Term of the Loan:	
3.4 Grace period:	
3.5 Global interest rate applied (incl. & excl. fees) by the Bank to the Final Beneficiary	
3.6 Repayment schedule:	
3.7 Security or guarantees requested:	

Appendix3: Project monitoring and funds use justification requirements

The monitoring of the project and the justification of the use of funds will be the responsibility of BIDV, which will ensure the exhaustiveness, accuracy and timely delivery of the information required. BIDV will receive a support from the Consultant in setting up the template of this reporting requirement.

I- Justification on the use of funds, progress report, and impact indicators

Justification on the use of the funds & Progress reports:

- a) The use of funds report shall be documented, *inter alia*, by a list of eligible investments/projects and related loans complying with the eligibility criteria of the credit-facility. This report shall be sent alongside with, and at the request of AFD, a certified copy of each of the loan agreements executed by BIDV and BIDV's clients related to the drawdowns of the funds of the credit-facility, to which shall be attached, for each of these agreements, a statement of the loans made available by BIDV pursuant to these agreements, and a detailed breakdown statement of the payment with respect to each drawdowns.

The reporting on the use of funds shall demonstrate that the funds of the credit-facility have been used exclusively to finance eligible investments/projects through related loans, which strictly comply with the eligibility criteria of the credit-facility and monitor the actual disbursements made to BIDV's clients for each eligible investment/project.

- b) In addition to this reporting, BIDV, with the support of the Consultant, shall report more broadly on the implementation of the project. This monitoring shall demonstrate that the project has a direct positive contribution to the development and implementation of BIDV's strategy with regard to climate finance and the financing of projects/investments with enhanced impacts (such as biodiversity co-benefits). The report shall cover at least the following items:
- main objectives and targets set out in BIDV's strategy / business plan regarding climate finance and the financing of "impact +" projects/investments;
 - coherence of these objective and targets with the Socialist Republic of Vietnam's strategy and objectives with regard to adaptation and mitigation of climate change, as well as environmental performance;
 - BIDV's organisation with regards to climate issues;
 - BIDV's policies, procedures and systems in place to manage and monitor these activities;
 - If any, actions undertaken by BIDV to adapt and improve its product range and marketing policy (sales, communication) with regards to adaptation and mitigation of climate change, environmental performance, as well as any significant changes brought to its strategy / business plan;
 - any other resource / action (human resources, consultants, etc.) mobilised by BIDV to develop and implement its strategy / business plan in these fields;
 - quantitative indicators on the loan portfolio (global, i.e. not directly linked to the credit-facility) with regard to climate issues: outstanding portfolio, in volume and in number of loans, breakdown by region, sector, size of enterprise, size of loan, types of clients, average level of guarantees and main types of guarantees required, etc.
 - progress in the implementation of the Environmental and Social Action Plan (ESAP).

Impact indicators:

BIDV shall also monitor indicators evidencing the project's impacts (on the country or on a specific sector, region, type of beneficiary, etc.). The following indicators shall be monitored on an annual basis and integrated in the progress and final reports. For each indicator, the report should provide the baseline (initial estimated value at the time of decision on the eligible investment) and the actual value (at the date of the report completion).

Renewable Energy	<ul style="list-style-type: none">- Renewable energy capacity installed (unit to be used: MW - megawatt)- Expected renewable energy production (unit to be used: MWh per year – megawatt per hour per year)- Annual emission reductions of greenhouse gas (unit to be used: tons of CO₂ equivalent per year)- Number of enterprises concerned- Total amount of investments (supported by the Facility)
Energy Efficiency	<ul style="list-style-type: none">- Energy savings (unit to be used: kWh/year)- Annual emission reductions of greenhouse gas (unit to be used: tons of CO₂ equivalent)- Number of enterprises concerned- Total amount of investments (supported by the Facility)
Global indicators	<ul style="list-style-type: none">- Number of Final Beneficiaries financed by the Facility- Total amount of investments/projects committed supported by the Facility (unit: VND / EUR)- Amount of financing granted to the local financial system- Number of jobs created or maintained (among which, women employment) by the projects/investments financed by BIDV (supported by the Facility)- Amount of projects/investments committed supported by the Facility (unit: VND / EUR) that have a climate co-benefit- Amount of projects/investments committed supported by the Facility (unit: VND / EUR) that have a biodiversity co-benefit- Increase of the climate portfolio of the Borrower (volume, number and % of commitments)
Other indicators	<ul style="list-style-type: none">- Number of BIDV employees who have received training on E&S issues- Other potential climate co-benefits : for e.g., volume of water saved, number of people whose resilience to climate change has improved

II- Final Report

Within twelve (12) months following the last drawdown on the credit-facility, BIDV shall provide AFD with a final report on the project implementation. The structure and content of this report shall be similar to the yearly progress reports, but the final report shall provide more detailed data and pieces of information, in particular with regard to qualitative aspects regarding the efficiency of the project against its initial objectives (strengths and weaknesses, successes and failures, unforeseen disturbing events, etc.). A specific chapter shall be dedicated to the implementation and outcomes of the Environmental and Social Action Plan (ESAP – see other appendix).

Appendix 4: E&S Action plan

The normative framework applied by AFD in the environmental and social monitoring of this project consists of (i) the national legislation (if any), and (ii) the environmental and social standard of the World Bank Group:

<http://documents.worldbank.org/curated/en/383011492423734099/pdf/114278-WP-REVISED-PUBLIC-Environmental-and-Social-Framework.pdf>

Actions	Deliverables/Outcomes	Responsible entity	Timing
1.E&S risk management of the new AFD credit-line: organisation and human resources (HR)			
Assignment of relevant internal human resources	Letter from BIDV to AFD detailing the HR organisation for the E&S risk management related to the new credit-line. Contact details and information on experience of the E&S coordinator in charge of cooperation with technical assistance on the E&S issues	Senior management of BIDV	before the first drawdown
Collaboration with the Consultant financed by AFD to support BIDV in the implementation of this action plan	Agreement on the recruitment of the Consultant	E&S coordinator	before the first drawdown
2. Implementation guide of E&S risk management* for AFD's credit-line in compliance with national and international standards			
Revision of the existing implementation guide of E&S risk-management ²⁰ for the purpose of the new credit-line ²¹	Revised implementation guide of E&S risk management for eligible investments, approved by BIDV and AFD	E&S coordinator + expert mobilised by the Consultant	Before the approval of the first eligible project/investment by AFD (to be financed

²⁰The implementation guide of E&S risk management is the document elaborated for the SUNREF GREEN CREDIT LINE implemented from 26/05/2022 to 26/05/2023

²¹ The following elements should be included in the implementation guide: operational procedures and tools such as projects classification tool, E&S risks valuation tool, E&S sectoral guides (water supply and water sanitation), clauses to insert in facility agreements, etc. to ensure compliance with World Bank standards and national regulation. It should also take into account the eligibility criteria for the new credit line and AFD's new exclusion list (sections A et B): [AFD Group Exclusion list | AFD - Agence Française de Développement](#)

Actions	Deliverables/Outcomes	Responsible entity	Timing
			through the credit-facility), if possible (for the contemplated project/investment to be approved by AFD before the revised guide, the E&S diligences will be reviewed in details by AFD)
Definition and implementation of a training program for employees of BIDV involved in the roll-out of the revised implementation guide applying to AFD's credit-line	Training programme and follow-up	E&S coordinator + expert mobilised by the Consultant + relevant teams of BIDV	First training session within 6 months after the signing date of the credit-facility agreement
Application of the revised implementation guide of E&S risk management to projects/investments financed under the new AFD-BIDV credit-line	Evidence of the implementation guide of E&S risk management implementation	E&S coordinator + expert mobilised by the Consultant + relevant Teams of BIDV(also in the field) in charge of eligible loans under the new credit-line	For the assessment of each eligible project/investment
3. AFD exclusion list (section C)			
Formalisation of the exclusion criteria applicable to all of BIDV financing activity, including at least the items in Section C of	Revised exclusion list of BIDV	E&S coordinator + expert mobilised by the Consultant	18 months after the signing date of the credit-facility agreement

Actions	Deliverables/Outcomes	Responsible entity	Timing
AFD Group exclusion list ²²			
4. Revision of the regulations on environmental risks Management in credit activities			
At the best efforts, review the regulations on environmental risks management in credit activities (3266/QyD-BIDV) to progressively include social risk managements and international standards / good practices	Note on foreseen modifications of the regulations on environmental risks management in credit facilities Updated version of the regulation if any, approved by the relevant decision body of BIDV	E&S coordinator + customer management department + expert consultant + Senior management (for validation)	18 months after the signing date of the credit-facility agreement
5. Monitoring			
Submission of an annual E&S monitoring report* to AFD	progress report	E&S coordinator + expert mobilised by the Consultant	Annual reports after the signing date of the credit-facility agreement

* Regarding annual E&S (Environmental and Social) report, the following minimum items shall be presented:

1. Progress of the ESAP implementation (using relevant schedule of the loan agreement) :
 - each line (corresponding to each action) of the ESAP shall be commented in order to present the implementation progress with updated planning as the case may be;
 - all documents supporting and/or demonstrating the achievement and progress of each action;
2. ESMS (E&S Management System) documentation.
 - In case the E&S Policy was updated during reporting year:
 - Summary of the material changes made to the Policy;
 - Date of the last update (and date of validation by the top-management, in case different);
 - Updated version;
 - In case the Exclusion list was updated during reporting year: summary of modifications and updated version;

²² [AFD Group Exclusion list | AFD - Agence Française de Développement](#)

- Presentation of the organisation and responsibilities regarding E&S aspects (name and contact details of the E&S Manager/coordinator in particular) with description of significant changes in the reporting year;
- In case there were material changes to E&S procedures or tools during reporting year:
 - Summary of the material changes;
 - Date of the last update;
 - Updated versions of relevant documents.

3. ESMS (E&S Management System) Implementation.

- E&S Categorisation:
 - breakdown in percentage of current portfolio per level of E&S risk;
 - List of high and substantial risk categorized projects, with description of the projects, E&S diligences performed or planned, and standards/framework (in particular whether national or international) required;
- Number and list of potential investments rejected for environmental and/or social reasons in the reporting period;
- Follow-up of E&S incidents: aggregated data (by type) of E&S incidents that took place during the reporting year of financed operations;
- Number of E&S claims received, eligible, and treated, during the reporting year;
- Internal and/or external evaluation reports on ESMS implementation (if applicable) performed during the reporting year;
- E&S training implemented during the last year and E&S training program;

4. Labour and working conditions

- In case there were significant changes to labour and working procedures/conditions during the reporting year (such as e.g. non-discrimination and equal opportunities – gender related in particular -, complaint/grievance mechanism, health and safety at work):
 - Summary of significant changes to relevant documents;
 - Date of updates;
 - If possible, updated versions of relevant documents.