LOAN NUMBER 2283-VIE(SF)

LOAN AGREEMENT
(Special Operations)

(Agriculture Science and Technology Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 14 MARCH 2007

LOAN AGREEMENT
(Special Operations)

LOAN AGREEMENT dated 14 March 2007 between SOCIALIST REPUBLIC OF VIET NAM (the "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; and

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

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 (the "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. The definitions set forth in the Loan Regulations are applicable to this Loan Agreement unless the context requires otherwise. In addition, the following terms have the following meanings:

(a) "AST" means, for the purpose of the Project, agriculture science and technology;

(b) "Consulting Guidelines" means ADB's "Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers" dated April 2006, as amended from time to time;

(c) "CPMU" means the Central Project Management Unit established under MARD, as more fully described in paragraph 3 of Schedule 5 to this Loan Agreement;

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

(e) "MARD" means the Borrower's Ministry of Agriculture and Rural Development, or any successor thereto;

(f) "NAEC" means the Borrower's National Agricultural Extension Center;

(g) "PAEC" means the provincial agricultural extension center established in each of the Project provinces;

(h) "PPMUs" means the Provincial Project Management Units to be established in the Project provinces, as more fully described in paragraph 4 of Schedule 5 to this Loan Agreement;

(i) "Project facilities" means the AST and other facilities to be constructed, provided or maintained under the Project;

(j) "Procurement Guidelines" means ADB's "Procurement Guidelines" dated April 2006, as amended from time to time;

(k) "Procurement Plan" means the procurement plan for the Project dated 8 November 2006 and agreed between the Borrower and ADB, as updated from time to time in accordance with Procurement Guidelines, Consulting Guidelines, and other arrangements agreed with ADB;

(l) "Project provinces" means the provinces of Dak Nong, Nghe An, Ninh Thuan, Quang Nam and Thanh Hoa, within the territory of the Borrower, which were selected to participate in the Project;

(m) "PSC" means, for the purpose of this Loan Agreement, the Project Steering Committee, as more fully described in paragraph 2 of Schedule 5 to this Loan Agreement; and

(n) "Works" means 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 twenty million one hundred ninety-eight thousand Special Drawing Rights (SDR 20,198,000).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of one percent (1%) per annum during the grace period, and one and one-half percent (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 payment of the first principal amount of the Loan on the 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 1 June and 1 December 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 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 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 Goods, Works, and consulting services and other items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan among different categories of such Goods, Works, and consulting services and other items of expenditure shall be 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, all Goods, Works, and consulting services to be financed out of the proceeds of the Loan shall be procured in accordance with the 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 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 2012 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 6 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/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 Section 4.02(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 and Works financed out of the proceeds of the Loan, and any relevant records and documents.

ARTICLE V

EFFECTIVENESS

Section 5.01. The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations:

(a) PPMUs shall have been established under the Provincial Departments of Agriculture and Rural Development in the Project provinces; and

(b) PSC shall have been established with representatives of the relevant ministries and agencies as its members.

Section 5.02. A date ninety (90) days after the date of this Loan Agreement is specified for the effectiveness of the 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) 8250-612
(84-4) 8258-385.

For ADB

Asian Development Bank
P.O. Box 789
0980 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 and to be delivered at the principal office of ADB, as of the day and year first above written.

SOCIALIST REPUBLIC OF VIET NAM

By _____
Le Duc Thuy
Authorized Representative

ASIAN DEVELOPMENT BANK

By _____
Ayumi Konishi
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The goal of the Project is to achieve sustainable and equitable agricultural growth and ultimately contribute to reduction in rural poverty. The purpose of the Project is to strengthen the national AST system in Viet Nam, through addressing the critical issues involved in AST development, including the low level of linkages among the key AST areas of agricultural research, extension and training, and the gap in the capacity of physical and human resources for the national AST system.

2. The Project consists of the following components:

Component 1: Client-oriented Agricultural Research and Capacity Strengthening

Component 1.1. Client-oriented research programs: Promoting agricultural research programs and timely application of research results for clients' use by funding research proposals that (i) focus on knowledge, information and technologies relevant to the agro-ecological regions serviced by regional research institutes, and (ii) are selected on a competitive basis in accordance with paragraphs 6 and 7 of Schedule 5 to this Loan Agreement.

Component 1.2. Training of research staff: (i) Carrying out a needs assessment for the on-the-job training; (ii) providing on-the-job training for staff of agricultural research institutes and other institutions of the national AST system on effectively utilizing the existing and newly provided laboratory equipment and facilities; and (iii) financing overseas master, doctor and post-doctoral degree programs for trainees selected in accordance with MARD's existing selection procedures and paragraph 8 of Schedule 5 to this Loan Agreement.

Component 1.3. Upgrading of research and laboratory equipment: Providing basic equipment urgently required, and upgrading facilities for selected MARD's agricultural research institutes.

Component 2: Grassroots Agricultural Extension Improvement

Component 2.1. Pro-poor Provincial Extension Services: (i) Developing provincial plans for agricultural extension based on farmers' needs assessments carried out in the selected priority districts; (ii) preparing and carrying out training programs for provincial extension staff and grassroots extension service providers; (iii) providing trainers' training to selected extension staff in the Project provinces, and promoting formulation of provincial trainers teams; (iv) supporting the PAECs' ongoing technical training programs for local extension staff and farmers, including an overseas study tour; and (v) strengthening the NAEC, PAECs and district stations for agricultural extension in their information and communication capacity and networks, through procurement of basic equipment, provision of incremental operational costs during the first 2 years of Project implementation and financing national mass media programs regarding AST.

Component 2.2. Promotion of Extension Contracts: (i) Financing on-farm demonstration trials in the Project provinces through contractual arrangements with regional or national research institutes, and (ii) promoting contractual extension services at local level, each contract of which is selected in accordance with paragraph 11 of Schedule 5 to this Loan Agreement.

Component 3: Rural-based Technical and Vocational Training

Strengthening capacity of rural-based technical and vocational training schools through (i) improving teachers' technical knowledge, teaching and managerial skills, and curricula, and (ii) upgrading library and laboratory equipment and materials, teaching and laboratory facilities, and office equipment for school administration.

3. The Project shall also include support for project management by financing (i) incremental operational costs for the project staff, office utilities and supplies, vehicle operating costs and travel expenses; (ii) project implementation consulting services; (iii) equipment for office computers, photocopiers, and communications; and (iv) a service vehicle for the CPMU.

4. The Project is expected to be completed by 31 December 2011.

SCHEDULE 2

Amortization Schedule

(Agriculture Science and Technology Project)

Period	Date Payment Due	Payment of Principal (expressed in SDR)*
1	01-Jun-2015	420,792.00
2	01-Dec-2015	420,792.00
3	01-Jun-2016	420,792.00
4	01-Dec-2016	420,792.00
5	01-Jun-2017	420,792.00
6	01-Dec-2017	420,792.00
7	01-Jun-2018	420,792.00
8	01-Dec-2018	420,792.00
9	01-Jun-2019	420,792.00
10	01-Dec-2019	420,792.00
11	01-Jun-2020	420,792.00
12	01-Dec-2020	420,792.00
13	01-Jun-2021	420,792.00
14	01-Dec-2021	420,792.00
15	01-Jun-2022	420,792.00
16	01-Dec-2022	420,792.00
17	01-Jun-2023	420,792.00
18	01-Dec-2023	420,792.00
19	01-Jun-2024	420,792.00
20	01-Dec-2024	420,792.00
21	01-Jun-2025	420,792.00
22	01-Dec-2025	420,792.00
23	01-Jun-2026	420,792.00
24	01-Dec-2026	420,792.00
25	01-Jun-2027	420,792.00
26	01-Dec-2027	420,792.00
27	01-Jun-2028	420,792.00
28	01-Dec-2028	420,792.00
29	01-Jun-2029	420,792.00
30	01-Dec-2029	420,792.00
31	01-Jun-2030	420,792.00
32	01-Dec-2030	420,792.00

* The figures in this column represent SDR equivalents determined as of the respective dates of withdrawal. The arrangements for payment of each maturity are subject to the relevant provisions of the Special Operations Loan Regulations.

33	01-Jun-2031	420,792.00
34	01-Dec-2031	420,792.00
35	01-Jun-2032	420,792.00
36	01-Dec-2032	420,792.00
37	01-Jun-2033	420,792.00
38	01-Dec-2033	420,792.00
39	01-Jun-2034	420,792.00
40	01-Dec-2034	420,792.00
41	01-Jun-2035	420,792.00
42	01-Dec-2035	420,792.00
43	01-Jun-2036	420,792.00
44	01-Dec-2036	420,792.00
45	01-Jun-2037	420,792.00
46	01-Dec-2037	420,792.00
47	01-Jun-2038	420,792.00
48	01-Dec-2038	420,776.00
	TOTAL	**20,198,000.00**

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of Goods, Works, consulting services and other items to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each such Category (hereinafter called the Table). (Reference to "Category" or "Categories" in this Schedule is to a Category or Categories of the Table.)

Percentages of ADB Financing

2. Except as ADB may otherwise agree, the items of the Categories listed in the Table 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 then 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.

Imprest Account; Statement of Expenditures

5. (a) Except as ADB may otherwise agree, the Borrower shall, immediately after the Effective Date, (i) establish an imprest account at a commercial bank acceptable to ADB; and (ii) cause each of the Project provinces, and participating research institutes and technical and vocational schools if required, to establish a Second Generation Imprest Account (SGIA) at its provincial treasury. The imprest account and SGIAs shall be established, managed, replenished and liquidated in accordance with ADB's "Loan Disbursement Handbook" dated January 2001, as amended from time to time, and detailed

arrangements agreed upon between the Borrower and ADB. The initial amount to be deposited into the imprest account shall not exceed the estimated expenditures for the first 6 months of Project implementation or equivalent of $1,000,000, whichever is lower. The initial amount to be deposited into each of the SGIA shall be equivalent to 6 months' estimated expenditure, but in any event not exceeding the equivalent of $50,000.

(b) The statement of expenditures (SOE) procedure may be used for reimbursement of eligible expenditures and to liquidate advances provided into the imprest account, in accordance with ADB's "Loan Disbursement Handbook" dated January 2001, as amended from time to time, and detailed arrangements agreed upon between the Borrower and ADB. Any individual payment to be reimbursed or liquidated under the SOE procedure shall not exceed the equivalent of $50,000.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Agriculture Science and Technology Project)				
		Amount Allocated SDR		ADB FINANCING
Number	Item	Category	Subcategory	Percentage and Basis for Withdrawal From the Loan Account
1	Civil Works	809,000		75% of total expenditure
2	Equipment	5,123,000		75% of total expenditure
3	Vehicles	24,000		50% of total expenditure
4	Materials	1,429,000		75% of total expenditure
5	Training	4,276,000		78% of total expenditure
6	Research/Extension Contracts	5,315,000		78% of total expenditure
7	Consulting Services	661,000		100% of total expenditure*
8	Incremental Operating Costs	446,000		75% of total expenditure
9	Interest Charge	415,000		100% of amount due
10	Unallocated	1,700,000		100% of amount due
Total		20,198,000		

*Exclusive of local taxes

SCHEDULE 4

Procurement of Goods and Works, and Consulting Services

A. General

1. All Goods and Works, and consulting services, to be financed out of the proceeds of the Loan 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.

B. Procurement for 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:

International Competitive Bidding
National Competitive Bidding
Shopping
Direct Contracting

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.

4. Domestic Preference. 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.

5. National Competitive Bidding. National competitive bidding procurement shall be carried out as agreed between ADB and the Borrower including any modifications required, if any, to the Borrower's national competitive bidding procedures for the purpose of ensuring consistency with the Procurement Guidelines. Any such modifications or clarifications shall be subsequently reflected in the Procurement Plan and are hereby incorporated by reference to this Loan Agreement.

C. Selection of Consulting Services

6. Quality- and Cost-Based Selection. Except as ADB may otherwise agree, the Borrower shall apply quality- and cost-based selection for selecting and engaging consulting services.

Schedule 4

D. Industrial or Intellectual Property Rights

7. (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.

8. 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.

E. ADB's Review of Procurement Decisions

9. All 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 Other Matters

Project Management

1. MARD shall be the Project Executing Agency.

2. The PSC, headed by a vice minister of MARD, shall be established and comprise representatives of concerned departments of MARD, the Ministry of Planning and Investment, the Ministry of Finance, the State Bank of Vietnam, the Ministry of Science and Technology, the Ministry of Education and Training, and the Project provinces. The PSC shall be responsible for inter-ministerial coordination and provision of overall policy guidance to the Project. Representatives of farmers' associations and other Project's stakeholders shall participate in the PSC meetings as required.

3. The CPMU, headed by a project director, shall be established in the Agricultural Project Management Board under MARD, and comprise at least a deputy head, a planning officer, a finance and accounting officer, a monitoring and evaluation officer, a procurement officer and other necessary supporting staff on a full-time basis. The CPMU shall be responsible for day-to-day Project implementation; interdepartmental coordination among MARD's concerned departments; central-level procurement, consultant recruitment, and fund disbursement; and provision of support to the PPMUs.

4. The PPMU, headed by a PPMU manager, shall be established under the provincial department of agriculture and rural development in each of the Project provinces, and comprise a planning officer, a monitoring and evaluation officer, an accountant, and other necessary supporting staff. The PPMU shall be responsible for (i) overall management and supervision of Project activities related to agricultural extension in the concerned province, including contractual arrangements for service delivery, finance and project accounting, procurement, monitoring and evaluation, and reporting, and (ii) provincial-level coordination among the relevant provincial departments. Project management units may be established under participating research institutes, and technical and vocational training schools, if required and deemed appropriate, to facilitate the Borrower's decentralization policy for project implementation and management.

Counterpart Staff and Funds

5. The Borrower shall ensure that adequate counterpart staff and funds will be provided for operation and maintenance of the Project facilities upgraded in the selected agriculture research institutes, and further ensure that such institutes will provide adequate staff and funds for operation and maintenance after their transformation into self-financed organizations in accordance with the Borrower's Decree No. 115, issued in 2005.

Selection of Research Proposals

6. MARD shall establish a committee, represented by the Science and Technology Council of MARD, and other relevant government and non-government agencies, including agro-enterprises and associations, to examine and select research proposals to be funded under the Project on a competitive basis.

7. The Borrower shall ensure that the following criteria will be applied for selecting such research proposals:

(i) appropriateness to the client needs in the region through the results of participatory rural assessments;
(ii) relevance to the national sector goals, strategies, and priorities;
(iii) technical and financial viability and sustainability;
(iv) linkage with agricultural extension and effective mechanisms for participatory technology development and dissemination;
(v) compliance with social and environmental requirements;
(vi) involving at least one provincial agricultural extension center or extension advisory council; and
(vii) not more than $100,000 for each research proposal.

Overseas Study Program

8. The Borrower shall ensure that overseas study programs to be funded under the Project will be carried out in a manner acceptable to ADB. In particular, the Borrower shall ensure that appropriate arrangements are developed so that the trainees participating in the overseas study programs will provide relevant services after returning from the programs. Such arrangements shall be developed in consultation with ADB prior to the implementation of the study programs. The selection of the trainees shall be subject to ADB's approval.

9. The Borrower shall ensure that at least 10% of the trainees are women.

Pro-Poor Service Delivery

10. The Borrower shall ensure that demonstration trials and extension services under the Project will be implemented in poor communes where at least 30% of households are classified as poor households, as defined by the Borrower's appropriate regulations.

Selection Criteria for Extension Contracts

11. The Borrower shall ensure that the following criteria will be applied for the extension contracts financed under Component 2.2 as described in paragraph 2 of Schedule 1 to this Loan Agreement:

(i) Extension contracts are in line with the provincial plan for agricultural extension in the respective province;
(ii) they focus on the priority subjects included in the plan for improved knowledge and technology related to crop and livestock production and marketing; and
(iii) each of the extension contracts shall cost up to the maximum of $10,000.

Schedule 5

Gender

12. The Borrower shall ensure that Project activities will be implemented in line with the Project's gender action plan, as agreed between the Borrower and ADB. In particular, the agreed gender action plan shall be reflected in the provincial plans for agricultural extension to be developed under the Project.

13. The extension contracts to be funded under the Project shall have provisions that at least 40% of beneficiaries of these services are women. The contracts to be awarded in the final year of project implementation shall have provisions that at least 50% of beneficiaries are women.

Indigenous Peoples

14. The Borrower shall ensure that Project activities will be implemented in line with the Project's specific actions for indigenous peoples, as agreed between the Borrower and ADB, and that the agreed specific actions for indigenous peoples will be reflected in the provincial plans for agricultural extension to be developed under the Project.

15. All extension contracts to be funded under the Project shall give special consideration to the participation and practices of ethnic minority population.

Involuntary Resettlement

16. The Borrower shall ensure that civil works to be financed under the Project will not require resettlement or land acquisition, as defined in ADB's Policy on Involuntary Resettlement. If, due to unforeseen circumstances, such resettlement or land acquisition is unavoidable, the Borrower shall (i) prepare a resettlement plan in accordance with ADB's Policy on Involuntary Resettlement; (ii) submit it to ADB for approval prior to awarding the concerned civil works contract; and (iii) ensure that any resettlement activities will be carried out in compliance with the resettlement plan.

Environment

17. The Borrower shall ensure that (i) environmental impact assessments under relevant categories, as defined under the Borrower's laws and regulations, will be carried out during the design phase of all civil works, and (ii) the environmental monitoring plan for the Project will be effectively implemented.