



Ministry of Industry and Trade



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CRITERIA CATALOGUE

FOR A LOAN APPLICATION



Bioenergy power projects in Viet Nam

This Catalog includes documents that the Investor needs to prepare and submit to financial institutions. The catalogue is presented into 4 chapters of Legal Document, Financial Document, Collateral Document and Other Document.

FOREWORD

The National Power Development Plan for the period 2021-2030, with a vision to 2050 (Power Development Plan 8) has set out targets for renewable energy development, including bioenergy power. Accordingly, the scale of bioenergy power projects will increase from 400MW at present to 2,270MW in 2030 and 6,015MW in 2050.

To support the investment process in bioenergy power projects, the Climate Protection through Sustainable Bioenergy Market in Viet Nam (BEM) project of German International Cooperation Agency GIZ has compiled the 'Biomass Energy Project Development Guidelines for Viet Nam' and the 'Environmental and Social Impact Assessment Guidelines for a Biomass Power Project in Viet Nam'.

The BEM project has developed the '**Criteria catalogue for a loan application for bioenergy power projects in Viet Nam**' to support and facilitate the process of guiding, preparing and appraising the local financial institution/bank's refinancing documents. While there may be minor adjustments among banks, this directory also provides information to investors on all documentation that may be required by the bank for adequate preparation. This document was developed through reviewing international experiences, collecting, synthesizing, verifying information and consulting with financial institutions and relevant parties.

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I. LEGAL DOCUMENT

Investor/Enterprise

- Legal Entity
- Charter
- Capital Contribution
- Representatives

Project

- Alignment to National Power Development Plan
- Alignment to Provincial Development Plan
- Certificate on Registration of Investment
- Approval, Appraisal Results of Authorised Organization
- Licenses/Permits
- Power Purchase Agreement
- Other Contracts/Agreement
- Documents relating to Appraisal and Approval Results

II. FINANCIAL DOCUMENT

- Capacity of Investors/Enterprise
- Credit Relations of Enterprises
- Financial Plan

III. COLLATERAL DOCUMENT

- Collateral Document
- Relating Document to Collateral

IV. OTHER DOCUMENT

- Project Implementation Plan
- Project Progress Report
- Risk Assessment Documents
- Other Documents

Each Chapter includes characteristics of documents, names and attention for being accepted and appraised. Depending on Bank, source of refinancing as well as types of bio-energy projects, there might be some minor changes to be guided through preparation process of the application.

Abbreviation

DOC	Department of Construction	MONRE	Ministry of Natural Resources and Environment
DOIT	Department of industry and Trade	MOC	Ministry of Construction
DPI	Department of Planning and Investment	MOIT	Ministry of Industry and Trade
EPC	Engineering Procurement and Construction	MPS	Ministry of Public Security
EREA	Electricity and Renewable Energy Authority	PM	Prime Minister
EVN	Vietnam Electricity	PPC	Provincial People Committee
TIA	Technical Infrastructure Agency	SCADA	Supervisory Control and Data Acquisition

I. LEGAL DOCUMENT

Documents to prove

- Legal entity of investor
- Project investment activities has been agreed/approved by investors and authorities

CATEGORY	DOCUMENT	ATTENTION
Investor/Enterprise		
I.1	Legal entity <input type="checkbox"/> Certificate of enterprise registration/Certificate of business registration	by DPI Certificate of tax code registration if not included under Certificate of business registration
I.2	Charter <input type="checkbox"/> Charter of enterprise	by Board of Chairman, Board of Members Decision, resolution relating to authority and approval of investment project if not included in Charter of Enterprises: <ul style="list-style-type: none"> • Authorization on level of investment • Level of capital mobilization • Authorization on using properties as collateral
	<input type="checkbox"/> Decision on investment policy	of enterprise/ corporation/ mother company
I.3	Capital contribution <input type="checkbox"/> Shareholder's book/List of shareholders	If contribution from 5% of charter capital, with voting right
	<input type="checkbox"/> Contract of joint-venture, cooperation	if joint venture, cooperation
I.4	Representatives <input type="checkbox"/> Organization diagram	
	<input type="checkbox"/> Decision, Minutes on appointing Chairman of Enterprise/Management Committee/ Member Committee	
	<input type="checkbox"/> Decision on appointing (General) Director	In case the enterprise has not completed its procedure for registration, amendment of a legal representative per business license, this can be replaced by a legal document confirming the enterprise's legal representative
	<input type="checkbox"/> Decision on appointing (General) Director, Chief Accountant	
	<input type="checkbox"/> Letter/Decision for authorization on legal representatives to work with banks area, if any	Basic information, professional background, sample of signature, legal identification documents Awards, certificates of enterprises, individuals, particularly in investment
Project		
1.5	Alignment to National Power Development Plan <input type="checkbox"/> Decision approving the project under National Power Development Plan	Conditions for electricity generation license per Article 29, item 1, document 10/VBHN-BCT dated 9 March 2020 <ul style="list-style-type: none"> • Decision by PM if promulgated before 15/5/2023 (project listed under power development plan 7, additional approval decision) or • Decision by MOIT if promulgated from 15/5/2023 (project, area of investment listed under action plan on power development plan per Article 2, decision 500/QĐ-TTg dated 15 May 2023, Article 4, Circular 43/2013/TT-BCT dated 31 December 2013) <p>This can be temporarily replaced by letter of the provincial PPC to MOIT on Request for additional power projects (or per regulation relating to bioenergy power project in coming legal framework</p>

CATEGORY	DOCUMENT	ATTENTION
		on action plan for implementation of power development plan for the period 2021-2030, vision to 2050)
I.6	Alignment to provincial development plan <input type="checkbox"/> Decision on local material development plan	If using local materials By PPC
	<input type="checkbox"/> Decision on provincial power development plan	Article 4, Circular 43/2013/TT-BCT on 31/12/2013 by PPC
	<input type="checkbox"/> Documents on project location	Article 69, Land Law 45/2013/QH13 <ul style="list-style-type: none"> • Certificate of land use right / land allocation by provincial/district people committee or • Contract on land rental / workshop rental for project
I.7	Certificate on registration of investment <input type="checkbox"/> License of investment / Certificate on Investment / Certificate on registration of investment	By DPI or Management Unit of Industrial Park, Export Zone, High technology Zone, Economic Zone According to Article 39, Law on Investment 61/2020/QH14. Please note due to the effective of this Law on 1/1/2021, there might be License on Investment and Certificate on Investment are available This can be temporarily replaced by the following documents (Article 29-36, Law on Investment 61/2020/QH14): <ul style="list-style-type: none"> • Decision on investment policy • Decision accepting investor • Decision approving (extended) scope of project activities • Agreement on the latitude of project, if any • Agreement to provide electricity, water for the project area, if any
I.8	Approval, appraisal results of authorized organizations <input type="checkbox"/> Appraisal results of the project's basic design	Per construction categorization in Circular 06/2021/TT-BXD, Annex 1, Table I.1, item I.2.5 for Energy construction of Industrial construction group) <ul style="list-style-type: none"> • Biomass power: EREA of MOIT: >30MW, DOIT: ≤30MW • Biogas power: EREA of MOIT: >15MW, DOIT: ≤15MW
	<input type="checkbox"/> Appraisal results of the project's technical design	Per construction categorization in Circular 06/2021/TT-BXD, Annex 1, Table I.1, item I.2.5) <ul style="list-style-type: none"> • Biomass power: EREA of MOIT: >30MW, DOIT: ≤30MW • Biogas power: EREA of MOIT: >15MW, DOIT: ≤15MW
	<input type="checkbox"/> Appraisal result on the environmental impact assessment	Article 30, 35, Law on Environmental Protection 72/2020/QH14 <ul style="list-style-type: none"> • Investment to be decided or approved by Prime Minister, in the location that cannot define administrative responsibility of PPC, or to be licensed with water resources exploitation: by MONRE • Other bioenergy investment in one province, not listed above: by PPC
	<input type="checkbox"/> Appraisal results on feasibility study for construction	Article 12-15, Decree 15/2021/NĐ-CP
	<input type="checkbox"/> Appraisal results on the fire prevention plan	By Vietnam Fire and Rescue Police Department, MPS
I.9	Licenses/Permits <input type="checkbox"/> Construction Permit	Article 89, Law on Construction 62/2020/QH14 By DOC per regulation
	<input type="checkbox"/> License for operation in power sector	Per Article 3 and 13, Circular 21/2020/TT-BCT on 9/9/2020 <ul style="list-style-type: none"> • EREA of MOIT: ≥3MW • DOIT: <3MW • Not applied with investment to 1MW for electricity selling to other organization and individuals

CATEGORY	DOCUMENT	ATTENTION
	<input type="checkbox"/> Environmental Permits	when putting under operation
	<input type="checkbox"/> Recognition on Commercial Operation Date (COD)	when putting under operation
I.10 Power Purchase Agreement	<input type="checkbox"/> Power Purchase Agreement	With EVN/consumers Per progress of project <ul style="list-style-type: none"> Document accepting purchase of power production of project Minutes on grid connection Agreement on grid connection Agreement on SCADA system Agreement on protective relay system Agreement on power metering
I.11 Other contracts/agreements	<input type="checkbox"/> Contract/Agreement on material purchase, services of project	The following contracts/agreements, if any <ul style="list-style-type: none"> EPC contract Contract for EPC insurance Contract for project /property insurance Contract for project management and execution (if outsourced) Other contracts (consultancy, other services...)
I.12 Documents related to Appraisal and Approval Results	<input type="checkbox"/> Pre feasibility study, feasibility study reports	in case the additional reports did not include detailed information of the following: <ul style="list-style-type: none"> Location: Climate conditions of projects and materials areas Materials: Types of materials, ratio of different materials in use, requirements of income materials (characteristics and volumes) Material supply: Sources of materials, productivity by seasons, quality of input materials (caloric values, ash contents...), measures for storage Technology and equipment (biogas/incineration, turbine, generator, air emission treatment, cooling, heat recovery...): Origin, equipment efficiency, operation hour, evaluation and comparison on advantages of selected technology and equipment Power production and sales Project lifetime Investment cost CAPEX, Operation cost OPEX, Investment cost, operation cost per MW Cost benefit analysis, cash flow, calculation results of basic parameters as IRR, NPV, sensitivity analysis Implementation plan
	<input type="checkbox"/> Basic design	
	<input type="checkbox"/> Technical design	
	<input type="checkbox"/> Environmental Impact Assessment Report	Article 30, Law on Environmental Protection 72/2020/QH14): Investment policy to be decided, approved by Prime Minister, category A (investment size from 2300 Billion VND), using large land area (from 50ha), discharge waste water (from 500m3/day), mountainous resident (from 1000 habitats) and other resident (from 2000 habitats) to be reallocated...

II. FINANCIAL DOCUMENT

Documents to prove

- Financial capacity of investor
- Financial feasibility of project and
- Loan proposal and its breakdown

CATEGORY	DOCUMENT	ATTENTION
II.1 Capacity of enterprise	<input type="checkbox"/> Financial Audit Report	<ul style="list-style-type: none"> Auditing duration may vary by banks, commonly required 3 years (or from the date of establishment if not enough 3 years). Some banks only request financial report to tax office per regulation (if enterprise is not requested auditing report by Law) and/or of nearest two years and one quarter. Report includes balance sheet, details of performance, key accounts as receivable, payable, inventory, short term investment, long term investment...)
	<input type="checkbox"/> Report on enterprise capacity	This should include, but may not limited to the following <ul style="list-style-type: none"> Overview of performance, main business sector, position of enterprise in the market, advantages of input, output, outstanding balance, VAT report... Summary of financial audit report, approved business plan per quarter, per year, expected turnover... (if not included in financial audit report) Contracts, invoices on purchase/sales of recent 2 years to prove capacity Capital arrangement plan of investors and other sources (if any) and documents confirming the feasibility of these sources
II.2 Credit Relations of Enterprise	<input type="checkbox"/> Loan contract between bank and enterprise, if any	This can be supported by refinancing institutions for later approval
II.3 Financial Plan	<input type="checkbox"/> Loan application may include the main contents as follows	To be prepared per template of the refinancing bank, to be approved by authorized level) <ul style="list-style-type: none"> Total investment, breakdown Financial proposal Cash flow of project Business plan in next 1-5 years Commitment on loan obligation together with pre-feasibility study, feasibility study report
	<input type="checkbox"/> Commitment on co-financing / Contract on co-financing	If co-financing / co-financing
	<input type="checkbox"/> Financial regulation, preference condition	relating to financial calculation (tax, FIT...)

III. COLLATERAL DOCUMENT

Characteristics

- Collateral to ensure the loan
- Per regulation of financial institution
- To be decided by investor and bank per specific case

CATEGORY	DOCUMENT	ATTENTION
III.1 Collateral documents	<input type="checkbox"/> Collateral documents	Can be either or all of the following: <ul style="list-style-type: none"> Certificate of land use for project Original invoices, contract of project's equipment Books of shareholders, shares of limited partners Documents on third party's collateral or project income Other per actual situation

CATEGORY	DOCUMENT	ATTENTION
III.2 Relating documents	<input type="checkbox"/> Collateral Valuation Document	By authorized organization
	<input type="checkbox"/> Document proving relationship of collateral owner and investor/enterprise	
IV. OTHER DOCUMENT		
Characteristics		
<ul style="list-style-type: none"> Additional documents that might be required per refinancing source Additional documents that might be required by bank per specific case 		
CATEGORY	DOCUMENT	ATTENTION
IV.1 Project implementation plan	<input type="checkbox"/> Logical framework	
	<input type="checkbox"/> Loan operation manual	
	<input type="checkbox"/> Implementation plan	It can be the following plan: <ul style="list-style-type: none"> Maintenance plan Purchase plan Monitoring and evaluation plan
IV.2 Project Progress Report	<input type="checkbox"/> Project progress reports	This includes the following <ul style="list-style-type: none"> Investment progress if under investment process Bidding progress: approved bidding plan, bidding results, contracts if under investment process Other progress, issue and corrective action if requested by bank and foreign lender
	<input type="checkbox"/> Report on reallocation, compensation and settlement	if reallocation, compensation and settlement
IV.3 Risk Assessment Documents	<input type="checkbox"/> Environmental and Social Impact Assessment Report	It may include: <ul style="list-style-type: none"> Environmental and Social Management Plan Environmental and Social Management System Consultation plan
	<input type="checkbox"/> Gender Assessment Report	It may include Gender Action Plan
	<input type="checkbox"/> Resource Assessment Report	This may include: <ul style="list-style-type: none"> Market study Resource supply plan Laboratory test results on materials Sustainable certificates on materials, material zones (Forest Stewardship Council FSC, Roundtable on Sustainable Biomaterials RSB, Friend of the Earth, Global Good Agriculture Practice GAP...)
	<input type="checkbox"/> Risk Assessment Report	It may include Risk management plan
IV.4 Other report	<input type="checkbox"/> Project description	in case all contents under I.12 are not covered under Feasibility Study
	<input type="checkbox"/> Other documents	<ul style="list-style-type: none"> Per additional bank regulation Per additional requirements of foreign lender if refinancing from this source



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