LOAN NUMBER 3044-VIE (SF)

LOAN AGREEMENT
(Special Operations)

(Secondary Cities Development Project in Quang Nam Province (Tam Ky), Ha Tinh Province (Ha Tinh) and Dak Lak Province (Buon Ma Thuot))

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 8 NOVEMBER 2013

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LOAN AGREEMENT
(Special Operations)

LOAN AGREEMENT dated 8 November 2013 between Socialist Republic of Viet Nam ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

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

(B) the Project will be carried out by the Provincial People's Committee ("PPC") of Quang Nam, PPC of Dak Lak and PPC of Ha Tinh (each a "Project Executing Agency" and collectively, "Project Executing Agencies"), and for this purpose the Borrower will make available to each Project Executing Agency the proceeds of the loan provided for herein; 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 and in the Project Agreement of even date herewith between ADB and the Project Executing Agencies;

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.

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) "Buon Ma Thuot" means the Buon Ma Thuot City in the Borrower's Dak Lak Province;

(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;

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(d) "Environmental Management Plans" or "EMPs" means the environment management plans for the Project, including any updates thereto, incorporated in the IEEs;

(e) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;

(f) "Gender Action Plan" or "GAP" means the consolidated gender action plan for the Project, including any updates thereto, prepared and submitted by each Project Executing Agency and cleared by ADB;

(g) "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;

(h) "Ha Tinh" means Ha Tinh City in the Borrower's Ha Tinh Province;

(i) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome;

(j) "Implementing Agencies" or "IAs" means the City People's Committee (CPC) of Buon Ma Thuot, the CPC of Ha Tinh, and the Quang Nam Projects Construction Investment Management Authority (each an "Implementing Agency" or "IA").

(k) "Initial Environment Examinations" or "IEEs" means the initial environment examinations for the Project, including any updates thereto, prepared and submitted by each Project Executing Agency and cleared by ADB;

(l) "Involuntary Resettlement Safeguards" means the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the SPS;

(m) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2012, as amended from time to time);

(n) "PAM" means the project administration manual for the Project dated 20 August 2013 and agreed between the Borrower, Project Executing Agencies and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower, Project Executing Agencies and ADB;

(o) "PMU" means a project management unit;

(p) "PPC" means a provincial people's committee;

(q) "PPC Dak Lak" means the PPC of the Borrower's Dak Lak Province or any successor thereto;

(r) "PPC Ha Tinh" means the PPC of the Borrower's Ha Tinh Province or any successor thereto;

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(s) "PPC Quang Nam" means the PPC of the Borrower's Quang Nam Province or any successor thereto;

(t) "PPTA" means ADB's project preparatory technical assistance to the Borrower to prepare the Secondary Cities Development Project (TA 7856-VIE);

(u) "Procurement Guidelines" means ADB's Procurement Guidelines (2013, as amended from time to time);

(v) "Procurement Plan" means the procurement plan for the Project dated 20 August 2013 and agreed between each Project Executing Agency and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(w) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means each of the PPC Quang Nam, PPC Dak Lak and PPC Ha Tinh or any successor thereto acceptable to ADB, which are responsible for the carrying out of their respective components of the Project and "Project Executing Agencies" means all of them;

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

(y) "Province" means the Borrower's Quang Nam Province, Dak Lak Province or Ha Tinh Province or any successor thereto;

(z) "Resettlement Plans" or "RPs" means the resettlement plans for the Project, including any updates thereto, prepared and submitted by each Project Executing Agency and cleared by ADB;

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

(bb) "Safeguards and Social Monitoring Report" means each report prepared and submitted by each Project Executing Agency to ADB that describes progress with implementation of and compliance with, as applicable, the EMP, the RP and the GAP, including any corrective or preventative actions;

(cc) "Tam Ky" means Tam Ky City in the Borrower's Quang Nam Province; and

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

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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 sixty-two million six hundred ninety thousand Special Drawing Rights (SDR62,690,000).

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 15 April and 15 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 make the proceeds of the Loan available, as a grant, to the Project Executing Agencies and shall cause the Project Executing Agencies to apply such proceeds 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 3 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.

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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, Works and Consulting Services shall be made only on account of expenditures relating to:

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

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

Section 3.06. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 31 July 2019 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 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. The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.03. The Borrower shall take all actions which shall be necessary on its part to enable the Project Executing Agencies to perform their obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

ARTICLE V

Effectiveness

Section 5.01. 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 9.03 of the Loan Regulations.

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ARTICLE VI

Delegation of Authority

Section 6.01. The Borrower hereby designates each Project Executing Agency as its agent for the purposes of taking any action or entering into any agreement required or permitted under Section 3.03 of this Loan Agreement and under Sections 5.01, 5.02 and 5.03 of the Loan Regulations.

Section 6.02. Any action taken or any agreement entered into by the Project Executing Agencies pursuant to the authority conferred under Section 6.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 6.03. The authority conferred on the Project Executing Agencies under Section 6.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VII

Miscellaneous

Section 7.01. The State Bank of Vietnam is designated as the 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:

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

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For ADB

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

Facsimile Numbers:

(632) 636-2444
(632) 636-2018.

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

SOCIALIST REPUBLIC OF VIET NAM

By _____
NGUYEN VAN BINH
Governor
State Bank of Vietnam

ASIAN DEVELOPMENT BANK

By _____
TOMOYUKI KIMURA
Country Director
Viet Nam Resident Mission

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SCHEDULE 1

Description of the Project

1. The objective of the Project is improved urban environment and climate resilience in Buon Ma Thuot in the central highland region and the coastal cities of Ha Tinh and Tam Ky resulting in improved environmental quality and increased coverage of urban infrastructure and climate change adaptation in the three cities.

2. The Project shall consist of 11 subprojects in Tam Ky, Buon Ma Thuot and Ha Tinh and shall comprise the following outputs: (i) new and improved urban infrastructure; (ii) improving community awareness through information, education and communication, along with associated livelihood opportunities; and (iii) improving competencies in integrated urban development, environmental planning, climate adaptation and project management.

The subprojects in Tam Ky consist of: (i) Ban Thach River Dyke completion works and (ii) Dien Bien Phu urban road construction.

The subprojects in Buon Ma Thuot consist of: (i) solid waste management and landfill development-construction of Hoa Phu Engineered landfill and scientific closure of Cu Eabur dumpsite; (ii) construction and improvement of Tran Quy Cap Urban road; and (iii) construction and improvement of Mai Thi Luu Urban Road.

The subprojects in Ha Tinh consist of: (i) completion of five drainage channels with access roads; (ii) Thach Trung Regulation Basin for improved drainage capacity; (iii) environmental improvements to Bong Son Lake for upgrading and landscaping degraded land, lighting and sidewalks; (iv) upgrading of Nguyen Trung Thien Urban Road-Central; (v) upgrading of Nguyen Trung Thien Urban Road-South; and (vi) upgrading of Hai Thuong Lan Ong Urban Road.

3. The Project shall provide consulting services to (i) help ensure that Project implementation fully complies with ADB's policies and operational requirements in terms of detailed designs, procurement, construction supervision, financial management and social and environmental safeguards; (ii) design and conduct capacity strengthening and training programs in public infrastructure planning and implementation, financial management and environmental management; (iii) help local communities increase awareness of public health, sanitation, environmental management and develop income generation activities; (iv) provide support to landfill operations in Buon Ma Thuot; and (v) assist PMUs in overall project management and monitoring and regular reporting to the Borrower and ADB.

4. The Project is expected to be completed by 31 March 2019.

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SCHEDULE 2

Amortization Schedule

(Secondary Cities Development Project in Tam Ky, Ha Tinh and Buon Ma Thuot)

Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
15 April 2019	1,567,300
15 October 2019	1,567,300
15 April 2020	1,567,300
15 October 2020	1,567,300
15 April 2021	1,567,300
15 October 2021	1,567,300
15 April 2022	1,567,300
15 October 2022	1,567,300
15 April 2023	1,567,300
15 October 2023	1,567,300
15 April 2024	1,567,300
15 October 2024	1,567,300
15 April 2025	1,567,300
15 October 2025	1,567,300
15 April 2026	1,567,300
15 October 2026	1,567,300
15 April 2027	1,567,300
15 October 2027	1,567,300
15 April 2028	1,567,300
15 October 2028	1,567,300
15 April 2029	1,567,300
15 October 2029	1,567,300
15 April 2030	1,567,300
15 October 2030	1,567,300
15 April 2031	1,567,300
15 October 2031	1,567,300
15 April 2032	1,567,300
15 October 2032	1,567,300
15 April 2033	1,567,300
15 October 2033	1,567,300
15 April 2034	1,567,300
15 October 2034	1,567,300
15 April 2035	1,567,300

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

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Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
15 October 2035	1,567,300
15 April 2036	1,567,300
15 October 2036	1,567,300
15 April 2037	1,567,300
15 October 2037	1,567,300
15 April 2038	1,567,300
15 October 2038	1,565,300
Total	**62,690,000**

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* 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 5 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.

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Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Secondary Cities Development Project in Buon Ma Thuot, Ha Tinh, and Tam Ky)				
CATEGORY				ADB FINANCING
No.	Item	Total Amount Allocated for ADB Financing (SDR)		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Civil Works	42,867,000		
1A	Buon Ma Thuot		11,555,000	100% of total expenditure claimed*
1B	Ha Tinh		14,544,000	100% of total expenditure claimed*
1C	Tam Ky		16,768,000	100% of total expenditure claimed
2	Equipment for Buon Ma Thuot	1,135,000		100% of total expenditure claimed*
3	Consulting Services	1,359,000		96% of total expenditure claimed
4	Project Management (Incremental Costs)	2,514,000		95% of total expenditure claimed
5	Interest During Implementation	2,950,000		100% of total amounts due
6	Unallocated	11,865,000		
	TOTAL	62,690,000		

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

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SCHEDULE 4

Procurement of Goods, Works and Consulting Services

General

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

2. All terms used 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 and Works

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

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

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

Domestic Preference

5. The Borrower and the Project Executing Agencies 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 shall cause the Project Executing Agencies to 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 Project Executing Agencies 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 Project Executing Agencies and ADB.

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Schedule 4

Conditions for Award of Contract

7. The Borrower shall cause each Project Executing Agency not to award any Works contracts:

(a) which involve environmental impacts until: (i) the Department of Natural Resources and Environment of each province has granted the final approval of its IEEs; and (ii) each Project Executing Agency has incorporated the relevant provisions from its EMP in the Works contracts; and

(b) which involve involuntary resettlement impacts until each Executing Agency has prepared and submitted to ADB its final RP based on the Project's detailed design and detailed measurement survey (DMS) for the relevant section and validated compensation unit rates for all categories of losses and allowances, and final database of affected persons, a summary of the updated DMS data, and replacement cost tables for the relevant section and obtained ADB's clearance of such RP. Additionally, the Borrower shall cause each Project Executing Agency not to issue a notice of possession for a geographic area to Works contractors until (i) compensation payments and relocation to new sites has been satisfactorily completed for that area in accordance with the approved RP, (ii) agreed rehabilitation assistance is in place and (iii) the area is free from any encumbrances.

Consulting Services

8. Except as ADB may otherwise agree, the Borrower shall cause each Project Executing Agency to apply quality- and cost-based selection for selecting and engaging Consulting Services.

Industrial or Intellectual Property Rights

9. (a) The Borrower shall cause each Project Executing Agency to 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 cause each Project Executing Agency to 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.

10. The Borrower shall cause each Project Executing Agency to 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.

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Schedule 4

ADB's Review of Procurement Decisions

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

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SCHEDULE 5

Execution of Project; Financial Matters

Implementation Arrangements

1. The Borrower shall cause the Project Executing Agencies and the IAs to 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 Project Executing Agencies and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

PMU Capacity

2. Within six (6) months of the loan effectiveness date, the Borrower shall cause the Project Executing Agencies and IAs to ensure that their relevant PMU's capacity is strengthened and equipped with professional staff as described in the PAM, including a PMU director, municipal engineers (drainage and flood protection), civil engineers (roads/highways and structures), environmental engineer/solid waste management specialist (Buon Ma Thuot), environmental resettlement specialist(s) (urban planner); social development and gender specialist(s), finance specialist(s), project management and procurement and contracts management.

Operation and Maintenance

3. The Borrower shall cause the Project Executing Agencies to ensure that adequate funds are provided through annual provincial budget allocations and/or grants to sustain the operation and maintenance of all the Project facilities in sound functional order after Project completion, including sufficient funds for each of the urban and environmental limited company in each Project province (including the urban and environmental limited company in Quang Nam province) to provide efficient operation and necessary maintenance of all the completed Project facilities (including the Solid Waste Management and Landfill Development subproject for Buon Ma Thuot).

Buon Ma Thuot Solid Waste Management Subproject Tariff

4. The Borrower shall cause the PPC of Dak Lak Province to ensure that for the solid waste management subproject, (a) a tariff plan is established and set progressively to achieve operation and maintenance cost recovery; (b) an annual review of tariffs is undertaken in accordance with specified tariff-setting mechanism, including mandatory public hearing, where revisions are made; and (c) the impact to the poor of solid waste management fees and tariffs is assessed, and based upon such assessment, provide the necessary financial support to ensure solid waste management services are affordable to the poor while operating and maintaining the solid waste management Project facility in a sustainable manner.

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Environment

5. The Borrower shall cause the Project Executing Agencies to ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to the environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEEs, the EMPs and any corrective or prevention actions set forth in any Safeguards and Social Monitoring Report. In the case of any discrepancy or inconsistency among the Borrower's laws, regulations and procedures relating to environment, health and safety and the SPS, the SPS shall prevail.

Land Acquisition and Involuntary Resettlement

6. The Borrower shall cause the Project Executing Agencies to ensure that all land and rights of way required for the Project and Project facilities are made available to the Works contractor(s) in accordance with the schedule set out in the Works contractor(s) and that all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; and (c) all measures and requirements set forth in the RPs and any corrective or preventative actions set forth in any Safeguards and Social Monitoring Report. In case of any discrepancy or inconsistency among the Borrower's laws, regulations and procedures relating to land acquisition and involuntary resettlement and the SPS, the SPS shall prevail.

7. Without limiting the application of the SPS or the RPs, the Borrower shall cause the Project Executing Agencies to ensure that no physical or economic displacement takes place in connection with the Project until: (a) compensation and other entitlements have been provided to affected people in accordance with the RPs; and (b) comprehensive income and livelihood restoration program has been established in accordance with the RPs.

Indigenous Peoples

8. The Borrower shall cause the Project Executing Agencies to ensure that the Project does not have any indigenous peoples impact, all within the meaning of the SPS. In the event the Project does have such impact, each Project Executing Agency shall take all steps required to ensure that the Project complies with all applicable laws and regulations of the Borrower and with the SPS.

Gender and Development

9. The Borrower shall cause the Project Executing Agencies to adopt the GAP and ensure that it is fully implemented in a timely manner over the entire period of the Project, and that adequate resources are allocated for this purpose. In particular, the Borrower shall cause (a) the PPC Dak Lak to ensure that (i) the Dak Lak Urban and Environmental Limited Company employs at least 25% female staff for the solid waste management subproject in Buon Ma Thuot and (ii) at least 50% of the facilitators are women for the program for rolling out information, education and communication for the solid waste management subproject in Buon Ma Thuot; and (b) each Project Executing Agency to ensure (i) at least 35% women representation on construction supervision boards, (ii) the knowledge

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and skills of professional staff are strengthened on integrated urban development, environmental planning and climate adaptation with at least 30% of the professional staff comprised of women; (iii) consultation meetings on climate resilient master planning policies are held with at least 30% women's participation; and (iv) 1,100 women from sub-project areas are provided vocational training and credit for income generation.

Human and Financial Resources to Implement Safeguard Requirements

10. The Borrower shall cause each Project Executing Agency to make available necessary budgetary and human resources to fully implement, as applicable, the EMPs, the RPs and the GAP.

Safeguards – Related Provisions in the Bidding Documents and Works Contracts

11. The Borrower shall cause each Project Executing Agency to ensure that all bidding documents and contracts for Works contain specific provisions that require contractors to:

(a) comply with the measures relevant to the contractor set forth in the IEEs, the EMPs and the RPs, and any corrective or preventative actions set forth in a Safeguards and Social Monitoring Report;

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

(c) provide the Project Executing Agency concerned with a written notice of any unanticipated environmental, involuntary resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs and the RPs;

(d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction;

(e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction; and

(f) (i) comply with all applicable labor laws of the Borrower on the prohibition of child and forced labor; (ii) give equal pay for equal work regardless of gender, ethnicity or social group; (iii) disseminate information on sexually transmitted diseases (including HIV/AIDS) and human trafficking to sub-contractors/employees and local communities surrounding the Project construction sites; and (iv) implement HIV/AIDS and human trafficking awareness activities.

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Safeguards Monitoring and Reporting

12. The Borrower shall cause each Project Executing Agency to:

(a) submit, at least, semi-annual Safeguards and Social 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 construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs and the RPs, 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 measures and requirements set forth in the EMPs and the RPs promptly after becoming aware of the breach.

Counterpart Support

13. The Borrower and the Project Executing Agencies shall ensure that Tam Ky, Buon Ma Thuot and Ha Tinh provide their relevant portions of the counterpart funds for advance actions to: (a) recruit the national consultants to prepare detailed designs based on the engineering concepts developed under the PPTA and prepare the related bid documents and (b) establish a grievance mechanism by each Project Executing Agency acceptable to ADB.

Governance and Corruption

14. The Borrower, the Project Executing Agencies and the IAs 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.

15. The Borrower shall cause the Projecting Executing Agencies and the IAs 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.

Prohibited List of Investment

16. The Borrower shall ensure or cause the Projecting Executing Agencies and the IAs to ensure that no proceeds of the Loan are used to finance any activities in the list of prohibited activities provided in Appendix 5 of the SPS.

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Schedule 5

Public Disclosure

17. The Borrower shall cause each Project Executing Agency to ensure through each PPC's website and other locations accessible to the general public, the public disclosure of information about various project matters, including but not limited to general project information, procurement, project progress, contact details, feasibility studies, including IEEs, EMPs, RPs, GAP and audited financial statements of each Project province.

Public Awareness

18. The Borrower shall ensure each Project Executing Agency and each IA to undertake public awareness campaigns through information disclosure, education and consultation on the Project and its benefits, including, but not limited to, information related to the EMP, RP and GAP.

Subprojects

19. The Borrower, each Project Executing Agency and each IA shall ensure that no new subproject shall be added or any change or variation to any of the subprojects shall be made to the Project unless all the required due diligence (including safeguards) have been conducted, all relevant governmental and ADB authorizations have been obtained and any necessary changes in the Loan Agreement and Project Agreement have been made.

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