LOAN NUMBER 2699-VIE (SF)

LOAN AGREEMENT
(Special Operations)

(Second Greater Mekong Subregion Regional Communicable Diseases Control Project)

(Viet Nam Component)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 23 FEBRUARY 2011

LAS:VIE 41508

LOAN AGREEMENT
(Special Operations)

LOAN AGREEMENT dated 23 February 2011 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(B) the Lao People's Democratic Republic has applied to ADB for a grant ("Lao Grant") for the purpose of carrying out the activities described in a Grant Agreement between the Lao People's Democratic Republic and ADB ("Lao Grant Agreement");

(C) the Kingdom of Cambodia has applied to ADB for a grant ("Cambodia Grant") for the purpose of carrying out the activities described in a Grant Agreement between the Kingdom of Cambodia and ADB ("Cambodia Grant Agreement"); and

(D) ADB has agreed to make a loan to the Borrower from ADB's Special Funds resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All provisions of the Special Operations Loan Regulations of ADB, dated 1 January 2006 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

(a) "CDC" means, for the purpose of the Project, communicable disease control;

(b) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2010, as amended from time to time);

(c) "Consulting Services" means the services to be financed out of the proceeds of the Loan, but excluding any services provided in relation to Goods and Works;

(d) "Dong" or the sign "D" means dong, the lawful currency of the Borrower;

(e) "GMS" or "Greater Mekong Subregion" means the region comprising the Kingdom of Cambodia, a part of People's Republic of China, Lao People's Democratic Republic, Union of Myanmar, Kingdom of Thailand and Socialist Republic of Viet Nam;

(f) "Goods" means equipment and materials to be financed out of the proceeds of the Loan, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services;

(g) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2007, as amended from time to time);

(h) "MOH" means the Borrower's Ministry of Health, or any successor thereto;

(i) "National Institutions" means institutions under MOH, comprising (i) National Institute of Hygiene and Epidemiology, (ii) Institute of Hygiene and Epidemiology in the Central Highlands, (iii) Pasteur Institute in Ho Chi Minh City, and (iv) Pasteur Institute in Nha Trang;

(j) "NTD" means, for the purpose of this Project, a neglected tropical disease including, but not limited to, Japanese encephalitis, soil-transmitted helminthiasis, opisthorchiasis, filariasis and schistosomiasis;

(k) "Output" means a set of the Project activities, as more fully described in Schedule 1 to this Loan Agreement;

(l) "PAM" means the project administration manual for the Project dated 12 October 2010 and agreed between the Borrower and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(m) "Procurement Guidelines" means ADB's Procurement Guidelines (2010, as amended from time to time);

(n) "Procurement Plan" means the procurement plan for the Project dated 12 October 2010 and agreed between the Borrower and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(o) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means MOH or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;

(p) "Project facilities" means any facilities to be constructed, provided, rehabilitated, operated and/or maintained under the Project;

(q) "Project province" means a province within the territory of the Borrower where the Project is carried out, and/or the Project facilities are operated and maintained;

(r) "WHO" means the World Health Organization; and

(s) "Works" means construction or civil works to be financed out of the proceeds of the Loan, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

ARTICLE II

The Loan

Section 2.01. ADB agrees to lend to the Borrower from ADB's Special Funds resources an amount in various currencies equivalent to seventeen million two hundred sixty-three thousand Special Drawing Rights (SDR17,263,000).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of 1% per annum during the grace period, and 1.5% per annum thereafter, on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

(b) The term "grace period" as used in paragraph (a) of this Section means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.03. The interest charge and any other charge on the Loan shall be payable semiannually on 15 May and 15 November in each year.

Section 2.04. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.05. The currency of repayment of the principal amount of the Loan and the currency of payment of the interest charge for the purposes of Sections 4.03(a) and 4.04 of the Loan Regulations shall be the Dollar.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure or cause to be procured items of expenditure in accordance with the applicable provisions of Schedule 4 to this Loan Agreement.

Section 3.04. Withdrawals from the Loan Account in respect of Goods, Works, and Consulting Services shall be made only on account of expenditures relating to:

(a) Goods which are produced in and supplied from and Works and Consulting Services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement; and

(b) Goods, Works, and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2016 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.

Section 4.02. (a) The Borrower shall (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than 9 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Loan proceeds and compliance with the financial covenants of this Loan Agreement as well as on the use of the procedures for imprest account and statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.

(b) The Borrower shall enable ADB, upon ADB's request, to discuss the Borrower's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Borrower pursuant to subparagraph (a) hereabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Borrower unless the Borrower shall otherwise agree.

Section 4.03. The Borrower shall enable ADB's representatives to inspect the Project, the Goods, Works, and any relevant records and documents.

ARTICLE V

Effectiveness

Section 5.01. The following is specified as an additional condition to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations: for either of the Lao Grant Agreement or the Cambodia Grant Agreement, all conditions to the effectiveness of such Grant Agreement (other than a condition requiring the effectiveness of this Loan Agreement) shall have been fulfilled.

Section 5.02. A date ninety (90) days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 9.04 of the Loan Regulations.

ARTICLE VI

Miscellaneous

Section 6.01. The Governor of the State Bank of Vietnam of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the Loan Regulations:

For the Borrower

State Bank of Vietnam
47 – 49 Ly Thai To
Hanoi, Viet Nam

Facsimile Numbers:

(84-4) 38250-612
(84-4) 38258-385.

For ADB

Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2331.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

SOCIALIST REPUBLIC OF VIET NAM

By _____
NGUYEN VAN GIAU
Governor
State Bank of Vietnam

ASIAN DEVELOPMENT BANK

By _____
AYUMI KONISHI
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The objective of the Project is timely and adequate control of communicable diseases likely to have a major impact on the region's public health and economy.

2. The Project shall comprise the following Outputs:

Output 1: Enhanced Regional CDC Systems

Output 1.1. Improved capacity for regional cooperation in CDC: (i) improving MOH capacity in regional cooperation in CDC, including strengthening of a regional focal point in MOH and participation in the regional steering committee; (ii) implementing regional strategies in a coordinated manner; and (iii) sustaining knowledge management, including:

- web-based knowledge sharing, regional health forum, and technical forums;
- support for the regional focal point and GMS CDC clearing house putting together and disseminating CDC information for GMS; and
- working together with GMS CDC institutions to carry out policy-related investigations and standard setting.

Output 1.2. Expanded surveillance and response systems: (i) strengthening regional coordination of surveillance and response, (ii) consolidating and expanding provincial and district surveillance and response capacity, (iii) upgrading and improving quality of laboratory services, (iv) piloting cross-border cooperation, and (v) improving outbreak reporting and response. The Project will seek partnership with, and if possible support the Mekong-Basin Disease Surveillance Program and other partners for cross-border activities.

Output 1.3. Targeted support for the control of Dengue and NTDs: (i) carrying out joint assessments of the spread and determinants of Dengue and NTDs, and (ii) effective disease control measures, including training, school education, equipment and medical supplies.

Output 2: Improved CDC along Borders and Economic Corridors

Output 2.1. Improved community-based CDC: (i) strengthening skills of village health workers, (ii) carrying out participatory assessment and planning, (iii) intensifying behavioral change communication, and (iv) accelerating healthy village development, in targeted poor and remote communes in border districts in the Project provinces.

Output 2.2. Improved staff capacity in CDC: supporting the development of provincial training systems including (i) establishing a training group in each province, (ii) improving human resources management, (iii) enhancing provincial training capacity, (iv) improving staff performance, and (v) reducing staff gaps for field epidemiologists and ethnic staff.

Output 3: Integrated Project Management

Supporting integrated project management, through (i) effective and efficient project management including committed stewardship and results-based planning and monitoring, (ii) improving procurement, financial management and technical support; and (iii) sustaining CDC management including mainstreaming project management and integrated and sustained project activities in provincial annual operational plans.

3. The Project is expected to be completed by 31 December 2015.

SCHEDULE 2

Amortization Schedule

(Second Greater Mekong Subregion Regional Communicable Diseases Control Project)

Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
15-May-2019	359,646.00
15-Nov-2019	359,646.00
15-May-2020	359,646.00
15-Nov-2020	359,646.00
15-May-2021	359,646.00
15-Nov-2021	359,646.00
15-May-2022	359,646.00
15-Nov-2022	359,646.00
15-May-2023	359,646.00
15-Nov-2023	359,646.00
15-May-2024	359,646.00
15-Nov-2024	359,646.00
15-May-2025	359,646.00
15-Nov-2025	359,646.00
15-May-2026	359,646.00
15-Nov-2026	359,646.00
15-May-2027	359,646.00
15-Nov-2027	359,646.00
15-May-2028	359,646.00
15-Nov-2028	359,646.00
15-May-2029	359,646.00
15-Nov-2029	359,646.00
15-May-2030	359,646.00
15-Nov-2030	359,646.00
15-May-2031	359,646.00
15-Nov-2031	359,646.00
15-May-2032	359,646.00
15-Nov-2032	359,646.00
15-May-2033	359,646.00
15-Nov-2033	359,646.00
15-May-2034	359,646.00
15-Nov-2034	359,646.00
15-May-2035	359,646.00
15-Nov-2035	359,646.00
15-May-2036	359,646.00
15-Nov-2036	359,646.00
15-May-2037	359,646.00
15-Nov-2037	359,646.00
15-May-2038	359,646.00
15-Nov-2038	359,646.00

Schedule 2

15-May-2039	359,646.00
15-Nov-2039	359,646.00
15-May-2040	359,646.00
15-Nov-2040	359,646.00
15-May-2041	359,646.00
15-Nov-2041	359,646.00
15-May-2042	359,646.00
15-Nov-2042	359,638.00
Total	17,263,000.00

* The arrangements for payment are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Categories of the Table.)

Percentages of ADB Financing

2. Except as ADB may otherwise agree, each item of expenditure shall be financed out of the proceeds of the Loan on the basis of the percentages set forth in the Table.

Interest Charge

3. The amount allocated to Category 9 is for financing the interest charge on the Loan during the implementation period of the Project.

Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

5. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Imprest Account and Statement of Expenditures

6. (a) Except as ADB may otherwise agree, the Borrower shall establish, and cause to be established, immediately after the Effective Date, (i) a first generation imprest account at a commercial bank acceptable to ADB, and (ii) second generation imprest accounts for Project provinces and the National Institutions at commercial banks acceptable to ADB

(collectively, imprest accounts). The imprest accounts shall be established, managed, replenished and liquidated in accordance with the Loan Disbursement Handbook, and detailed arrangements agreed upon between the Borrower and ADB. The currency of the first generation imprest account shall be Dollar, and the currency of the second generation imprest accounts shall be Dong. The amount to be deposited into the first generation imprest account shall not exceed the lower of (i) the estimated expenditure to be financed from the imprest accounts for the coming 6 months of Project implementation, or (ii) two million seven hundred thousand Dollars ($2,700,000). The amount to be deposited into each of the second generation imprest account shall not exceed the equivalent of $50,000.

(b) The statement of expenditures procedure may be used for reimbursement of eligible expenditures and to liquidate advances provided into the imprest account, in accordance with the Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower and ADB. Any individual payment to be reimbursed or liquidated under the statement of expenditures procedure shall not exceed the equivalent of $100,000 per payment.

Retroactive Financing

7. Withdrawals from the Loan Account may be made for reimbursement of eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement in connection with the Project management, consulting services, and outbreak control, subject to a maximum amount equivalent to $1,000,000.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Second Greater Mekong Subregion Regional Communicable Diseases Control Project)			
CATEGORY			**ADB FINANCING**
	Item	**Amount Allocated (SDR)** **Category**	**Percentage and Basis for Withdrawal from the Loan Account**
1	Laboratory and Office Equipment	6,913,000.00	100% of total expenditure
2	Vehicles	1,590,000.00	100% of total expenditure
3	System Development	864,000.00	100% of total expenditure
4	Training, Workshop, Fellowships	2,026,000.00	100% of total expenditure
5	Community Mobilization in cash	706,000.00	100% of total expenditure
6	Consulting Services	831,000.00	100% of total expenditure
7	Project Management in cash	650,000.00	100% of total expenditure
8	Recurrent Costs	1,323,000.00	100% of total expenditure
9	Interest Charge	507,000.00	100 percent of amounts due
10	Unallocated	1,853,000.00	100% of total expenditure
	Total	**17,263,000.00**	

SCHEDULE 4

Procurement of Goods, Works and Consulting Services

General

1. The procurement of Goods, Works and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.

2. All terms used and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

Procurement of Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the methods of procurement set forth below:

(a) International Competitive Bidding;
(b) National Competitive Bidding;
(c) Shopping; and
(d) Community Participation

4. The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

Domestic Preference

5. The Borrower may grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(a) and 2.56 of the Procurement Guidelines for domestically manufactured Goods and paragraphs 2.55(b) and 2.56 of the Procurement Guidelines for domestic Works.

National Competitive Bidding

6. The Borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after approval of such change by the Borrower and ADB.

Community Participation in Procurement

7. The Borrower may use community participation in procurement for Works contracts for (i) water, sanitation and hygiene program, and (ii) healthy villages activities in accordance with the agreed procedures set out in the Procurement Plan.

Schedule 4

Selection of Consulting Services

8. The Borrower shall apply the following method for selecting and engaging the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan: Consultants' Qualifications Selection for baseline survey.

9. Unless otherwise agreed between the Borrower and ADB, the Borrower shall recruit the individual consultants for such services as provided in the Procurement Plan in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

10. (a) The Borrower shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The Borrower shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

11. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the Consulting Services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

ADB's Review of Procurement Decisions

12. Contracts procured under international competitive bidding procedures and contracts for Consulting Services shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB and set forth in the Procurement Plan.

SCHEDULE 5

Execution of Project and Operation of Project Facilities; Financial Matters

Implementation Arrangements

1. The Borrower, through MOH, shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the MOH and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

National Focal Point for CDC

2. Within 1 year of the Effective Date, the Borrower, through MOH, shall strengthen, on a sustainable basis within the premises of MOH, a regional focal point in MOH for CDC. Such focal point shall (i) comprise at least 1 full-time officer assigned by MOH, and (ii) be responsible for coordinating (a) regional disease reporting and coordination of outbreak control, (b) regional knowledge management, workshops, and training activities, and (c) regional epidemiological investigation.

Regional Cooperation in CDC

3. The Borrower, through MOH, shall realign and implement its own strategies for disease control and cooperation/coordination with neighboring countries based on WHO regional disease control strategies for emerging and neglected diseases. The Borrower, through MOH, shall further ensure that any information regarding CDC will be exchanged with neighboring countries in a smooth and timely manner through MOH's regional focal point.

Mainstreaming the Project in the Provincial Annual Operational Plan and Budget

4. The Provincial Health Department of each Project province shall submit to MOH the provincial annual operational plans and budgets for the health sector, including the annual provincial work plans for the Project as part of the provincial annual operational plan and budget, all based on a format agreed to by the concerned parties, as a basis for allocating funds and monitoring performance, and MOH shall inform to ADB the approval of such annual plans. In particular, the provincial annual operational plans for the health sector shall include plans and budgets for in-service training activities for CDC, cross-border cooperation, reaching remote communities with CDC, and implementation of gender and ethnic group plans under the Project.

Environment

5. The Borrower shall ensure that health facility waste management in health facilities supported under the Project is carried out as per health care waste management guidelines developed by WHO, and that adequate budget, training, and supplies are provided under the Project to do so.

Schedule 5

Involuntary Resettlement

6. The Borrower shall ensure that any of the Project activities do not involve any involuntary resettlement. In the event, however, that any involuntary resettlement impacts are unavoidable, the Borrower, through MOH, shall (a) prepare a resettlement plan for such activity in accordance with the agreed land acquisition and resettlement framework under the Project and ADB's *Safeguard Policy Statement* (2009); (b) ensure that such resettlement plans are prepared on the basis of the detailed technical design, disclosed to affected persons, and submitted to ADB for review and approval; and (c) ensure that all compensation and rehabilitation assistance is paid before dispossession of assets.

Gender and Development

7. The Borrower, through MOH, shall ensure that the Gender Action Plan agreed for the Project is fully implemented and in accordance with ADB's *Gender and Development Policy* (1998). In particular, MOH shall (a) use training and outcome targets for women in project-supported activities; (b) cause the Project provinces to include specific gender-related activities in the respective provincial annual operation plans and budgets; (c) recruit a social development specialist with terms of reference that include responsibility for integrating gender issues across project activities; (d) include provisions for addressing gender issues in all guidelines, terms of reference, strategies and plans developed under the Project; and (e) disaggregate all monitoring and evaluation data by sex.

Ethnic Groups

8. The Borrower, through MOH, shall ensure that the Ethnic Group Plan agreed for the Project is fully implemented and that all Project activities are mainstreamed in the annual operation plans for the Project, and designed and implemented in accordance with ADB's *Safeguard Policy Statement*. In particular, MOH shall (a) use training and outcome targets for ethnic groups in Project activities, with a particular focus on ethnic women; (b) cause the Project provinces to include specific ethnic group-related activities in annual operation plans and budgets; (c) recruit a social development specialist with terms of reference that include responsibility for integrating ethnic group development across project activities; (d) include provisions for addressing ethnic group issues in all guidelines, terms of reference, strategies and plans developed under the Project; and (e) disaggregate all monitoring and evaluation data by ethnicity.

Targeting Border Districts and Communities

9. Unless otherwise agreed by ADB, the Borrower shall select and implement activities under Output 2 in isolated communities in the border districts of the Borrower. The Borrower, through MOH, shall ensure that the Project provinces are allowed to use innovative measures to reach and assist such districts and communities to improve local CDC, provided that these measures are relatively cost-effective and assessed in terms of outcome. The Borrower, through MOH, shall ensure that baseline and end-of project surveys are conducted to assess the impact of this Output in the targeted border districts.

Schedule 5

Integrated Project Management

10. MOH shall ensure that Project activities, to the extent possible, are integrated in MOH in such areas as joint reviews, and sharing of information, know-how and staff among different Outputs, and shall cause each Project province to ensure that all Project activities implemented in the relevant Project province are mainstreamed and sustained.

Counterpart Funds

11. The Borrower shall ensure that the Project provinces receive funds necessary to implement the Project in a timely manner.

Governance and Anticorruption

12. The Borrower shall ensure that (i) periodic inspections of the Project contractor's activities related to fund withdrawals and settlements are carried out; (ii) relevant provisions of ADB's *Anticorruption Policy* (1998, as amended to date), are included in all bidding documents for the Project; and (iii) contracts, financed under the Project, include provisions specifying the right of ADB to audit and examine the records and accounts of MOH and Project provinces, contractors, suppliers, consultants, and other service providers as they relate to the Project.

13. The Borrower shall disclose, through the existing CDC website, accessible by the general public, information about various matters concerning the Project, including general Project information, procurement, Project progress, and contact details in the English and Vietnamese languages. The website shall also provide a link to ADB's Integrity Unit (http://www.adb.org/Integrity/complaint.asp) for reporting to ADB any grievances or allegations of corrupt practices arising out of the Project and Project activities. With regard to procurement, the website shall include information on the list of participating bidders, name of the winning bidder, basic details on bidding procedures adopted, amount of contract awarded, and the list of Goods, Works and Consulting Services procured.