HB4908

LOAN NUMBER 3467-VIE(SF)

# LOAN AGREEMENT
(Special Operations)

(Greater Mekong Subregion Health Security Project)

(Viet Nam Component)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED January 24, 2017

VIE 48118

**LOAN AGREEMENT**
**(Special Operations)**

LOAN AGREEMENT dated January 24, 2017 between SOCIALIST REPUBLIC OF VIET NAM ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

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

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

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

(D) the Republic of the Union of Myanmar has applied to ADB for a loan for the purpose of carrying out the activities described in a Loan Agreement between the Republic of the Union of Myanmar and ADB; and

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

NOW THEREFORE the parties agree as follows:

## ARTICLE I

## Loan Regulations; Definitions

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

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

(a) "CDC" means the communicable diseases control;

(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 to support carrying out the Project activities as described in Schedule 1 to this Loan Agreement;

(d) "eCDS" means electronic communicable disease and surveillance system;

(e) "EGDP" means the ethnic group development plan for the Project, including any update thereto, prepared and submitted by the Borrower, through MOH, and cleared by ADB;

(f) "Environmental Management Plan" or "EMP" means the environmental management plan for the Project, including any update thereto, incorporated in the IEE;

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

(h) "GAP" means a gender action plan for the Project, prepared and submitted by the Borrower, through MOH, and cleared by ADB;

(i) "GMS" means the Greater Mekong Subregion;

(j) "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;

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

(l) "Initial Environmental Examination" or "IEE" means the initial environmental examination for the Project, including any update thereto, prepared and submitted by the Borrower, through MOH, and cleared by ADB;

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

(n) "MEV" means mobile populations, ethnic minorities and vulnerable groups;

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

(p) "PAM" means the project administration manual for the Project dated 29 August 2016 and agreed between the Borrower, through MOH, and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

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

(r) "Procurement Plan" means the procurement plan for the Project dated 29 August 2016 and agreed between the Borrower, through MOH, and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(s) "Project facilities" means facilities to be constructed, procured, rehabilitated and/or maintained under the Project;

(t) "Safeguard Policy Statement" or "SPS" means ADB's Safeguard Policy Statement (2009);

(u) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower, through MOH, to ADB that describes progress with implementation of, and compliance with, the EMP and the EGDP (as applicable), including any corrective and preventative actions;

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

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

## ARTICLE II

## The Loan

Section 2.01. ADB agrees to lend to the Borrower from ADB's Special Funds resources an amount in various currencies equivalent to fifty-six million nine hundred forty-six thousand Special Drawing Rights (SDR56,946,000).

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 January and 15 July 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, 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 30 September 2022 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, through MOH, 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 MOH, 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 shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

## ARTICLE V

## Effectiveness

Section 5.01. 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 Governor of the State Bank of Vietnam of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

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

For the Borrower

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

Facsimile Numbers:

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

For ADB

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

Facsimile Numbers:

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

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

SOCIALIST REPUBLIC OF VIET NAM

By _____

LE MINH HUNG
Governor
State Bank of Vietnam

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 improve GMS public health security system performance.

2. The Project shall comprise the following outputs:

**Output 1. Improved GMS cooperation and CDC in border areas**: Strenghtening (a) regional, cross-border, and inter-sectoral information sharing and coordination of outbreak control among GMS countries, (b) regional capacity for evidence-based CDC, (c) development of better disease control strategies for MEVs in border areas, and (d) improved CDC services for MEVs in hotspots along economic corridors in targeted border areas, through support for information exchange, intersectoral collaboration, simulation exercises, joint outbreak control, strategic planning for MEV disease control strategies in border areas, outreach to MEVs, and improving access of MEVs to CDC.

**Output 2. Strengthened national disease surveillance and outbreak response systems**: Supporting (a) syndromic reporting at community level, (b) web-based reporting, (c) linking of disease surveillance systems, including linking clinical and laboratory surveillance, (d) improving capacity for risk analysis, risk communication, and community preparedness, (e) improving capacity of outbreak response teams including transport and equipment, and (f) improving screening and quarantine capacity at border points of entry and quarantine centers, through providing expertise for system design, capacity building, information technolology equipment, vehicles, and equipment for screening and outbreak control.

**Output 3. Improved laboratory services and hospital infection prevention and control**: Carrying out (a) staff training for provincial and district hospitals for internal quality improvement, (b) preparing standard operating procedures, (c) providing basic equipment, supplies and minor repairs for laboratories and schools, (d) setting up external quality assurance and audit system for compliance with national biosafety and quality guidelines, and (e) setting up laboratory networks.

3. The Project is expected to be completed by 31 March 2022.

## SCHEDULE 2

### Amortization Schedule

### (Greater Mekong Subregion Regional Health Security Project)

| Date Payment Due | Payment of Principal (expressed in Special Drawing Rights)* |
|---|---|
| 15 January 2022 | 1,423,650 |
| 15 July 2022 | 1,423,650 |
| 15 January 2023 | 1,423,650 |
| 15 July 2023 | 1,423,650 |
| 15 January 2024 | 1,423,650 |
| 15 July 2024 | 1,423,650 |
| 15 January 2025 | 1,423,650 |
| 15 July 2025 | 1,423,650 |
| 15 January 2026 | 1,423,650 |
| 15 July 2026 | 1,423,650 |
| 15 January 2027 | 1,423,650 |
| 15 July 2027 | 1,423,650 |
| 15 January 2028 | 1,423,650 |
| 15 July 2028 | 1,423,650 |
| 15 January 2029 | 1,423,650 |
| 15 July 2029 | 1,423,650 |
| 15 January 2030 | 1,423,650 |
| 15 July 2030 | 1,423,650 |
| 15 January 2031 | 1,423,650 |
| 15 July 2031 | 1,423,650 |
| 15 January 2032 | 1,423,650 |
| 15 July 2032 | 1,423,650 |
| 15 January 2033 | 1,423,650 |
| 15 July 2033 | 1,423,650 |
| 15 January 2034 | 1,423,650 |
| 15 July 2034 | 1,423,650 |
| 15 January 2035 | 1,423,650 |
| 15 July 2035 | 1,423,650 |
| 15 January 2036 | 1,423,650 |
| 15 July 2036 | 1,423,650 |
| 15 January 2037 | 1,423,650 |
| 15 July 2037 | 1,423,650 |
| 15 January 2038 | 1,423,650 |
| 15 July 2038 | 1,423,650 |
| 15 January 2039 | 1,423,650 |
| 15 July 2039 | 1,423,650 |
| 15 January 2040 | 1,423,650 |
| 15 July 2040 | 1,423,650 |
| 15 January 2041 | 1,423,650 |
| 15 July 2041 | 1,423,650 |
| **TOTAL** | **56,946,000** |

* 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 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 9 is for financing the interest charge on the Loan during the implementation period of the Project.

Reallocation

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

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

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

Disbursement Procedures

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

Attachment to Schedule 3

**TABLE**

| ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Greater Mekong Subregion Regional Health Security Project) | | | |
|---|---|---|---|
| **Number** | **Item** | **Total Amount Allocated for ADB Financing (SDR) Category** | **Basis for Withdrawal from the Loan Account** |
| 1 | Facility Repair and Maintenance | 2,207,000 | 100% of total expenditure claimed |
| 2 | Equipment | 33,598,000 | 100% of total expenditure claimed |
| 3 | Vehicles for surveillance and specialized purposes | 4,271,000 | 100% of total expenditure claimed |
| 4 | Consulting Services | 1,851,000 | 100% of total expenditure claimed |
| 5 | Trainings and Workshops | 4,556,000 | 100% of total expenditure claimed |
| 6 | Community Mobilization | 853,000 | 100% of total expenditure claimed |
| 7 | Project management | 285,000 | 100% of total expenditure claimed |
| 8 | Recurrent Cost* | 2,349,000 | 100% of total expenditure claimed |
| 9 | Interest Charge | 1,922,000 | 100% of amounts due |
| 10 | Unallocated | 5,054,000 | |
| | Total | 56,946,000 | |

* Including lab consumables, regional activities and stand by for outbreak control.

## 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. Except as ADB may otherwise agree, Goods and Works 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 and Works

4. Goods and Works 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, through MOH, 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.

Conditions for Award of Contract

7. The Borrower, through MOH, shall not award any Works contract which involves environmental impacts until the MOH has:

(a) obtained the final approval of the IEE from the Borrower's Ministry of Natural Resources and Environment or any other environmental authority to do so; and

(b) incorporated the relevant provisions from the EMP into the Works contract.

Consulting Services

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

9. The Borrower, through MOH, 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:

(a) Least-Cost Selection for auditing; and
(b) Fixed Budget Selection for upgraded eCDS, baseline, mid term review and endline surveys.

10. The Borrower, through MOH, shall recruit the individual consultants for areas as set forth in the Procurement Plan in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

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

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

12. The Borrower, through MOH, 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

13. 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; Environmental, Social, Financial and Other Matters

Implementation Arrangements

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

2. The Borrower, through MOH, shall ensure that the Project is supported by professionally skilled personnel, and is provided with reasonable office space, equipment and adequate financial resources required throughout the Project implementation, all in a timely manner. In particular, the adequate human resources shall be provided to implement the Project activities, including (a) district laboratories, (b) infection prevention and control in district hospitals and district health centers, and (c) outbreak rapid response teams.

Regional Cooperation

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

Mainstreaming the Project in the Provincial Annual Operational Plan and Budget

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

Environment

5. The Borrower, through MOH, shall 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 environment, health, and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the respective IEE and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

6. The Borrower, through MOH, shall ensure that health facility waste management in health facilities supported under the Project complies with the health care waste management guidelines developed by the government.

7. The Borrower, through MOH, shall (a) ensure that the Project will not support hospitals and laboratories which do not have adequate solid waste management and wastewater treatment facilities, and plans for upgrading such facilities to the required standard; and (b) take appropriate measures to keep complying with the Borrower's national standards in the hospitals and laboratories supported by the Project.

Resettlement

8. The Borrower, through MOH, shall ensure that the Project does not have any involuntary resettlement impacts, all within the meaning of the Safeguard Policy Statement. 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 Safeguard Policy Statement.

Ethnic Groups

9. The Borrower, through MOH, shall ensure that the preparation, design, construction, 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 respective EGDP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Human and Financial Resources to Implement Safeguards Requirements

10. The Borrower, through MOH, shall make available necessary budgetary and human resources to fully implement the EMP and EGDP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

11. The Borrower, through MOH, shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

(a) comply with the measures and requirements relevant to the contractor set forth in the IEE, the EMP and the EGDP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out 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 or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE, the EMP or the EGDP.

Schedule 5

Safeguards Monitoring and Reporting

12. The Borrower, through MOH, shall do the following:

(a) submit annual 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 construction, implementation or operation of the Project that were not considered in the IEE, the EMP or the EGDP, 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 EMP or the EGDP promptly after becoming aware of the breach.

Prohibited List of Investments

13. The Borrower, through MOH, 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.

Labor Standards, Health and Safety

14. The Borrower, through MOH, shall ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. The Borrower shall 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) do not restrict the workers 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 employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women. The Borrower shall strictly monitor compliance with the requirements set forth in this paragraph and provide ADB with regular reports.

Gender and Development

15. The Borrower, through MOH, 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; 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.

Counterpart Support

16. The Borrower, through MOH, shall ensure that MOH has sufficient funds to satisfy its liabilities arising from any Works, Goods and/or Consulting Services contract.

Financial management

17. The Borrower, through MOH, shall ensure that a sound financial management system is in place during the Project implementation. In particular, the Borrower, through MOH, shall (a) within 6 months of the Effective Date, recruit national consultants for financial management, acceptable to ADB; (b) within 1 year of the Effective Date, prepare manual and guidelines on financial management and procurement and carry out staff training on ADB's procedures for financial management, procurement and use of the manual; and (c) within 1 year of the Effective date, start organizing regular internal control of the Project.

Integrated Project Management

18. The Borrower shall ensure that Project activities, to the extent possible, are integrated into MOH's regular activities and sustained, and shall cause each Project province to mainstream and sustain such activities.

Governance and Anticorruption

19. The Borrower 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.

20. The Borrower 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.

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