



Grant Assistance Report

Project Number: 41051
January 2008

Proposed Grant Assistance
Socialist Republic of Viet Nam: Community-Based
Early Childhood Care and Development
(Financed by the Japan Fund for Poverty Reduction)

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 15 January 2008)

Currency Unit	–	dong (D)
D1.00	–	\$0.0000625
\$1.00	–	D15,988.00

ABBREVIATIONS

ADB	–	Asian Development Bank
DOET	–	department of education and training
DOH	–	department of health
ECCD	–	early childhood care development
GOPF	–	General Office for Population and Family Planning
IPDS	–	Institute for Population and Development Studies
JFPR	–	Japan Fund for Poverty Reduction
MOET	–	Ministry of Education and Training
MOH	–	Ministry of Health
OPFP	–	Office for Population and Family Planning (provincial)
PMO	–	project management office
PMU	–	project management unit
UNICEF	–	United Nations Children's Fund

NOTES

- (i) The fiscal year of the Government of the Socialist Republic of Viet Nam ends on 31 December. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY 2007 ends on 31 December 2007.
- (ii) In this report, "\$" refers to US dollars.

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JAPAN FUND FOR POVERTY REDUCTION (JFPR)

JFPR GRANT PROPOSAL

I. Basic Data	
Name of Proposed Activity	Community-Based Early Childhood Care and Development
Country	Socialist Republic of Viet Nam
Grant Amount Requested	\$1,900,000
Project Duration	3 years
Regional Grant	<input type="radio"/> Yes / <input checked="" type="radio"/> No
Grant Type	<input checked="" type="radio"/> Project / <input type="radio"/> Capacity building

II. Grant Development Objective(s) and Expected Key Performance Indicators

<p>Grant Development Objectives: The goal of the Project is to improve health, nutrition status, and cognitive and social development of children. The aim is to identify an integrated early childhood care and development (ECCD) model, especially for children under 3 years of age, with a community and poverty targeted focus for selected ethnic minorities and migrant workers. The specific objectives are to (i) identify and pilot cost-effective programs that are accessible for these poor target groups; and (ii) strengthen the capacity of central and local governments in the planning, financing, coordination, monitoring, and evaluation of integrated ECCD interventions.</p>
<p>Expected Key Performance Indicators: These include</p> <ul style="list-style-type: none"> (i) reduced prevalence of stunting in children under 5 years of age from baseline by 6% in ethnic minority target areas, (ii) improved nutrition and health-seeking behavior of caregivers in at least 60% of communes, (iii) sustained community-based and poverty-targeted ECCD interventions in 70% of communes, and (iv) improved school readiness in at least 60% of children

III. Grant Categories of Expenditure, Amount, and Percentage of Expenditures

Category	Amount of Grant Allocated in \$	Percentage of Expenditures
1. Civil Works	224,000	12
2. Equipment and Supplies	373,644	20
3. Training, Workshops, Seminars	367,210	19
4. Consulting Services	258,750	14
5. Management, Monitoring, and Evaluation	324,310	17
6. Other Project Inputs	157,600	8
7. Contingencies	194,486	10
Total	1,900,000	100
Incremental Cost	60,000	

JAPAN FUND FOR POVERTY REDUCTION

**JFPR Grant Proposal
Background Information**

A. Other Data	
Date of Submission of Application	29 May 2007
Project Officer	Barbara Lochmann, Social Sector Specialist
Project Officer's Division, E-mail, Phone	SESS, blochmann@adb.org , Tel + 632-632-5801
Other Staff Needing Access to Edit/Review the Report	Elena Roces, Administrative Assistant
Sector	Health, nutrition, and social protection
Subsector	Early childhood development
Themes	Inclusive social development, capacity development
Subthemes	Other vulnerable groups; client relations, network and partnership development
Targeting Classification	Targeted intervention: nonincome Millennium Development Goals (TI-M)
Was JFPR seed money used to prepare this grant proposal?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Have SRC comments been reflected in the proposal?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Name of Associated ADB Financed Operation	JFPR: Nutritious Food for 6–24 Month Old Children Vulnerable to Malnutrition in Poor Areas
Executing Agency	General Office for Population and Family Planning (GOPF), Ministry of Health
Grant Implementing Agencies	<p>Binh Duong Province: Office for Population and Family Planning (OPFP) Mrs. Tran Thi Son, Chairwoman 35, 30/4 Avenue, Phua Hoa–Thu Dau Mot Tel: 0650-821235 Fax: 0650-823705</p> <p>Quang Tri Province: OPFP Mrs. Le Thi My Le, Chairwoman 67 Le Loi, Dong Ha Tel: 053-850945 Fax: 053-854130</p> <p>Quang Binh Province: OPFP Mrs. Nguyen Thi Ngoc Ha, Chairwoman 35 Tran Hung Dao, Dong Hoi Tel: 052-845222 Fax: 052-824393</p>

B. Details of the Proposed Grant

1. Description of the Components, Monitorable Deliverables/Outcomes, and Implementation Timetable

Component A	
Component Name	Pilot Early Childhood Care and Development Interventions
Cost	\$996,040 (including contingencies)
Component Description	<p>Early childhood care and development (ECCD) is a strong priority of the Government of Viet Nam, which aims to expand coverage of ECCD services to disadvantaged populations such as migrant workers and ethnic minorities. To address the need for child care and development of these target groups, the pilot will identify locally appropriate models of ECCD services for each target group. Core interventions will focus on children of 0–3 years to improve health and nutrition status, as well as cognitive and social development. Given the different circumstances and needs of the two target groups, the pilot will follow a dual strategy: (i) for migrant workers, the focus will be promoting the establishment of child-care centers or crèches in factories in the southeast industrial zones of Binh Duong province, and identifying possibilities for public-private partnerships in ECCD, such as linking public and private child-care providers; and (ii) for ethnic minorities, the focus will be on strengthening the network of community-based workers to expand coverage and improve the quality of ECCD through community-based and or home-based care in the north-central mountainous regions of Quang Tri and Quang Binh provinces.</p> <p>1. ECCD for Migrant Communities</p> <p>The subcomponent will respond to the needs for child care of an increasing migrant population in two districts (Dau Mot and Di An) of Binh Duong. The selection of districts is based on the following criteria: (i) poverty rate, and (ii) influx of rural-urban migration populations. The intervention will identify the most appropriate ways to (i) increase the coverage and quality of child care of public and private providers; (ii) promote day-care centers and/or crèches in factories and/or companies; and (iii) assess ability and willingness of parents to pay for child day care. The Government's day-care centers will establish a network of satellite private centers to be registered and or certified and monitored by the provincial departments of education and training (DOET) and the provincial OPFPs. The current day-care training curriculum will be adopted for private day-care providers both in terms of design and delivery to respond to the training requirements of current personnel. Close cooperation with trade unions and the private sector is thought to create awareness about early childhood development and adoption of child-friendly policies within factories and or companies. The Project will (i) adapt relevant information, education, and information materials on child</p>

	<p>development and health for migrant workers; (ii) organize sessions for caregivers to strengthen parenting skills; (iii) develop recreational areas in day-care centers; (iv) improve cognitive and recreational materials including children's books and toys, and establish small libraries in day-care centers; (v) provide first-aid training for staff in day-care centers and for caring for a sick child; and (vi) upgrade public day-care centers. The selection criteria for day-care centers include (i) number of children younger than 3 years from poor families including poor migrant worker families, and (ii) commitment of day-care center management to participate in the Project.</p> <p>2. ECCD for Ethnic Minority Communities</p> <p>The subcomponent will identify approaches to support ECCD interventions for children under 3 years of age and women of reproductive age in ethnic minority communities in two districts (Dakrong and Huong Hoa)¹ in Quang Tri province, and three districts (Minh Hoa, Quang Ninh, and Le Thuy) in Quang Binh province. The districts were selected based on the poverty rate and prevalence of malnutrition in children less than 5 years of age. The aim is to build on and strengthen the existing network of community workers, and identify appropriate interventions for home-based care. Activities include (i) train and supervise ECCD promoters and village health workers, and actively involve preschool teachers; (ii) improve coverage of community-based child care by upgrading ECCD centers and expanding home-based care in remote communes; (iii) increase awareness, knowledge, and practices of caretakers on child health, nutrition, development, and care; (iv) improve cognitive skills, and enhance recreational and learning opportunities for children; (v) strengthen and expand breast-feeding promotion through exclusive breast-feeding groups and use of information, education, and communication approaches; (vi) introduce nutrition education for caretakers and preschool teachers; (vii) provide supplementary food (from locally available food) to children nutritionally at-risk; (viii) assess the possibility of providing fortified supplementary food;² (ix) develop and distribute ECCD kits (comprising mini-libraries, toys, kitchen equipment, etc.) for mothers and child health and nutrition education; and (x) upgrade day-care centers.</p>
<p>Monitorable Deliverables/Outputs</p>	<p>These include (i) at least one ECCD model piloted for (a) poor migrant workers, and (b) ethnic minorities, (ii) 300 ECCD trainers trained, (iii) at least 1 ECCD collaborator operating in</p>

¹ Da Krong and Huong Ha are the poorest districts in Quang Tri province where about 23% of the population live below the poverty line.

² ADB. 2005. *Proposed Grant Assistance to the Government of Viet Nam for Nutritious Food for 6–24 Month Old Children Vulnerable to Malnutrition in Poor Areas*. Manila (funded by the Japan Fund for Poverty Reduction). The aim of the project is to produce low-cost fortified food for 6–24 month-old children. The product developed is instant flour of soybean, rice, sugar, and sesame seeds fortified with commercially produced vitamins and minerals.

	at least 80% of communes in the project areas. (iv) at least 60% of women in ethnic minority areas breast-feed their children up to 18 months, and (v) at least one ECCD kit delivered in each commune.
Implementation of Major Activities: Number of months for grant activities	30 months

Component B	
Component Name	Advocacy and Communication
Cost	\$229,000 (including contingencies)
Component Description	<p>The component comprises two activities. The first aims to raise awareness and mobilize support from key national, provincial, and district leaders to sustain and expand investments in ECCD. Specific activities include (i) development and dissemination of information targeted at leaders, donors, and practitioners; (ii) organization policy forums and community advocacy meetings; (iii) organization of workshops with local authorities and partners to support the integration of ECCD issues into community and/or grassroots programs; (iv) commune outreach by GOPF and its provincial partner OPFPs; and (v) identification of private sector ECCD champions willing to initiate ECCD activities in their workplaces.</p> <p>The second activity will focus on behavior change communication to improve child care and development through mass media and peer education. Activities include (i) preparation of communication packages to promote caregiver knowledge; and attitude and behavior change in the areas of child health, feeding practices, safety, and cognitive development; (ii) village-based communication campaigns including dramas, events, and billboards on key child health and development issues; and (iii) adoption of child care development; nutrition and health; information, education, and communication materials; and mass media information. Information, education, and communication materials developed and proven effective by previous ECCD programs will be adopted and new television spots will be developed by the OPFPs with technical support from an international communication specialist based on previous TV campaigns developed by the OPFPs and United Nations Children's Fund (UNICEF).</p>
Monitorable Deliverables/Outputs	These include two national and three provincial child-care forums for decision makers, (i) at least one private sector forum on child care and development, (ii) revision and development of at least five national television and radio spots on early childhood care and development, and (iii) at least two different communication packages for caregivers.
Implementation of Major	30 months

Activities: Number of months for grant activities	
Component C	
Component Name	Capacity Building for Early Childhood Care and Development
Cost	\$179,260 (including contingencies)
Component Description	<p>The aim is to strengthen the national and local technical and human resource capacity of GOPF for planning, budgeting, coordinating, and monitoring ECCD interventions with a focus on targeted community-based interventions. National project activities will build GOPF's capacity. It will (i) prepare national standards and guidelines on ECCD, targeting children 0–3 years; (ii) based on the approved ECCD strategy, prepare and disseminate a national action plan for ECCD; (iii) disseminate related national ECCD policies, approaches, and best practices through seminars; (iv) provide advocacy and communication including information, education, and communication development; (v) promote integration of ECCD priorities and investments for poor children up to 3 years in the next socioeconomic development plans 2010–2015; (vi) identify mechanisms for effective national and local interministerial and nongovernmental coordination to strengthen planning, implementation, and financing of child-related interventions; (vii) identify appropriate target mechanisms for ECCD to ensure that poor children will have increased access to day care; and (viii) provide technical assistance for project implementation. During project inception, a comprehensive ECCD orientation for designated provincial, district, and commune staff and related departments and Peoples Committee members will be carried out.</p> <p>Provincial activities include (i) strengthen the capacity of provincial OPFPs for decentralized ECCD planning and budgeting processes in cooperation with departments of planning and investment; departments of health (DOH); DOETs, and women's unions in Binh Duong, Quang Tri, and Quang Binh; (ii) support preparation of annual ECCD action plans and budgets; (iii) leverage funding for project cofinancing and sustainability of interventions; (iv) strengthen provincial leadership and capacity in effective coordination of government and nongovernment stakeholders by supporting the creation of joint planning and learning fora, advocacy events, and technical groups; and (v) train ECCD master trainers.</p> <p>District and commune activities will (i) provide training on ECCD, child health and nutrition, breastfeeding, hygiene, caregiving, and effective communication; (ii) monitor and supervise population collaborators and other community-based workers including village health workers, women's union cadres, and preschool teachers; (iii) organize and manage home-based and/or family-based day-care centers; (iv) train a</p>

	community-based network of ECCD promoters by upgrading the skills of community workers; (v) increase awareness of child health and nutrition, and cognitive skills in mass organizations such as youth unions and women's organizations; (vi) train relevant OPFP and DOET staff in monitoring and supportive supervision of community-based interventions; (vii) assist communities in identifying needs for ECCD in poor children and prepare commune action plans facilitated by community workers; (viii) strengthen overall supervision, especially of community-based workers responsible for home-based interventions; and (ix) strengthen coordination and collaboration between government agencies for improved impact on the young child.
Monitorable Deliverables/Outputs	These include (i) one national action plan for ECCD developed, (ii) nine annual ECCD provincial action plans and budgets prepared, and (iii) 30 ECCD master trainers trained.
Implementation of Major Activities: Number of months for grant activities	24 months

Component D	
Component Name	Project Management, Monitoring, and Operations Research
Cost	\$495,700 (including contingencies)
Component Description	This component will support the establishment of a national project management office (PMO) in IPDS, GOPF to coordinate with the Ministry of Education and Training (MOET), and other government and nongovernment organizations at all levels to manage capacity building; support technical assistance to the provincial project management units (PMUs); and implement operations research, piloting, advocacy, and communication activities (particularly those in component 3). The PMO will oversee administration of the inception process, technical assistance, procurement and financial audits, project monitoring, and impact assessment and studies; and will coordinate with the PMUs to prepare and implement locally appropriate ECCD action plans. The PMO will be responsible for project inception, midterm, and evaluation meetings; regular meetings of the national steering committee twice per year; ongoing national collaboration with MOET and other key stakeholders; and provincial project monitoring. The PMO will also be responsible for ensuring that project interventions at all levels are implemented in accordance with current government standards and guidelines such that service delivery norms are respected and parallel functions are not created. Monitoring will focus on the effectiveness, appropriateness, and feasibility to replicate pilot interventions. Performance monitoring will fully involve the project beneficiaries and the private sector to provide inputs on the pilot interventions to the PMUs. Based

	on the monitoring reports, an annual project review will be conducted to adjust project inputs and the use of project resources.
Monitorable Deliverables/Outputs	These include (i) six national steering committee meetings; (ii) one baseline survey, one final survey, and evaluation; (iii) midterm and final evaluation reports; (iv) three external audits; and (v) at least three operations research activities.
Implementation of Major Activities: Number of months for grant activities	36 months

2. Financing Plan for Proposed Grant to be Supported by JFPR

Funding Source	Amount
JFPR-	\$1,900,000
Government	\$236,218
Other Sources	None
Total	\$2,136,218

3. Background

1. Research shows that poverty has measurable detrimental effects on children's physical growth, cognitive capacity, and psychosocial adjustment.³ The development of a young child's brain affects physical and mental health, capacity to learn, and behavior. Targeted interventions that integrate health, nutrition, education, and care for young children not only offset the effects of poverty but also reduce future public expenditures on health, education, and social welfare. Evidence suggests that investing in ECCD has a significant impact on children's health and readiness to learn and can bring important economic returns, often greater than investments in formal education and training. The expansion of ECCD to disadvantaged areas is a strong priority of the Government of Viet Nam. GOPF recognizes that ECCD provides opportunities for innovation to move from more traditional institutional approaches to community-based and home-based approaches, especially relevant for disadvantaged populations such as ethnic minorities. Caretakers will be taught a wide range of skills and methods of stimulating and caring for children. Other sectors, including health and education, need to be encouraged to work closely with ECCD programs. The private sector can be involved through fund-raising and the establishment of child care for children of employees.

2. Viet Nam has three major ECCD programs targeted at children less than 6 years of age: (i) child-care or day-care centers, crèches, and nurseries for infants up to 3 years; (ii) kindergartens; and (iii) parent education programs. Four central agencies are responsible for state and private ECCD programs: MOH for disease prevention, including immunization and nutrition education; MOET for early childhood education; GOPF for ECCD policies and program integration; and Vietnam Women's Union to support implementation of information on child development and care for grassroots caretakers. Two main types of nonstate services include community-owned crèches and kindergartens in rural areas, and privately owned crèches and kindergartens in urban areas. Some community-owned centers may receive subsidies from the Government and communes, but the majority relies on caretaker contributions.

³ World Bank. 2002. *From Early Child Development to Human Development. Investing in Our Children's Future*. Washington, DC.

3. Viet Nam faces an increasing disparity between and within rural and urban areas. In 2004, the poverty rate⁴ in rural areas (26.4%) was nearly double that of urban areas (13.7%). Ethnic minorities, who are predominantly rural and dependent on agricultural incomes, are among the most disadvantaged. Nearly half of ethnic minority residents in the northwest and central highlands suffer from hunger.⁵ Approximately 70% of ethnic minority households, mostly in mountainous regions were living below the poverty line in 2002, compared with 23% of Kinh households. In the rural and mountainous regions of Quang Tri and Quang Binh provinces in the north-central region, ethnic minority families⁶ have little provision for child care and development of ECCD-related services, especially for children under 3 years, and access to child care. Crèches are almost nonexistent.

4. Food insecurity is common in more than 80% of households, which are unable to buy enough food between November and February. People have to borrow to purchase food. Given the extent of food poverty among ethnic minorities in the central region and central highlands, almost 50% of children under 5 years of age are underweight.⁷ The prevalence of stunting⁸ (low height for age) among children 48–60 months of age is 54% in Quang Binh and 38.7% in Quang Tri.⁹ Evidence suggests that children who experience growth stunting between the ages of birth and 2 years score significantly lower on cognitive tests when compared to well-nourished children.¹⁰ Supplementary feeding with locally produced food targeted at children nutritionally at-risk will be essential to improve overall nutrition status in these vulnerable communities.

5. The delivery of health services fails to achieve the expected health outcomes given access constraints to services due to the remoteness of communes and high opportunity costs. While the Government has expanded coverage for health cards and health insurance among ethnic minorities, evidence suggests that on average only 2.3 out-patient visits are made to seek treatment because no clear guidance has been provided on how to use the health cards.¹¹ Ethnic minority children have lower enrolment rates than Kinh children, especially girls, due to high opportunity costs of education. Given the remoteness of these communes and limited access to current child-care institutions, identifying how child care and development activities can be brought into homes and communities will be an essential activity.

6. As the economy is rapidly industrializing, rural-urban migration is increasing. In Viet Nam migration is largely associated with high rates of under- and unemployment in rural areas caused by the growth of modern agriculture that no longer absorbs the growing surplus of labor.¹² Labor migrants account for a large proportion of manufacturing and construction workers. The south-east region characterized by expanding industrial zones such as Binh Duong province faces an influx of migrant workers from the poorer regions of central Viet Nam. Migrant workers with their families are the most disadvantaged as they generally cannot register and have no access to social services. Rural–urban migration creates new demand for child care because migrant families with two working parents are removed from their traditional

⁴ The poverty rate is based on a new poverty line set by the Government in 2005: internationally comparable measure of the percentage of the population that cannot afford a threshold consumption basket, which includes food (2,100 calories/day/family member) and nonfood items.

⁵ World Bank. 2006. *Explaining Ethnic Minority Poverty in Vietnam: A Summary of Recent Trends and Current Challenges*. Hanoi.

⁶ About 80% of the population belongs to Pa Coh and Van Kieu ethnic groups.

⁷ Ministry of Health. 2000. *Vietnam National Health Survey 2001–2002*. Hanoi.

⁸ Stunting is defined as height for age below the fifth percentile on a reference growth curve.

⁹ National Institute of Nutrition. 2006. *Nutritional Status of Children and their Mothers in 2005*. Hanoi.

¹⁰ Mendez, M. et al. 1999. Early Growth Stunting Impacts Children Cognitive Development Later in Life. *Nutrition Research Newsletter* (September).

¹¹ General Office of Statistics. 2004. *Vietnam Household Living Standard Survey*. Hanoi.

¹² General Statistics Office and United National Population Fund. 2004. *Vietnam Migration Survey. Internal Migration and Related Life Course Events*. Hanoi.

communities and social support networks, and thus face added challenges in caring for their young children. While private child-care services are expanding rapidly in these areas the coverage for children ranging in age from 3 to 72 months remains at 1%. Poor migrant families cannot afford to pay for such services.¹³

7. Improving the quality and productivity of the labor force is an advantage to private companies. One way to support employees can be the establishment of on-site crèches or child-care centers operated by the firm or contracted out. Private providers could partner with government and/or private companies to improve access to, and quality of, government financed and administered programs.

8. The Government remains committed to ensuring faster and sustainable poverty reduction as part of its 5-year Socioeconomic Development Plan 2006–2010 and Comprehensive Poverty Reduction and Growth Strategy. The Socioeconomic Development Plan targets investments to reach vulnerable groups and improved services in urban and rural areas. ADB's Country Strategy Program 2007–2010 supports the implementation of Socioeconomic Development Plan targets and includes a focus on meeting the growing demand for skilled human resources to equip the labor market with skills. The Law on Protection, Care, and Education for Children is the framework for the Government's child-oriented programs and recognizes the importance of child development as key to developing an educated labor force for future economic development. ECCD is key in this effort since it helps to improve the quality of both health and education outcomes in children thus establishing the basis for future economic development.

9. ECCD also reduces disparities in health and education outcomes through targeted health and education interventions. Complementary, the Project will support the implementation of the Country Strategy Program in reducing social equity through addressing needs of ethnic minority groups. GOPF has the mandate to coordinate policies and programs on child development. In 2005 it prepared the Early Childhood Development Strategy (2006–2010),¹⁴ which outlines the need for stronger integration of ECCD services including the involvement of communities. In implementing the strategy, the Government aims to expand coverage of ECCD services for disadvantaged populations and identify the most cost-effective approaches to deliver such services. Several international organizations such as the Save the Children Alliance, UNICEF, and United Nations Educational, Scientific and Cultural Organization (UNESCO) are supporting the Government in ECCD, largely with a focus on early childhood education for children above 3 years of age.

4. Innovation

10. The Project aims to identify two different cost-effective models of ECCD for (i) increasing home-based and or community-based ECCD services in ethnic minority areas, and (ii) establishing crèches for migrant communities through potential public-private partnerships. The Project aims to address the specific needs for children from birth to 3 years of age thereby contributing to children's school readiness. Under the new decentralized organization, provincial governments are increasingly responsible for implementing financing and supervising social services. The Project will assist local governments with integrated ECCD planning and budgeting processes; and strengthen supportive supervision, especially for community-based interventions.

¹³ Information based on interviews with OPFP, DOH and DOET in Binh Duong. March 2007.

¹⁴ Supported by ADB technical assistance: ADB. 2003. *Technical Assistance to the Socialist Republic of Viet Nam for Early Childhood Development for the Poor*. Manila.

11. Current ECCD interventions reach only a small fraction of Viet Nam's poorest and most vulnerable children. New approaches are needed that can demonstrate the ability to deliver affordable high impact results. As yet, no approach is responding to the increasing demand for day care in migrant communities, and no appropriate strategy is in place to reach isolated ethnic minority groups. Innovative features of the Project include the following:

- (i) increase the access and quality of public and private day care for children under 3 years of age;
- (ii) promote the development of day-care centers for migrant workers' children in factories and or companies in selected industrial zones;
- (iii) based on lessons from the World Bank-funded Early Childhood Care and Development Project, identify home-based ECCD strategies and increase the quality of child care among poor ethnic minority groups; and
- (iv) use established community-based workers to create awareness about ECCD among caregivers and target poor households among ethnic minorities.

5. Sustainability

12. A key objective of the Project is to develop financially and institutionally sustainable models for the early childhood development for children under 3 years among poor ethnic minority groups and migrant communities in industrial sites. Component 1 identifies a model for periurban and rural environments, which can be replicated and or scaled up. Component 2 will help build the leadership support and commitment needed to sustain and replicate interventions that have proved to be successful. Component 3 aims to build government capacity to create and maintain an enabling environment for integrated ECCD. Consultant inputs during the Project will aim to build capacity to ensure long-term capacity, support, and sustainability.

13. During the first 2 years, the Project will subsidize supplementary feeding in day-care centers; in the third year the local government and or parents who are able to pay will commit to take over the costs. By the third year of project implementation, local governments will pay additional compensation of D30,000 for ECCD promoters and center caregivers, and assume the expenses for supervision of the grassroots network and purchase of food supplements. Village-based, day-care centers will be launched in a selected number of project areas where local government will commit to contributing operating expenses, especially compensation of caregivers in day-care centers.

6. Participatory Approach

14. The Project is integrated in the structure of the provincial OPFP population collaborator programs. The district teams in cooperation will ensure participation of related community workers from DOH and DOET, who will work directly with the communities and be involved in advocacy and awareness raising. Community workers from ethnic minorities will be prioritized in the training for ECCD promoters.

Primary Beneficiaries and Other Affected Groups	Other Key Stakeholders
<p>Approximately 500,000 children from birth to 3 years, across three provinces, will benefit from interventions to improve their cognitive skills, and health and nutrition status.</p> <p>As poverty rates and malnutrition are highly correlated with ethnic minority populations, the Project will have</p>	<p>The Project will strengthen cooperation among key national and local stakeholders including the provincial OPFPs, MOET, and women's unions, along with agencies such as Save the Children Alliance and UNICEF.</p> <p>The Project will strengthen the implementation</p>

a disproportionately beneficial effect on women and children in ethnic minority groups in the project areas.	of ongoing provincial and district interventions especially of the OPFPs and DOETs through their community worker and ECCD network.
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7. Coordination

15. GOPF, MOH, MOET, Vietnam Women's Union, Save the Children Alliance, and UNICEF are key agencies to collaborate with ADB. In Quang Tri province, Save the Children Alliance will assist in training ECCD promoters, in cooperation with the provincial departments of health and education. UNICEF has developed extensive advocacy material on early childhood education and development, which the Project will build on. The World Bank-funded grant project on ECCD, with a focus on early childhood education and implemented by Save the Children Fund/United States in Quang Tri will be phased out by October 2007. Save the Children Japan provides small-scale support for the development of ECCD and some preschools in Dac Nong (central highlands). Implementation of provincial and district project activities will be closely coordinated with the Peoples Committee, population collaborators, and border control. Some of the target communes in Quang Tri and Quang Binh are close to the Laotian border and will require close collaboration with border control for logistical support.

16. Mr. Rynia Yutani, Second Secretary, Embassy of Japan, Hanoi, was consulted on 22 March 2007. He requested that ADB and GOPF confirm that financing support from other sources does not overlap with the Project. The project leader confirmed this. Mr. Yutani requested the proposal be submitted for his review prior to submission to the Government of Japan.

8. Detailed Cost Table

17. Please refer to Appendix 1 for the detailed cost estimates, and Appendix 2 for the fund flow arrangement.

C. Linkage to ADB Strategy and ADB-Financed Operations

1. Linkage to ADB Strategy

Document	Document Number	Date of Last Discussion	Objective
Viet Nam Country Strategy and Program 2007–2010		2007	Ensure social equity and balanced development by reaching the poor in isolated areas as one strategy to help to reduce poverty incidence by 10% by 2010.

2. Linkage to Specific ADB-Financed Operations

Project Name	JFPR: Nutritious Food for 6–24 Month Old Children Vulnerable to Malnutrition in Poor Areas
Project Number	9083
Date of Board Approval	17 January 2006
Grant Amount	\$1,994,900

3. Development Objective of the Associated ADB-Financed Operation:

18. The JFPR-funded Nutritious Food for 6–24 Month Old Children Vulnerable to Malnutrition in Poor Areas aims to expand access to improved feeding practices including fortified complementary food to children 6–24 months of age, primarily in rural areas. The proposed JFPR Project aims to assess the feasibility of providing fortified complementary food to poor ethnic minority children. The Project will build on MOH's community-based activities and infrastructure by integrating ECCD-related activities through the network of community workers to reach geographically and socially isolated poor households, such as in ethnic minority areas and industrial zones in the south. Lessons from the Project can be included in program and policy development of future ECCD, health care, and education programs.

4. Rationale for Grant Funding versus ADB Lending

19. Evidence suggests that interventions to reach children from birth to 3 years are most effective in terms of improving overall health status and cognitive skills. Viet Nam currently has no proven mechanism to provide integrated ECCD services for children of that age group in disadvantaged groups such as ethnic minorities and migrant workers. While the Government is interested in expanding ECCD services to these communities, it is unlikely to borrow for ECCD without having identified appropriate interventions for reaching these most vulnerable groups. The proposed Project is an important step to scale up results of the pilot as part of health, education, and poverty reduction programs through future grants or loans.

D. Implementation of the Proposed Grant

1. Implementing Agency	Institute for Population and Development Studies (IPDS), General Office for Population and Family Planning (GOPF)
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20. GOPF will be the Executing Agency, as it is responsible for coordinating child- and family-related policies and programs and IPDS the implementing Agency. The provincial OPFPs will be the implementing agencies in conjunction with the DOETs and women's unions. The OPFPs will oversee the project activities; facilitate coordination with local governments and organizations in the project areas; ensure close collaboration with the JFPR-funded Nutritious Food for 6–24 Month Old Children Vulnerable to Malnutrition and Poor Areas and Improving Vitamin A Nutrition and Deworming for Poor and Vulnerable Children implemented by the National Institute of Nutrition, and projects supported by donor agencies in the area of child health, nutrition, and early childhood development, especially in poor communities.

21. A national steering committee, chaired by the Vice Minister, MOH will comprise representatives of Ministry of Planning and Investment, MOET, Ministry of Labor, Invalids and Social Affairs, National Institute of Nutrition, and Vietnam Women's Union to provide oversight and multisectoral and multiagency coordination for project implementation. The committee will meet biannually to discuss project progress. Provincial steering committees will be chaired by the vice chairperson of the Peoples' Committee and comprise representatives from the Department of Planning and Investment, DOET, DOH, border patrol, and the women's unions to oversee training processes and ensure effective coordination and harmonization among stakeholders.

22. The PMO will comprise a project director who will be the director of IPDS. A full-time project coordinator will be recruited and be responsible for all technical and administrative aspects of project management. The project coordinator will be supported by a part-time

accountant and administrator. The PMO will be responsible for overall planning; administration; financing; procurement; training activities; accounting and disbursements; coordination of national and provincial activities; and liaising between the provinces, GOPF, and ADB. The PMO will comprise at least three qualified technical staff; national consultants with expertise in the area of child health, information, education, communication, monitoring, and evaluation; and a project secretary responsible for financial and grant administration. Capacity building and management support for the unit will be provided by international and national experts. They will also provide assistance with ECCD program planning and implementation, advocacy and communication, budgeting and finance, food fortification, and training. While the PMO will be supported by the Project, key positions will be integrated into the OPFPs' organization structure in the long-term with staff positions regularized to establish long-term institutionalization support and sustainability. The PMO is responsible for compiling quarterly progress reports received from the PMUs and for submitting a comprehensive 6-month progress report to ADB, which also will be shared with the Embassy of Japan in Hanoi. The PMO will prepare and submit an annual project review report, which will include the poverty impact assessment. It will submit a final report within 2 months of project completion.

23. A PMU will be established in each province and be responsible for day-to-day provincial, district, and commune project administration and implementation, including advocacy for project sustainability and expansion within the province. The OPFPs will oversee the PMUs, which will include DOET, and women's union representation to provide technical and training expertise. Each OPFP will establish a district technical team comprising staff from the provincial departments of health, education, and population to implement the Project, especially activities under components 2 and 3.

24. The OPFPs in conjunction with MOET; and related national, provincial, and local agencies will be key implementing partners through their network of population collaborators as well as at the village contacts. ECCD collaborators will work in conjunction with other local community workers to assist in commune and village training and activities. Given the remoteness of several areas, the border patrol will be called on to assist community volunteers in their interventions in remote hamlets.

25. The PMO will engage consultants for specific aspects of project implementation. Individual international and national consultants will be contracted in accordance with the *Guidelines on the Use of Consultants* (2007, as amended from time to time). ADB will approve all terms of reference for individual consultants prior to recruitment by the PMO. Civil works, equipment, and office supplies will be procured in accordance with *ADB Procurement Guidelines* (2007, as amended from time to time). Office equipment will be handed over to GOPF upon project completion.

26. The Project will not entail land acquisition or voluntary land donation. The Government assures that no resettlement, as defined by ADB's *Involuntary Resettlement Policy* (1995) will be required as a result of project activities.

2. Risks Affecting Grant Implementation

Type of Risk	Brief Description	Measure to Mitigate the Risk
Sustainability of ECCD interventions	No specific percentage of government budget is allocated for ECCD.	The Project will help local governments identify cost-effective ECCD interventions and child-focused planning and budgeting.
Inadequate coordination of ECCD	No clear local coordination and or implementation mechanism for ECCD is	The Project will strengthen the OPFPs' capacity to coordinate ECCD

interventions	available.	activities by technical ministries and nongovernment organizations.
Lack of awareness for ECCD	Decision makers are not aware of the benefits in investing in ECCD.	The Project will finance advocacy for decision makers in the public and private sectors.

3. Incremental ADB Costs

Component	Incremental ADB Cost
Amount requested	\$60,000
Justification	Intermittent staff consultant inputs are required to help with project inception, to ensure rapid start-up; and to provide comprehensive midterm and final reports with related documentation and knowledge management products to ensure international dissemination and preparation of national policy development.
Type of work to be rendered by ADB	Prepare grant implementation manual, baseline survey inception, midterm review, final survey, and final review; and disseminate results.

4. Monitoring and Evaluation

Key Performance Indicator	Reporting Mechanism	Plan and Timetable for Monitoring and Evaluation
Improved nutrition and health-seeking behavior of caregivers in at least 60% of communes	1. Training activity reports 2. Results of operations research 3. Monitoring reports	6 monthly and annual reports, midterm review, operations research, baseline and final evaluation
Prevalence of stunting reduced by 6% from baseline in children under 5 years of age	1. Field reports of community workers 2. Health center records	6 monthly and annual reports
Improved breastfeeding practices in infants up to 18 months in at least 60% of women in the project areas	1. Field reports of community workers 2. Health center records	6 monthly and annual reports
Improved school readiness in at least 50% of children in the project areas	1. Results of operations research 2. Field reports of community workers	6 monthly and annual reports

5. Estimated Disbursement Schedule

Fiscal Year	Amount
Fiscal year 1	\$250,000
Fiscal year 2	\$800,514
Fiscal year 3	\$849,486
Total Disbursements	\$1,900,000

APPENDIXES

1. Summary Cost Table and Detailed Cost Estimates
2. Fund Flow Arrangement
3. Project Management and Implementation Structure

SUMMARY COST TABLE AND DETAILED COST ESTIMATES

Table A1.1: Summary Costs

(\$)

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: right;"> ↓ Inputs / Expenditure Category </div> <div style="text-align: left;"> → Grant Components </div> </div>	Component A: Pilot Early Childhood Care and Development Interventions	Component B: Advocacy and Communication	Component C: Capacity Building for Early Childhood Care and Development	Component D: Project Management, Monitoring, and Operations Research	Total (Input)	%
1. Civil Works	224,000	0	0	0	224,000	12
2. Equipment and Supplies	313,744	5,000	0	54,900	373,644	20
3. Training, Workshops, Seminars, and Public Campaigns	176,250	89,000	85,960	16,000	367,210	19
4. Consulting Services	90,500	45,000	72,250	51,000	258,750	14
5. Grant Management	29,460	0	1,050	293,800	324,310	17
6. Other Inputs	42,000	75,600	10,000	30,000	157,600	8
7. Contingencies (0–10% of total estimated grant fund)	120,086	14,400	10,000	50,000	194,486	10
Subtotal JFPR grant financed	996,040	229,000	179,260	495,700	1,900,000	100
Government Contribution	84,878	9,100	2,600	139,640	236,218	11
Other Donor(s) Contributions (e.g. from NGOs, multi- and bilateral aid agencies)	0	0	0	0	0	0
Community's Contributions (mostly in kind)	0	0	0	0	0	0
Total Estimated Costs	1,080,918	238,100	181,860	635,340	2,136,218	100
Incremental Costs					60,000	

JFPR = Japan Fund for Poverty Reduction; NGO = nongovernment organization.
Source: Asian Development Bank estimates.

Table A1.2: Detailed Cost Estimates
(\$)

Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Quantity Units	Cost	Total (\$)	JFPR		Government	Other Donors	Communities
						Amount	Method of Procurement			
Component A. Pilot Early Childhood Care and Development Interventions				Subtotal	960,832	875,954		84,878	0	0
1.1 Civil Works										
1.1.1	Upgrade public day care centers in poorest communes of each district (3 provinces)	centers	54	1,000	54,000	34,000		20,000		
1.1.2	Upgradation of community-based day care facilities (Quang Tri and Quang Binh)	centers	40	4,000	160,000	160,000				
1.1.3	Upgradation of private day care centers (Binh Duong)	centers	50	1,000	50,000	30,000		20,000		
1.2 Equipment and Supplies										
1.2.1	Furniture, education materials, toys, booklets, pamphlets, cooking and eating demonstration utensils (ECD kit) for centers (3 provinces)	centers	130	500	65,000	60,000	Shopping	5,000		
1.2.2	Impregnated mosquito nets (for pregnant mothers and young children) (Quang Tri and Quang Binh)	nets	8,000	6	48,000	48,000				
1.2.3	Iron folate for pregnant women (QuangTri and Quang Binh)	capsule	1,980,000	0.015	30,000	30,000				
1.2.4	Fortified bisquits (home-based)	lumpsum			30,000	30,000				
1.2.5	Supplementary foods (severely malnourished children)	lumpsum			25,000	25,000				
1.2.6	Food for nutritional meals at centers (Quang Tri and Quang Binh)	month	30	3,656	109,680	87,744		21,936		
1.2.7	Printing IEC materials (posters, flip charts, and meeting guides)	lumpsum			25,000	25,000				
1.2.8	ECCD promoter supplies: backpacks, raincoats, caps with logo (Quang Tri)	hamlets	300	10	3,000	3,000				
1.2.9	Seeds for community and household gardens	lumpsum			5,000	5,000				
1.3 Training, Workshops, and Seminars										
1.3.1	Introductory course on ECCD: Training for care givers public and private day care centers	caregivers	400	130	52,000	48,000		4,000		
1.3.2	Introductory course on ECCD: Training for community based care givers	caregivers	100	130	13,000	12,000		1,000		
1.3.3	Refresher training for care takers (3 days x 2x per year for 2 years)	caregiver	300	130	39,000	36,000		3,000		
1.3.4	Refresher training of commune workers on child health and nutrition (1 day 2x per year x 2 years)	worker	150	45	6,750	6,750				
1.3.5	Training of ECCD promoters (ECCD, interpersonal communication etc.) (Quang Tri and Quang Binh)	trainings	15	2,750	41,250	37,500		3,750		
1.3.6	Refresher training for ECCD Promoters (Quang Tri and Quang Binh)	worker	300	130	39,000	36,000		3,000		

Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Quantity Units	Cost	Total (\$)	JFPR		Government	Other Donors	Communities
						Amount	Method of Procurement			
1.4 Consulting Services										
1.4.1	Communication and behavior change specialist (national)	person-months	9	2,500	22,500	22,500				
1.4.2	ECCD specialist (0–3 years) (international)	person-months	2	18,000	36,000	36,000				
1.4.3	Food fortification and supplementation specialist (international)-micro nutrient research	person-months	1.5	18,000	27,000	27,000				
1.4.4	ECCD curriculum specialist (national)	person-months	2	2,500	5,000	5,000				
1.5 Management and Coordination of this Component										
1.5.1	ECCD promoter stipends (Quang Tri and Quang Binh)	month	9,576	2	19,152	15,960		3,192		
1.5.2	ECCD promoter transport (bicycles)	month	45	300	13,500	13,500				
1.6 Other Project Inputs (Specify)										
1.6.1	Community based campaigns (children's day; community events; dramas, and competition)	campaigns	375	100	37,500	37,500				
1.6.2	Parenting Education Session Meeting expense	meetings	3,600	1.25	4,500	4,500				
Component B. Advocacy and Communication					Subtotal	223,700	214,600		9,100	2,600
2.1 Equipment and Supplies										
2.1.1	Duplication of TV spots and other mass media products	lumpsum			5,000	5,000	Shopping			
2.2 Training, Workshops, and Seminars										
2.2.1	National Workshop for Development of Action Plan for ECCD	workshop	1	15,000	15,000	15,000				
2.2.2	National standards and guidelines mini workshops (one per topic)	workshop	4	5,000	20,000	20,000				
2.2.3	Advocacy training for province and district staff	workshop	3	3,300	9,900	9,000		900		
2.2.4	Provincial child care forums	Forums	4	3,000	12,000	12,000				
2.2.5	National child care forum	Forum	1	15,000	15,000	15,000				
2.2.6	Private Sector Forum (Binh Duong)	Forum	1	7,000	7,000	6,000		1,000		
2.2.7	Dissemination Workshop for Project Lessons Learned	workshop	4	3,300	13,200	12,000		1,200		
2.3 Consulting Services										
2.3.1	Communication and advocacy specialist (international) - design and evaluation	person-month	2.5	18,000	45,000	45,000				
2.4 Management and Coordination of this Component										
2.5 Other Project Inputs (Specify)										
2.5.1	Mass media and advocacy materials produced including DVDs	materials	12	2,500	30,000	24,000		6,000		
2.5.2	Feasibility study for introduction of subsidization instruments for ECCD services (vouchers) study	study	1	15,000	15,000	15,000				
2.5.3	Upgrade GOPF website for ECCD dissemination	lumpsum			1,000	1,000				
2.5.4	DVD for IEC on child care and development	commune	20	280	5,600	5,600				
2.5.5	Publications on ECCD lessons learned, approaches, teaching methods, etc.	publications	10,000	3	30,000	30,000				

Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Quantity Units	Cost	Total (\$)	JFPR		Government	Other Donors	Communities
						Amount	Method of Procurement			
Component C. Capacity Building for Early Childhood Care and Development				Subtotal	171,860	169,260		2,600		2,600
3.1	Civil Works									
3.2	Equipment and Supplies									
3.3	Training, Workshops, and Seminars									
3.3.1	Orientation during inception for national and local partner	workshops	10	1,040	10,400	10,400				
3.3.2	ECCD annual planning workshop (province)	workshops	9	1,000	9,000	9,000				
3.3.3	Training of trainers program for provincial ECCD master trainers (province and district)	trainings	2	2,540	5,080	5,080				
3.3.4	Supportive supervision training (district and commune)	trainings	4	2,870	11,480	11,480				
3.3.5	Management training (central, province and district)- planning; coordination; etc.	workshops	10	3,000	30,000	30,000				
3.3.6	Local travel for 60 national ECCD practitioners (Binh Duong and Quang Tri)	trip	2	10,000	20,000	20,000				
3.4	Consulting Services									
3.4.1	Curriculum and training specialist for ECCD (national)	person-months	2.5	2,500	6,250	6,250				
3.4.2	Planning and budget specialist (national)	person-months	6	2,500	15,000	15,000				
3.4.3	Financial analyst - cost study on homebased and community based care models (national)	study	1	10,000	10,000	10,000				
3.4.4	ECCD specialist (international) - feasibility study public-private and community-based care models	person-months	2	18,000	36,000	36,000				
	ECCD specialist (national) - developing model ECCD for other poor groups in Viet Nam: Issues, costs, feasibility of expansion	person-months	2	2,500	5,000	5,000				
3.5	Management and Coordination of this Component									
3.5.1	Provincial steering committee meetings (biannual)	year	3	150	450	450				
3.5.2	National steering committee meetings (biannual)	year	3	400	1,200	600		600		
3.6	Other Project Inputs									
3.6.1	Study visits for 20 local and 5 national leaders	study visit	2	6,000	12,000	10,000		2,000		
Component D. Project Management, Monitoring, and Operations Research				Subtotal	585,340	445,700		139,640		0
4.1	Equipment and Supplies									
4.1.1	Computers (PMO, PIUs, and DOETs)	computer	12	800	9,600	9,600				
4.1.2	Photocopy machine (PMO and PMUs)	copy machines	4	4,000	16,000	16,000				
4.1.3	Laptop (PMO)	laptop	1	1,200	1,200	1,200				
4.1.4	Fax machine (PMO, PMUs, and DOETs)	fax machine	12	300	3,600	3,600				
4.1.5	Printers (PMO and PMUs)	printer	4	500	2,000	2,000				
4.1.6	Office supplies (PMO and PMUs)	monthly expense	150	150	22,500	22,500				

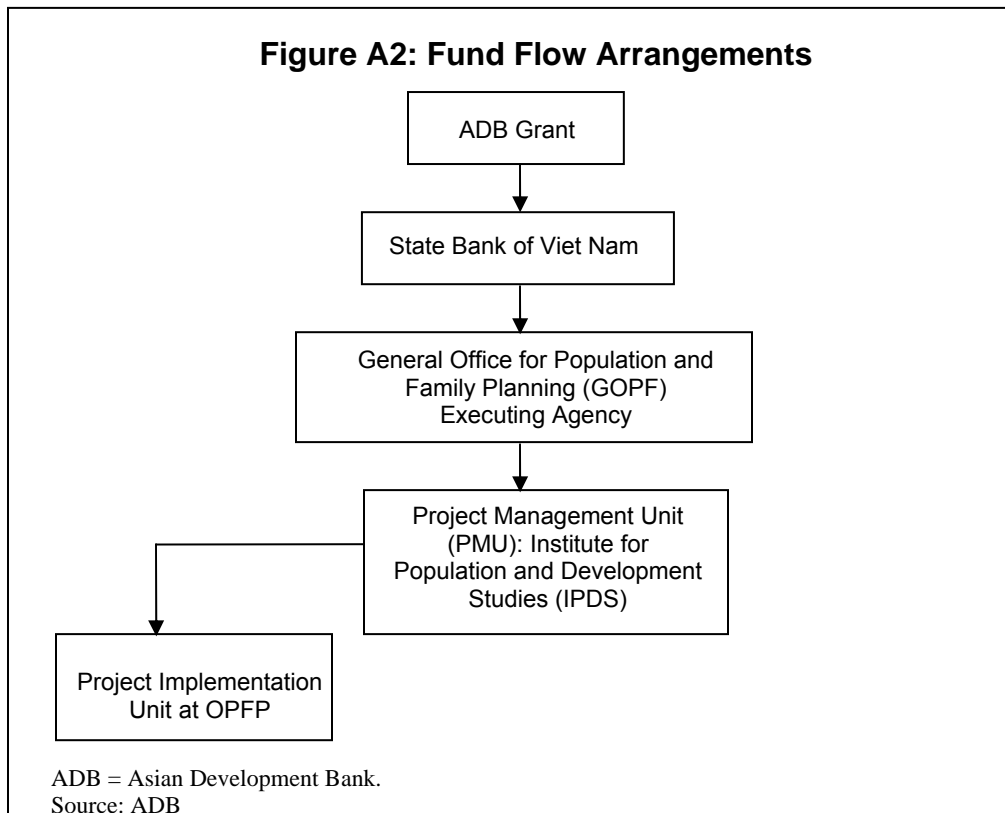
Code	Supplies and Services Rendered	Costs				Contributions				
		Unit	Quantity Units	Cost	Total (\$)	JFPR		Government	Other Donors	Communities
						Amount	Method of Procurement			
4.2	Training, Workshops, and Seminars									
4.2.1	Midterm workshop	workshop	1	8,000	8,000	8,000				
4.2.2	Final workshop	workshop	1	8,000	8,000	8,000				
4.3	External Audits									
4.4	Consulting Services (e.g., for management and monitoring/assessments)									
4.4.1	Baseline survey	lumpsum	1	15,000	15,000	15,000				
4.4.2	Midterm review	lumpsum	1	6,000	6,000	6,000				
4.4.3	Final evaluation and end survey	lumpsum	1	30,000	30,000	30,000				
4.5	Management and Coordination of Project									
4.5.1	Project director	monthly salary	7.2	500	3,600			3,600		
4.5.2	Consultant: project coordinator	monthly	36	500	18,000	18,000				
4.5.3	Consultant: project accountant (50%)	monthly	18	300	5,400	5,400				
4.5.4	Consultant: project administrator (50%)	monthly	18	300	5,400	5,400				
4.5.5	PIU project directors	monthly salary	108	400	43,200			43,200		
4.5.6	Consultant: PIU project coordinator	monthly	108	400	43,200	43,200				
4.5.7	Consultant: PIU project accountant	monthly	54	250	13,500	13,500				
4.5.8	Consultant: PIU project administrator	monthly	54	250	13,500	13,500				
4.5.9	Travel and per diem for central level monitoring	monthly	80	505	40,400	40,400				
4.6.1	Travel and per diem for province level monitoring and supervision	monthly	108	150	16,200	16,200				
4.6.2	Travel and per diem for district level monitoring and supervision	monthly	220	112	24,640	22,400		2,240		
4.6.3	Operational costs IPDS	monthly	36	1,250	45,000	45,000				
4.6.4	Operational costs PIU	monthly	108	800	86,400	70,800		15,600		
4.6.5	Office space IPDS	annual	3	10,000	30,000			30,000		
4.6.6	Office space PIU	annual	9	5,000	45,000			45,000		
4.6.7	Other Project Inputs (Specify)									
Components A to D = Subtotal					Subtotal	1,941,732	1,705,514		236,218	
Contingency (Maximum 10% of total JFPR Contribution)						194,486	194,486		0	
TOTAL Grant Costs					Total	2,136,218	1,900,000		236,218	0
TOTAL Incremental Costs						60,000				

DOET = Department of Education and Training; DVD = digital video disc; ECD = early childhood development; ECCD = early childhood care and development; GOPF = General Office for Population and Family Planning; IEC = information, education, and communication; IPDS = Institute for Population and Development Studies; JFPR = Japan Fund for Poverty Reduction; PIU = project implementation unit; PMO = project management office; PMU = project management unit.

Source: Asian Development Bank estimates.

FUND FLOW ARRANGEMENT

1. Funds will be disbursed under the terms of a contractual arrangement with the General Office for Population and Family Planning (GOPF), which will maintain an imprest account at a bank acceptable to the Asian Development Bank (ADB). The project management office (PMO) will channel funds to the provincial project implementing units, following appropriate requests and liquidation procedures. The imprest account will be established, managed, replenished, and liquidated in accordance with ADB's *Loan and Disbursement Handbook* (2007, as amended from time to time) and detailed arrangements agreed to by the Government and ADB. The initial advance to the PMO will be based on estimated expenditures for the first 6 months or 10% of the total grant amount, whichever is lower. The statement of expenditure procedure will apply to all payments and transactions under \$5,000 to ensure speedy project implementation. Detailed implementation arrangements, such as the fund flow, replenishment, and administrative procedures will be detailed in the grant implementation manual to be prepared prior to project inception and established between ADB and the Government through the Japan Fund for Poverty Reduction (JFPR) letter of agreement.
2. The use of the account and statement of expenditure will be audited annually by auditors acceptable to ADB, and a separate audit opinion on the use of the JFPR account should be included in annual reports. All procurement under the Project will be conducted in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time). Consultants will be hired following ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time) and other arrangements satisfactory to ADB on the engagement of domestic consultants.
3. Interest earned on the JFPR imprest account can be used for the Project, subject to ADB approval, within the approved total amount of the JFPR funding. Upon completion of the JFPR Project and before closing the JFPR account, any unutilized interest should be returned to the JFPR account maintained at ADB. If the remittance fee and other bank charges are higher than the amount of interest earned, such interest will not need to be returned.



PROJECT MANAGEMENT AND IMPLEMENTATION STRUCTURE

