



Project Summary Information

		Date of Document: July 20, 2020
Project Name	VP Bank COVID-19 Response Facility	
Project Number	P000407	
AIIB member	Vietnam	
Sector/Subsector	Financial Institution	
Status of Financing	Approved	
Project Description	The Project, supported by a non-sovereign-backed loan to Vietnam Prosperity Joint Stock Commercial Bank (VP Bank) under the COVID-19 Response Facility, would expand VP Bank's working capital and trade-related lending program to private sector enterprises in Vietnam, including small and medium enterprises impacted by COVID-19 pandemic.	
Objective	The project objective is to support VP Bank's trade finance and working capital finance to Vietnamese private sector enterprises, including SMEs, during the COVID-19 crisis.	
Expected Results	VP Bank's volume of trade finance and working capital loans is expected to increase by USD200 million in 2020-2021. The number of corporate and SME customers supported over the life of the Project is expected to reach 180 by 2021.	
Environmental and Social Category	IFC Category FI-2 (equivalent to Category FI if AIIB's ESP were applicable)	
Environmental and Social Information	<p>The Project will be co-financed with the International Finance Corporation (IFC), and the Project's environmental and social (ES) risks and impacts have been assessed in accordance with IFC's Policy on Environmental and Social Sustainability Policy (PESS), and its Exclusion List (EL). To ensure a harmonized approach to addressing the ES risks and impacts of the Project, and as permitted under AIIB's Environmental and Social Policy (ESP), IFC's PESS and EL will apply to the Project in lieu of AIIB's ESP. AIIB has reviewed the IFC's PESS and EL and is satisfied that: (a) they are consistent with AIIB's Articles of Agreement and materially consistent with the provisions of AIIB's ESP, including AIIB's Environmental and Social Exclusion List; and (b) the monitoring procedures that are in place are appropriate for the Project.</p> <p>The Project has been categorized as FI-2 in accordance with IFC's Sustainability Policy. The Project will support VP Bank in increasing its lending to small and medium enterprises and medium-low and low risk corporates through short-term</p>	

	<p>working capital loans under the COVID-19 Response Facility. Higher risk sub-projects including those involving a) involuntary resettlement, b) risk of adverse impacts on Indigenous Peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage or d) significant Occupational Health and Safety risks will not be eligible for financing from the proceeds of this loan. Coal-related sub-projects including coal mining, coal transportation or coal-fired power plants, as well as infrastructure services exclusively dedicated to support any of these activities and large dams will be excluded. Applicable performance requirements will include the IFC's EL and national ES laws. The IFC loan is expected to be supported by IFC's Women Entrepreneurs Opportunity Facility ("WEOF") to incentivize on-lending of the proposed working capital loans to women and women-owned/women-led enterprises.</p> <p>VP Bank's Environmental and Social Management System (2019) (ESMS) will be used as the Project's ES instrument. IFC has determined through its other lending to VP Bank, and AIIB has confirmed through its due diligence, the effectiveness of the processes defined in the VP Bank's ESMS, including an ES assessment proportional to the risks and impacts of the sub-borrower's activities and sub-loan tenure and amount and monitoring of sub-borrowers' ES performance. VP Bank has assigned relevant responsibilities for the implementation of its ESMS to a dedicated ES team, provided training to relevant personnel and reviews its implementation on an ongoing basis. VP Bank's Environmental and Social Division (ESD) undertakes routine site visits for higher risk sub-projects and may undertake site visits for medium and low risk sub-loans. A summary of the ESMS is disclosed on VP Bank's website in English and Vietnamese .</p> <p>VP Bank has set up an External Communication Mechanism (ECM) for their general operations, including the proposed Project, as per their ESMS to address third-party views, enquiries or concerns regarding their own ES processes and outcomes, as well as ES impacts and performance of their portfolio loans.</p> <p>VP Bank will be required to: (a) build a database allowing the tracking of the use of AIIB funds; (b) monitor the sub-borrowers' progress in fulfilling their ES commitments; and (c) report to AIIB on an annual basis. AIIB will supervise the Project on a regular basis, including detailed post-reviews of selected sub-projects.</p>
Cost and Financing Plan	<p>IFC: up to US\$100 million IFC A Loan and up to US\$50 million IFC B1 Loans AIIB: up to USD100 million</p>
Borrower	<p>Vietnam Prosperity Joint Stock Commercial Bank (VP Bank)</p>

Estimated date of last disbursement (NSBF)	November 2020	
Contact Points:	AIIB	Borrower
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Date of Concept Decision	N/A	
Date of Final Review	July/2020	
Date of Financing Approval	July/2020	

Independent Accountability Mechanism	<p>AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the environmental and social policies applicable to the Project in situations when their concerns cannot be addressed satisfactorily through the Project-level ECM or the processes of AIIB's Management. Information on AIIB's PPM is available at: https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html</p>
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