
LOAN NUMBER 2460-VIE(SF)

LOAN AGREEMENT
(Special Operations)

(Greater Mekong Subregion Ha Noi-Lang Son, Greater Mekong Subregion
Ha Long-Mong Cai, and Ben Luc-Long Thanh Expressways Technical Assistance Project)

between

SOCIALIST REPUBLIC OF VIET NAM

and

ASIAN DEVELOPMENT BANK

DATED 12 DECEMBER 2008

LAS:VIE 41414

LOAN AGREEMENT (Special Operations)

LOAN AGREEMENT dated 12 December 2008 between the SOCIALIST REPUBLIC OF VIET NAM (“the Borrower”) and the ASIAN DEVELOPMENT BANK (“ADB”).

WHEREAS

(A) the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(B) the Project will be carried out by Vietnam Expressway Corporation (hereinafter called VEC), and for this purpose the Borrower will make available to VEC the proceeds of the Loan provided for herein upon terms and conditions satisfactory to ADB;

(C) ADB has agreed to make a loan to the Borrower from ADB's Special Funds resources upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and VEC; and

(D) ADB has further agreed to fund technical assistance for certain pre-construction activities not otherwise covered under this Loan Agreement for preparing: (i) the Greater Mekong Subregion Ha Noi-Lang Son and Ha Long-Mong Cai Expressway Projects, on the one hand, and (ii) the Ben Luc-Long Thanh Expressway Project, on the other hand (each of (i) and (ii), separately, a “TA” and, together, the “TAs”).

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the 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) “Affected People” or “AP” means any person, household or community whose living environment and/or livelihood activities have been or will be adversely affected by the resettlement activities undertaken or proposed to be undertaken for the construction of the Expressways (and related facilities and activities);

(b) “Constituting Documents” means, in respect of VEC, the MOT’s decision number 3033-QD-BGTVT of 6 October 2004 based on approval of the Government in document number 1245/CP-ĐMDN on 1 September 2004, establishing VEC;

(c) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers dated February 2007, as amended from time to time;

(d) "EIA" means the environmental impact assessment to be prepared by VEC for any Project Area, as may be updated from time to time with the concurrence of ADB and "EIAs" refer jointly to each and any EIA required to be prepared for the Project Areas;

(e) "EMA" means the external monitoring agency to be appointed by VEC, with ADB approval, for purposes of paragraph 9 of Schedule 5 to this Loan Agreement to monitor resettlement activities, and implementation of the RPs and of the EMDPs or EMSAs (as may be applicable);

(f) "EMDP" means an ethnic minority development plan to be prepared by VEC for each Expressway and approved by ADB in accordance with ADB's Policy on Indigenous Peoples (1998) for any Project Area in which ethnic minority people are likely to be affected significantly by the construction of the Expressways (and related facilities and activities), as such plan may be updated from time to time with the concurrence of ADB, and "EMDPs" refer jointly to each and any EMDP required to be prepared for the Project Areas;

(g) "EMP" means the environmental management plan to be prepared by VEC for any Project Area, as may be updated from time to time with the concurrence of ADB and "EMPs" refer jointly to each and any EMP required to be prepared for the Project Areas;

(h) "EMSA" means the ethnic minority specific actions designed by VEC in accordance with ADB's Policy on Indigenous Peoples (1998) and approved by ADB for those parts of the Project Area for which an EMDP is not required to be prepared, as may be updated from time to time with the concurrence of ADB and "EMSAs" refer jointly to each and any EMSA required to be prepared for the Project Areas;

(i) "Expressway" means either the Ha Noi-Lang Son, the Ha Long-Mong Cai, or the Ben Luc-Long Thanh expressways, and the term "Expressways" refers to all of them;

(j) "Fiscal Year" means the fiscal year of the Borrower, starting on 1 January and ending on 31 December of each calendar year;

(k) "GZAR" means the Guangxi Zhuang Autonomous Region;

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

(m) "MOT" means the Borrower's Ministry of Transport and any successor thereto;

(n) "PIU3" means the Project Implementation Unit 3 established within VEC for the implementation of the Project as more particularly referred to in paragraph 2 of Schedule 5 to this Loan Agreement;

(o) "PRC" means the People's Republic of China;

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. (a) The Borrower shall relend the proceeds of the Loan to VEC under a Subsidiary Loan Agreement upon terms and conditions satisfactory to ADB.

(b) The Borrower shall cause VEC to apply the proceeds of the Loan to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

Section 3.02. The 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 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. Withdrawals from the Loan Account in respect of consulting services shall be made only on account of expenditures relating to:

(a) 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 consulting services, and

(b) consulting services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.04. Except as ADB may otherwise agree, all 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 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 31 December 2013 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, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.

Section 4.02. The Borrower shall enable ADB's representatives to inspect any relevant records and documents relating to expenditures made out of the proceeds of the Loan.

Section 4.03. The Borrower shall take all action which shall be necessary on its part to enable VEC to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.04. (a) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) No rights or obligations under the Subsidiary Loan Agreement shall be assigned, amended, or waived without the prior concurrence of ADB.

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 Borrower or VEC shall have failed to perform any of their respective obligations under the Subsidiary Loan Agreement.

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. The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations: (i) the Subsidiary Loan Agreement, in form and substance satisfactory to ADB,

shall have been duly executed and delivered on behalf of the Borrower and VEC, and shall have become effective and binding upon the Borrower and VEC in accordance with its terms, subject only to the effectiveness of this Loan Agreement, (ii) VEC shall have provided evidence of establishment of PIU3 headed by a qualified director and suitably staffed, all acceptable to ADB, and (iii) the Borrower shall have signed ADB's technical assistance letter for each of the TAs.

Section 6.02. The following is specified as an additional matter, for the purposes of Section 9.02(d) of the Loan Regulations, to be included in the opinion or opinions to be furnished to ADB: the Subsidiary Loan Agreement shall have been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and VEC, and shall have become legally binding upon the Borrower and VEC in accordance with its terms, subject only to the effectiveness of this Loan Agreement.

Section 6.03. 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

Delegation of Authority

Section 7.01. The Borrower hereby designates VEC as its agent for the purposes of taking any action or entering into any agreement required or permitted under Sections 3.02 and 3.05 of this Loan Agreement and under Sections 5.01, 5.02, 5.03 and 5.04 of the Loan Regulations.

Section 7.02. Any action taken or any agreement entered into by VEC pursuant to the authority conferred under Section 7.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 7.03. The authority conferred on VEC under Section 7.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VIII

Miscellaneous

Section 8.01. The Governor of the State Bank of Viet Nam of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the Loan Regulations:

For the Borrower

State Bank of Viet Nam
47-49 Ly Thai To
Hanoi, Viet Nam

Facsimile Numbers:

+84 4 8250 612
+84 4 8258 385.

For ADB

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

Facsimile Numbers:

+63 2 636 2444
+63 2 636 2336.

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

SOCIALIST REPUBLIC OF VIET NAM

By



NGUYEN VAN GIAU
Authorized Representative

ASIAN DEVELOPMENT BANK

By



AYUMI KONISHI
Country Director
Viet Nam Resident Mission

SCHEDULE 1

Description of the Project

Impact and Outcomes

1. The outcome of the Project will be the completion of pre-construction activities for the Expressways. The Project's impact is expected to be the construction of the Expressways which would achieve efficient movement of goods and people between northeastern Viet Nam and GZAR, and within the greater HCMC area, and, ultimately, to contribute to sustainable economic growth, enhanced economic exchange between the Socialist Republic of Viet Nam and the PRC, and to promote socioeconomic development in the project-influenced areas.

Scope

2. The Project comprises the following pre-construction activities for the Expressways (and related facilities):

- (i) preparation of detailed designs and related studies for the Expressways (and related facilities);
- (ii) appraisal of the detailed design and cost estimates for the construction of the Expressways (and related facilities and activities);
- (iii) updating of the existing RPs and EMDPs or EMSAs (as may be applicable), and of the EIAs and EMPs, taking into account the detailed engineering designs;
- (iv) assistance to VEC in implementing the RPs, and EMDPs or EMSAs (as may be applicable), and in monitoring such implementation; and
- (v) preparation of bidding documents for procurement of Goods and Works and consultants' selection documents required in connection with the construction of the Expressways (and related facilities) and assistance to VEC in procurement of Goods and Works and selection of consultants required for the construction of the Expressways (and related facilities).

3. The Project is expected to be completed by 30 June 2013.

SCHEDULE 2**Amortization Schedule**

(Greater Mekong Subregion Ha Noi-Lang Son, Greater Mekong Subregion Ha Long-Mong Cai, and Ben Luc-Long Thanh Expressways Technical Assistance Project)

Date Payment Due	Payment of Principal (Expressed in Special Drawing Rights*)
01-Apr-2017	346,167.00
01-Oct-2017	346,167.00
01-Apr-2018	346,167.00
01-Oct-2018	346,167.00
01-Apr-2019	346,167.00
01-Oct-2019	346,167.00
01-Apr-2020	346,167.00
01-Oct-2020	346,167.00
01-Apr-2021	346,167.00
01-Oct-2021	346,167.00
01-Apr-2022	346,167.00
01-Oct-2022	346,167.00
01-Apr-2023	346,167.00
01-Oct-2023	346,167.00
01-Apr-2024	346,167.00
01-Oct-2024	346,167.00
01-Apr-2025	346,167.00
01-Oct-2025	346,167.00
01-Apr-2026	346,167.00
01-Oct-2026	346,167.00
01-Apr-2027	346,167.00
01-Oct-2027	346,167.00
01-Apr-2028	346,167.00
01-Oct-2028	346,167.00
01-Apr-2029	346,167.00
01-Oct-2029	346,167.00
01-Apr-2030	346,167.00
01-Oct-2030	346,167.00
01-Apr-2031	346,167.00
01-Oct-2031	346,167.00
01-Apr-2032	346,167.00
01-Oct-2032	346,167.00
01-Apr-2033	346,167.00
01-Oct-2033	346,167.00
01-Apr-2034	346,167.00
01-Oct-2034	346,167.00
01-Apr-2035	346,167.00
01-Oct-2035	346,167.00

Date Payment Due	Payment of Principal (Expressed in Special Drawing Rights [*])
01-Apr-2036	346,167.00
01-Oct-2036	346,167.00
01-Apr-2037	346,167.00
01-Oct-2037	346,167.00
01-Apr-2038	346,167.00
01-Oct-2038	346,167.00
01-Apr-2039	346,167.00
01-Oct-2039	346,167.00
01-Apr-2040	346,167.00
01-Oct-2040	346,151.00
Total	16,616,000.00

* 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 relevant provisions of the Special Operations Loan Regulations.

SCHEDULE 3

Allocation and Withdrawal of Loan Proceeds

General

1. The table attached to this Schedule sets forth the Categories of 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 2 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 consulting services and other items shall be disbursed in accordance with ADB's "Loan Disbursement

Handbook" dated January 2007, as amended from time to time and detailed arrangements agreed upon between the Borrower and ADB.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Greater Mekong Subregion Ha Noi-Lang Son, Greater Mekong Subregion Ha Long-Mong Cai, and Ben Luc-Long Thanh Expressways Technical Assistance Project)				
CATEGORY				ADB FINANCING
Number	Item	Amount Allocated SDR		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Consulting Services	13,868,000		
1A	Detailed Design Study		13,037,000	100 percent of total expenditure *
1B	Design Appraisal		447,000	100 percent of total expenditure *
1C	External Resettlement Monitoring		384,000	100 percent of total expenditure *
2	Interest Charge	1,086,000		100 percent of amount due
3	Unallocated	1,662,000		
	Total	16,616,000		

* Exclusive of taxes and duties.

SCHEDULE 4**Procurement of Consulting Services****A. General**

1. All consulting services to be financed out of the proceeds of the Loan shall be subject to and governed by the Consulting Guidelines.
2. All terms used and not otherwise defined in this Loan Agreement shall have the meanings provided in the Consulting Guidelines, as applicable.

B. Selection of Consulting Services

3. 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.
4. The Borrower shall apply the following method for selecting and engaging the specified consulting services, in accordance with, among other things, the procedures set forth in the Procurement Plan:

Consultants' Qualifications Selection (CQS) for: (i) Detailed Design Appraisal for Ben Luc-Long Thanh Expressway (B3), (ii) External Resettlement Monitoring for Ha Noi-Lang Son Expressway (C1), and (iii) External Resettlement Monitoring for Ben Luc-Long Thanh Expressway (C3).
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C. Industrial or Intellectual Property Rights

5. 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.

D. ADB Review

6. All contracts for consulting services shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB.

SCHEDULE 5

Execution of Project and Operation of Project Facilities; Financial Matters

I. Project Implementation

Project Executing Agency

1. The Borrower shall cause VEC to be the Project Executing Agency for carrying out the Project including recruiting and managing the consultants engaged for the Project, withdrawal of Loan proceeds, and reporting to ADB.
2. The Borrower shall cause VEC to establish the PIU3 for day to day implementation of the Project and assign necessary counterpart staff to the PIU3 prior to the commencement of any consulting services. The Borrower shall cause VEC to ensure that the PIU3 is headed by a qualified Project Director, who shall be responsible for overall Project implementation and management.
3. The Borrower shall ensure that all of VEC's Project staff are fully aware of, and comply with the Borrower's and ADB's procedures, including, but not limited to, procedures for (i) implementation, (ii) procurement, (iii) use of consultants, (iv) disbursement, (v) reporting, (vi) monitoring, and (vii) prevention of fraud and corruption.

Detailed Design Study

4. The Borrower shall ensure and shall cause VEC to ensure that the detailed design consulting services and other services to be provided under the Project for any of the Expressways do not commence until the feasibility study to be conducted under the TA for the relevant Expressway has been completed to the satisfaction of the Borrower, VEC and ADB.

II. Social and Environmental Issues

Environment

5. The Borrower shall ensure that VEC updates the EIAs and the EMPs, taking into account the detailed engineering design for the construction of the Expressways (and related facilities and activities), in accordance with the requirements of ADB's Environment Policy (2002). The Borrower shall ensure that the procurement documents for the Works include specific measures as indicated in the EIA and in accordance with ADB's Environment Policy (2002) to mitigate negative environmental impacts caused by the construction of the Expressways (and related facilities and activities) and to give due consideration to prevention of damage to the natural environment in the design, construction, operation, and maintenance of the Expressways (and related facilities and activities). The Borrower shall also ensure that (i) specific provisions are included in Works and consulting services contracts for the implementation of the EIAs and EMPs and its monitoring, and (ii) sufficient budgetary allocations are made for the implementation of these provisions.

Resettlement and Indigenous People

6. The Borrower shall ensure that VEC updates the RPs and the EMDPs or EMSAs (as may be applicable) in accordance with the requirements of ADB's Involuntary Resettlement Policy (1995) and ADB's Policy on Indigenous Peoples (1998) taking into account the final detailed engineering designs. The Borrower shall further ensure that VEC submits the updated RPs and updated EMDPs or EMSAs (as may be applicable), to ADB for approval and that the updated RPs and updated EMDPs or EMSAs (as may be applicable) are disclosed to the APs prior to submission to ADB.

7. The Borrower shall ensure that (i) APs are compensated at replacement cost and assisted before they are displaced from their houses, land, and assets, and (ii) no AP is displaced until suitable alternative land within the same or a neighboring commune has been allocated to them or compensation has been paid to them that is sufficient to purchase suitable alternative land within the same or a neighboring commune.

8. If, at any time after the approval or update of an RP and of either the EMDP or EMSA (as may be applicable), significant realignment of any part of the Expressways is required, the Borrower shall revise and update that RP and EMDP or EMSA (as may be applicable), to take into account the realignment. The relevant RP shall be updated in accordance with ADB's Involuntary Resettlement Policy (1995) and submitted to ADB for approval prior to commencement of any land acquisition activities for the realigned part of the relevant Expressway. Significant realignment occurs when the previously approved alignment is moved entirely outside the construction corridor of the previous design over a distance greater than 100 meters or the impact of the realignment increases the number of APs by more than ten percent (10%).

9. The Borrower shall ensure that VEC contracts an EMA for independent monitoring and evaluation of resettlement activities and that the EMA's monitoring reports are uploaded onto VEC's website. The Borrower shall ensure that VEC submits copies of the EMA's monitoring reports to ADB every quarter until resettlement and income restoration programs are complete.

Other Social Issues

10. The Borrower shall ensure that all procurement documents for Works for the construction of the Expressways (and related facilities and activities) incorporate provisions and budget to the effect that contractors (a) comply with all applicable labor laws and related international treaty obligations; (b) do not employ child labor, as defined under the Borrower's laws; (c) provide safe and proper working conditions for male and female workers; (d) do not differentiate between wages of male and female workers for work of equal value, (e) implement the provisions set forth in the Gender Action Plan prepared for the construction of the Expressways (and related facilities and activities); and (f) carry out HIV/AIDS and human trafficking awareness campaigns in the campsites and corridors of influence.

III. Other IssuesAccounting Auditing and Reporting

11. The Borrower shall ensure that VEC maintains separate financial records and accounts adequate to identify Loan proceeds received and Project expenditures, including consulting services and the local taxes imposed on the consulting services which are financed out of the Loan proceeds and local funds, respectively.

12. The Borrower shall ensure that the Project accounts and related financial statements are audited annually in accordance with sound auditing standards by an independent auditor acceptable to ADB. The Borrower shall ensure that VEC submits promptly after their preparation but in any event not later than six (6) months after the close of the Fiscal Year to which they relate, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto, all in the English language. The Borrower shall ensure that the report of the auditors includes: (i) a detailed description of the source of funds, expenditures made and use of the Loan proceeds; (ii) an assessment of the adequacy of accounting and internal controls systems with respect to Project expenditures and any other financial transactions affecting to Loan proceeds; and (iii) confirmation of compliance with Loan covenants. The Borrower shall further ensure that VEC furnishes to ADB such further information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.

13. The Borrower shall ensure that the PIU3, on behalf of VEC, monitors Project implementation in accordance with the implementation schedule, and provides to ADB quarterly progress covering: basic data related to the Project, utilization of Loan proceeds, achievement of immediate development objectives, implementation progress, compliance with the RPs and with the EMDPs or EMSAs (as may be applicable), compliance with Loan covenants, and major issues and problems.

14. The Borrower shall ensure that, within three (3) months of completion of the Project, VEC, through the PIU3, submits a completion report to ADB, comprising a detailed evaluation of: utilization of Loan proceeds, achievement of immediate development objectives, compliance with the RPs and with the EMDPs or EMSAs (as may be applicable), compliance with Loan covenants, and major issues and problems, and such other details as may be requested by ADB.

Anticorruption

15. The Borrower shall comply with, and shall cause VEC to comply with ADB's Anticorruption Policy (1998, as amended to date) and the Policy relating to Enhancing ADB's Role in Combating Money Laundering and the Financing of Terrorism (2003). The Borrower (i) acknowledges ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the Project; (ii) agrees to cooperate fully with, and to cause VEC to cooperate fully with any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation; and (iii) agrees to refrain, and cause VEC to refrain, from engaging in money laundering activities or financing of terrorism

and shall allow, and cause VEC to allow, ADB to investigate any violation or potential violation of these undertakings.

16. Without limiting the generality of the preceding paragraph, the Borrower shall ensure and cause VEC to ensure that all contracts financed by ADB in connection with the Project include provisions specifying the right of ADB to audit and examine the records and accounts of VEC, and the Project-related records and accounts of all consultants and other service providers.

Governance

17. The Borrower shall ensure that VEC publicly discloses on its website information on how the proceeds from the Loan are being used. For each procurement contract, the Borrower shall ensure that VEC discloses (i) the list of participating consultants, (ii) name of the winning consultant, (iii) basic details on consultant selection procedures adopted, (iv) amount of the contract awarded, (v) list of services purchased, and (vi) intended and actual utilization of loan proceeds under each contract. The Borrower shall ensure that VEC updates the website within two (2) weeks of each contract being awarded.

Project Performance Monitoring and Evaluation

18. The Borrower shall ensure that VEC, assisted by the consultants to be engaged under the TAs and this Loan Agreement, establishes baseline data for the performance indicators and targets for evaluating performance of the Expressways (and related facilities and activities) in relation to impacts, outcomes, and outputs of the Project and of the construction of the Expressways (and related activities and facilities). The performance indicators and targets will be again measured six (6) months and three (3) years after completion of the construction of each of the Expressways (and related facilities), and compared to the baseline data to identify the benefits of the Project and of the construction of the Expressways (and related activities and facilities).

Project Review

19. The Borrower shall allow (and shall ensure that VEC allows) ADB to carry out (i) review missions semi-annually, (ii) a Project completion review mission about one (1) year after the completion of the Project and of the construction of each of the Expressways (and related facilities), as well as (iii) any other reviews as and when may be required by ADB.