LOAN NUMBER 3493-VIE(SF)

LOAN AGREEMENT
(Special Operations)

(Second Secondary Education Sector Development Program)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 02 March 2017

VIE 47140

LOAN AGREEMENT
(Special Operations)

LOAN AGREEMENT dated 02 March 2017 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) ADB has received from the Borrower a development policy letter dated 25 August 2016 ("Policy Letter"), setting forth certain objectives, policies and actions, described in Schedule 1 to this Loan Agreement, designed to develop the Borrower's secondary education sector ("Program");

(B) the Borrower has applied to ADB for a loan for the purposes of the Program;

(C) the Borrower has also applied for a loan from ADB's Special Funds resources in support of Second Secondary Education Sector Development Project ("Project") and by a loan agreement of even date herewith between the Borrower and ADB ("Project Loan Agreement"), ADB has agreed to provide a loan from its Special Funds resources equivalent to thirty-five million seven hundred nine thousand Special Drawing Rights (SDR 35,709,000.00); 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 the 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, subject, however, to the following modifications:

(a) Section 2.01(24) is deleted and the following is substituted therefor:

> 24. The term "Program" means the program for which ADB has agreed to make the Loan, as described in the Loan Agreement and as the description thereof may be amended from time to time by agreement between ADB and the Borrower.

(b) The term "Project" wherever it appears in the Loan Regulations shall be substituted by the term "Program".

(c) Section 2.01(26) is deleted and the following is substituted therefor:

> 26. The term "Program Executing Agency" means the entity or entities responsible for the carrying out of the Program as specified in the Loan Agreement.

(d) The term "Project Executing Agency" wherever it appears in the Loan Regulations shall be substituted by the term "Program Executing Agency".

(e) Section 5.01(b) is deleted and the following is substituted therefor:

> (b) Except as ADB and the Borrower shall otherwise agree, no withdrawals shall be made on account of payments made prior to the Effective Date.

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) "Counterpart Funds" means the local currency generated from the Loan proceeds under the Program and referred to in paragraph 4 of Schedule 4 to this Loan Agreement;

(b) "Deposit Account" means the account referred to in paragraph 3 of Schedule 3 to this Loan Agreement;

(c) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2015, as amended from time to time);

(d) "MOET" means the Borrower's Ministry of Education and Training or any successor thereto;

(e) "Policy Letter" means the development policy letter referred to in Recital (A) of this Loan Agreement;

(f) "Policy Matrix" means the policy matrix as agreed between the Borrower and ADB, which sets forth actions accomplished or to be accomplished by the Borrower under the Program and is attached to the Policy Letter; and

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

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 thirty-five million seven hundred nine thousand Special Drawing Rights (SDR 35,709,000.00).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of 2% per annum during the grace period and 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 1 April and 1 October 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 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 Program in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be 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. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2018 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 Program, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Loan Agreement.

Section 4.02. As part of the reports and information referred to in Section 6.05 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB all such reports and information as ADB shall reasonably request concerning the implementation of the Program, including the accomplishment of the targets and carrying out of the actions set out in the Policy Letter.

ARTICLE V

Suspension; Acceleration of Maturity

Section 5.01. The following is specified as an additional event for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(m) of the Loan Regulations: the Borrower shall have failed to perform any of its obligations under the Project Loan Agreement.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 8.07(d) of the Loan Regulations: the event specified in Section 5.01 of this Loan Agreement shall have occurred.

ARTICLE VI

Effectiveness

Section 6.01. 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: all reform actions and measures set out in the Policy Matrix have been undertaken to the satisfaction of ADB.

Section 6.02. A date 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 VII

Miscellaneous

Section 7.01. The State Bank of Viet Nam is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 7.02. 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
Ha Noi, Viet Nam

Facsimile Numbers:

(844) 38250-612
(844) 38258-385.

For ADB

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

Facsimile Numbers:

(632) 636-2444
(632) 636-2228.

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 the ADB.

SOCIALIST REPUBLIC OF VIET NAM

By _____

LE MINH HUNG
Governor
State Bank of Viet Nam

ASIAN DEVELOPMENT BANK

By _____

ERIC SIDGWICK
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Program

1. The principal objective of the Program is to enhance learning outcomes and competitiveness of secondary school graduates in Viet Nam.

2. The Program is expected to be completed by 30 June 2018.

SCHEDULE 2

Amortization Schedule

(Second Secondary Education Sector Development Program)

Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
01 April 2022	892,725.00
01 October 2022	892,725.00
01 April 2023	892,725.00
01 October 2023	892,725.00
01 April 2024	892,725.00
01 October 2024	892,725.00
01 April 2025	892,725.00
01 October 2025	892,725.00
01 April 2026	892,725.00
01 October 2026	892,725.00
01 April 2027	892,725.00
01 October 2027	892,725.00
01 April 2028	892,725.00
01 October 2028	892,725.00
01 April 2029	892,725.00
01 October 2029	892,725.00
01 April 2030	892,725.00
01 October 2030	892,725.00
01 April 2031	892,725.00
01 October 2031	892,725.00
01 April 2032	892,725.00
01 October 2032	892,725.00
01 April 2033	892,725.00
01 October 2033	892,725.00
01 April 2034	892,725.00
01 October 2034	892,725.00
01 April 2035	892,725.00
01 October 2035	892,725.00
01 April 2036	892,725.00
01 October 2036	892,725.00
01 April 2037	892,725.00
01 October 2037	892,725.00
01 April 2038	892,725.00
01 October 2038	892,725.00
01 April 2039	892,725.00
01 October 2039	892,725.00

Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
01 April 2040	892,725.00
01 October 2040	892,725.00
01 April 2041	892,725.00
01 October 2041	892,725.00
TOTAL	**35,709,000.00**

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

SCHEDULE 3

Withdrawal of Loan Proceeds

1. Except as ADB may otherwise agree, Loan Disbursement Handbook and the following provisions of this Schedule shall apply to the withdrawal of Loan proceeds from the Loan Account.

2. An application for withdrawal from the Loan Account shall be submitted to ADB by the Borrower and shall be in a form satisfactory to ADB.

3. (a) Prior to submitting the first application to ADB for withdrawal from the Loan Account, the Borrower shall nominate an account (the Deposit Account) at any commercial bank selected by the Borrower into which all withdrawals from the Loan Account shall be deposited. The Deposit Account shall be established, managed and liquidated in accordance with terms and conditions satisfactory to ADB.

(b) Separate accounts and records in respect of the Deposit Account shall be maintained in accordance with accounting principles acceptable to ADB. Upon ADB's request, the Borrower shall have the financial statements for the Deposit Account audited by independent auditors, whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB. Promptly after their preparation but in any event not later than 6 months after the date of ADB's request, copies of such audited financial statements and the opinion of the auditors on the financial statements, in the English language, shall be furnished to ADB.

4. No Loan proceeds shall be withdrawn to finance any item specified in the Attachment to this Schedule.

5. The Borrower may withdraw proceeds of the Loan upon effectiveness of this Loan Agreement.

Negative List

No withdrawals of Loan proceeds will be made for the following:

(i) expenditures for goods included in the following groups or sub-groups of the United Nations Standard International Trade Classification, Revision 3 (SITC, Rev. 3) or any successor groups or sub-groups under future revisions to the SITC, as designated by ADB by notice to the Borrower:

Table: Ineligible Items

Chapter	Heading	Description of Items
112		Alcoholic beverages
121		Tobacco, unmanufactured; tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitute
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof, fuel elements (cartridges), nonirradiated for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum-group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, nonmonetary (excluding gold ore and concentrates)

Source: United Nations.

(ii) expenditures in the currency of the Borrower or for goods supplied from the territory of the Borrower;

(iii) expenditures for goods supplied under a contract that any national or international financing institution or agency will have financed or has agreed to finance, including any contract financed under any loan or grant from the ADB;

(iv) expenditures for goods intended for a military or paramilitary purpose or for luxury consumption;

(v) expenditures for narcotics;

(vi) expenditures for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party; and

(vii) expenditures on account of any payment prohibited by the Borrower in compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

SCHEDULE 4

Program Implementation and Other Matters

Implementation Arrangements

1. The Program Executing Agency shall be responsible for (a) overseeing all policy and regulatory actions to be taken in connection with the Program; and (b) ensuring that all policy reforms set out in the Policy Letter and the Policy Matrix are duly carried out in a timely manner.

Policy Actions and Dialogue

2. The Borrower shall ensure that all policy actions adopted under the Program, as set forth in the Policy Letter and the Policy Matrix, continue to be in effect for the duration of the Program.

3. The Borrower shall keep ADB informed of policy discussions with other multilateral and bilateral aid agencies that may have implications for the implementation of the Program and shall provide ADB with an opportunity to comment on any resulting policy proposals. The Borrower shall take into account ADB's views before finalizing and implementing any such proposal.

Use of Counterpart Funds

4. The Borrower shall ensure that the Counterpart Funds are used to finance the implementation of certain programs and activities consistent with the objectives of the Program.

Governance and Anticorruption

5. The Borrower, the Program Executing Agency, and the implementing agencies shall: (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Program; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

Monitoring and Review

6. The Borrower shall provide ADB with the opportunity to review and comment on relevant studies, draft legislation, decrees, orders, rules and regulations which may likely impact the objectives and implementation of the Program.

LOAN NUMBER 3494-VIE(SF)

LOAN AGREEMENT
(Special Operations)

(Second Secondary Education Sector Development Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 02 March 2017

LOAN AGREEMENT
(Special Operations)

LOAN AGREEMENT dated 02 March 2017 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a loan agreement of even date herewith between the Borrower and ADB ("Program Loan Agreement"), ADB has agreed to provide to the Borrower a loan from its Special Funds resources equivalent to thirty-five million seven hundred nine thousand Special Drawing Rights (SDR 35,709,000.00) in support of the Borrower's Second Secondary Education Sector Development Program as described in paragraph 1 of Schedule 1 to the Program Loan Agreement ("Program");

(B) in support of the Program, the Borrower has applied to ADB for a loan for the purposes of the project described in Schedule 1 to this Loan Agreement ("Project"); and

(C) 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) "BOET" means the Borrower's Bureau of Education and Training or any successor thereto;

(b) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2013, as amended from time to time);

(c) "Consulting Services" means the services to be financed out of the proceeds of the Loan as described in paragraph 3 of Schedule 1 to this Loan Agreement;

(d) "CPMU" means the central program management unit to be established by MOET under the Program;

(e) "DOET" means the Borrower's Department of Education and Training at the provincial level or any successor thereto;

(f) "EA" or "Project Executing Agency" means MOET or any successor thereto acceptable to ADB, which is responsible for Project management and monitoring;

(g) "GAP" means the gender action plan prepared for the Project, including any update thereto, and agreed to between the Borrower through MOET and ADB;

(h) "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;

(i) "IA" or "Implementing Agency" means CPMU or any successor thereto acceptable to ADB, which will be responsible for implementing the Project in accordance with the PAM;

(j) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2015, as amended from time to time);

(k) "MOET" means the Borrower's Ministry of Education and Training or any successor thereto;

(l) "MRSS" means model resource secondary schools;

(m) "PAM" means the project administration manual for the Project dated 30 September 2016 and agreed between the Borrower through MOET and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(n) "Project facilities" means facilities, including equipment and materials to be provided, upgraded and maintained under the Project;

(o) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);

(p) "Procurement Plan" means the procurement plan for the Project dated 30 September 2016 and agreed between the Borrower through MOET and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(q) "SPS" or "Safeguard Policy Statement" means ADB's Safeguard Policy Statement (2009); and

(r) "STEM" means science, technology, engineering, and mathematics.

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 thirty-five million seven hundred nine thousand Special Drawing Rights (SDR 35,709,000.00).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of 2% per annum during the grace period and 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 subsection (a) hereinabove 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 1 April and 1 October 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, the items of expenditure to be financed out of the

proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement.

Section 3.04. Except as ADB may otherwise agree, the Borrower shall cause all items of expenditure financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.

Section 3.05. Withdrawals from the Loan Account in respect of Goods 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 and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.06. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 September 2023 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 cause MOET to (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Loan proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

(c) The Borrower shall cause MOET to enable ADB, upon ADB's request, to discuss the financial statements for the Project and MOET's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a) (iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of MOET, unless MOET shall otherwise agree.

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

ARTICLE V

Suspension; Acceleration of Maturity

Section 5.01. The following is specified as an additional event for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(m) of the Loan Regulations: the Borrower shall have failed to perform any of its obligations under the Program Loan Agreement.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 8.07(d) of the Loan Regulations: the event specified in Section 5.01 of this Loan Agreement shall have occurred.

ARTICLE VI

Effectiveness

Section 6.01. 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: the Program Loan Agreement shall have been duly executed and delivered on behalf of the Borrower and all conditions precedent to its effectiveness (other than a condition requiring the effectiveness of this Loan Agreement) shall have been fulfilled.

Section 6.02. The following is specified as an additional matter, for the purposes of Section 9.02(d) of the Loan Regulations, to be included in the opinion or opinions to be furnished to ADB: the Program Loan Agreement has been duly executed and delivered on behalf of and is legally binding upon the Borrower in accordance with its terms.

Section 6.03. A date 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 VII

Miscellaneous

Section 7.01. The State Bank of Viet Nam is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 7.02. 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
Ha Noi, Viet Nam

Facsimile Numbers:

(844) 38250-612
(844) 38258-385.

For ADB

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

Facsimile Numbers:

(632) 636-2444
(632) 636-2228.

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 _____

LE MINH HUNG
Governor
State Bank of Viet Nam

ASIAN DEVELOPMENT BANK

By _____

ERIC SIDGWICK
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The objective of the Project is to enhance learning outcomes and competitiveness of secondary school graduates in Viet Nam.

2. The Project shall support secondary education system through: (a) improved quality and relevance; (b) enhanced equity of access; and (c) strengthened education governance and shall include:

(i) materials and in-country training for management staff and teachers to implement the MRSS;
(ii) development of a revised teacher assessment system;
(iii) design of the new integrated STEM program using active learning methods;
(iv) development of new instructional manuals on best practices to teach the revised curriculum;
(v) provision of equipment to MRSS and STEM schools;
(vi) development of school-based vocational orientation programs responding to local labor market needs, including private sector outreach programs;
(vii) a survey on the education situation of domestic migrant youth in disadvantaged urban areas to develop an action plan;
(viii) instructional materials for continuing education targeting migrant youth;
(ix) training for DOET and BOET staff and lower secondary schools' principals for development of an action plan encouraging enrollment of disadvantaged youth;
(x) information sharing among DOET and BOETS in regions where the domestic migrant issue is most acute;
(xi) professional development for teachers and education managers focused on youth with special needs;
(xii) development of specialized and adaptive learning materials for disabled students;
(xiii) provision of equipment for disabled student education supporting institutions;
(xiv) scaling up the national achievement monitoring program to administer it to schools involved with initial implementation of decentralization and new school models, including MRSS and STEM;
(xv) public expenditure study at district and school levels;
(xvi) the accreditation of secondary schools based on the national school quality standards;
(xvii) In-country training for teachers and school administrators on school-based decision making and accreditation; and
(xviii) implementation of international and national learning outcomes and teacher assessment.

3. The Project will include provision of Consulting Services for Project management, implementation, and technical support.

4. The Project is expected to be completed by 31 March 2023.

SCHEDULE 2

Amortization Schedule

(Second Secondary Education Sector Development Program)

Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
01 April 2022	892,725.00
01 October 2022	892,725.00
01 April 2023	892,725.00
01 October 2023	892,725.00
01 April 2024	892,725.00
01 October 2024	892,725.00
01 April 2025	892,725.00
01 October 2025	892,725.00
01 April 2026	892,725.00
01 October 2026	892,725.00
01 April 2027	892,725.00
01 October 2027	892,725.00
01 April 2028	892,725.00
01 October 2028	892,725.00
01 April 2029	892,725.00
01 October 2029	892,725.00
01 April 2030	892,725.00
01 October 2030	892,725.00
01 April 2031	892,725.00
01 October 2031	892,725.00
01 April 2032	892,725.00
01 October 2032	892,725.00
01 April 2033	892,725.00
01 October 2033	892,725.00
01 April 2034	892,725.00
01 October 2034	892,725.00
01 April 2035	892,725.00
01 October 2035	892,725.00
01 April 2036	892,725.00
01 October 2036	892,725.00
01 April 2037	892,725.00
01 October 2037	892,725.00
01 April 2038	892,725.00
01 October 2038	892,725.00
01 April 2039	892,725.00
01 October 2039	892,725.00

Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
01 April 2040	892,725.00
01 October 2040	892,725.00
01 April 2041	892,725.00
01 October 2041	892,725.00
TOTAL	**35,709,000.00**

* 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 the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the Loan Account

2. Except as ADB may otherwise agree, the proceeds of the Loan shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Interest Charge

3. The amount allocated to Category 6 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.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Second Secondary Education Sector Development Program)				
Number	**Item**	**Total Amount Allocated for ADB Financing "000" (SDR)**		**Basis for Withdrawal from the Loan Account**
		Category	**Subcategory**	
1	Equipment	16,593,000		90% of total expenditure claimed
2	Instruction Materials	3,000,000		100% of total expenditure claimed*
3	Staff Development	6,651,000		100% of total expenditure claimed*
4	Studies and Surveys	3,036,000		100% of total expenditure claimed*
5	Consulting Services	2,340,000		100% of total expenditure claimed*
6	Interest During Implementation	2,362,000		100% of total amount due
7	Unallocated	1,727,000		
	Total	35,709,000		

* Inclusive of taxes and duties imposed within the territory of the Borrower.

SCHEDULE 4

Procurement of Goods and Consulting Services

General

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

2. Except as ADB may otherwise agree, Goods shall be procured and Consulting Services shall be selected and engaged only on the basis of the procurement methods and the selection methods set forth below. These methods are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the procurement methods and the selection methods or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

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

Goods

4. Goods shall be procured on the basis of the procurement methods set forth below:

(a) International Competitive Bidding;
(b) National Competitive Bidding; and
(c) Shopping.

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.

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.

Consulting Services

7. Except as set forth in the paragraph below, the Borrower shall apply Quality- and Cost-Based Selection for Consulting Services.

8. The Borrower shall apply the following selection methods for the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan: Least-Cost Selection for financial management support.

9. The Borrower shall recruit the individual consultants for supporting MRSS related activities under the Project 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 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 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 procedure, first contracts procured under national 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; Financial Matters

Implementation Arrangements

1. The Borrower and the EA 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 Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Counterpart Financing

2. The Borrower shall, and shall cause the EA to, ensure that counterpart financing necessary for the Project is provided in time, and that MOET makes available all funds and resources necessary for administration, management and operation and maintenance of the Project facilities on a timely basis. The Borrower through the EA shall further ensure that additional counterpart funding is available to cover any funding shortfalls that may occur during the Project implementation.

Financial Management

3. The Borrower shall cause the EA to ensure that (a) within 3 months of the Effective Date the CPMU is equipped with adequate and qualified staff including the Project manager, chief accountant and procurement unit head in accordance with PAM; and (b) within 6 months of the Effective Date, the Project financial management manual is prepared.

Safeguards

4. The Borrower shall cause the EA and the IA to ensure that the Project does not have any environmental, indigenous peoples or involuntary resettlement impacts, all within the meaning of the SPS. In the event that the Project does have any such impact, the Borrower shall causer the EA to take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.

Prohibited List of Investments

5. The Borrower shall cause the EA to ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Gender and Development

6. The Borrower shall cause the EA to ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB; and (e) key gender outcome and output targets

include, but not limited to: (i) equal numbers of women and men attend all workshops and training is gender responsive; (ii) program materials are gender, ethnicity and disability responsive; (iii) major surveys and reports disaggregate data by sex and ethnicity; (iv) in-country training to promote STEM encourages more female students to study these subjects; (v) there is no gender bias in career selection; (vi) the action plan to improve education access of domestic migrant youth includes gender and ethnicity responsive indicators; (vii) development activities under the national assessment monitoring program includes strategies to avoid gender and ethnic bias; (viii) at least 30% of management staff for in-country training is female; and (ix) at least 50% attendees at workshops on mobilization and use of decentralized resources are female;

Labor Standards, Health and Safety

7. The Borrower shall, and shall cause the EA and the IA, to ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. The Borrower shall cause the EA to include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) ensure that workers are not restricted from developing a legally permissible means of expressing their grievances and protecting their rights regarding working conditions and terms of employment.; and (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the members of the local communities surrounding the Project area, particularly women.

8. The Borrower shall cause the EA and the IA to strictly monitor compliance with the requirements set forth in paragraph 7 above and provides ADB with regular reports.

Governance and Anticorruption

9. The Borrower shall, and shall cause the EA and the IA, to (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

10. The Borrower shall, and shall cause the EA and the IA, to ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.