LOAN NUMBER 2930-VIE (SF)

LOAN AGREEMENT
(Special Operations)

(Greater Mekong Subregion Capacity Building for HIV/AIDS Prevention Project)
(Viet Nam Component)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 17 JANUARY 2013

REG 42179

LOAN AGREEMENT
(Special Operations)

LOAN AGREEMENT dated 17 January 2013 between SOCIALIST REPULIBIC 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 grant ("Lao Grant") for the purpose of carrying out the activities described in a Grant Agreement between the Lao People's Democratic Republic and ADB ("Lao Grant Agreement"); and

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

NOW THEREFORE the parties agree as follows:

ARTICLE I

Loan Regulations; Definitions

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

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

(a) "AIDS" means acquired immunodeficiency syndrome;

(b) "Border Districts" has the meaning given to it in paragraph 4(i) of Schedule 5 to this Loan Agreement;

(c) "CDCII Website" means the website set up by the Borrower for the Second Greater Mekong Subregion Regional Communicable Diseases Control Project financed by ADB (CDCII);

(d) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2010, as amended from time to time);

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

(f) "Dong" or the sign "D" means dong, the lawful currency of the Borrower;

(g) "Ethnic Groups Plan" or "EGP" means the ethnic groups plan 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) "High Risk and Vulnerable Populations" or "HRVP" means populations within Project Provinces that are at a higher risk of HIV infection including but not limited to injecting drug users, female sex workers and their clients, men who have sex with men and vulnerable populations including mobile and migrant populations and ethnic minority groups;

(j) "HIV" means human immunodeficiency virus;

(k) "HSPH" means the Hanoi School of Public Heath, or any successor thereto;

(l) "IAs" or "Implementing Agencies" means each of VAAC, HSPH and for each Project Province, the Provincial Aids Center for that Project Province;

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

(n) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2007, as amended from time to time);

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

(p) "PAM" means the project administration manual for the Project dated 2 August 2012 and agreed between the Borrower 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 (2010, as amended from time to time);

(r) "Procurement Plan" means the procurement plan for the Project dated 2 August 2012 and agreed between the Borrower 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" means the project as described in Schedule 1 to this Loan Agreement;

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

(u) Project facilities" means equipment and other facilities to be provided, operated, upgraded and maintained under the Project;

(v) "Project Province" means each of the following fifteen (15) provinces within the territory of the Borrower: Binh Phuoc, Dak Nong, Dien Bien, Gia Lai, Ha Giang, Ha Tinh, Kon Tum, Lai Chau, Lao Cai, Long An, Quang Binh, Quang Tri, Quang Nam, Son La and Thanh Hoa;

(w) "Regional Steering Committee" or "RSC" has the meaning described in paragraph 3 of Schedule 5 to this Loan Agreement;

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

(y) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower to ADB that describes progress with implementation of and compliance with the EGP, including any corrective and preventative actions;

(z) "VAAC" means the Viet Nam Authority for HIV/AIDS Control, or anysuccessor thereto; and

(aa) "WHO" means the World Health Organization.

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 nine million nine hundred and thirty-one thousand Special Drawing Rights (SDR9,931,000).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of 1% per annum during the grace period, and 1.5% per annum 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 cause the proceeds of the Loan to be applied to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement.

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

Section 3.05. Withdrawals from the Loan Account in respect of Goods and Consulting Services shall be made only on account of expenditures relating to:

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

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

Section 3.06. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2018 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.

Section 4.02. (a) The Borrower shall: (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) prepare annual financial statements for the Project in accordance with accounting principles acceptable to ADB; (iii) have such accounts and related financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report (which includes the auditors' opinion on the use of the Loan proceeds and compliance with the financial covenants of this Loan Agreement as well as on the use of the procedures for the imprest accounts and statement of expenditures) 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, as soon as available but in any event not 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 such 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 within 30 days of the date of their receipt by posting them on ADB's website; and

(c) The Borrower 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) above, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that any such discussion 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 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 _____
NGUYEN VAN BINH
Governor
State Bank of Vietnam

ASIAN DEVELOPMENT BANK

By _____
TOMOYUKI KIMURA
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The Project will contribute to Millennium Development Goal 6a: to halt and begin to reverse the spread of HIV/AIDS in the Socialist Republic of Viet Nam. The objective of the Project is to increase the coverage and quality of services for those most vulnerable to HIV infection in the Project Provinces.

2. The Project shall comprise the following Outputs:

Output 1: Strengthened Planning and Management Capacity at National, Provincial and District Level

(i) conducting a capacity needs assessment of the HIV/AIDS program system and developing a training plan at provincial level and providing long term and short term training courses;

(ii) providing capacity building support for surveillance, monitoring and evaluation (M&E) of the Project including by training staff in M&E systems; and

(iii) providing support for overall Project implementation and management.

Output 2: Enhanced Capacity to Provide Quality and Accessible HIV Services to People Vulnerable to HIV Transmission

(i) reviewing existing services and capacity development needs for delivery of HIV/AIDS prevention, care and treatment;

(ii) providing training, monitoring and coaching support to provincial, district and village health staff;

(iii) providing medical equipment, testing, treatment, mobile clinics in Project Provinces to improve quality of HIV prevention, care and treatment services and coverage in Project Provinces; and

(iv) improving service quality and coverage in collaboration with private providers and non-governmental organizations for HRVP and providing training to private practitioners to improve their knowledge, skills and practices in HIV prevention, care and treatment service delivery.

Output 3: Improved Access to HIV Prevention Outreach Services among Target Populations

(i) strengthening the health system through improved access to HIV prevention outreach services for populations at a higher risk of HIV infection in Project Provinces;

(ii) strengthening the health system through improved access to HIV prevention outreach services for vulnerable populations in border districts and communes in Project Provinces;

(iii) conducting behavior change activities through mass media such as local radio and TV channels; and

(iv) providing capacity building support and equipment (including information kits and motorcycles) to village health workers to expand community-based prevention and care.

Output 4: Effective and Sustainable Regional Collaboration Mechanism Established

(i) developing a regional collaboration mechanism for HIV prevention including developing a joint regional strategy and mechanism and signing a memorandum of understanding for establishment of such mechanism;

(ii) developing and conducting joint pilot interventions for migrant and mobile populations located in the border areas between Lao People's Democratic Republic and Socialist Republic of Viet Nam; and

(iii) undertaking regional knowledge management activities such as regional workshops and cross-border meetings, documenting lessons learned from the pilot activities, establishing a web-based community of practice, and performing joint studies on migrant and mobile populations in the border areas.

3. The Project shall include provision of Consulting Services to support Project implementation and administration. The Project is expected to be completed by 31 December 2017.

SCHEDULE 2

Amortization Schedule
(Greater Mekong Subregion Capacity Building for HIV/AIDS Prevention Project)
(Viet Nam Component)

Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
15 April 2021	206,896
15 October 2021	206,896
15 April 2022	206,896
15 October 2022	206,896
15 April 2023	206,896
15 October 2023	206,896
15 April 2024	206,896
15 October 2024	206,896
15 April 2025	206,896
15 October 2025	206,896
15 April 2026	206,896
15 October 2026	206,896
15 April 2027	206,896
15 October 2027	206,896
15 April 2028	206,896
15 October 2028	206,896
15 April 2029	206,896
15 October 2029	206,896
15 April 2030	206,896
15 October 2030	206,896
15 April 2031	206,896
15 October 2031	206,896
15 April 2032	206,896
15 October 2032	206,896
15 April 2033	206,896
15 October 2033	206,896
15 April 2034	206,896
15 October 2034	206,896
15 April 2035	206,896
15 October 2035	206,896
15 April 2036	206,896
15 October 2036	206,896
15 April 2037	206,896
15 October 2037	206,896
15 April 2038	206,896
15 October 2038	206,896
15 April 2039	206,896
15 October 2039	206,896

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

Schedule 2

Date Payment Due	Payment of Principal (expressed in Special Drawing Rights)*
15 April 2040	206,896
15 October 2040	206,896
15 April 2041	206,896
15 October 2041	206,896
15 April 2042	206,896
15 October 2042	206,896
15 April 2043	206,896
15 October 2043	206,896
15 April 2044	206,896
15 October 2044	206,888
TOTAL	**9,931,000**

* 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.)

Percentages of ADB Financing

2. Except as ADB may otherwise agree, each item of expenditure shall be financed out of the proceeds of the Loan on the basis of the percentages 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 Sub Region Capacity Building for HIV/AIDS Prevention Project) (Viet Nam Component)				
CATEGORY				**ADB FINANCING**
Number	**Item**	**Total Amount Allocated for ADB Financing (SDR)**		**Percentage and Basis for Withdrawal from the Loan Account**
		Category	**Subcategory**	
1	Equipment	5,195,000		
1A	Medical Equipment and Supplies		4,710,000	100 percent of total expenditure claimed
1B	Office Equipment and Furniture		485,000	100 percent of total expenditure claimed
2	Vehicles	377,000		100 percent of total expenditure claimed
3	Training	1,300,000		100 percent of total expenditure claimed
4	Surveys, Studies and Workshops	630,000		100 percent of total expenditure claimed
5	Community Development	485,000		
5A	Community-based Activities [a]		397,000	100 percent of total expenditure claimed
5B	Other[b]		88,000	100 percent of total expenditure claimed
6	International Consultants	30,000		100 percent of total expenditure claimed
7	National Consultants/National Firm	401,000		100 percent of total expenditure claimed
8	Project Management[c]	235,000		100 percent of total expenditure claimed
9	Interest Charge	336,000		100 percent of amounts due
10	Unallocated	942,000		
	Total	**9,931,000**		

[a] Activities eligible to be financed are contained in the Proposed Guidelines for Block Grants in the PAM.
[b] Includes the financing of behavior change communication activities.
[c] Comprised of costs only for supervision and support for monitoring activities

SCHEDULE 4

Procurement of Goods and Consulting Services

General

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

2. 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

3. Except as ADB may otherwise agree, Goods 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 Borrower 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.

National Competitive Bidding

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

Consulting Services

6. Except as ADB may otherwise agree, and except as set forth in the paragraph below, the Borrower shall apply quality- and cost-based selection for selecting and engaging Consulting Services.

7. The Borrower shall recruit the individual consultants for such services as provided in the Procurement Plan in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

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

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

9. 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

10. All 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.

11. First contracts procured under national competitive bidding procedures and shopping shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB and set forth in the Procurement Plan. All other contracts shall be subject to post 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 shall and shall cause the Project Executing Agency and each of 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 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 the Project Executing Agency and VAAC, shall ensure that HSPH, provincial and district staff in the Project Provinces have professionally skilled staff, reasonable office space, equipment, and adequate financial resources required for implementation of the Project throughout Project implementation.

3. (a) Within 12 months of the date of effectiveness of this Loan Agreement, the Borrower shall submit written evidence satisfactory to ADB showing that a regional steering committee ("RSC") has been established to give guidance on Project implementation, policy dialogue, the building of regional capacity and cooperation for communicable disease control and to facilitate country decisions on regional activities. The RSC shall include those members and observers of the RSC specified in the PAM; and

(b) the evidence to be delivered under paragraph (a) above shall provide the names of the members and observers of the RSC.

Targeting Border Districts and High Risk and Vulnerable Populations

4. Unless otherwise agreed by ADB, the Borrower shall cause the Project Executing Agency and the IAs to ensure that activities under Output 2(iii) and Outputs 3(i) and (ii), each as described in Schedule 1 to this Loan Agreement are carried out in: (i) communities (including ethnic groups) in the border districts of the Project Provinces ("Border Districts"); and (ii) geographical "hot spot" areas in Project Provinces containing High Risk and Vulnerable Populations.

5. The Borrower, through the Project Executing Agency and VAAC, shall cause baseline and end-of-project surveys to be conducted in the Project Provinces as part of the national survey to assess overall impact and outcome of the national targeted program. In addition, "before" and "after" surveys shall be conducted in the Border Districts and in areas with HRVP in order to assess the impact of Outputs 2 and 3, each as described in Schedule 1 to this Loan Agreement in terms of behavioral change as it relates to HIV/AIDS prevention, diagnostics, management and care.

6. The Borrower, through the Project Executing Agency and VAAC, shall ensure that the Project Provinces are allowed to use innovative measures to reach and assist Border Districts and areas with HRVP, such as peer educators and mobile services, provided that these measures are relatively cost-effective and assessed in terms of outcome.

Schedule 5

Mainstreaming and Sustainability

7. The Borrower shall ensure that following the completion date of the Project: (i) adequate budgetary and human resources are made available to each of the District Health Offices to ensure mainstreaming of Project activities into the annual operations plans and budgets of the Project Provinces; and (ii) continuous support for capacity building and management training activities under Output 1, as described in Schedule 1 to this Loan Agreement at central, district and province level are provided including by ensuring that an adequate budget and supplies are provided to do so.

8. The Borrower, through the Project Executing Agency, shall ensure that the Provincial Health Department of each Project Province submits to the Project Executing Agency, the provincial annual operational plans and budgets for the health sector, including the annual provincial work plans for the Project which forms part of the provincial annual operations plan and budget, in each case based on the format to be agreed between the concerned parties. The Project Executing Agency shall inform ADB of the approval of such annual plans. In particular, the provincial annual operations plans for the health sector shall include plans and budgets for in-service training activities for cross-border regional cooperation, reaching Border Districts and areas with HRVP, and implementation of the GAP and EGP.

Environment

9. The Borrower shall ensure that health facility waste management in health facilities supported under the Project (in particular disposal of hazardous wastes from mobile clinics and equipment) is carried out in accordance with health care waste management guidelines developed by WHO, and that adequate budget, training and supplies are provided under the Project to do so.

10. The Borrower shall ensure or cause the Project Executing Agency to ensure that the Project does not have any environmental impacts, within the meaning of the SPS. In the event that the Project does have any such impact, the Borrower, through the Project Executing Agency, shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.

Land Acquisition and Involuntary Resettlement

11. The Borrower shall ensure or cause the Project Executing Agency to ensure that the Project does not have any involuntary resettlement impacts, within the meaning of the SPS. In the event that the Project does have any such impact, the Borrower, through the Project Executing Agency, shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.

Ethnic Groups

12. The Borrower, through the Project Executing Agency, shall ensure that the preparation, design, implementation and operation of the Project comply with (a) all applicable laws and regulations of the Borrower relating to ethnic minorities or indigenous peoples; (b) the Indigenous Peoples Safeguards; and (c) all measures and requirements set

forth in the EGP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

13. The Borrower, through the Project Executing Agency, shall: (a) use training and outcome targets for ethnic minority groups in Project activities, with a particular focus on women of ethnic minority; (b) cause the Project Provinces to include specific ethnic minority group-related activities in annual operation plans and budgets; (c) recruit a national social / gender development specialist with terms of reference that include responsibility for integrating ethnic group development across Project activities; (d) include provisions for addressing ethnic group issues in all guidelines, terms of reference, strategies and plans developed under the Project; and (e) disaggregate all monitoring and evaluation data by ethnicity.

Human and Financial Resources to Implement Safeguards Requirements

14. The Borrower shall make available or cause the Project Executing Agency to make available necessary budgetary and human resources to fully implement the EGP.

Safeguards Monitoring and Reporting

15. The Borrower, through the Project Executing Agency, shall:

(a) submit semi-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 EGP, 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 EGP promptly after becoming aware of the breach.

Prohibited List of Investments

16. 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.

Gender and Development

17. The Borrower, through the Project Executing Agency, shall ensure that the Gender Action Plan agreed for the Project is fully implemented and that all Project activities are designed and implemented in accordance with ADB's Policy on Gender and Development (1998). In particular, the Borrower, through the Project Executing Agency, shall ensure that: (a) vulnerability mapping activities and knowledge, attitudes and practice surveys conducted in the Project Provinces integrate gender issues and report all data disaggregated by sex; (b) gender sensitive HIV/AIDS response plans are developed in the

Project Provinces; (c) gender issues for HRVP are integrated in all the Train the Trainer sessions, training and Behavior Change Communications materials developed and adapted for the various service providers and target beneficiaries identified under the Project; (d) ensure that local media, channels and forums used in connection with Project activities are those that are readily accessible by women including but not limited to radio and interpersonal communications with health workers and village meetings; (e) 100% of women managers at the central, provincial and district levels are trained on planning and management tools; (f) 50% of provincial and district health staff at sexually transmitted infections clinics are trained on management of sexually transmitted infections, delivery of voluntary counseling and testing and on improved service delivery are female; (g) mobile clinics are provided in sites with a high concentration of female sex workers, migrant women and in sites with remote ethnic populations; and (h) all quality assurance and monitoring and evaluation tools address gender issues, incorporate gender-sensitive indicators, assess gender-sensitive service delivery and monitor the number of women accessing voluntary counseling and testing and services for sexually transmitted infections.

Counterpart Support

18. The Borrower shall cause the Project Provinces to ensure that necessary counterpart funds are made available in order to implement the Project in a timely manner.

Governance and Anticorruption

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

20. The Borrower, through the Project Executing Agency, 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 Project Executing Agency, the IAs and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

21. The Borrower, through the Project Executing Agency and IAs, shall mitigate the risks associated with Project management by: (a) ensuring that staff of the IAs are adequately trained in the procurement of goods and services under the Project; and (b) allowing periodic inspection of contractors' activities in respect of fund withdrawals and settlements by the staff of the Project Executing Agency, VAAC, HSPH and the Provincial Aids Center in each Project Province.

22. The Borrower shall cause the Project Executing Agency to take all actions necessary to protect the investment in Goods procured under this Project by ensuring: (a) that all deliveries of Goods procured (and which are of a type specified under the current laws and regulations of the Borrower) are verified upon receipt by qualified inspectors; (b) that an accurate asset register is established and maintained for each Project Province recording all Goods procured under the Project and allowing regular, unannounced

inspections to take place to verify the presence of all Goods and its use for the purposes for which they are purchased for this Project; (c) all Goods leaving the central procurement site are safely delivered to their end use site in accordance with their purchase order, maintained in good and proper working condition at the location of delivery and used for the purpose for which they were purchased; and (d) that all inspections of Goods described in sub-paragraph (a) are carried out by personnel who are qualified to verify their appropriate use, are independent third parties and do not have an interest that could improperly influence the performance of their duties and responsibilities to carry out due and proper inspections of goods (such as vested interests or connections with the contractors, suppliers, consultants, and other service providers as they relate to the Project).

23. The Borrower, through the Project Executing Agency, shall publicly disclose the following on the CDCII Website or the website of VAAC: (a) general project information; (b) Project progress; (c) contact details in the English and Vietnamese languages; and (d) information on how Loan proceeds are being used including presenting: (i) procurement contract awards, including for each such contract; (ii) the list of participating bidders; (iii) name of the winning bidder; (iv) basic details on bidding procedures adopted; (v) amount of the contract awarded; (vi) list of goods and/or services purchased; and (vii) intended and actual utilization of Loan proceeds under each contract. The Borrower shall cause the Project Executing Agency to permit any bidder to request an explanation as to why a bid was unsuccessful and either the Project Executing Agency or VAAC shall respond within 20 working days. The website shall be updated within 2 weeks after: (i) each award of contract; and (ii) each submission of the Project Executing Agency's semi-annual Safeguards Monitoring Report to ADB.