
LOAN NUMBER 2539-CAM (SF)

LOAN AGREEMENT
(Special Operations)

(GMS: Cambodia Northwest Provincial Road Improvement Project)

between

KINGDOM OF CAMBODIA

and

ASIAN DEVELOPMENT BANK

DATED 17 SEPTEMBER 2009

LAS:CAM 42358

LOAN AGREEMENT (Special Operations)

LOAN AGREEMENT dated 17 September 2009 between the KINGDOM OF CAMBODIA (hereinafter called the "Borrower") and ASIAN DEVELOPMENT BANK (hereinafter called "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 (hereinafter called the "Project");

(B) the Borrower has also applied to the Korean Export-Import Bank (hereinafter called "KEXIM") for a loan (hereinafter called the "KEXIM Loan") in the amount equivalent to twenty-five million five hundred eighty thousand Dollars (\$25,580,000) to assist in financing a part of the Project, pursuant to a loan agreement to be entered into between the Borrower and KEXIM (hereinafter called the "KEXIM Loan Agreement"); and

(C) 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) "Component" means any of the Project's components as described in Schedule 1 to this Loan Agreement;

(b) "Consulting Guidelines" means ADB's Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2007, as amended from time to time);

(c) "EMP" means a Project's environmental management plan developed based on the IEE;

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

(f) "IEE" means the initial environmental examination developed for the Project and agreed upon between the Borrower and ADB;

(g) "MPWT" means the Borrower's Ministry of Public Works and Transport, or any successor thereto;

(h) "PMU-3" means, for the purpose of the Project, the Project Management Unit No 3 under the General Department of Public Works, MPWT, or any successor thereto;

(i) "Procurement Guidelines" means ADB's Procurement Guidelines (2007, as amended from time to time);

(j) "Procurement Plan" means the procurement plan for the Project dated 7 July 2009 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;

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

(l) "Project facilities" means any facilities to be constructed, provided and maintained under the Project;

(m) "Summary of Poverty Reduction and Social Strategy" means the summary of the poverty reduction and social strategy developed for the Project and agreed between the Borrower and ADB;

(n) "UXO" means unexploded ordinances which are explosive weapons that did not explode when they were employed and still pose a risk of detonation; and

(o) "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 ten million five hundred twelve thousand Special Drawing Rights (SDR 10,512,000).

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 February and 15 August 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, 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, 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 30 June 2014 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

Suspension; Acceleration of Maturity

Section 5.01. The following is specified as an additional event for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(m) of the Loan Regulations: the KEXIM Loan shall have become liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 8.07(d) of the Loan Regulations: the event specified in Section 5.01 of this Loan Agreement shall have occurred.

ARTICLE VI

Effectiveness

Section 6.01. 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 VII

Miscellaneous

Section 7.01. The Minister of Economy and Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Loan Regulations:

For the Borrower

The Ministry of Economy and Finance
The Royal Government of Cambodia
Phnom Penh
Cambodia

Facsimile Numbers:

(855-23) 427 798
(855-23) 428 424.

For ADB


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

Facsimile Numbers:

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

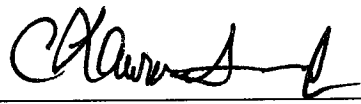
IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and to be delivered at the principal office of ADB, as of the day and year first above written.

KINGDOM OF CAMBODIA

By 

H.E. KEAT CHHON
Authorized Representative

ASIAN DEVELOPMENT BANK

By 

C. LAWRENCE GREENWOOD
Vice President (Operations 2)

SCHEDULE 1

Description of the Project

1. The impact of the Project is expected to be increased subregional transport and trade between Thailand and Cambodia through: (i) providing reliable all-year access from provincial towns and rural areas to markets, employment, and social services such as advanced health and education facilities; and (ii) providing access to historical and natural cultural sites in northwestern Cambodia. The outcome of the Project is increased transport efficiency in northwestern Cambodia.
2. The Project comprises the following components:
 - A. Road Improvements**
 - Improving about 113 kilometers of the National Road 56 from Sisophon to Samraong.
 - B. Cross Border Facilities at O'smach**
 - Improving and constructing cross border facilities at O'smach, including new customs, cross border control and quarantine and administration buildings.
 - C. Road Maintenance Program**
 - Supporting the Borrower's road maintenance program including providing equipment for axle load control through some permanent weigh stations at strategic locations of the national road network.
 - D. Road Safety Program**
 - Assisting in developing and implementing a road safety program which includes: (i) public awareness of traffic laws and regulations; (ii) road user competence and education; and (iii) vulnerability awareness.
 - E. HIV Prevention and Anti-Human Trafficking Program**
 - Supporting the Borrower's ongoing efforts to prevent HIV/AIDS and human trafficking through: (i) community-based risk mitigation package for HIV, safe migration and anti-trafficking targeting females including married women; (ii) focused HIV initiatives in the work setting, particularly for the construction workforce, entertainment workers, and enforcement education for military personnel, border police and officials; (iii) strengthened sexual and reproductive health services at district-level; (iv) strengthened capacity of MPWT; and (v) a rigorous monitoring and evaluation (M&E) system.
3. The Project is expected to be completed by 31 December 2013.

SCHEDULE 2

Amortization Schedule (GMS: Cambodia Northwest Provincial Road Improvement Project)

<u>Date Payment Due</u>	<u>Payment of Principal (expressed in Special Drawing Rights)*</u>
15-Feb-2018	219,000.00
15-Aug-2018	219,000.00
15-Feb-2019	219,000.00
15-Aug-2019	219,000.00
15-Feb-2020	219,000.00
15-Aug-2020	219,000.00
15-Feb-2021	219,000.00
15-Aug-2021	219,000.00
15-Feb-2022	219,000.00
15-Aug-2022	219,000.00
15-Feb-2023	219,000.00
15-Aug-2023	219,000.00
15-Feb-2024	219,000.00
15-Aug-2024	219,000.00
15-Feb-2025	219,000.00
15-Aug-2025	219,000.00
15-Feb-2026	219,000.00
15-Aug-2026	219,000.00
15-Feb-2027	219,000.00
15-Aug-2027	219,000.00
15-Feb-2028	219,000.00
15-Aug-2028	219,000.00
15-Feb-2029	219,000.00
15-Aug-2029	219,000.00
15-Feb-2030	219,000.00
15-Aug-2030	219,000.00
15-Feb-2031	219,000.00
15-Aug-2031	219,000.00
15-Feb-2032	219,000.00
15-Aug-2032	219,000.00
15-Feb-2033	219,000.00
15-Aug-2033	219,000.00
15-Feb-2034	219,000.00
15-Aug-2034	219,000.00
15-Feb-2035	219,000.00
15-Aug-2035	219,000.00
15-Feb-2036	219,000.00
15-Aug-2036	219,000.00
15-Feb-2037	219,000.00
15-Aug-2037	219,000.00

<u>Date Payment Due</u>	<u>Payment of Principal (expressed in Special Drawing Rights)*</u>
15-Feb-2038	219,000.00
15-Aug-2038	219,000.00
15-Feb-2039	219,000.00
15-Aug-2039	219,000.00
15-Feb-2040	219,000.00
15-Aug-2040	219,000.00
15-Feb-2041	219,000.00
15-Aug-2041	219,000.00
Total	10,512,000.00

* 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, 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 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 and reference to "Subcategory" or "Subcategories" in this Schedule is to a Subcategory or Subcategories of a Category.)

Percentages of ADB Financing

2. Except as ADB may otherwise agree, the items of the Categories and Subcategories 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 5 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, the Loan proceeds for financing Goods, Works, consulting services and other items shall be disbursed in accordance with ADB's "Loan Disbursement Handbook" dated January 2007 (ADB's Loan Disbursement Handbook), as amended from time to time.

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 the National Bank of Cambodia. 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 not exceed the lower of: (i) the estimated expenditure to be financed from the imprest account for the first six (6) months of Project implementation; or (ii) the equivalent of ten (10) percent of the Loan amount.

(b) The statement of expenditures (SOE) procedure may be used for reimbursement of eligible expenditures and to liquidate advances provided into the imprest account, 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 fifty thousand Dollars (\$50,000).

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (GMS: Cambodia Northwest Provincial Road Improvement Project)				
CATEGORY				ADB FINANCING
Number	Item	Amount Allocated		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Works	5,883,000		
1A	Improvement of NR56A		3,969,000	86 percent of total expenditure
1B	Cross border facility rehabilitation		1,914,000	79 percent of total expenditure
2	Consulting services	1,551,000		
2A	Detailed design and implementation supervision for NR56A		588,000	100 percent of total expenditure*
2B	Detailed design and implementation supervision for cross border facility		271,000	100 percent of total expenditure*
2C	Road safety program		530,000	100 percent of total expenditure*
2D	HIV prevention and anti-trafficking program		162,000	100 percent of total expenditure*
3	Equipment: road maintenance program	517,000		100 percent of total expenditure*
4	Incremental administrative costs	123,000		90 percent of total expenditure
5	Interest Charge	162,000		100 percent of amount due
6	Unallocated	2,276,000		
	Total	10,512,000		

* Exclusive of taxes and duties imposed within the territory of the Borrower.

SCHEDULE 4

Procurement of Goods and Works, and Consulting Services

A. General

1. All Goods, 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:

International Competitive 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. 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 written approval of such change by the Borrower and ADB.

C. Selection of Consulting Services

6. Quality- and Cost-Based Selection. Except as ADB may otherwise agree, the Borrower shall apply quality- and cost-based selection for selecting and engaging consulting services.
7. The Borrower shall apply the Quality Based Selection for selecting and engaging the consulting services for HIV prevention and anti-trafficking program, in accordance with, among other things, the procedures set forth in the Procurement Plan

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

A. Project Management

1. MPWT shall be the Project Executing Agency. It shall be responsible for procurement under the Project, withdrawal of the Loan proceeds, recruitment and engagement of consultants financed under the Project, and reporting to ADB and KEXIM.

2. PMU-3 shall be responsible for Project planning and implementation, including implementing EMP during the Project design and construction stages, and carrying out monitoring and enforcement of EMP with the assistance of a detailed design and implementation supervision consultant to be engaged under the Project.

B. Operation and Maintenance of Project facilities

3. MPWT shall be responsible for the operation and maintenance of the Project facilities by providing proper technical supervision and ensuring adequate fund allocation. The Borrower shall ensure that adequate budget is requested and made available annually for the operation and maintenance of the Project facilities during and after the Project.

C. Applicability of ADB's Policies

4. The Borrower shall ensure that *Environment Policy (2002)*, *Policy on Indigenous Peoples (1998)*, *Policy on Gender and Development (1998)* and *Involuntary Resettlement Policy (1995)* are applied and implemented for all Project components regardless of their financing sources.

D. Environment

5. The construction and operation of the Project facilities shall be carried out in accordance with the agreed IEE, and shall comply with the Borrower's environmental laws and regulations and ADB's *Environment Policy (2002)*. If there is any discrepancy between the Borrower's laws and regulations, and ADB's *Environment Policy*, ADB's policy shall prevail.

6. The MPWT shall ensure that environmental mitigation measures, environmental monitoring activities and environmental capacity strengthening programs as well as any other recommendations specified in the IEE are implemented as agreed to minimize any adverse environmental impacts arising from the construction and operation of Project facilities. For this purpose, MPWT shall include the IEE's environmental mitigation and monitoring measures in the bidding documents for civil works contracts, and ensure that the civil works contractors shall: (i) develop construction environmental management plans based on the measures specified in the bidding documents prior to any site works; and (ii) implement the construction environmental management plans in accordance with the IEE during the construction.

E. Land Acquisition and Involuntary Resettlement

7. The Borrower, through MPWT, shall ensure that any involuntary resettlement is carried out in accordance with the resettlement plans as agreed between the Borrower and ADB, ADB's *Involuntary Resettlement Policy (1995)*, and the Borrower's relevant laws and regulations. If there are any differences between Borrower's laws and regulations, and ADB's *Involuntary Resettlement Policy*, ADB's policy shall prevail.

8. Prior to commencing land acquisition and involuntary resettlement activities, the Borrower, through MPWT, shall submit the updated resettlement plans to ADB for approval, and disclose them to the public in accordance with the ADB *Public Communications Policy (2005)*.

9. MPWT shall not issue a notice to commence civil works in a particular section of the roads to be constructed or rehabilitated under the Project, until: (a) compensation payment and relocation of the affected people in such particular section have been completed satisfactorily in accordance with the updated resettlement plan approved by ADB; (b) rehabilitation assistance for such particular section has been put in place; and (c) such particular road section is free of all encumbrances.

10. MPWT, through its Social and Environmental Unit and in close collaboration with the Resettlement Department of the Borrower's Inter-Ministerial Resettlement Committee, shall be responsible for internal monitoring of resettlement activities. Within one (1) month of the commencement of updating the resettlement plans, it shall engage an independent agency for external monitoring and evaluation. The internal and external monitoring reports shall be submitted to ADB on a quarterly basis and uploaded on MPWT's website within two (2) weeks of their submission. Such monitoring shall be carried out until all resettlement activities have been completed.

11. The Borrower shall ensure that counterpart funds for resettlement activities are provided in a timely manner, and shall meet any unforeseen obligations in excess of the resettlement budget in order to satisfy the requirements and objectives of resettlement required under ADB's *Involuntary Resettlement Policy*.

F. Ethnic Minority

12. The Borrower shall ensure that the Project does not affect any ethnic minority peoples. In case any ethnic minority is affected, MPWT shall develop and implement an ethnic minority development plan acceptable to ADB in accordance with the Borrower's applicable laws and regulations and ADB's *Policy on Indigenous Peoples (1998)*.

G. Gender and Other Social Matters

13. The Borrower shall ensure that all civil works contracts under the Project incorporate provisions and allocate budgets such that contractors: (a) comply with the Borrower's applicable labor laws and related international treaties/conventions including prohibiting child labor; (b) provide safe working conditions and separate water and sanitation facilities for male and female workers in the construction camps and in the construction sites; (c) provide equal wages to male and female workers for work of equal value; (d) provide day-

care services for children of female construction workers; and (e) recruit local labor for construction work and the road maintenance program.

14. The Borrower shall ensure that the gender strategy to be provided in the agreed resettlement plans and their updates, and the Summary of Poverty Reduction and Social Strategy are fully undertaken to maximize project benefits to women. Key actions shall include: (a) separate consultations on resettlement activities for affected women groups (female headed households, elderly women, and poor women); (b) timely compensation and relocation of houses for such women groups; (c) implementing HIV/AIDS and human trafficking awareness program for women with district and commune councils of women; and (d) developing monitoring indicators covering women groups and implementing project-specific gender strategy.

H. UXO Clearance

15. The Borrower shall ensure that civil works contracts financed by the Project have provisions that before commencing their construction works, civil works contractors: (a) shall have cleared all UXOs on the construction sites; and (b) shall provide to MPWT the verification that the construction sites have actually been cleared. MPWT shall not issue a notice to proceed for any construction Works until it obtains such verification from the concerned civil works contractors.