LOAN NUMBER 3745-VIE(COL)

LOAN AGREEMENT
(Ordinary Operations [Concessional])

(Water Efficiency Improvement in Drought-Affected Provinces Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 28 December 2018

LOAN AGREEMENT
(Ordinary Operations [Concessional])

LOAN AGREEMENT dated 28 December 2018 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 Borrower's Ministry of Agriculture and Rural Development ("MARD") and the following provincial peoples' committees: Binh Thuan Provincial People's Committee, Dak Lak Provincial People's Committee, Dak Nong Provincial People's Committee, Khanh Hoa Provincial People's Committee and Ninh Thuan Provincial People's Committee ("Participating PPCs"), and for this purpose the Borrower will make available to the Participating PPCs the proceeds of the loan provided for herein upon terms and conditions satisfactory to ADB;

(C) by a grant agreement of even date herewith between the Borrower and ADB ("CCF Grant Agreement"), ADB has agreed to provide a grant from its Climate Change Fund ("CCF Grant") in an amount of three hundred thousand Dollars ($300,000) for the Project;

(D) by a grant agreement of even date herewith between the Borrower and ADB ("NTF Grant Agreement"), ADB has agreed to administer a grant provided by the Netherlands Trust Fund ("NTF Grant", and collectively with the CCF Grant, the "Grants") under the Water Financing Partnership Facility in an amount of seven hundred fifty thousand Dollars ($750,000) for the purposes of the Project; and

(E) 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 dated _____ between ADB and the Participating PPCs;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the 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 the Binh Thuan Provincial People's Committee, Dak Lak Provincial People's Committee, Dak Nong Provincial People's Committee, Khanh Hoa Provincial People's Committee and Ninh Thuan Provincial People's Committee, as such agreement may be amended from time to time; and such project agreement includes all schedules to the project agreement;

(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 include the Binh Thuan Provincial People's Committee, Dak Lak Provincial People's Committee, Dak Nong Provincial People's Committee, Khanh Hoa Provincial People's Committee and Ninh Thuan Provincial People's Committee, as context requires.

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 and the Grants as described in paragraph 3 of Schedule 1 to this Loan Agreement;

(c) "EA" (or "Project Executing Agency") for the purposes of, and within the meaning of, the Loan Regulations means MARD, and the Participating PPCs or any successors thereto acceptable to ADB, which are responsible for the carrying out of the Project;

(d) "EMP" means each environmental management plan for the Project, including any update thereto, incorporated in the IEE;

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

(f) "Ethnic Minorities Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3, and Appendix 4 (as applicable) of the SPS;

(g) "GAP" means the gender action plan prepared for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;

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

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

(j) "IEE" means each initial environmental examination for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;

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

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

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

(n) "PAM" means the project administration manual for the Project dated 30 August 2018 and agreed between the Borrower, through MARD, and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;

(o) "Participating PPCs" means all and any of the provincial peoples' committees of Binh Thuan, Dak Lak, Dak Nong, Khanh Hoa and Ninh Thuan, or any successor thereto, which are responsible for the carrying out of their respective Subprojects under the Project;

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

(q) "Procurement Plan" means the procurement plan for the Project dated 30 August 2018 and agreed between the Borrower, through MARD, and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(r) "REMDP" means the resettlement and ethnic minorities development plan, including any update thereto, prepared and submitted by each Participating PPC for relevant Subprojects (if required) under the Project and cleared by ADB;

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

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

(u) "Subproject" means a part or component under the Project that is carried out by the corresponding Participating PPC and described in greater detail in the PAM;

(v) "Subsidiary Loan Agreement" means the agreement(s) between the Borrower and the Participating PPCs, as described in Section 3.01 of this Loan Agreement; 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. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of one hundred million Dollars ($100,000,000).

(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 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. (a) The Borrower shall provide the proceeds of the Loan to the Participating PPCs through (i) budgetary grant transfers; and (ii) relending to the Participating PPCs under Subsidiary Loan Agreements upon terms and conditions satisfactory 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. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2026 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. 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 Participating PPCs 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.

Section 4.04. (a) The Borrower shall exercise its rights under the Subsidiary Loan Agreements in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) No rights or obligations under the Subsidiary Loan Agreements shall be assigned, amended, or waived without the prior concurrence of ADB.

ARTICLE V

Effectiveness

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

(a) the CCF 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; and

(b) the NTF 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:

(84-4) 2220-8020

For ADB

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

(632) 636-2444
(632) 636-2231.

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 _____
DINH TIEN DUNG
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 establish climate-resilient and modernized irrigation systems in the provinces of Binh Thuan, Dak Lak, Dak Nong, Khanh Hoa and Ninh Thuan.

2. The Project shall comprise:

(a) Strengthening of irrigation management services, which includes support to:

(i) irrigation water allocation and delivery services; and

(ii) maintenance of irrigation systems;

(b) Modernizing 8 irrigation Subprojects to provide water on-demand to farmers cultivating high value crops;

(c) Adopting efficient "on-farm" water management practices, which includes:

(i) providing farmers with information and training on best irrigation practices to improve their water productivity; and

(ii) providing farmers with technical advice on identifying and developing appropriate micro irrigation systems that meet their individual requirements.

3. The Project includes provision of Consulting Services, as detailed in the PAM.

4. The Project is expected to be completed by 31 December 2025.

SCHEDULE 2

Amortization Schedule

Payment Due Date	Payment of Principal (Expressed in Dollars)*
15 April 2024	2,500,000
15 October 2024	2,500,000
15 April 2025	2,500,000
15 October 2025	2,500,000
15 April 2026	2,500,000
15 October 2026	2,500,000
15 April 2027	2,500,000
15 October 2027	2,500,000
15 April 2028	2,500,000
15 October 2028	2,500,000
15 April 2029	2,500,000
15 October 2029	2,500,000
15 April 2030	2,500,000
15 October 2030	2,500,000
15 April 2031	2,500,000
15 October 2031	2,500,000
15 April 2032	2,500,000
15 October 2032	2,500,000
15 April 2033	2,500,000
15 October 2033	2,500,000
15 April 2034	2,500,000
15 October 2034	2,500,000
15 April 2035	2,500,000
15 October 2035	2,500,000
15 April 2036	2,500,000
15 October 2036	2,500,000
15 April 2037	2,500,000
15 October 2037	2,500,000
15 April 2038	2,500,000
15 October 2038	2,500,000
15 April 2039	2,500,000
15 October 2039	2,500,000
15 April 2040	2,500,000
15 October 2040	2,500,000
15 April 2041	2,500,000
15 October 2041	2,500,000
15 April 2042	2,500,000
15 October 2042	2,500,000
15 April 2043	2,500,000
15 October 2043	2,500,000
Total	**100,000,000**

*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").

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, 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

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 for project expenditures under a Subproject until the Borrower has furnished to ADB a written confirmation that the respective Participating PPC had executed a Subsidiary Loan Agreement(s) on terms and conditions consistent with this Loan Agreement. For avoidance of doubt, this withdrawal condition applies individually and severally to each Participating PPC.

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	Binh Thuan Province (Works, Goods, Consulting Services)*	17,826,000	100% of total expenditure claimed**
2	Ninh Thuan Province (Works, Goods, Consulting Services)*	29,495,000	100% of total expenditure claimed**
3	Khanh Hoa Province (Works, Goods, Consulting Services)*	15,113,000	100% of total expenditure claimed**
4	Dak Nong Province (Works, Goods, Consulting Services)*	17,641,000	100% of total expenditure claimed**
5	Dak Lak Province (Works, Goods, Consulting Services, Project Administration)*	19,925,000	100% of total expenditure claimed**
	TOTAL	**100,000,000**	

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

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.

Eligible Source of Procurement of Goods, Works and Consulting Services

4. Goods, Works and Consulting Services may also be procured under the Project from non-member countries of ADB.

Goods and Works

5. Goods and Works shall be procured on the basis of the procurement methods set forth below:

(a) International Competitive Bidding; and

(b) National Competitive Bidding.

National Competitive Bidding

6. The Borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after approval of such change by the Borrower and ADB.

Conditions for Award of Contract

7. The Borrower shall not, and shall ensure that each Participating PPC does not, award any Works contract which involves environmental impacts until:

(a) ADB has granted the final approval of the updated EMP, which is prepared based on the relevant Subproject's detailed design; and

(b) the Participating PPC has incorporated the relevant provisions from the updated EMP into the relevant Works contract.

8. The Borrower shall not, and shall ensure that each Participating PPC does not, award any Works contract which involves land acquisition and/or involuntary resettlement impacts, and/or impacts on ethnic minorities, until the relevant Participating PPC has prepared and submitted to ADB the final REMDP based on the relevant Subproject's detailed design, and obtained ADB's clearance of such REMDP.

Consulting Services

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

10. The Borrower shall apply the following selection methods for the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan:

(a) Fixed Budget Selection;

(b) Consultants' Qualifications Selection; and

(c) Single Source Selection.

Industrial or Intellectual Property Rights

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

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

12. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the Consulting Services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

ADB's Review of Procurement Decisions

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; Financial Matters

Implementation Arrangements

1. The Borrower and the Participating PPCs 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.

Environment

2. The Borrower shall ensure or cause the Participating PPCs 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 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 preventative actions set forth in a Safeguards Monitoring Report.

3. The Borrower shall ensure or cause the Participating PPCs to ensure that their respective Subprojects are carried out in accordance with environmental assessment procedures provided in the IEEs as agreed between MARD and ADB.

Land Acquisition and Involuntary Resettlement

4. The Borrower shall ensure or cause the Participating PPCs to ensure that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and 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 REMDP, and any corrective or preventative actions set forth in the Safeguards Monitoring Report.

5. Without limiting the application of the Involuntary Resettlement Safeguards or the REMDP, the Borrower shall ensure or cause the Participating PPCs 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 REMDP; and

(b) a comprehensive income and livelihood restoration program has been established in accordance with the REMDP.

Ethnic Minorities

6. The Borrower shall ensure or cause the Participating PPCs to 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 ethnic minorities; (b) the Ethnic Minorities Safeguards; and (c) all measures and requirements set forth in the REMDP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Human and Financial Resources to Implement Safeguards Requirements

7. The Borrower shall make available or cause the Participating PPCs to make available necessary budgetary and human resources to fully implement the EMPs and the REMDP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

8. The Borrower shall ensure or cause the Participating PPCs to ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

(a) comply with the measures relevant to the contractor set forth in the IEEs, the EMPs and the REMDP (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;

(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 IEEs, the EMPs and the REMDP;

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

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

Safeguards Monitoring and Reporting

9. The Borrower shall do the following or cause the Participating PPCs to 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 construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs and the REMDP,

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 EMPs and the REMDP promptly after becoming aware of the breach.

Prohibited List of Investments

10. The Borrower 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

11. The Borrower 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.

12. The Borrower shall strictly monitor compliance with the requirements set forth in paragraph 11 above and provide ADB with regular reports.

Gender and Development

13. The Borrower 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; and (e) key gender outcome and output targets include: (i) equality of project benefits and opportunity-sharing between men and women; (ii) reduction in gender inequalities and social risks (HIV/AIDS transmission prevention, human trafficking prevention during construction of works); (iii) training of women (including those from ethnic minorities) on micro irrigation and in overall system management and operations; (iv) increased representation of women in decision-making bodies; and (v) collection of sex-disaggregated data for benefit monitoring and evaluation.

Schedule 5

Operations and Maintenance

14. The Borrower shall cause each of the Participating PPCs to (a) adopt a tariff structure in accordance with the Borrower's appropriate regulations, whereby the tariffs are set at levels as to enable each Participating PPC, at a minimum, to fully recover its respective operations and maintenance costs; and (b) launch its implementation in the Project financed irrigation schemes.

Counterpart Support

15. The Borrower, through the Participating PPCs, shall make available, promptly as and when needed, the funds, facilities, services, land, and other resources as shall be necessary or required, in addition to the proceeds of the Loan, for the carrying out of the Project and for the operation and maintenance of the Project facilities. The Borrower shall furnish to ADB, promptly at its reasonable request, evidence satisfactory to ADB that such funds, facilities, services, land and other resources are available for purposes related to the Project. In addition to the foregoing, the Borrower shall ensure that the Participating PPCs have followed applicable procedures to budget for, and have obtained sufficient funds to satisfy their liabilities arising from any Works, Goods and/or Consulting Services contract.

Grievance Redress Mechanism

16. Within 12 months from the date of the Effective Date, each Participating PPC shall ensure that a safeguards grievance redress mechanism in accordance with the provisions of the IEEs and the Participating PPC's corresponding REMDP, and acceptable to ADB, is established. The grievance redress mechanism shall be translated to the local dialect and disclose in a place that are accessible to the local communities to make them aware of the grievance mechanism and their potential involvement and responsibilities in the project activities. The grievance redress mechanism shall include the names of the focal persons in the provincial project management units and the procedures for submitting complaints.

Governance and Anticorruption

17. The Borrower and the Participating PPCs 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.

18. The Borrower and the Participating PPCs 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.

19. The Borrower shall disclose, through the websites of the Participating PPCs, 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 will also provide a link to ADB's Office of Anticorruption and Integrity (http://www.adb.org/site/integrity/main) 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 will 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.