LOAN NUMBER 2298-VIE(SF)

LOAN AGREEMENT
(Special Operations)

(Upper Secondary and Professional Teacher Development Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 16 APRIL 2007

LAS:VIE 37622

LOAN AGREEMENT
(Special Operations)

LOAN AGREEMENT dated 16 April 2007 between the Socialist Republic of Viet Nam (the "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; and

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

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 (the "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. The definitions set forth in the Loan Regulations are applicable to this Loan Agreement unless the context requires otherwise. In addition, the following terms have the following meanings:

(a) "Consulting Guidelines" means ADB's "Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers" dated April 2006, as amended from time to time;

(b) "EMIS" means education management information system;

(c) "DOET" means the Department of Education and Training within the Project Provinces;

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

(e) "ICT" means information and communication technology;

(f) "LU" means lead university;

(g) "MOET" means the Ministry of Education and Training of the Borrower, and any successor thereto;

(h) "PIU" means each of the Project Implementation Units established in each of the Project Universities in accordance with paragraph 4 of Schedule 5 to this Loan Agreement;

(i) "PMC" means Project Management Cell;

(j) "PMU" means the Project Management Unit established in accordance with paragraph 3 of Schedule 5 to this Loan Agreement;

(k) "Procurement Guidelines" means ADB's "Procurement Guidelines" dated April 2006, as amended from time to time;

(l) "Procurement Plan" means the procurement plan for the Project dated November 16, 2006 and agreed between the Borrower and ADB, as updated from time to time in accordance with Procurement Guidelines, Consulting Guidelines, and other arrangements agreed with ADB;

(m) "Project Executing Agency" for the purposes, and within the meaning, of the Loan Regulations means MOET, or any successor thereto acceptable to ADB, which is responsible for the overall Project coordination and implementation;

(n) "Project facilities" means the facilities and equipment provided under the Project;

(o) "Project Provinces" means the Hung Yen, Nghe An, Thua Thien Hue, Da Nang, Ho Chi Minh City, Ha Noi, Thai Nguyen, Ha Tay, Binh Dinh, Dak Lak, Lam Dong, Dong Thap, An Giang and Can Tho;

(p) "Project Universities" means the College of Education - Thai Nguyen University, College of Industrial Engineering - Thai Nguyen University, Da Lat University, Tay Nguyen University, University of Technical Education Hung Yen, College of Foreign Languages - National University, Ha Tay Gymnastics and Sports University, Vinh University, College of Pedagogy - Hue University, College of Agriculture and Forestry - Hue University, College of Technology - Da Nang University, College of Education - Da Nang University, Quy Nhon University of Education, University of Pedagogy Ho Chi Minh City, University of Pedagogy Dong Thap, and Faculty of Pedagogy of An Giang University and Can Tho University;

(q) "PS" means professional secondary;

(r) "TMIS" means the teacher management information system;

(s) "TTI" means the teacher training institute;

(t) "US" means the upper secondary; and

(u) "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 twenty two million eight hundred seventy four thousand Special Drawing Rights (SDR 22,874,000).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of one percent (1%) per annum during the grace period, and one and one-half percent (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 paragraph (a) of this Section means the period prior to payment of the first principal amount of the Loan on the 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 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 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 Goods, Works, and consulting services and other items of expenditure to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan among different categories of such Goods, Works, and consulting

services and other items of expenditure shall be 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, all Goods, Works, and consulting services to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Schedule 4 to this Loan Agreement.

Section 3.04. 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 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 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 31 December 2012 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) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than 6 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including 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 imprest account/statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.

(b) The Borrower shall enable ADB, upon ADB's request, to discuss the Borrower's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Borrower pursuant to Section 4.02(a) hereabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, 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 Works financed out of the proceeds of the Loan, and any relevant records and documents.

ARTICLE V

Effectiveness

Section 5.01. The following is specified as an additional condition to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations: the Borrower shall have established a Project Management Unit (PMU) and shall have appointed a Project Director (PD) together with all of the agreed key technical, accounting and financial assistance in accordance with paragraph 2 of Schedule 5 to this Loan Agreement.

Section 5.02. A date ninety (90) days after the date of this Loan Agreement is specified for the effectiveness of the Loan Agreement for the purposes of Section 9.04 of the Loan Regulations.

ARTICLE VI

Miscellaneous

Section 6.01. The Governor of the State Bank of Viet Nam 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 Viet Nam
47-49 Ly Thai To
Hanoi, Viet Nam

Facsimile Numbers:

(84-4) 8250-612.
(84-4) 8258-385.

For ADB

Asian Development Bank
P.O. Box 789
0980 Manila, Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2228.

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

SOCIALIST REPUBLIC OF VIET NAM

By _____
LE DUC THUY
Authorized Representative

ASIAN DEVELOPMENT BANK

By _____
AYUMI KONISHI
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

1. The Project aims to (i) improve the quality of upper secondary (US) and professional secondary (PS) teacher training; (ii) expand access for ethnic minorities, particularly women, to US and PS teacher development; (iii) strengthen the capacity of the Project Universities in planning, managing, and delivery of teacher training for US and PS education; and (iv) improve facilities of the Project Universities in order to strengthen the i nstructional capacity of the Project Universities.

2. The Project consists of the following components:

Component 1: Enhanced Quality of US and PS pre-service and in-service teacher training

(a) Develop curriculum framework for teacher training to align with new school curriculum and methodology.

(b) Provision of support to TTIs to develop specific course outlines for all amended and new subjects, including conferences and workshops for relevant staff and personnel and provision of courses conforming to the new guidelines.

(c) Improve content and methodology of training programs.

(d) Induction program for beginner teachers.

(e) Enhanced use of information technology (IT) in pre-service programs.

(f) Develop materials to upgrade teachers to use new textbooks and curriculum.

(g) Develop upgrading program for under-qualified teachers.

(h) Develop TTIs to serve as LUs with provision of support to approximately five TTIs selected as LUs to (i) establish professional partnerships with leading overseas universities, (ii) design and implement teacher training initiatives, and (iii) provide training at overseas university.

Component 2: Expanded Access to Upper Secondary and Professional Teacher Development

(a) Expanding physical facilities of TTIs in ethnic minority areas.

Provision of support to (i) approximately six TTIs located in predominantly ethnic minority areas; (ii) expand and upgrade student dormitory and canteen facilities; and (iii) general improvements in facilities and equipment at selected TTIs.

(b) Providing scholarships to ethnic minority Students.

(c) Improving preparation and bridging courses.

Provision of support in (i) establishing a working group to improve bridging courses and implementing the recommended changes, (ii) developing new preparatory curriculum, and (iii) providing workbooks and workshops.

Component 3: Strengthened capacity for planning, management, and delivery of teacher training for upper and professional secondary education

(a) Develop a comprehensive policy framework for teacher development.

(b) Quality assurance through accreditation of training programs.

Provision of support to (i) strengthen the Accreditation Board's capacity to expedite accreditation, (ii) strengthen MOET's capacity in developing criteria and standards for initial accreditation, and (iii) training programs to redesign courses to meet the accreditation requirements.

(c) Strengthen capacity for educational planning and management.

Provision of training to: (i) MOET staff in collecting and analyzing data to monitor emerging national and international trends, (ii) strengthen the Education Management Information System (EMIS), (iii) develop the Teacher Management Information System (TMIS), and (iv) develop and improve an interactive web site connecting the TTI sites and the MOET and DOET offices.

(d) Developing teacher profiles for enhancing teacher performance.

Provision of support to: (i) develop and extend teachers' profile to include US and PS teachers, (ii) train DOET officials and principals for the use of new standards in all training programs; (iii) develop a national registration system for teachers. TTI-Industry partnerships; and (iv) grants to about 10 TTIs to establish partnerships with industry to provide industry-accredited courses as part of teacher training programs.

(e) Impact assessment and evaluation of TTIs and provincial education.

Component 4: Improved facilities to strengthen Instructional capability in selected TTIs

(a) Develop approximately five TTIs as LUs.

(b) Improve facilities for teacher training.

Provision of support to: (i) expand and modernize selected TTIs' facilities, including classrooms, laboratories, libraries and equipment, and (ii) train staff of selected TTIs on the use and maintenance of the new equipment and facilities.

3. The Project will also include consulting services.

4. The Project is expected to be completed by 30 June 2012.

SCHEDULE 2

Amortization Schedule
(Upper Secondary and Professional Teacher Development Project)

Date Payment Due	Payment of Principal (expressed in SDR)*	
15-Jan-2015	SDR	476,542
15-Jul-2015		476,542
15-Jan-2016		476,542
15-Jul-2016		476,542
15-Jan-2017		476,542
15-Jul-2017		476,542
15-Jan-2018		476,542
15-Jul-2018		476,542
15-Jan-2019		476,542
15-Jul-2019		476,542
15-Jan-2020		476,542
15-Jul-2020		476,542
15-Jan-2021		476,542
15-Jul-2021		476,542
15-Jan-2022		476,542
15-Jul-2022		476,542
15-Jan-2023		476,542
15-Jul-2023		476,542
15-Jan-2024		476,542
15-Jul-2024		476,542
15-Jan-2025		476,542
15-Jul-2025		476,542
15-Jan-2026		476,542
15-Jul-2026		476,542
15-Jan-2027		476,542
15-Jul-2027		476,542
15-Jan-2028		476,542
15-Jul-2028		476,542
15-Jan-2029		476,542
15-Jul-2029		476,542
15-Jan-2030		476,542
15-Jul-2030		476,542

* The figures in this column represent SDR equivalents determined as of the respective dates of withdrawal. The arrangements for payment of each maturity 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 SDR)*	
15-Jan-2031	SDR	476,542
15-Jul-2031		476,542
15-Jan-2032		476,542
15-Jul-2032		476,542
15-Jan-2033		476,542
15-Jul-2033		476,542
15-Jan-2034		476,542
15-Jul-2034		476,542
15-Jan-2035		476,542
15-Jul-2035		476,542
15-Jan-2036		476,542
15-Jul-2036		476,542
15-Jan-2037		476,542
15-Jul-2037		476,542
15-Jan-2038		476,542
15-Jul-2038		476,526
TOTAL	**SDR**	**22,874,000**

* The figures in this column represent SDR equivalents determined as of the respective dates of withdrawal. The arrangements for payment of each maturity 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 Goods, Works, services and other items to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each such Category (hereinafter called the Table). (Reference to "Category" or "Categories" in this Schedule is to a Category or Categories of the Table.)

Percentages of ADB Financing

2. Except as ADB may otherwise agree, the items of the Categories listed in the Table 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 7 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 then 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, all Goods, Works and consulting services to be financed out of the Loan proceeds shall be disbursed in accordance with ADB's "Loan Disbursement Handbook" dated January 2001 (ADB's Loan Disbursement Handbook), as amended from time to time.

Schedule 3

Imprest Account; Statement of Expenditures

6. (a) Except as ADB may otherwise agree, the Borrower shall establish immediately after the Effective Date, an imprest account at a commercial bank acceptable to ADB. The imprest account shall be established, managed, replenished and liquidated in accordance with ADB's Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower and ADB. The currency of the imprest account shall be dollar. The initial amount to be deposited into the imprest account shall be US$2 million.

(b) The statement of expenditures (SOE) procedure may be used for reimbursement of eligible expenditures, in accordance with ADB's Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower and ADB. Any individual payment to be reimbursed or liquidated under the SOE procedure shall not exceed the equivalent of $100,000.

Attachment to Schedule 3

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Upper Secondary and Professional Teacher Development Project)			
CATEGORY			ADB FINANCING (Percentage and Basis for Withdrawal From the Loan Account)
Number	Item	Amount Allocated SDR	
1	Works	4,692,000	100 percent of total expenditure*
2	Equipment** & Furniture	8,549,000	100 percent of total expenditure*
3	Training	942,000	34 percent of total expenditure
4	Scholarships and grants	2,344,000	100 percent of total expenditure*
5	Consulting Services	1,726,000	100 percent of total expenditure*
6	Instructional Materials & Impact Evaluation Study	1,150,000	100 percent of total expenditure*
7	Interest Charge	936,000	100 percent of amount due
8	Unallocated	2,535,000	
	Total	22,874,000	

* Exclusive of local taxes and duties
** Includes vehicles

SCHEDULE 4

Provisions on Procurement and Consulting Services

A. General

1. All Goods and Works, and consulting services, to be financed out of the proceeds of the Loan shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.

2. All terms used and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

B. Procurement for Goods and Works

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

Limited International Bidding
National Competitive Bidding
Shopping

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.

4. Domestic Preference. 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 and paragraphs 2.55(b) and 2.56 of the Procurement Guidelines for domestic Works.

5. National Competitive Bidding. National competitive bidding (NCB) shall be carried out as agreed between ADB and the Borrower including any modifications required, if any, to the Borrower's NCB procedures or the purpose of ensuring consistency with the Procurement Guidelines. Any such modifications or clarifications shall be subsequently reflected in the Procurement Plan and are hereby incorporated by reference to this Loan Agreement.

C. Selection of Consulting Services

6. Quality- and Cost-Based Selection. Except as ADB may otherwise agree, and except as set forth in the paragraph 7 below, the Borrower shall apply quality- and cost-based selection for selecting and engaging consulting services.

7. The Borrower shall recruit individual consultants for procurement, implementation and monitoring and evaluation, in accordance with ADB's procedures for recruiting individual consultants.

D. Industrial or Intellectual Property Rights

8. (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.

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.

E. 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.

SCHEDULE 5

Execution of Project and Operation of Project Facilities; Financial Matters

Project Executing Agency (EA)

1. MOET shall be the EA and shall be responsible for the overall Project coordination and implementation.

Project Management Unit (PMU)

2. A PMU shall be established within MOET prior to the Effective Date. The PMU shall be headed by a Project Director and shall be supported by a deputy director and six assistants responsible for finance and administration, procurement, construction and civil works, monitoring and evaluation, teacher pre-service and in-service training curriculum and quality and accreditation of teacher profiles. The Project Director shall be responsible for regularly reporting Project progress to the Minister or Vice-Ministers of MOET. The PMU shall be responsible for Project implementation, including procurement, planning, budgeting, monitoring, coordinating, and reporting.

Project Management Cell (PMC)

3. A PMC may be established in Project Provinces and it shall be headed by an official from the applicable DOET. The PMC shall be responsible for coordinating Project activities in the Project Province and shall be responsible for submitting quarterly progress reports to PMU.

Project Implementation Unit (PIU)

4. A PIU shall be established in each of the Project Universities. Each PIU shall be headed by a member of the University's governing body and shall be supported by staff responsible for implementation and administration, civil works and training. Each PIU shall be responsible for Project activities at the university level and shall be responsible for submitting quarterly progress reports to PMU.

Counterpart Funds

5. The Borrower shall provide counterpart funds for the Project implementation in a timely manner. The Borrower shall make timely submission of annual budgetary appropriation requests and ensure prompt disbursement of appropriated funds during each year of Project implementation.

Schedule 5

Project Website

6. MOET shall create a Project website to disclose information about various matters on the Project, including procurements related to the Project. With regard to procurement, the website shall include information on, among others, 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/services procured.

New Curriculum Development

7. In order to develop new curriculum content, pedagogical guidelines, and contract teaching requirements for pedagogical courses, MOET shall contract with appropriate providers to develop the courses and shall ensure that these courses are consistent with the guidelines developed and issued by MOET.

Gender

8. To ensure that women benefit equally from the Project and interventions avoid gender bias, the Borrower and MOET shall ensure that the Project is carried out in accordance with the gender strategy contained in the Gender Action Plan that has been prepared and agreed between the Borrower and ADB. Specifically, the Borrower and MOET shall ensure that under Component 2 (b), priority is given to girls from ethnic minorities with the aim being that girls receive at least 50% of the scholarships. MOET shall be responsible for information dissemination about the availability of scholarships for applicants to TTIs. MOET shall include in its annual reports to ADB details about information dissemination and any other efforts being made to achieve a 50% scholarship ratio for ethnic minority girls.

Environment

9. The siting, design, construction and operation of TTI facilities upgrading and construction works undertaken under the Project shall be implemented in line with the Borrower's environmental laws and regulations and ADB's *Environment Policy* (2002).

Resettlement

10. The Borrower and MOET shall ensure that the rehabilitation or construction of the new TTI facilities shall not involve involuntary resettlement according to ADB's *Policy on Involuntary Resettlement* (1995). To be eligible for support, the TTI shall be required to confirm that no land acquisition or resettlement is required under the Project. Construction of new classrooms shall be added only to existing TTI facilities on unoccupied land already owned by the TTI.

Ethnic Minorities

11. The Borrower shall ensure that Project shall be prepared and implemented in accordance with ADB's *Policy on Indigenous Peoples* (1998), in order to increase the quality and access to US and PS teacher development received by the ethnic minorities. In particular the Borrower shall ensure that the ethnic minorities shall receive all the benefits described under Component 2 of Schedule 1 to this Loan Agreement.

Schedule 5

Project Review

12. A joint review shall be conducted by ADB and the Borrower at least twice a year. The reviews shall assess the progress of each of the components, identify difficulties or constraints, and find ways to overcome problems that arise during implementation. Ensuing reports shall be prepared and submitted to ADB, immediately upon completion of each review. The PMU and TTIs shall be the primary informants for these reviews. ADB and the Borrower shall conduct a mid-term review to (i) review the scope, design, and project implementation arrangements; (ii) assess performance against benchmarks and targets; (iii) review compliance with loan covenants; and (iv) recommend changes, if necessary, in project design or implementation.