
GRANT NUMBER 0046-VIE (SF)

GRANT AGREEMENT
(Special Operations)
(HIV/AIDS Prevention Among Youth Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 24 JULY 2006

GAS:VIE 38581

**GRANT AGREEMENT
(Special Operations)**

GRANT AGREEMENT dated 24 July 2006 between the SOCIALIST REPUBLIC OF VIET NAM (“the Recipient”) and ASIAN DEVELOPMENT BANK (“ADB”).

WHEREAS

(A) the Recipient has applied to ADB for a grant from its Special Funds resources for the purposes of the Project described in Schedule 1 to this Grant Agreement (the Project); and

(B) ADB has agreed to provide a grant to the Recipient from ADB's Special Funds resources upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of the Special Operations Grant Regulations of ADB, dated 7 February 2005 (the “Grant Regulations”), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Whenever used in this Grant Agreement, unless the context requires otherwise, the definitions set forth in the Grant Regulations and the following additional terms have the following meanings:

- (a) “AIDS” means acquired immunodeficiency syndrome;
- (b) “BCC” means behavior change communication;
- (c) “DOET” means the provincial Departments of Education and Training of the Project provinces, or any successor(s) thereto;
- (d) “HIV” means the human immunodeficiency virus;
- (e) “Implementing Agencies” means the agencies of the Recipient responsible for implementing the Project, as outlined in Schedule 4 hereto;
- (f) “mass organizations” includes civil society organizations such as the Youth and Women’s Unions;

(g) “MOF” means the Ministry of Finance of the Recipient, and includes any successor thereto;

(h) “MOH” means the Ministry of Health of the Recipient, and includes any successor thereto;

(i) “National HIV/AIDS Strategy” means the strategy endorsed by the Recipient’s Prime Minister on 17 March 2004, Decision No. 36/2004/QD-TTg that identifies behavioral change information, education and communication programs and harm reduction as priority activities for HIV/AIDS prevention and control;

(j) “NGO” means a nongovernment organization;

(k) “PAAC” means the Provincial Administration for AIDS Control or the provincial equivalent of the Provincial AIDS Committee in each of the Project provinces, and includes any successors thereto;

(l) “PCPFC” means a Provincial Committee for Population Family and Children and includes any successors thereto;

(m) “PMU” means the Project management unit established in VCPFC, being more particularly referred to in paragraphs 2 and 3 of Schedule 4 to this Grant Agreement;

(n) “PPM Indicators” mean the Project performance monitoring and evaluation indicators relating to the Project, including HIV infection rates and Project milestones, as agreed between the Recipient and ADB;

(o) “PPMU” means a provincial Project management unit established in a Project province being more particularly referred to in paragraph 4 of Schedule 4 to this Grant Agreement;

(p) “Project Director” means the PMU staff member responsible for overall Project management;

(q) “Project Executing Agency” for the purposes of, and within the meaning of, the Grant Regulations means VCPFC which is responsible for the carrying out of the Project;

(r) “Project facilities” means the youth community meeting places and drop-in centers, surveillance laboratories, HIV/AIDS surveillance and testing centers to receive funding under the Project, together with the equipment to be provided to any such facilities, or any part thereof;

(s) “Project provinces” means the provinces within the territory of Viet Nam, which have been selected to participate in the Project and include the provinces of Ha Noi, Ha Tay, Bac Ninh, Phu Tho and Quang Ninh which will implement the Project first, and the Provinces of Hai Duong, Dien Bien, Quang Tri, Thua Thien Hue, Da Nang, Binh Duong, Long An, Dong Thap, Can Tho and Ba Ria-Vung Tau, which will commence implementation of the Project during the second phase of the Project;

(t) "PSC" means, for the purpose of the Project, the Project Steering Committee, as more fully described in paragraph 5 of Schedule 4 to this Grant Agreement;

(u) "Subproject" means the program of activities and actions to be undertaken pursuant to a relevant Project province action plan, as approved by the PMU and as more fully described in paragraph 10 of Schedule 4 to this Grant Agreement;

(v) "VAAC" means the Viet Nam Administration of HIV/AIDS Control of the Recipient and includes any successors thereto;

(w) "VCPFC" means the Viet Nam Commission for Population, Family and Children of the Recipient and includes any successors thereto;

(x) "VCT" means voluntary counseling and testing;

(y) "VOV" means the Voice of Viet Nam, the Recipient's national radio broadcast agency and includes any successors thereto; and

(z) "VTV" means Vietnam Television, the Recipient's national television broadcasting agency and includes any successors thereto.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient from ADB's Special Funds resources on terms and conditions set forth in this Grant Agreement an amount of twenty million Dollars (\$20,000,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement.

Section 3.02. The goods and services and other items of expenditure to be financed out of the proceeds of the Grant and the allocation of amounts of the Grant among different categories of such goods and services and other items of expenditure shall be in accordance with the provisions of Schedule 2 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, all goods and services to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Schedule 3 and Schedule 4 to this Grant Agreement.

Section 3.04. Withdrawals from the Grant Account in respect of goods and services shall be made only on account of expenditures relating to

- (a) goods which are produced in and supplied from and services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement, and
- (b) goods and services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.05. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 31 December 2011 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Grant Agreement.

Section 4.02. (a) The Recipient 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 Grant proceeds and compliance with the financial covenants of this Grant Agreement as well as on the use of the procedures for imprest accounts/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 Recipient shall enable ADB, upon ADB's request, to discuss the Recipient's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Recipient 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 Recipient unless the Recipient shall otherwise agree.

Section 4.03. The Recipient shall enable ADB's representatives to inspect the Project, the goods financed out of the proceeds of the Grant, 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 Grant Agreement for the purposes of Section 9.01(e) of the Grant Regulations: VCPFC shall have issued guidelines acceptable to ADB that specify the roles and responsibilities of the PMU and PPMUs for implementing the Project.

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

ARTICLE VI

Miscellaneous

Section 6.01. The Governor of the State Bank of Viet Nam is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For Viet Nam

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:

(84 4) 933 1373
(63 2) 636 2444.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant 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 objective of the Project is to contain HIV/AIDS infection rates among young people (about 15-24 years of age) and reduce the spread and impact of HIV/AIDS in Viet Nam, particularly in the Project provinces by 2011 by implementing a comprehensive youth-focused behavior change communication program to: (a) increase condom use, especially for high risk sex, and the proportion of young people identifying a formal source of condoms and having comprehensive correct knowledge of HIV/AIDS; and (b) reduce needle sharing among intravenous drug users (IDUs) in the Project provinces. The scope of the Project will (i) improve policy environment for a youth focus in implementation of the National HIV/AIDS Strategy; (ii) improve measures of knowledge sharing in relation to HIV/AIDS risks and prevention and associated issues for youth; (iii) increase access by youth to HIV harm reduction services and prevention education programs in Project provinces; and (iv) strengthen capacity of VCPFC to monitor and evaluate progress in delivering the Project and to design and implement other capacity building programs.

2. The Project consists of the following components:

Component 1 - Leadership and strategy support

Improvement of the focus on youth for leaders in the policy environment during the implementation of the National HIV/AIDS Strategy by supporting advocacy activities and youth issues in policy development and program integration from the national to community level through the provision of support for:

- (a) undertaking the second survey assessment of Vietnamese youth (SAVY) and related studies and dissemination workshops;
- (b) the development and dissemination of materials on youth issues targeted at leaders through policy-maker forums and advocacy meetings at the community level;
- (c) the participation of youth in national and international conferences and workshops;
- (d) planning workshops with local authorities and partners to support the integration of youth issues into a range of community programs; and
- (e) commune outreach programs undertaken by the VCPFC and its partners in the Project provinces.

Component 2: National mass media program for behavior change

Production of a high-quality, national mass media behavior change communication program focused on youth and aimed at reducing HIV/AIDS infection risk. The comprehensive program will include development and production of a television drama series to be broadcast initially for about 3 years, and related community messaging spots broadcast via television with complementary programming such as hot-line phone-in radio programs, website publications and print media to be presented in an integrated, reinforcing package.

Provision of supporting interpersonal communication materials, including formative research, pre- and post testing and analysis.

Component 3: Community based HIV/AIDS prevention resources for youth

Implementation in each of the Project provinces, of a customized program of province-based, youth-focused, activities to prevent the spread of HIV/AIDS. This component, which includes Subprojects to be developed and implemented in each Project province, consists of the following three subcomponents for the prevention of HIV infection and is targeted at different risk groups:

- (a) the provision of comprehensive harm reduction services covering voluntary counseling and testing, free access to condoms and needles, information, and peer education in youth-accessible settings and Project facilities;
- (b) undertaking BCC and interpersonal communication interventions including peer education and life skills training to youth considered to be at risk from the spread of HIV/AIDS in settings which will include industrial zones, tourism spots, and universities/colleges with migrant youth; and
- (c) enhancement of primary prevention measures and life skills training through school-based education and community outreach to parents on youth and HIV/AIDS issues, with curriculum development with the Recipient's Ministry of Education and Training, and train-the-trainer programs for school personnel and community collaborator networks.

Component 4: Project Management, capacity building, monitoring and evaluation

Provision of: (a) Project management support, capacity building, and equipment and consulting services for the PMU and PPMUs; (b) support for the development of youth-focused indicators; and (c) youth-focused monitoring and evaluation structures.

3. The Project is expected to be completed by 31 June 2011.

SCHEDULE 2

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of goods, services and other items to be financed out of the proceeds of the Grant and the allocation of amounts of the Grant 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.)

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 Grant on the basis of the amount of the Grant allocated to each Category.

Reallocation

3. Notwithstanding the allocation of Grant proceeds set forth in the Table,

(a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Recipient, reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant 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 Grant then allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Recipient, reallocate such excess amount to any other Category.

Imprest Accounts; Statement of Expenditures

4. (a) Except as ADB may otherwise agree, the Recipient shall cause: (i) the PMU to establish within one month after the Effective Date, an imprest account at a commercial bank acceptable to ADB; and (ii) each PPMU to establish a second generation imprest account (SGIA) within its provincial Treasury following MOF confirmation to ADB that the relevant provincial Treasury has sufficient financial management capacity to operate a SGIA.

(b) The imprest account and each SGIA shall be established, managed, replenished and liquidated in accordance with ADB's "Loan Disbursement Handbook" dated January 2001, as amended from time to time, and detailed arrangements agreed upon between the Borrower and ADB. The initial amount to be deposited into the imprest account shall not exceed the lesser of the equivalent of \$1,000,000 or the estimated expenditure for the first six months of the Project. The initial amount to be deposited into each of the SGIA shall not exceed the lesser of the equivalent of \$50,000 or six months' estimated expenditure.

Schedule 2

(c) 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" dated January 2001, as amended from time to time, and detailed arrangements agreed upon between the Recipient and ADB. Any individual payment to be reimbursed or liquidated under the SOE procedure shall not exceed \$100,000.

Conditions of Withdrawals from Imprest Account

5. Notwithstanding any other provision of this Grant Agreement, the Recipient shall ensure that no disbursement of Grant proceeds shall be made to a specified SGIA until: (i) the action plan, including the proposed budget for the specified Project province has been approved by the PMU; and (ii) any misprocurement or other irregularity has been corrected by the concerned PPMU or Project province to the satisfaction of the Recipient and ADB, in circumstances where any misprocurement has occurred or other procurement action by the PPMU or a specified Project province has been identified by ADB as irregular.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS				
(HIV/AIDS Prevention Among Youth Project)				
CATEGORY			PERCENTAGE OF ADB FINANCING	
			(Percentage and Basis for Withdrawal from the Grant Account)	
Number	Item	Amount Allocated \$'000	Percentage	Basis for Withdrawal
1	Equipment (including vehicle)	510	100	of total expenditure*
2	Surveys and evaluations	630	100	of total expenditure*
3	Training, workshops and study tours	4,960	100	of total expenditure*
4	Mass media, BCC and IPC activities and materials	5,890	100	of total expenditure*
5	Community BCC	2,680	100	of total expenditure*
6	Consulting services	3,190	100	of total expenditure*
7	Project management	220	100	of total expenditure*
8	Unallocated	1,920		
	Total	20,000		

BCC = behavior change communication, IPC = interpersonal communication

*Exclusive of local taxes

SCHEDULE 3

Procurement of Goods and Works, and Consulting Services

A. Application of Procurement and Consulting Guidelines

1. All Goods and Works to be financed out of the proceeds of the Grant shall be subject to and governed by the "Procurement Guidelines" dated April 2006, as amended from time to time, (the "**Procurement Guidelines**"); and all Consulting Services to be financed out of the proceeds of the Grant, shall be subject to and governed by the provisions of the "Guidelines on the Use of Consultants by Asian Development Bank and its Recipients" dated April 2006, as amended from time to time, (the "**Consulting Guidelines**").

B. Definitions

2. All capitalized terms used and not otherwise defined in this Schedule 3, have the meanings provided in the Procurement Guidelines and the Consulting Guidelines. In addition, the following terms have the following meanings:

(a) "Advance Action" means the Recipient's procurement of Goods, Works, or Consulting Services before the Effective Date, up to and including ADB's approval of the Recipient's recommendation for the award of contract;

(b) "Consulting Services" means the services referred to in Section E of this Schedule 3;

(c) "Goods" means equipment and materials, including related services such as insurance, production and distribution, and broadcasts and advertising, but excluding Consulting Services;

(d) "Misprocurement" means any action relating to the procurement of Goods and Works that is not conducted in accordance with this Grant Agreement and the Procurement Guidelines; or any action relating to the selection and engagement of Consulting Services that is not conducted in accordance with this Grant Agreement and the Consulting Guidelines;

(e) "Post Review" means, for the procurement of Goods and Works, the process described in paragraph 5 of Appendix 1 of the Procurement Guidelines; and for the recruitment of Consulting Services, the processes of ADB review after execution of a contract between the Recipient and a consultant;

(f) "Prior Review" means, for the procurement of Goods and Works, the process described in paragraphs 2 to 4 of Appendix 1 of the Procurement Guidelines; and for the recruitment of Consulting Services, the process of ADB review of the selection and engagement of Consulting Services prior to the execution of a contract between the Recipient and a consultant;

(g) "Procurement Plan" means the procurement plan for the Project agreed between the Recipient and ADB as may be amended from time to time by agreement between the Recipient and ADB; and

(h) "Works" includes Project related services that are provided as part of a single responsibility contract.

C. Procurement Plan and Procurement Agent

3. General. Without limiting the generality of paragraph 1 of this Schedule, the Recipient shall conduct the procurement of Goods and Works and the selection, engagement and recruitment of Consulting Services in accordance with the Procurement Plan.

4. Updates to the Procurement Plan. The Recipient shall revise and update the initial Procurement Plan in accordance with the Procurement Guidelines and the Consulting Guidelines, as needed throughout implementation of the Project, so that each such subsequent Procurement Plan is provided to ADB upon each anniversary of the Effective Date. In the event that a Grant does not become effective within 8 months of ADB's agreement to the initial Procurement Plan, the Recipient shall prepare a revised initial Procurement Plan and submit it to ADB for approval within 14 days of the Effective Date.

5. Effectiveness of Procurement Plan. The initial Procurement Plan shall become effective on the Effective Date. Updates to the initial Procurement Plan and Procurement Plan(s) shall become effective on the date of approval by ADB and shall only supersede the immediately preceding Procurement Plan upon that date.

6. Procurement Agent. The Recipient may appoint a Procurement Agent to carry out the obtaining of services under the Project. The terms and conditions of selection and employment of the Procurement Agent will be agreed between the Recipient and ADB and will be set out in an updated Procurement Plan. The Recipient shall ensure that the Procurement Agent follows all of the requirements of this Schedule and the Procurement Guidelines and Consulting Guidelines, as relevant.

D. Procurement of Goods and Works

Methods of Procurement for Goods and Works

7. Except as ADB may otherwise agree, the Recipient shall use the methods of procurement set forth in this Part D of Schedule 3.

8. National Competitive Bidding. The Recipient may use national competitive bidding in accordance with the Recipient's standard procurement procedures, for the procurement of Goods estimated to cost the equivalent of less than or equal to \$500,000 and for Works less than or equal to \$2,100,000.

9. Shopping. The Recipient may use shopping for Goods estimated to cost not more than the equivalent of \$150,000 and Works estimated to cost not more than the equivalent of \$100,000.

Schedule 3

10. Limited International Bidding. The Recipient shall apply limited international bidding in accordance with the provisions of paragraph 3.2 of the Procurement Guidelines for the procurement of HIV related supplies, including condoms, needles and syringes estimated to cost the equivalent of not more than \$350,000.

Industrial or Intellectual Property Rights

11. (a) The Recipient 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 Recipient 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.

E. Recruitment of Consulting ServicesMethods of Selection of Consulting Services.

12. Except as ADB may otherwise agree, the Recipient shall use the methods of selection of Consulting Services set forth in this Part E of this Schedule 3.

13. Quality and Cost-Based Selection. Except as set forth in paragraphs 14 of this Schedule 3, the Recipient shall apply Quality and Cost Based Selection (QCBS) for selecting and engaging Consulting Services, in accordance with the relevant provisions set forth in Chapter II of the Consulting Guidelines, and the procedures set forth in the Procurement Plan for television and radio show production.

14. Other Methods of Procurement of Consultant Services. The Recipient shall apply the following methods for selecting and engaging the specified Consulting Services, in accordance with the relevant provisions set forth in Chapter II of the Consulting Guidelines and the procedures set forth in the Procurement Plan:

- (a) Quality-Based Selection for media program management and technical assistance, prevention outreach services, peer education/life skill services for vulnerable youth, community and school outreach services;
- (b) Consultants' Qualifications Selection, for operational research, television documentaries, formative research, and survey assessment; and
- (c) Single Source Selection, for youth and HIVAIDS expertise, youth-friendly harm-reduction services, peer education and life skills, training community collaborators and school-based educators.

Schedule 3

15. Individual Consultants. The Recipient shall utilize the services of individual consultants to carry out the Project, with regard to: (i) monitoring and evaluation; (ii) institutional capacity building; and (iii) social development, media, finance, accounting and administration, Project management, youth and HIVAIDS expertise.

16. Mass Organizations and Nongovernment Organizations (NGOs). The Recipient shall utilize the services of local institutions mass organizations and associations including NGOs to be recruited in consultation with ADB, subject to the following:

- (a) Contracts for the provision of services will be competitively awarded following procedures acceptable to ADB. A single organization may bid on any number of contracts, but each bid will be evaluated independently against other bids for the same contract. A call for bids will be advertised locally and on ADB's website.
- (b) International NGOs will be eligible as will local institutions, mass organizations and NGOs. Bids shall be evaluated based on (i) organizational capacity (expertise and resources to provide the nominated service as well relevant experience); (ii) the strength of the technical proposal; and (iii) cost.

Type of Contract; Provisions in Consulting Services Contract

17. The Recipient shall ensure that (a) each type of contract to be used for any Consulting Services contract conforms to the requirements of Chapter II B of the Consulting Guidelines; (b) such type of contract(s) is reflected in the Procurement Plan; and (c) each contract for Consulting Services contains provisions reflecting those required by Chapter II C of the Consulting Guidelines.

Intellectual Property

18. The Recipient 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.

F. ADB's Review of Procurement Decisions

19. All contracts shall be subject to Prior Review by ADB, unless otherwise agreed between the Recipient and ADB, and as set forth in the Procurement Plan.

G. Misprocurement

20. If the procurement of Goods, Works, or Consulting Services, is not conducted in accordance with this Grant Agreement, or the Procurement Guidelines or Consulting Guidelines, respectively, ADB shall declare Misprocurement, and:

- (i) may take any action set forth in paragraph 1.12 of the Procurement Guidelines, or paragraph 1.18 of the Consulting Guidelines; and

- (ii) may exercise its right of suspension, cancellation, or acceleration of maturity under Article VIII of the Grant Regulations.

SCHEDULE 4

Execution of Project; Financial and Other Matters

Project Executing Agency and Implementing Agencies

1. VCPFC, as the Project Executing Agency, shall be responsible for the overall execution and coordination of the Project and shall endeavor to involve youth, including people living with HIV/AIDS in all stages of Project planning, formative research, implementation and evaluation. The Implementing Agencies shall be the MOH, the PCPFC of the Project provinces and DOET.

Project Management Units

2. The Recipient, through VCPFC, shall establish the PMU to be headed by the Project Director and shall ensure that: (a) appropriate full-time staff are assigned to the PMU, including a vice director and at least six full time staff to provide technical expertise and administrative support in areas of accounting, contract administration, disbursement, planning and procurement, and (b) adequate office space and facilities, transport, and secretarial support are provided to the PMU as needed.

3. The PMU shall: (a) coordinate day to day implementation of the Project including: (i) national and provincial activities; (ii) handling the bidding process; (iii) managing contracts; (iv) monitoring Project progress; (v) preparing withdrawal applications and Project progress reports and a Project completion report; (vi) maintaining Project accounts and complete Grant financial records for auditing; and (vii) monitoring the socioeconomic impacts of the Project and serve as a liaison point between the Project provinces, VCPFC and ADB, and (b) provide administrative and fiduciary support to the Project Implementing Agencies.

4. A PPMU shall be established in each Project province with at least a staff comprising of a Director, accountant, and component activity coordinator(s) to implement each Subproject. Each PPMU shall be guided by the relevant PCPFC and shall: (a) oversee the implementation of all Subproject activities; (b) monitor and evaluate province-based Project activities to ensure quality of Project outputs; and (c) report to the PMU.

Project Steering Committee

5. The Project Steering Committee, (PSC) to be chaired by the leader of VCPFC (Minister or Vice Minister) and comprising senior officials from the participating ministries and organizations, including the Recipient's Ministry of Planning and Investment, Ministry of Culture and Information, Ministry of Education and Training, MOF, the State Bank of Viet Nam, the MOH/VAAC, VTV, VOV, Youth Union, Women's Union and Farmer's Union, shall: (a) provide guidance to the PMU to ensure timely and effective performance of the Project, and (b) supervise strategic planning and review and propose modifications and changes to Project implementation as necessary. The PSC shall ensure a process is in place so that youth and people living with HIV/AIDS are consulted regarding Project planning and implementation on a semi-annual basis, and reports are submitted to the PSC.

Policy Issues

6. To support the successful implementation of the Project, the Recipient shall ensure that the relevant implementation regulations, particularly those related to harm reduction and VCT access, are issued following passage of the proposed National HIV/AIDS Law, and that youth issues are integrated in a consistent and effective manner across a range of activities and during policy dialogue and coordination forums.

Implementation Issues*Component One – Leadership and Strategy Support*

7. The Recipient shall ensure that: (a) a broad range of leaders including Party and government officials from national to provincial and community levels are involved in Project activities to increase their awareness and support for youth issues in relation to HIV/AIDS prevention and the overall implementation of the National HIV/AIDS Strategy; and (b) all reasonable efforts are made by relevant agencies of the Recipient, to support outreach activities that facilitate integration of the mass media messages and youth themes across other donor projects, projects undertaken by the government, and programs focused on HIV/AIDS prevention.

Component Two - National Mass Media Program for Behavior Change

8. The Recipient shall ensure that the development, production, and broadcast of the television drama series developed under the Project (the TV series) receives all necessary support from relevant agencies of the Recipient, including ensuring that:

- (a) the carriage of the TV series comprising at least 105 episodes will be broadcast free-to-air over a minimum of a three year period, using the facilities of Vietnam Television's (VTV) Channel One;
- (b) the free-to-air national broadcast of the TV series' episodes on VTV will occur during the prime viewing period, with at least one repeat free-to-air broadcast of an episode during the same week as the original broadcast of that episode;
- (c) the costs relating to community message spots to be broadcast on VTV are charged to the Project, based on only 'recovery of cost' rates and regulations issued by the Recipient from time to time;
- (d) editorial control of the content in the TV series is retained by the international Project media agency and experts, following consultation with the relevant broadcast review committee, to ensure that the TV series employs the mechanism of role-modeling and contains relevant messages to promote behavior change in the community with respect to HIV/AIDS.

9. The Recipient shall also ensure that necessary support from relevant agencies of the Recipient is forthcoming in a timely manner so that:

Schedule 4

- (a) radio phone-in programs, lasting a minimum of one hour each, which shall be developed to complement the messages in the TV series, are broadcast nationally and free-to-air for the Project;
- (b) the free-to-air radio broadcasts occur on Voice of Viet Nam (VOV) within high-rating broadcast times within hours after each TV broadcast in order to provide immediate feedback on the interpretation and assimilation of messages and the opportunity for interactive dialogue for youth concerned about issues raised in the TV series;
- (c) editorial control of the radio programs is undertaken and retained by the international Project media agency and experts, following consultation with the relevant broadcast review committee; and
- (d) complementary, youth-focused documentaries, television and radio community message spots and materials for the print media (newspapers, popular youth magazines, etc.) and on websites are broadcast or published in a timely manner, at minimum 'recovery of cost' rates and without undue censorship, in accordance with relevant legislation of the Recipient.

Component Three: Community based HIV/AIDS prevention resources for youth

10. The Recipient shall ensure that all necessary authorizations and support is given so that each Subproject can be implemented in a timely manner and in coordination with other HIV/AIDS prevention activities, including ensuring that:

- (a) approval of each Project province's action plan is given within a reasonable time following submission to the PMU;
- (b) Project provinces are prepared, so that the relevant Subprojects are commenced in a timely manner;
- (c) Project supported community-based counseling and testing are authorized and youth are able to access testing facilities at the district and provincial level of the Ministry of Health, the Recipient's Department of Health, and the regional confirmation facility and that all necessary health care services that may be required following a positive test result are available to such patients, and that health services for the treatment of HIV at the provincial and district level take active measures to support this approach; and
- (d) lessons learned from the implementation of the Subprojects in Ha Noi, Ha Tay, Bac Ninh, Phu Tho and Quang Ninh during the first phase of the Project are reviewed, and where appropriate, appropriate measures are incorporated into the action plans of the remaining Project provinces, prior to their implementation under the second phase of the Project.

Counterpart Financing

11. Without limiting the generality of Section 6.05 of the Grant Regulations, the Recipient shall make available on a timely basis counterpart financing to ensure implementation and completion of the Project and that Implementing Agencies and Project provinces make timely submissions for annual budget requests and take all other measures necessary for the prompt appropriation and disbursement of funds during each year of Project implementation.

Gender

12. The Recipient shall ensure that: (a) the gender action plan approved under the Project is implemented in a timely manner and that adequate resources are allocated for this purpose; (b) all necessary authorizations are provided in a timely manner for Project activities which acknowledge and address the fact that risks and protective factors differ according to gender and that the gender norms that affect HIV risk will be addressed through social messaging and role model behaviors; (c) targets and design features outlined in the gender action plan are incorporated across Project activities including the Project provinces' action plans and PPM Indicators; and (d) equal employment and access to opportunities, including training, is provided for men and women during Project implementation.

Ethnic Minorities

13. The Recipient shall ensure the ethnic minority development framework approved under the Project, is fully considered and applied to all Project activities and that PMU monitors Subprojects and other related activities undertaken by Project provinces and reviews the implementation of specific measures, and addresses any problems in a prompt manner or where no resolution is forthcoming or is delayed, the PMU shall raise the issue to the Project Steering Committee for guidance.

Accounts and Audit

14. Without prejudice to the generality of Section 4.02 of this Grant Agreement, the Recipient shall ensure that a separate accounting system for Project expenditures is maintained in accordance with sound accounting principles. All Project accounts, including financial statements, statements of expenditures and account records, shall be audited annually. The consolidated audit reports (in English) shall be submitted to ADB in accordance with the requirements and within the deadlines stated in Section 4.02(a) of this Grant Agreement. The audit opinion shall include: (a) an assessment of the adequacy of accounting and internal controls systems with respect to Project expenditures and other financial transactions, and to ensure safe custody of Project financed assets; (b) a determination as to whether the Recipient, the Project Executing Agency and Implementing Agencies have maintained adequate documentation for all financial transactions, specifically including the SOE and imprest account procedures; and (c) confirmation of compliance with this Grant Agreement's financial covenants and ADB requirements for Project financial management. ADB reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project.

Progress Reports

15. Without limiting the generality of Section 6.04 of the Grant Regulations, the Recipient, during the implementation period of the Project, shall submit to ADB, through the PMU, quarterly progress reports on the Project summarizing: (a) progress made against established targets; (b) delays and problems encountered, and actions taken to resolve issues; (c) compliance with covenants in this Agreement; (d) proposed program of activities for the next six months; (e) expected progress during the succeeding period; and (f) status of activities in Project provinces; and a Project completion report within three months after completion of the Project.

Project Performance Monitoring and Evaluation

16. The Recipient, through the PMU acting with the assistance of international and local consultants engaged for this purpose under the Project, shall monitor and evaluate Project impacts in accordance with ADB's *Project Performance Monitoring and Evaluation Handbook*. The Recipient shall discuss and agree with ADB the PPM indicators and baseline data to be prepared by these consultants within 2 months of Grant Effectiveness, and shall ensure that these are monitored and compared during Project implementation and at Project completion. The PMU shall work with the PPMUs to ensure timely and effective data collection systems are in place and that information collected is analyzed and used to refine activities through the course of Project implementation. The Recipient, through the PMU, shall submit monitoring and evaluation reports to ADB one month after the completion of the monitoring consultants' field work. Without limiting the generality of the above, the PPM Indicators and baseline data shall to the extent possible make full use of gender and ethnicity disaggregated data and information and shall be applied in a flexible manner.