HB5196

LOAN NUMBER 3761-VIE(COL)

LOAN AGREEMENT
(Ordinary Operations [Concessional])

(Skills and Knowledge for Inclusive Economic Growth Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 10 December 2019

VIE 49122

LOAN AGREEMENT
(Ordinary Operations [Concessional])

LOAN AGREEMENT dated 10 December 2019 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) by an agreement of even date herewith between the Borrower and ADB ("Grant Agreement"), ADB has agreed to administer the grant from the Japan Fund for Poverty Reduction ("JFPR") in the amount of $3,000,000 ("JFPR Grant") upon the terms and conditions set out in the JFPR 2018 Guidelines;

(C) the Project will be carried out by the Ministry of Labour – Invalids and Social Affairs ("MOLISA"), and the Ministry of Industry and Trade ("MOIT"), in partnership with the Ministry of Constructions ("MOC"), Ministry of Agriculture and Rural Development ("MARD"), the Ministry of Transport ("MOT"), the selected TVET and Training Institutions (as defined herein), and for this purpose the Borrower will make available to MOLISA and TVET and Training Institutions a portion of the proceeds of the loan provided for herein upon terms and conditions satisfactory to ADB; and

(D) ADB has agreed to make a concessional loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein and in the Project Agreement between ADB and the TVET and Training Institutions;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All provisions of ADB's Ordinary Operations (Concessional) Loan Regulations, dated 1 January 2017 ("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(w) is deleted and the following is substituted therefor:

"Project Agreement" means the project agreement of even date herewith between ADB and any and all of the following, Bac Ninh College of Electromechanics and Construction, Cao Thang Technical College, College of Industry and Technique, College of Industry and Trade, Dung Quat College of Technology, Fisheries and Technical Economics College, Hanoi College of Electro-Mechanics, Ho Chi Minh

City College of Construction, Hue Industrial College, Maritime College No. 1, Mien Trung Industry and Trade College, Nam Dinh Industrial College, Phu Tho College of Electromechanics, The Central College of Transport 1, Vinh Long University of Technology Education, Vinh University of Technology Education, as such agreement may be amended from time to time;

(b) The term "Project Executing Agency" appearing in Sections 6.01(a), 8.01(d), 8.01(f), 8.01(k), 9.01(c) and 9.02(c) of the Loan Regulations shall be substituted by the term "TVET and Training Institutions".

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

(b) "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;

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

(d) "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;

(e) "Indigenous Peoples Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3, and Appendix 4 (as applicable) of the SPS;

(f) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);

(g) "MARD TVET Institutions" means technical and vocational education and training institutions, selected to participate in the Project as implementing partners under MOLISA's Project implementation responsibility, namely, the following: Phu Tho College of Electromechanics, Fisheries and Technical Economics College, Bac Ninh College of Electromechanics and Construction, and Hanoi College of Electro-Mechanics;

(h) "MOC TVET Institutions" means technical and vocational education and training institutions, selected to participate in the Project as implementing partners under MOLISA's Project implementation

responsibility, namely, the following: Ho Chi Minh City College of Construction;

(i) "MOIT" means the Borrower's the Ministry of Industry and Trade that is responsible for implementing parts or components of the Project concerning MOIT TVET Institutions;

(j) "MOIT TVET Institutions" means technical and vocational education and training institutions under MOIT's Project implementation responsibility, selected to participate in the Project as implementing partners, namely, the following: Nam Dinh Industrial College, College of Industry and Trade, College of Industry and Technique, Hue Industrial College, Cao Thang Technical College, and Mien Trung Industry and Trade College;

(k) "MOLISA TVET and Training Institutions" means technical and vocational education and training institutions and universities under MOLISA's Project implementation responsibility, selected to participate in the Project as implementing partners, namely, the following: Dung Quat College of Technology, Vinh Long University of Technology Education, Vinh University of Technology Education;

(l) "MOT TVET Institutions" means technical and vocational education and training institutions, selected to participate in the Project as implementing partners under MOLISA's Project implementation responsibility, namely, the following: The Central College of Transport 1 and Maritime College No. 1;

(m) "PAM" means the project administration manual for the Project dated 5 November 2018 and agreed between the Borrower, through MOLISA and MOIT, and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

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

(o) "Procurement Plan" means the procurement plan for the Project dated 5 November 2018 and agreed between the Borrower, through MOLISA and MOIT, and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(p) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means MOLISA or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project overall and for implementing parts or components of the Project concerning MOLISA TVET and Training Institutions;

(q) "Project facilities" means the facilities to be improved, constructed or provided under the Project;

(r) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower to ADB that describes progress with implementation of and compliance with the Indigenous Peoples Safeguards-related measures provided in the PAM (as applicable), including any corrective and preventative actions;

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

(t) "Subsidiary Loan Agreement" means the agreement or agreements between the Borrower and each of the TVET and Training Institutions, as described in Section 3.01 of this Loan Agreement; and

(u) "TVET and Training Institutions" means the MARD MOC MOIT MOT TVET Institutions, and MOLISA TVET and Training Institutions.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of seventy-five million Dollars ($75,000,000).

(b) The Loan has a principal repayment period of 20 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term "grace period" as used in subsection (b) 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 2.02. 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.

Section 2.03. The interest charge and any other charge on the Loan shall be payable semiannually on 1 May and 1 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. (a) The Borrower shall provide the proceeds of the Loan through (i) budgetary allocation and (ii) relending to each of the TVET and Training Institutions under Subsidiary Loan Agreement upon terms and conditions acceptable to ADB.

(b) The Borrower shall cause the proceeds of the Loan to be applied exclusively to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project 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. Withdrawals from the Loan Account in respect of Goods and Services shall be made only on account of expenditures relating to:

(i) 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

(ii) Goods 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 31 December 2024 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 and the Project Agreement.

Section 4.02. (a) The Borrower, through MOLISA, shall (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, through MOLISA, shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower'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 the Borrower, unless the Borrower shall otherwise agree.

Section 4.03. The Borrower, through MOLISA, MOIT and other relevant ministries, shall enable ADB's representatives to inspect the Project, the Goods and any relevant records and documents.

Section 4.04. The Borrower shall take all actions which shall be necessary on its part to enable the TVET and Training Institutions to perform their obligations under the Project Agreement and Subsidiary Loan Agreements, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.05. The Borrower shall exercise its rights under the Subsidiary Loan Agreement(s) in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

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: that the Grant Agreement shall have been duly executed and delivered, and all conditions precedent to its effectiveness (other than a condition requiring the effectiveness of this Loan Agreement) shall have been fulfilled.

Section 5.02. A date 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 Minister of Finance 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

Ministry of Finance
No. 28 Tran Hung Dao Street
Hoan Kiem District
Ha Noi, Viet Nam

Facsimile Number:

(8424) 2220-8020

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 _____

TRAN XUAN HA
Vice Minister
Ministry of Finance

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 strengthen and align to evolving labor market needs the selected high-quality TVET and Training Institutions.

2. The Project shall comprise:

(a) **Improving the teaching and learning environments at the TVET and Training Institutions**, which includes provision of up-to-date training equipment, including high-technology equipment, which will enable TVET and Training Institutions to deliver quality training programs in modern occupations required by companies; and

(b) **Enhancing skills training opportunities for disadvantaged communities and soft skills of students in the TVET and Training Institutions**, which includes:

(i) reviewing mechanisms to assess skills demand at the local level;

(ii) upgrading of existing or developing new short-term training courses (including ubiquitous-based training) for disadvantaged youth and adults (making sure they are interesting to females), who are seeking new employment opportunities in modern professions;

(iii) conducting short courses in disadvantaged and poor communities (with at least 50% female beneficiaries);

(iv) developing methods to integrate soft skills into regular technical curriculum context based on international good practices;

(v) piloting soft skills programs in the vicinity of the TVET and Training Institutions in collaboration with local companies and communities; and

(vi) conducting an impact evaluation of the pilot activities.

3. The Project includes Consulting Services, as described in the PAM.

4. Activities under paragraph 2(b) above shall be financed by the JFPR Grant.

5. The Project is expected to be completed by 30 June 2024.

SCHEDULE 2

Amortization Schedule

Payment Due Date	Payment of Principal (Expressed in Dollars)*
1 May 2024	1,875,000
1 November 2024	1,875,000
1 May 2025	1,875,000
1 November 2025	1,875,000
1 May 2026	1,875,000
1 November 2026	1,875,000
1 May 2027	1,875,000
1 November 2027	1,875,000
1 May 2028	1,875,000
1 November 2028	1,875,000
1 May 2029	1,875,000
1 November 2029	1,875,000
1 May 2030	1,875,000
1 November 2030	1,875,000
1 May 2031	1,875,000
1 November 2031	1,875,000
1 May 2032	1,875,000
1 November 2032	1,875,000
1 May 2033	1,875,000
1 November 2033	1,875,000
1 May 2034	1,875,000
1 November 2034	1,875,000
1 May 2035	1,875,000
1 November 2035	1,875,000
1 May 2036	1,875,000
1 November 2036	1,875,000
1 May 2037	1,875,000
1 November 2037	1,875,000
1 May 2038	1,875,000
1 November 2038	1,875,000
1 May 2039	1,875,000
1 November 2039	1,875,000
1 May 2040	1,875,000
1 November 2040	1,875,000
1 May 2041	1,875,000
1 November 2041	1,875,000
1 May 2042	1,875,000
1 November 2042	1,875,000
1 May 2043	1,875,000
1 November 2043	1,875,000
Total	**75,000,000**

*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 of the Table.)

Basis for Withdrawal from the Loan Account

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

Reallocation

3. 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, in consultation with 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, in consultation with the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

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

Condition for Withdrawals from Loan Account

5. Notwithstanding any other provision of this Loan Agreement, no withdrawals shall be made from the Loan Account until the Borrower has confirmed to ADB in writing that the Subsidiary Loan Agreements, on terms and conditions consistent with this Loan Agreement, have been duly executed by the Borrower's authorized agency and each of the TVET and Training Institutions, and have become effective and binding upon the parties thereto.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing ($)	Basis for Withdrawal from the Loan Account
		Category	
1	Equipment (Goods)**	70,350,000	100% of total expenditure claimed*
2	Consulting Services	100,000	100% of total expenditure claimed
3	Unallocated	4,550,000	
	TOTAL	75,000,000	

*Exclusive of taxes and duties imposed within the territory of the Borrower.
**Subject to condition provided in paragraph 5 of Schedule 3.

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.

National Competitive Bidding

5. 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

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

7. The Borrower, through MOLISA shall apply the following selection method for the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan: Fixed Budget Selection for audit services.

Schedule 4

Industrial or Intellectual Property Rights

8. (a) The Borrower, through MOLISA, MOIT and other relevant ministries, 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, MOLISA, MOIT and other relevant ministries, 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.

9. The Borrower, through MOLISA, 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

10. 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; Financial Matters

Implementation Arrangements

1. The Borrower, through MOLISA, MOIT and other relevant ministries, 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, through MOLISA and MOIT, and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Environment and Involuntary Resettlement

2. The Borrower, through MOLISA, MOIT and the relevant ministries, shall ensure that the Project does not have any environmental 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 take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.

3. The Borrower, through MOLISA, MOIT and the relevant ministries, shall ensure that no Loan proceeds are used for expenditures for new infrastructure development, or land use adjustments and redevelopment, that have potentially adverse environmental impacts within the meaning of Viet Nam's Law on Environmental Protection (2014) and SPS.

Indigenous Peoples

4. The Borrower, through MOLISA, MOIT and the relevant ministries, shall ensure that the preparation, design, implementation and operation of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to indigenous peoples; (b) the Indigenous Peoples Safeguards; and (c) all measures and requirements set forth in the Indigenous Peoples Safeguards-related measures provided in the PAM, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Human and Financial Resources to Implement Safeguards Requirements

5. The Borrower shall make available, or cause MOLISA, MOIT and the relevant ministries to make available, necessary budgetary and human resources to fully implement the Indigenous Peoples Safeguards-related measures provided in the PAM.

Safeguards – Related Provisions in Bidding Documents

6. The Borrower, through MOLISA and MOIT, shall ensure that all bidding documents contain provisions that require contractors to:

(a) comply with the measures relevant to the contractor set forth in the Indigenous Peoples Safeguards-related measures provided in the PAM (to the extent they concern impacts on affected people during

construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report;

(b) make available a budget for all such environmental and social measures; and

(c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the Indigenous Peoples Safeguards-related measures provided in the PAM.

Safeguards Monitoring and Reporting

7. The Borrower, through MOLISA and MOIT, shall do the following:

(a) submit semiannual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;

(b) if any unanticipated environmental and/or social risks and impacts arise during implementation or operation of the Project that were not considered in the PAM, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and

(c) report any actual or potential breach of compliance with the measures and requirements set forth in the Indigenous Peoples Safeguards-related measures provided in the PAM promptly after becoming aware of the breach.

Prohibited List of Investments

8. The Borrower, through MOLISA, MOIT and the relevant ministries, shall 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

9. The Borrower, through MOLISA, MOIT and the relevant ministries, shall 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; (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: (i) areas selected for short-term trainings are areas in which there is a demand for skills, that are interesting to females and have the potential to provide them with decent employment and/or substantive increase in income; (ii) females are encouraged to enroll in the regular TVET and Training Institutions that target

high skills jobs and are currently male-dominated through implementation of a pilot career education, mentor and recruitment support program and promotion campaign in five selected TVET and Training Institutions; and (iii) specific modules on soft skills that are relevant to gender equality are integrated into regular curriculum in the TVET and Training Institutions.

Counterpart Support

10. The Borrower shall ensure that MOLISA, MOIT and other relevant ministries have sufficient funds to satisfy its liabilities arising from any Goods and/or Consulting Services contract. Borrower shall make available counterpart fund required for timely and effective implementation and sustainability of the Project and ensure that appropriate budgetary allocations are made for the continued operation and maintenance of the Project facilities.

Grievance Redress Mechanism

11. The Borrower, through MOLISA and MOIT, shall ensure that separate safeguards grievance redress mechanism acceptable to ADB is established in accordance with the provisions of the Indigenous Peoples Safeguards-related measures provided in the PAM at the project management unit, within the timeframes specified in the Indigenous Peoples Safeguards-related measures provided in the PAM, to consider safeguards complaints.

Governance and Anticorruption

12. The Borrower, MOLISA, MOIT, the relevant ministries 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 Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

13. The Borrower, MOLISA, MOIT, the relevant ministries and the implementing agencies shall 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.