

# Facility Administration Manual

---

Project Number: 42039-033  
Loan Number: tbd  
November 2011

Proposed Multitranche Financing Facility

Socialist Republic of Viet Nam: Power Transmission  
Investment Program

# Contents

ABBREVIATIONS	I
I. PROJECT DESCRIPTION	1
II. IMPLEMENTATION PLANS	3
A. Project 1 Readiness Activities	3
B. Implementation Plan for Investment Program	5
C. Implementation Plan for Project 1	7
III. INVESTMENT PROGRAM MANAGEMENT ARRANGEMENTS	9
A. Implementation Organizations – Roles and Responsibilities	9
B. Key Persons Involved in Implementation	11
C. Organization Structure	12
IV. COSTS AND FINANCING	13
A. Investment Program	13
B. Detailed Cost Estimates by Expenditure Category	15
C. Allocation and Withdrawal of Tranche 1 Loan Proceeds	17
D. Detailed Cost Estimates by Financier	18
E. Detailed Cost Estimates by Outputs	19
F. Detailed Cost Estimates by Year	20
G. Contract and Disbursement S-curve	21
H. Fund Flow Diagram	22
V. FINANCIAL MANAGEMENT	23
A. Financial Management Assessment	23
B. Disbursement	24
C. Accounting	25
D. Auditing	25
VI. PROCUREMENT AND CONSULTING SERVICES	26
A. Procurement Capacity Assessment	26
B. Advance Contracting and Retroactive Financing	26
C. Procurement of Goods, Works and Consulting Services	27
D. Procurement Plan	27
E. Participation of State-Owned Enterprises	28
VII. SAFEGUARDS	29
VIII. GENDER AND SOCIAL DIMENSIONS	33
IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION	35
A. Design and Monitoring Framework	35
B. Monitoring	37
C. Evaluation	38
D. Reporting	38
E. Stakeholder Communication Strategy	39
X. ANTICORRUPTION POLICY	41
XI. ACCOUNTABILITY MECHANISM	42

XII.	RECORD OF FAM CHANGES	43
APPENDIXES		
1.	LIST OF SUBPROJECTS CONSIDERED FOR FINANCING UNDER THE INVESTMENT PROGRAM	44
2.	PROCUREMENT PLAN	45
3.	OUTLINE TERMS OF REFERENCE CONSULTING SERVICES	54

## **Facility Administration Manual Purpose and Process**

The facility administration manual (FAM) describes the essential administrative and management requirements to implement the Power Transmission Investment Program on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The FAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the FAM.

The National Power Transmission Corporation (NPT) and the Power Project Management Boards (PPMBs) are wholly responsible for the implementation of ADB financed Investment Program, as agreed jointly between the beneficiary and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by NPT and the PPMBs of their obligations and responsibilities for Investment Program implementation in accordance with ADB's policies and procedures.

In the event of any discrepancy or contradiction between the FAM and the Loan and/or Project Agreement, the provisions of the Loan and/or Project Agreement shall prevail.

After ADB Board approval of the Investment Program's report and recommendations of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the FAM.

## ABBREVIATIONS

ADB	=	Asian Development Bank
EARF	=	environmental assessment and review framework
EMP	=	environmental management plan
EVN	=	Vietnam Electricity
ICB	=	international competitive bidding
IEE	=	initial environmental examination
km	=	kilometer
kV	=	kilovolts
LIBOR	=	London interbank offered rate
MFF	=	multitranches financing facility
MoIT	=	Ministry of Industry and Trade
MVA	=	megavolt-ampere
NCB	=	national competitive bidding
NPT	=	National Power Transmission Corporation
PAI	=	project administration instructions
PAM	=	project administration manual
OCR	=	ordinary capital resources
PFR	=	periodic financing request
PPMB	=	power project management boards
RF	=	resettlement framework
RP	=	resettlement plan
SEDP	=	socioeconomic development plan
SPS	=	safeguard policy Statement
SPRSS	=	summary poverty reduction and social strategy

## I. PROJECT DESCRIPTION

### A. Overview

1. The investment program will contribute to meeting electricity demand growth of industrial, commercial and residential consumers in an economically and environmentally sustainable manner. The outcome of the investment program is enhanced capacity of the transmission network to balance power load.

#### 1. Component 1: Expanded Transmission Network

2. The first component of the investment program will support the expansion and upgrading of 500 kV and 220 kV transmission lines and associated substations throughout Viet Nam. All subprojects considered for financing under the investment program are included in the PDMP VII. A list of subprojects identified for financing under the investment program is provided in Annex 1.

#### 2. Component 2: Improved Operational Effectiveness and Efficiency

3. The second component will build on on-going capacity support provided by ADB through a Capacity Building Technical Assistance.<sup>1</sup> To provide NPT with the tools to effectively and efficiently manage the growth of its operation, management and staff of NPT will undertake training seminars with focus on (i) strategic corporate planning, business planning and management; (ii) accounting, financial management, planning and control; (iii) human resource management and development; and (iv) engineering design optimization of transmission network.

#### 3. Component 3: Project Implementation Support

4. The third component will support project implementation with focus on detailed engineering; construction supervision; procurement; safeguards compliance; and preparation of subsequent tranches of the investment program. It will ensure a high degree of readiness for implementation of subprojects financed under the investment program with detailed technical designs, advanced procurement carried out for most of the subprojects, and capacity to prepare and implement safeguard measures. The completion of detailed engineering designs, safeguard compliance, and procurement documents will trigger the preparation for financing of subsequent tranches.

5. The National Power Transmission Corporation (NPT) will be the Investment Program's executing agency and the implementing agency for Component 2. The three Power Project Management Boards will be the implementing agencies for Component 1 and Component 3.

### B. Project 1

6. The multi-tranche financing facility (MFF) for financing the investment program implementation will be structured as four tranches. Project 1 to be financed by the first tranche of the MFF will include:

---

<sup>1</sup> ADB. 2010. *Technical Assistance Report Socialist Republic of Viet Nam: Increasing the Efficiency of the National Power Transmission Corporation through Targeted Capacity Building*. Manila

## **1. Component 1: Expanded Transmission Network**

7. The construction of 2 transmission lines and 2 substations will be financed located in the northern and southern part of Viet Nam.

### North

- i) 500 kV/220 kV Pho Noi substation and connections
- ii) 500 kV/220 kV Bac Ninh 2 - Pho Noi transmission line<sup>2</sup>

### South

- i) 220 kV Song May – Uyen Hung transmission line
- ii) 220 kV Phu My 2 Industrial Zone substation

## **2. Component 2: Improved Operational Effectiveness and Efficiency**

8. Project 1 will allow management and staff of NPT to strengthen capacity in (i) strategic corporate planning, business planning and management; and (ii) accounting, financial management, planning and control. At least 20 staff will participate in training programs provided by a consulting firm, of which 7 people receive training in management, 6 in accounting, and 6 in finance.

## **3. Component 3: Project Implementation Support**

9. The third component will support project implementation with focus on detailed engineering; construction supervision; procurement; safeguards compliance; preparation of subsequent tranches of the investment program. On the job-training to NPT staff in the preparation and implementation of safeguard compliance measures will be provided.

---

<sup>2</sup> A single circuit 500 kV and double circuit 220 kV transmission line will be installed on the same towers.

## II. IMPLEMENTATION PLANS

### A. Project 1 Readiness Activities

No	Activities	Months						Responsible Entity
		August 2011	October 2011	November 2011	December 2011	January 2012	April 2012	
1	Government budget inclusion							Government
2	Project Financing Request 1 (confirmed)							Government
3	Project Administration Manual (agreed)							ADB, NPT
4	Project Administration Manual (confirmed)							Government
5	Counterpart Funds (agreed)							ADB, NPT
6	Counterpart Funds (confirmed)							Government
7	Project Implementation Plan (drafted)							ADB, NPT
8	Project Implementation Plan (completed and agreed)							ADB, NPT, Government
9	Project management arrangements (agreed)							ADB, NPT
10	Project management arrangements (in place)							NPT
11	EIA,/EMP, REMDP (agreed)							ADB, NPT
12	EIA/EMP, REMDP (confirmed)							Government
13	Procurement arrangements (agreed)							ADB, NPT



No	Activities	Months						Responsible Entity
		August 2011	October 2011	November 2011	December 2011	January 2012	April 2012	
14	Procurement arrangements (confirmed)							Government
15	Procurement Plan (agreed)							ADB, NPT
16	Procurement Plan (confirmed)							Government
17	Auditing Arrangements (agreed)							ADB, NPT
18	Auditing Arrangements (confirmed)							Government
19	Consulting Services and TOR (agreed)							ADB, NPT
20	Loan negotiations (completed)							ADB, Government
21	ADB Board approval							ADB
22	Loan signing							ADB, Government
23	Government legal opinion provided							Government
24	Loan effectiveness							ADB, Government

ADB = Asian Development Bank; EIA = Environmental Impact Assessment; EMP = Environmental Management Plan; NPT = National Power Transmission Corporation; REMDP = Resettlement and Ethnic Minority Development Plan  
Source: ADB

## B. Implementation Plan for Investment Program

	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Activities</b>									
<b>A. DMF</b>									
<b>1. Expanded Transmission Network</b>									
1.1 Procurement, contract award, construction, REMDP and EMP implementation for tranche 1									
1.2 Procurement, contract award, construction, REMDP and EMP implementation for tranche 2									
1.3 Procurement, contract award, construction, REMDP and EMP implementation for tranche 3									
1.4 Procurement, contract award, construction, REMDP and EMP implementation for tranche 4									
<b>2. Improved Operation Effectiveness and Efficiency</b>									
2.1 Transmission charge increases									
2.2 Training Seminars									
<b>3. Project Implementation Support</b>									
3.1 Consolidation of procurement packages									
3.2 Appointment design and construction supervision support									
3.3 Appointment safeguard support									
3.4 Establishment of safeguard units									
3.5 Appointment independent monitoring									
<b>B. Management</b>									
<b>1. Monitoring</b>									
1.1 Mid-Term Review									
<b>2. Reporting</b>									

	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Activities</b>									
2.1 MFF Annual Report									
2.2 Completion Report									

EMP = Environmental Management Plan; MFF = Multi-tranche Financing Facility REMDP = Resettlement and Ethnic Minority Development Plan

Source: Asian Development Bank and National Power Transmission Corporation

### C. Implementation Plan for Project 1

	2011				2012				2013				2014				2015			
Activities	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
<b>A. DMF</b>																				
<b>1. Expanded Transmission Network</b>																				
1.1 Award of contracts																				
1.2 Construction and commissioning																				
1.3 Implementation of REMDP and EMP																				
<b>2. Improved Operational Effectiveness and Efficiency</b>																				
2.1 Transmission charge increases																				
2.2 Training seminars																				
<b>3. Project Implementation Support</b>																				
3.1 Consolidation of procurement packages																				
3.2 Appointment design and construction supervision support																				
3.2 Establishment of safeguard units																				
3.3 Appointment independent monitoring																				
<b>B. Management Activities</b>																				
<b>1. Procurement</b>																				
1.1 Bidding Documents																				
1.2 Approval of bidding documents																				
1.3 Advertisement																				
1.4 Bid evaluation																				
1.5 Approval																				

Activities	2011				2012				2013				2014				2015			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
1.6 Negotiations																				
1.7. Consulting services																				
<b>2. Monitoring</b>																				
2.1. Resettlement																				
2.2 Annual Review																				
2.3 Mid-Term Review																				
<b>3. Reporting</b>																				
3.1 Project accounts																				
3.2 Audited financial statements																				
3.3 Progress Reports																				
3.4 Completion Report																				

EMP = Environmental Management Plan; REMDP = Resettlement and Ethnic Minority Development Plan  
Source: Asian Development Bank and National Power Transmission Corporation

### III. INVESTMENT PROGRAM MANAGEMENT ARRANGEMENTS

#### A. Implementation Organizations – Roles and Responsibilities

Implementation organizations	Management Roles and Responsibilities
1 • State Bank of Vietnam	<ul style="list-style-type: none"> <li>• Submission of periodic financing requests to ADB</li> <li>• Signing of project and loan agreement for each tranche</li> </ul>
2 • Ministry of Industry and Trade (General Department for Energy) and Vietnam Electricity (EVN)	<ul style="list-style-type: none"> <li>• Responsible for investment program oversight</li> <li>• Convene regular meetings with NPT to oversee progress and provide guidance on the investment program implementation</li> <li>• Ensure compliance with the investment program undertakings and loan agreement assurances</li> <li>• Approve subproject documents (feasibility, detailed technical design, safeguard plans)</li> </ul>
3 • Executing Agency: NPT	<p>For Component 1 on Transmission Network Investment and Component 2 on Operational Effectiveness and Efficiency:</p> <ul style="list-style-type: none"> <li>• Prepare and submit the periodic financing requests</li> <li>• Oversee investment program implementation and management</li> <li>• Oversee investment program accounting and auditing</li> <li>• Undertake training seminars</li> <li>• Establish environmental and social safeguard units and ensure effective operation</li> <li>• Coordinate with line ministries to ensure smooth and efficient implementation</li> <li>• Secure technical and safeguard approvals for all civil works prior to contract award</li> <li>• Approve all design, procurement documents, and payment requests</li> <li>• Ensure compliance with the investment program undertakings and loan agreement assurances</li> <li>• Comply with social safeguards requirement detailed in the FAM</li> <li>• Submit quarterly progress reports including summary of financial and project accounts and annual financial statements</li> </ul>
4 • Implementing Agencies: PPMBs	<p>For component 1 on Transmission Network Investment and Component 3 on Project Implementation Support</p> <ul style="list-style-type: none"> <li>• Oversee and undertake detailed engineering design, procurement, construction supervision, testing, and commissioning of projects</li> <li>• Manage project implementation support consultants</li> <li>• Maintain separate project accounts</li> <li>• Secure technical and safeguard approvals for all civil</li> </ul>

- works
    - Ensure that all safeguard compliance plans are implemented
    - Prepare procurement documents, invite bids, evaluate and prepare bid evaluation reports for ADB's approval, and award contracts
    - Prepare quarterly progress reports and submit to NPT
  
  - 5 • Consulting Firm Will assist management and staff of NPT in:
    - Providing specifically designed training seminars in (i) strategic corporate planning, business planning and management; (ii) accounting, financial management, planning and control; (iii) human resource management and development; and (iv) engineering design optimization of transmission network.
  
  - 6 • Engineering, construction supervision, safeguard consultants, and independent monitoring Will assist the PPMBs in:
    - Design, procurement, construction supervision, testing, and commissioning of projects
    - Support and training in preparing and implementing safeguard compliance documents
    - Monitoring compliance in implementing safeguard measures
  
  - 7 • ADB
    - Ensure technical and financial support and oversight according to the framework financing, loan and project agreement
-

## B. Key Persons Involved in Implementation

### Executing Agency

National Power Transmission Corporation

Mr. Vu Tran Nguyen  
Vice President  
Telephone: (+84) 4 2220 4433  
Email: [nguyenvt@npt.evn.vn](mailto:nguyenvt@npt.evn.vn)  
Office Address:  
4 Nguyen Khac Nhu Street  
Ba Dinh District  
Hanoi, Viet Nam

Ms. Luong Lan Dung  
Director, International Cooperation Department  
Telephone: (+84) 4 2220 4485  
Email: [dungll@npt.evn.vn](mailto:dungll@npt.evn.vn)  
Office Address:  
4 Nguyen Khac Nhu Street  
Ba Dinh District  
Hanoi, Viet Nam

### ADB

Energy Division,  
Southeast Asia Department

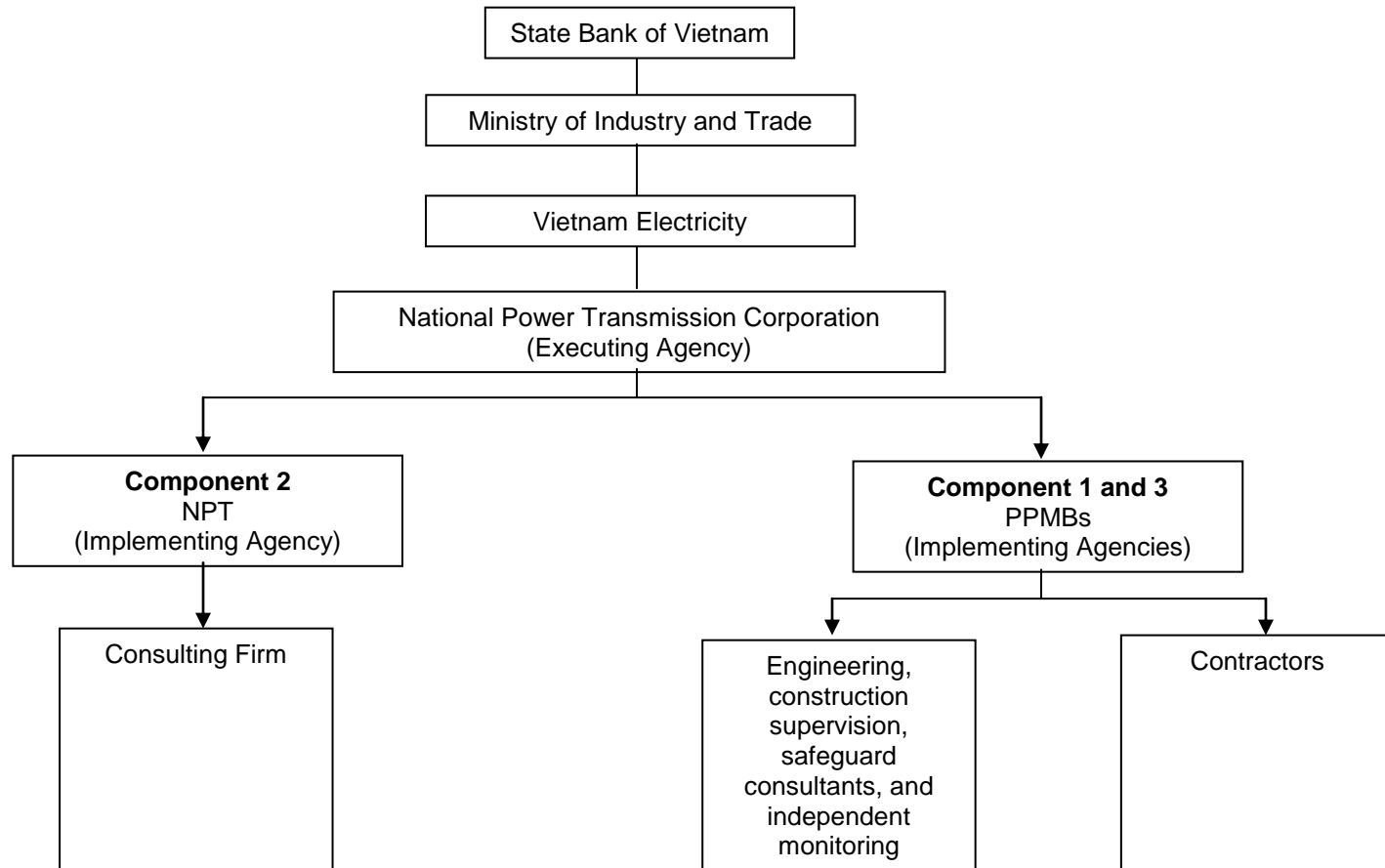
Mr. Anthony Jude  
Director  
Telephone: (+63) 2 632 6198  
Email: [ajude@adb.org](mailto:ajude@adb.org)

Project Officer

Ms. Daniela Schmidt  
Energy Specialist  
Telephone: (+63) 2 632 5958  
Email: [dschmidt@adb.org](mailto:dschmidt@adb.org)



### C. Organization Structure



## IV. COSTS AND FINANCING

### A. Investment Program

1. The total cost of the investment program, over the period 2011 to 2020, is expected to be \$920 million equivalent (Table 1).

**Table 1: Investment Plan**  
(\$ million)

Item	Amount
<b>A. Base Cost</b>	
1. Component 1: Expanded Transmission Network	708.37
2. Component 2: Improved Operational Effectiveness	3.07
3. Component 3: Project Implementation Support	22.74
<b>Subtotal (A)</b>	<b>734.18</b>
<b>B. Contingencies</b>	<b>139.30</b>
<b>C. Financing Charges During Implementation</b>	<b>46.52</b>
<b>Total (A+B+C)</b>	<b>920.00</b>

Source: Asian Development Bank and National Power Transmission Corporation estimates

2. The Multi-tranche Financing Facility is anticipated to consist of four tranches. A tentative investment plan for each project is provided in Table 2. The anticipated financing plan is provided in Table 3.

**Table 2: Tentative Investment Plan per Project**  
(\$ million)

Item	Project 1	Project 2	Project 3	Project 4	Total
<b>A. Base Cost</b>					
1. Component 1: Expanded Transmission Network	119.51	195.28	195.79	197.79	708.37
2. Component 2: Improved Operational Effectiveness	0.55	1.02	0.85	0.65	3.07
3. Component 3: Project Implementation Support	5.81	6.53	6.10	4.30	22.74
<b>Subtotal (A)</b>	<b>125.87</b>	<b>202.83</b>	<b>202.74</b>	<b>202.74</b>	<b>734.18</b>
<b>B. Contingencies</b>	<b>23.10</b>	<b>40.18</b>	<b>38.01</b>	<b>38.01</b>	<b>139.30</b>
<b>C. Financing Charges     During     Implementation</b>	<b>6.80</b>	<b>14.38</b>	<b>12.67</b>	<b>12.67</b>	<b>46.52</b>
<b>Total (A+B+C)</b>	<b>155.77</b>	<b>257.39</b>	<b>253.42</b>	<b>253.42</b>	<b>920.00</b>

Source: Asian Development Bank and National Power Transmission Corporation estimates

**Table 3: Tentative Financing Plan per Project**  
(\$ million)

Source	PFR 1 (2011-2015)	PFR 2 (2012-2016)	PFR 3 (2015-2019)	PFR 4 (2016-2020)	Total
ADB	120.50	209.50	200.00	200.00	730.00
NPT	35.27	47.89	53.42	53.42	190.00
<b>Total</b>	<b>155.77</b>	<b>257.39</b>	<b>253.42</b>	<b>253.42</b>	<b>920.00</b>

ADB = Asian Development Bank; NPT = National Power Transmission Corporation; PFR = periodic financing request  
Source: Asian Development Bank and National Power Transmission Corporation estimates

**Table 4: Tentative Financing Plan per Project**  
(percentage share)

Source	PFR 1 (2011-2015)	PFR 2 (2012-2016)	PFR 3 (2015-2019)	PFR 4 (2016-2020)	Total
ADB	77.4	81.4	78.9	78.9	79.4
NPT	22.6	18.6	21.1	21.1	20.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

ADB = Asian Development Bank; NPT = National Power Transmission Corporation; PFR = periodic financing request  
Source: Asian Development Bank and National Power Transmission Corporation estimates

3. The total cost of Project 1 representing the first tranche of the investment program is estimated at \$155.77 million (Table 5).

**Table 5: Project 1**  
(\$ million)

Item	Amount
<b>A. Base Cost</b>	
1. Component 1: Expanded Transmission Network	119.51
2. Component 2: Improved Operational Effectiveness	0.55
3. Component 3: Project Implementation Support	5.81
<b>Subtotal (A)</b>	<b>125.87</b>
<b>B. Contingencies</b>	<b>23.10</b>
<b>C. Financing Charges During Implementation</b>	<b>6.80</b>
<b>Total (A+B+C)</b>	<b>155.77</b>

Source: Asian Development Bank and National Power Transmission Corporation estimates

4. A detailed cost breakdown for Project 1 is provided in the following Sections A to F.

## B. Detailed Cost Estimates by Expenditure Category

	VND billion			\$ million			% Foreign Exchange	% Base Costs
	Foreign	Local	Total	Foreign	Local	Total		
<b>A. Investment Costs</b>								
<b>1. 500kV / 220 kV Pho Noi Substation</b>								
1.1 Land Compensation & Resettlement	0.0	61.1	61.1	0.00	2.82	2.82	0.0	2.2
1.2 Civil Works	59.6	221.7	281.2	2.69	10.00	12.69	21.2	10.1
1.3 Equipment Supply & Installation	552.1	18.3	570.4	24.84	0.83	25.67	96.8	20.4
1.4 Consultant Services	8.4	25.5	33.9	0.38	1.17	1.55	24.7	1.2
1.5 Other	2.0	7.8	9.8	0.09	0.35	0.44	20.5	0.4
1.6 Taxes and Duties	0.0	122.1	122.1	0.00	5.50	5.50	0.0	4.4
<b>Subtotal</b>	<b>622.1</b>	<b>456.4</b>	<b>1,078.5</b>	<b>28.01</b>	<b>20.67</b>	<b>48.67</b>	<b>57.5</b>	<b>38.7</b>
<b>2. 500kV and 220 kV Pho Noi - Bac Ninh 2 Transmission Line</b>								
2.1 Land Compensation & Resettlement	0.0	72.4	72.4	0.00	3.34	3.34	0.0	2.7
2.2 Civil Works	75.9	282.4	358.3	3.43	12.74	16.17	21.2	12.8
2.3 Equipment Supply & Installation	254.0	134.3	388.3	11.46	6.06	17.52	65.4	13.9
2.4 Consultant Services	7.7	23.3	30.9	0.35	1.06	1.41	24.8	1.1
2.5 Other	2.0	9.5	11.5	0.09	0.43	0.52	17.5	0.4
2.6 Taxes and Duties	0.0	95.6	95.6	0.00	4.32	4.32	0.0	3.4
<b>Subtotal</b>	<b>339.6</b>	<b>617.5</b>	<b>957.1</b>	<b>15.33</b>	<b>27.96</b>	<b>43.28</b>	<b>35.4</b>	<b>34.4</b>
<b>3. 220 kV / 110 kV Phu My 2 Substation</b>								
3.1 Land Compensation & Resettlement	0.0	48.3	48.3	0.00	2.23	2.23	0.0	1.8
3.2 Civil Works	26.7	100.6	127.4	1.22	4.60	5.82	21.0	4.6
3.3 Equipment Supply & Installation	194.5	33.9	228.4	8.76	1.53	10.28	85.1	8.2
3.4 Consultant Services	5.3	13.6	18.9	0.24	0.62	0.86	27.9	0.7
3.5 Other	1.0	4.0	5.0	0.05	0.18	0.23	20.7	0.2
3.6 Taxes and Duties	0.0	49.6	49.6	0.00	2.25	2.25	0.0	1.8
<b>Subtotal</b>	<b>227.6</b>	<b>250.1</b>	<b>477.6</b>	<b>10.26</b>	<b>11.40</b>	<b>21.67</b>	<b>47.4</b>	<b>17.2</b>
<b>4. 220 kV Song May- Uyem Hung Transmission Line</b>								
4.1 Land Compensation & Resettlement	0.0	70.4	70.4	0.00	3.25	3.25	0.0	2.6
4.2 Civil Works	9.3	34.6	43.8	0.42	1.57	1.99	21.1	1.6
4.3 Equipment Supply & Installation	68.0	48.1	116.1	3.07	2.17	5.24	58.5	4.2
4.4 Consultant Services	4.1	9.6	13.7	0.19	0.44	0.63	30.0	0.5
4.5 Other	0.6	3.0	3.6	0.03	0.14	0.16	16.1	0.1
4.6 Taxes and Duties	0.0	21.8	21.8	0.00	0.98	0.98	0.0	0.8
<b>Subtotal</b>	<b>82.0</b>	<b>187.5</b>	<b>269.5</b>	<b>3.70</b>	<b>8.55</b>	<b>12.24</b>	<b>30.2</b>	<b>9.7</b>
<b>Subtotal (A)<sup>a</sup></b>	<b>1,271.2</b>	<b>1,511.5</b>	<b>2,782.7</b>	<b>57.30</b>	<b>68.58</b>	<b>125.87</b>	<b>45.5</b>	<b>100.0</b>
<b>B. Contingencies</b>								
1. Physical <sup>b</sup>	96.9	181.2	278.1	4.37	8.22	12.59	34.7	10.0
2. Price <sup>c</sup>	28.0	204.8	232.8	1.26	9.25	10.52	12.0	8.4
<b>Subtotal (B)</b>	<b>124.8</b>	<b>386.1</b>	<b>510.9</b>	<b>5.63</b>	<b>17.47</b>	<b>23.10</b>	<b>24.4</b>	<b>18.4</b>
<b>C. Financial Charges During Implementation</b>								
1. Interest During Construction	130.8	18.1	148.9	5.70	0.79	6.49	87.8	5.2
2. Commitment Fee	6.8	0.0	6.8	0.31	0.00	0.31	100.0	0.2
<b>Subtotal (C)</b>	<b>137.5</b>	<b>18.1</b>	<b>155.6</b>	<b>6.01</b>	<b>0.79</b>	<b>6.80</b>	<b>88.4</b>	<b>5.4</b>
<b>Total (A+B+C)</b>	<b>1,533.6</b>	<b>1,915.7</b>	<b>3,449.2</b>	<b>68.94</b>	<b>86.84</b>	<b>155.77</b>	<b>44.3</b>	<b>123.8</b>
<sup>a</sup> In July 2011 prices.								
<sup>b</sup> Computed at 5 - 15% for each project component								
<sup>c</sup> Computed at average annual rate of 0.7% on foreign exchange costs and 7.5% on local currency costs over the 2011 - 2014 investment program.								
<sup>d</sup> Interest during construction calculated on basis of average of 3 and 5 year swap rates.								
Source: ADB estimates								

	VND billion			\$ million			% Foreign Exchange	% Base Costs
	Foreign	Local	Total	Foreign	Local	Total		
<b>A. Investment Costs</b>								
1. Land Compensation & Resettlement	0.0	252.2	252.2	0.00	11.64	11.64	0.0	9.2
2. Civil Works	171.5	639.2	810.7	7.75	28.91	36.67	21.1	29.1
3. Equipment Supply & Installation	1,068.6	234.7	1,303.3	48.13	10.59	58.72	82.0	46.6
4. Consultant Services	25.4	72.0	97.5	1.16	3.29	4.45	26.1	3.5
5. Other	5.6	24.2	29.9	0.26	1.10	1.36	18.9	1.1
6. Taxes and Duties	0.0	289.2	289.2	0.00	13.05	13.05	0.0	10.4
<b>Subtotal (A)<sup>a</sup></b>	<b>1,271.2</b>	<b>1,511.5</b>	<b>2,782.7</b>	<b>57.30</b>	<b>68.58</b>	<b>125.87</b>	<b>45.5</b>	<b>100.0</b>
<b>B. Contingencies</b>								
1. Physical <sup>b</sup>	96.9	181.2	278.1	4.37	8.22	12.59	34.7	10.0
2. Price <sup>c</sup>	28.0	204.8	232.8	1.26	9.25	10.52	12.0	8.4
<b>Subtotal (B)</b>	<b>124.8</b>	<b>386.1</b>	<b>510.9</b>	<b>5.63</b>	<b>17.47</b>	<b>23.10</b>	<b>24.4</b>	<b>18.4</b>
<b>C. Financial Charges During Implementation</b>								
1. Interest During Construction	130.8	18.1	148.9	5.70	0.79	6.49	87.8	5.2
2. Commitment Fee	6.8	0.0	6.8	0.31	0.00	0.31	100.0	0.2
<b>Subtotal (C)</b>	<b>137.5</b>	<b>18.1</b>	<b>155.6</b>	<b>6.01</b>	<b>0.79</b>	<b>6.80</b>	<b>88.4</b>	<b>5.4</b>
<b>Total Project Cost (A+B+C)</b>	<b>1,533.6</b>	<b>1,915.7</b>	<b>3,449.2</b>	<b>68.94</b>	<b>86.84</b>	<b>155.77</b>	<b>44.3</b>	<b>123.8</b>
<sup>a</sup> In July 2011 prices.								
<sup>b</sup> Computed at 5 - 15% for each project component								
<sup>c</sup> Computed at average annual rate of 0.7% on foreign exchange costs and 7.5% on local currency costs over the 2012-2014 investment program.								
<sup>d</sup> Interest during construction calculated on basis of average of 3 and 5 year swap rates.								
Source: ADB estimates								

**C. Allocation and Withdrawal of Tranche 1 Loan Proceeds**

CATEGORY			ADB FINANCING	
Number	Item	Total Amount Allocated for ADB Financing (\$)		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Civil Works	36,670,000		90.3% of total expenditures claimed
2	Equipment	58,720,000		100% of total expenditures claimed*
3	Consulting Services	1,110,000		
3A	Operation and Management Efficiency of NPT		500,000	100% of total expenditures claimed*
3B	Implementation Support Consultants		610,000	100% of total expenditures claimed*
4	Interest and Commitment Charge	6,010,000		100% of amounts due
5	Unallocated	17,990,000		
	<b>Total</b>	<b>120,500,000</b>		

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

## D. Detailed Cost Estimates by Financier

Table 3: Detailed Cost Estimates by Financier								
(\$ million)								
	ADB Loan		NPT				Total	
	Amount	%	Amount	Taxes and Duties	Total NPT	%	Amount	
<b>A. Investment Cost</b>								
1.	Land Compensation & Resettlement	0.00	0.0%	11.64	0.00	11.64	100.0%	11.64
2.	Civil Works	36.67	90.3%	0.00	3.95	3.95	9.7%	40.62
3.	Equipment Supply & Installation	58.72	87.3%	0.00	8.52	8.52	12.7%	67.24
4.	Consultant Services <sup>a</sup>	1.11	22.7%	3.34	0.44	3.78	77.3%	4.89
5.	Other	0.00	0.0%	1.36	0.14	1.49	100.0%	1.49
	<b>Subtotal (A)</b>	<b>96.49</b>	<b>76.7%</b>	<b>16.33</b>	<b>13.05</b>	<b>29.38</b>	<b>23.3%</b>	<b>125.87</b>
<b>B. Contingencies</b>		<b>18.00</b>	<b>77.9%</b>	<b>5.10</b>	<b>0.00</b>	<b>5.10</b>	<b>22.1%</b>	<b>23.10</b>
<b>C. Financial Charges During Implementation</b>		<b>6.01</b>	<b>88.4%</b>	<b>0.79</b>	<b>0.00</b>	<b>0.79</b>	<b>11.6%</b>	<b>6.80</b>
1.	Interest During Construction	5.70	87.8%	0.79	0.00	0.79	12.2%	6.49
2.	Commitment Fee	0.31	100.0%	0.00	0.00	0.00	0.0%	0.31
	<b>Subtotal (C)</b>	<b>6.01</b>	<b>88.4%</b>	<b>0.79</b>	<b>0.00</b>	<b>0.79</b>	<b>11.6%</b>	<b>6.80</b>
<b>Total Project Cost (A+B+C)</b>		<b>120.50</b>		<b>22.22</b>	<b>13.05</b>	<b>35.27</b>		<b>155.77</b>
<b>% Total Project Cost</b>		<b>77.4%</b>			<b>22.6%</b>			<b>100.0%</b>

Source: ADB estimates

<sup>a</sup> Consultant services to be financed at 100%, net of tax.

## E. Detailed Cost Estimates by Outputs

	Total Cost	Expanded Transmission Network		Improved Operational Efficiency and Effectiveness		Project Implementation Support		
		Amount	%	Amount	%	Amount	%	
<b>A. Investment Costs</b>								
1. Land Compensation & Resettlement	11.64	11.64	100.0%	0.00	0.0%	0.00	0.0%	
2. Civil Works	36.67	36.67	100.0%	0.00	0.0%	0.00	0.0%	
3. Equipment Supply & Installation	58.72	58.72	100.0%	0.00	0.0%	0.00	0.0%	
4. Consultant Services	4.45	0.00	0.0%	0.50	11.2%	3.95	88.8%	
5. Other	1.36	0.00	0.0%	0.00	0.0%	1.36	100.0%	
6. Taxes and Duties	13.05	12.49	95.7%	0.05	0.4%	0.51	3.9%	
<b>Subtotal (A)<sup>a</sup></b>	<b>125.87</b>	<b>119.51</b>	<b>94.9%</b>	<b>0.55</b>	<b>0.4%</b>	<b>5.81</b>	<b>4.6%</b>	
<b>B. Contingencies</b>								
1. Physical <sup>b</sup>	12.59	11.97	95.1%	0.06	0.5%	0.56	4.4%	
2. Price <sup>c</sup>	10.52	9.84	93.6%	0.03	0.3%	0.64	6.1%	
<b>Subtotal (B)</b>	<b>23.10</b>	<b>21.82</b>	<b>94.4%</b>	<b>0.09</b>	<b>0.4%</b>	<b>1.20</b>	<b>5.2%</b>	
<b>C. Financial Charges During Implementation</b>								
1. Interest During Construction	6.49	6.41	98.8%	0.01	0.1%	0.07	1.0%	
2. Commitment Fee	0.31	0.30	98.8%	0.00	0.1%	0.00	1.0%	
<b>Subtotal (C)</b>	<b>6.80</b>	<b>6.72</b>	<b>98.8%</b>	<b>0.01</b>	<b>0.1%</b>	<b>0.07</b>	<b>1.0%</b>	
<b>Total Project Cost (A+B+C)</b>	<b>155.77</b>	<b>148.04</b>	<b>95.0%</b>	<b>0.65</b>	<b>0.4%</b>	<b>7.08</b>	<b>4.5%</b>	
<sup>a</sup> In July 2011 prices.								
<sup>b</sup> Computed at 5 - 15% for each project component								
<sup>c</sup> Computed at average annual rate of 0.7% on foreign exchange costs and 7.5% on local currency costs over the 2012-2014 investment program.								
<sup>d</sup> Interest during construction calculated on basis of average of 3 and 5 year swap rates.								
Source: ADB estimates								

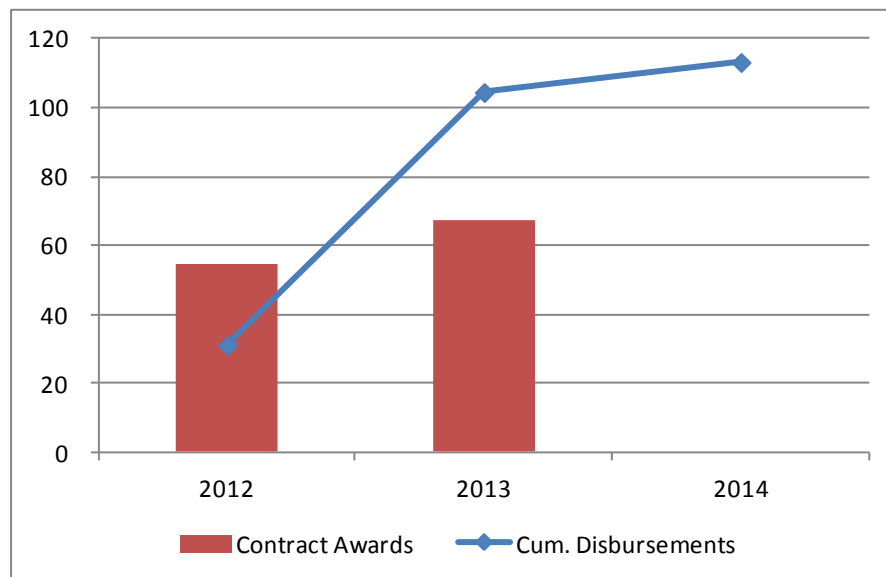


## F. Detailed Cost Estimates by Year

		<b>Total Cost</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>A. Investment Costs</b>							
1.	Land Compensation & Resettlement	11.64	0.00	11.64	0.00	0.00	0.00
2.	Civil Works	36.67	0.00	14.10	19.00	3.57	0.00
3.	Equipment Supply & Installation	58.72	0.00	11.84	43.74	3.14	0.00
4.	Consultant Services	4.45	0.00	2.99	1.12	0.33	0.00
5.	Other	1.36	0.00	0.72	0.52	0.11	0.00
6.	Taxes and Duties	13.05	0.00	3.54	8.65	0.86	0.00
	<b>Subtotal (A)<sup>a</sup></b>	<b>125.87</b>	<b>0.00</b>	<b>44.84</b>	<b>73.03</b>	<b>8.01</b>	<b>0.00</b>
<b>B. Contingencies</b>							
1.	Physical <sup>b</sup>	12.59	0.00	5.04	6.54	1.01	0.00
2.	Price <sup>c</sup>	10.52	0.00	3.87	5.37	1.28	0.00
	<b>Subtotal (B)</b>	<b>23.10</b>	<b>0.00</b>	<b>8.91</b>	<b>11.91</b>	<b>2.28</b>	<b>0.00</b>
<b>C. Financial Charges During Implementation</b>							
1.	Interest During Construction	6.49	0.00	0.33	1.42	2.30	2.44
2.	Commitment Fee	0.31	0.00	0.17	0.09	0.03	0.02
	<b>Subtotal (C)</b>	<b>6.80</b>	<b>0.00</b>	<b>0.50</b>	<b>1.51</b>	<b>2.33</b>	<b>2.46</b>
	<b>Total Project Cost (A+B+C)</b>	<b>155.77</b>	<b>0.00</b>	<b>54.24</b>	<b>86.45</b>	<b>12.62</b>	<b>2.46</b>
	% Total Project Cost	100%	0%	35%	55%	8%	2%
<sup>a</sup>	In July 2011 prices.						
<sup>b</sup>	Computed at 5 - 15% for each project component						
<sup>c</sup>	Computed at average annual rate of 0.7% on foreign exchange costs and 7.5% on local currency costs over the 2011 - 2014 investment program.						
<sup>d</sup>	Interest during construction calculated on basis of average of 3 and 5 year swap rates.						
Source: ADB estimates							

## G. Contract and Disbursement S-curve

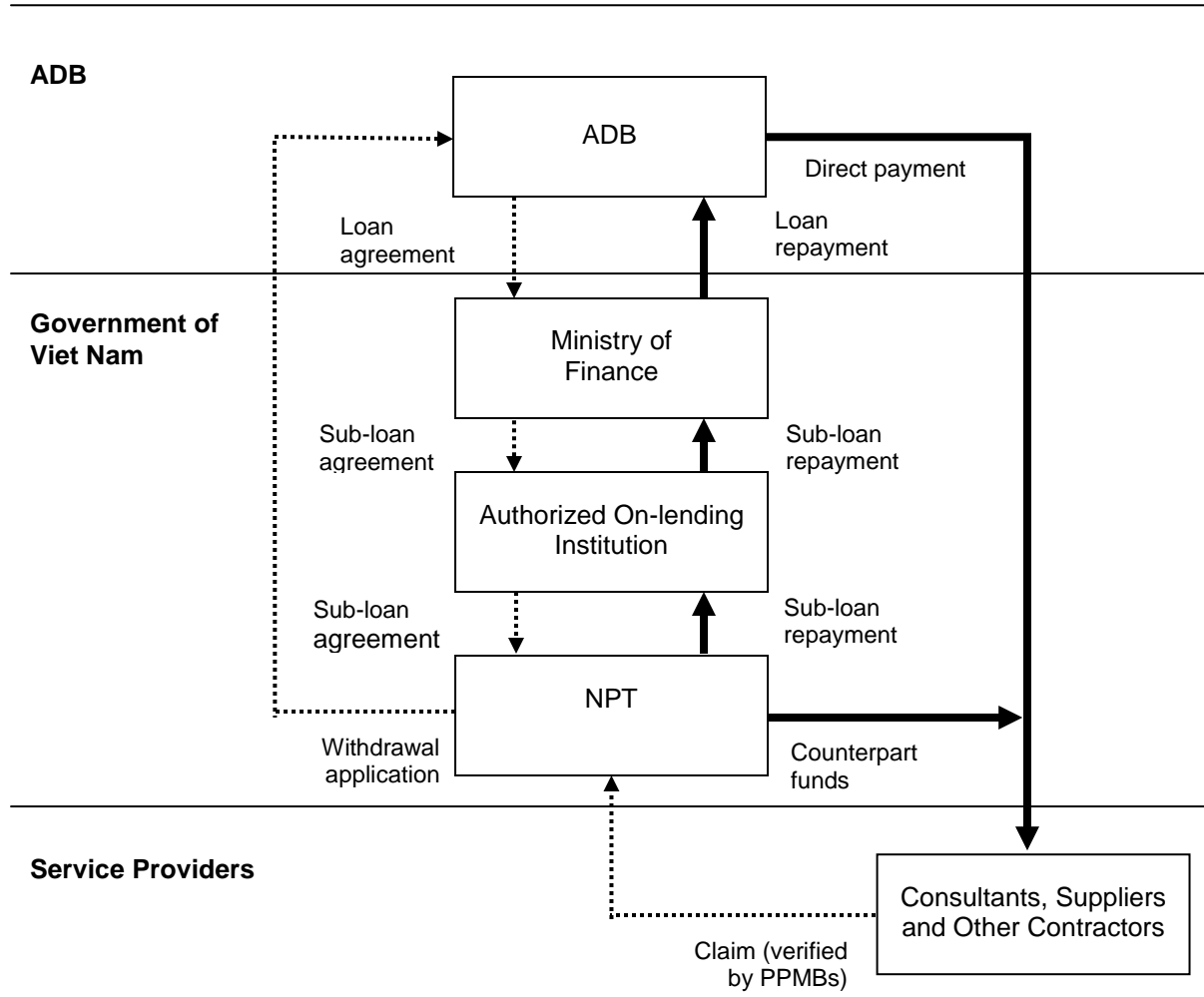
**Contract Awards and Disbursement, ADB (OCR) in \$ million**



**Contract Awards and Cumulative Disbursement, ADB (OCR) in \$ million**

	2012	2013	2014
Contract Awards	54.82	67.22	
Cum. Disbursements	31.14	104.43	113.14
Source: Asian Development Bank estimates.			

## H. Fund Flow Diagram



- Funds flow
- .....→ Payment request / Agreements

## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

1. Financial Management Assessment (FMA) was carried out in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects to assess the financial capacity of NPT including funds-flow arrangements, staffing, accounting policies and procedures, internal and external auditing arrangements, reporting and monitoring, and financial information systems. The assessment concluded that the control risks that exist within NPT are not expected to pose a significant risk to the proper management and implementation of the investment program.

2. **Funds Flow.** The proposed funds flow and disbursement arrangements have been satisfactorily employed by NPT in previous and ongoing ADB funded projects. Therefore, NPT has demonstrated its capacity to properly manage funds flows and disbursements through the completed and ongoing projects. Therefore, the control risk associated with the funds flow is assessed as being low.

3. **Staffing.** NPT and PPMB staff has considerable experience in the implementation of large capital projects, including a number of projects funded by ADB. Accounting and financial staff of NPT have demonstrated a satisfactory capacity to execute their wider functions and responsibilities. However, the quality of existing staff varies considerably and as NPT continues to grow; all staff will need to be able to perform at satisfactory levels. This may prove to be a challenge for some staff and hiring additional staff on the basis of existing recruitment procedures may not be sufficient to meet these requirements. Therefore, improved recruitment procedures that focus more closely on attracting the most qualified staff are required. On this basis, the control risk associated with staff is assessed as being moderate. The operational performance will be further strengthened through management and staff training in financial management, planning and control.

4. **Accounting Policies and Procedures.** NPT's accounting policies and procedures adhere to MOF and EVN requirements and appear to be sufficient to meet its functions and responsibilities as they relate to the proposed investment program. NPT has manuals that specify its accounting policies and procedures. The manuals are distributed to the appropriate personnel and are readily available within NPT as reference. The manuals cover routine financial management and related administrative activities and clearly define conflict of interest and related party transactions. No deficiencies appear to exist that would pose a risk to the investment program. However, improvements to these policies and practices could be made that would reduce overall control risks within NPT. These include improved budget control, the implementation of an improved longer-term planning capacity, and the establishment of offsite backup of its financial records and files. These activities will be strengthened through training seminars for management and staff supported under the investment program. On this basis, the control risk associated with accounting policies and procedures is assessed as being low to moderate.

5. **Internal Audit.** Presently, there is no internal audit function within NPT. However, as required by government regulation, it has established a control unit responsible for undertaking functions somewhat similar to that of the internal audit. However, the NPT control unit does not appear to be functioning to its full potential. This is a common situation in many state companies in Viet Nam where the control unit is established to meet government requirement, but less emphasis is actually given to ensuring that the unit functions effectively. Staffing inadequacies

within the control unit, as well as a lack of priority given by the Board in utilizing the control unit, are factors that limit its effectiveness. Until the control unit is made fully functional and effective, the control risk associated with internal audit is assessed as being moderate to high. Training seminars provided to management and staff will increase the importance of internal audit functions and should allow management to strengthen this operational function.

6. **External Audit.** NPT's financial statements following Vietnamese Accounting Standards (VAS) and International Financial Reporting Standards (IFRS) are audited by a firm of external auditors. The project accounts are also externally audited. The quality of the audits appears to be satisfactory. Therefore, the control risk associated with the external audit is assessed as being low.

7. **Financial Reporting.** The annual financial statements are prepared on the basis of both VAS and IFRS and are audited. Additionally, unaudited financial statements are prepared on a quarterly basis by NPT and by the PPMBs. This includes the preparation of financial reports by the PPMBs for each individual project under implementation. On this basis, the control risk associated with financial reporting is assessed as being low to moderate.

## B. Disbursement

8. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended from time to time),<sup>3</sup> and detailed arrangements agreed upon between the Government, NPT and ADB. Pursuant to ADB's Safeguard Policy Statement (2009),<sup>4</sup> ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement.

9. **Direct Payment.** Loan proceeds will finance mainly large civil works, the procurement of goods, and consultants' fees. Therefore, the direct payment procedure will be used. Direct payments will be made directly to designated contractors and suppliers of goods, services and civil works.

10. **First Withdrawal Application.** Before the submission of the first withdrawal application, NPT should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing. Withdrawal applications and other loan disbursement information are available at ADB's Controller's Department's website: <http://lfis.adb.org>.

11. **Retroactive Financing.** If approved by ADB, withdrawals from the relevant Loan Account may be made for reimbursement of eligible expenditures incurred under the relevant Project before the effective Date of the Loan Agreement (but not earlier than 12 months before the date of the Loan Agreement) in connection with items to be retroactively financed, subject to a maximum amount equivalent to 20% of the amount of the Loan. ADB will reimburse eligible expenditures incurred for retroactive financing to NPT. NPT should provide sufficient evidence satisfactory to ADB of having incurred the eligible expenditures to be eligible to claim amounts to be retroactively financed.

---

<sup>3</sup> Available at: [http://www.adb.org/Documents/Handbooks/Loan\\_Disbursement/loan-disbursement-final.pdf](http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf)

<sup>4</sup> Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

### **C. Accounting**

12. The Government shall ensure that NPT and the PPMBs will maintain separate accounts and records by funding source for all expenditures incurred under the Investment Program and tranches. The accounts will follow Vietnamese accounting principles and practices.

13. NPT will submit to ADB semiannually a summary of financial statements. In addition, NPT will submit to ADB quarterly project expenditures during the period, year to date, and total to date.

### **D. Auditing**

14. NPT will cause detailed consolidated project accounts to be audited in accordance with International Standards on Auditing by an auditor acceptable to ADB. The audited accounts will be submitted in the English language by NPT to ADB within 6 months of the end of the fiscal year. The Government and NPT have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

15. NPT will also have its financial statements audited by independent auditors acceptable to ADB, in accordance with consistently applied auditing standards acceptable to ADB. NPT will submit its audited annual financial statements to ADB within 6 months of the end of NPT's fiscal year (fiscal year ending 31 December of each year). The auditors will be required to provide an opinion on NPT's compliance with ADB's financial covenants, and indicate the details of the calculation for financial ratios, in conformity with the specifications and definitions contained in the loan and project agreement. A memorandum on the auditor's opinion and issues identified during the audit process will be submitted to ADB together with the audited accounts and the audited financial statements.

## VI. PROCUREMENT AND CONSULTING SERVICES

### A. Procurement Capacity Assessment

1. A procurement capacity assessment was carried out to assess the procurement capacity of NPT and the PPMBs. The assessment concluded that the organizational and staff capacity, information management, general procurement practices and accountability measures that exist are not expected to pose a risk to the proper management and implementation of the investment program.

2. **National Procurement Environment.** Viet Nam's public procurement legal and regulatory framework is in essence sound and well developed. The Procurement Law (2005) is supported by a series of Decrees and Circulars that tightly regulate how procurement is to be conducted. The Law also recognizes that donor rules and procedures on procurement may prevail where the international treaty entered into by the Government of Viet Nam states so (which applies in this case). However, serious governance issues are commonly reported and some frequently used practices (e.g. packaging, use of state cost norms, various administrative constraints) hamper the participation of international firms in publicly funded procurement. Under the Investment Program, the application of more efficient procurement processes including an appropriate number of contracts per project will be encouraged.

3. **General Resource Assessment.** NPT and the Northern and Central Power Project Management Board have experience in carrying out procurement under ADB financed projects. The Southern Power Project Management Board has not yet carried out procurement under any ADB financed projects but is very familiar with World Bank procedures. The level of skills and knowledge of generally-accepted principles of public procurement is good. However, additional training in consultant selection, procurement and disbursement procedures following ADB guidelines is recommended.

### B. Advance Contracting and Retroactive Financing

4. All advance contracting and retroactive financing will be undertaken in accordance with *ADB's Procurement Guidelines* and *ADB's Guidelines on the Use of Consultants* (2010, as amended from time to time). The issuance of invitations to bid and the bidding documents under advance contracting and retroactive financing will be subject to ADB approval. The government and NPT have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the investment program or any related tranche.

5. **Advance contracting.** Advance contracting will be undertaken for goods, works, and consulting services. The steps to be concluded in advance will include (i) preparation of procurement plans, bid documents, tendering, and evaluation of bids for equipment and civil works; (ii) approval of procurement plans, bid documents, tendering, and evaluation of bids for equipment and civil works; (iii) approval of social safeguard documents by ADB (iii) finalization of terms of reference for consulting services and services provided by the independent monitoring body or person, requesting and evaluating proposals, and selecting consulting services.

6. **Retroactive Financing.** For tranche 1, retroactive financing will be permitted for eligible expenditures incurred before loan effectiveness, but not more than 12 months before signing the loan agreement up to a maximum amount of \$24.1 million equivalent, or 20% of the total ADB loan for tranche 1.

### **C. Procurement of Goods, Works and Consulting Services**

7. The documents that will govern all procurement actions of goods, works and services will include (i) the Financing Framework Agreement; (ii) the Loan and Project Agreement; (iii) *ADB's Procurement Guidelines* and *ADB's Guidelines on the Use of Consultants* (2010, as amended from time to time); and (iv) ADB's Standard Bidding Documents.

8. International competitive bidding procedures (ICB) will be used for civil works contracts estimated to cost \$5.0 million or more, and supply contracts valued at \$500,000 or more. National competitive bidding procedures (NCB) will be used for civil work contracts valued less than \$5.0 million, and for supply contracts valued less than \$500,000 but more than \$100,000. Qualification and eligibility requirements will be specified in the procurement plan and bidding documents.

9. Before the start of any procurement through National Competitive Bidding, ADB and the Government will review the public procurement laws to ensure consistency with ADB's Procurement Guidelines. National Competitive Bidding procedures applicable to Viet Nam are attached with the procurement plan in Appendix 1 hereto.

10. International shopping will be authorized for procurement of goods and works with a contract price equivalent of \$100,000 or less.

11. Secondary equipment for expansion of existing 500 kV and 220 kV substations under operation using computerized control system may be procured on the basis of international shopping or through direct contracting, as appropriate. Where the equipment is procured directly, prior to such procurement, a list of individual items to be procured, an estimate of their costs, an indication of potential sources of supply and any related documents shall be submitted to ADB for approval. After award, three copies of each contract for such items shall be furnished to ADB.

### **D. Procurement Plan**

12. An 18-months procurement plan following *ADB Procurement Guidelines* (2010, as amended from time to time) will be submitted to ADB for review and approval together with the Project Financing Request. For each respective tranche, NPT will update the procurement plan semiannually throughout the duration of each tranche. In preparing and implementing the procurement plans, NPT and the PPMBs are required to minimize the number of procurement contracts. The procurement plan for each tranche will be implemented in the manner in which it has been approved by ADB.

13. Consultant services financed from ADB's loan proceeds will be recruited according to *ADB's Guidelines on the Use of Consultants* (2010, as amended from time to time). The terms of reference for all consulting services will be prepared and finalized by NPT and submitted with the Periodic Financing Request. Selection and engagement of consultant services will require no-objection from ADB.

14. For tranche 1, an 18-months procurement plan indicating threshold and review procedures, contract packages, and consulting services contracts is provided in Annex 2 hereto. A total of 4 person-months of international consulting services and 164 person-months of national consulting services will be financed under the tranche 1 to support NPT and the PPMBs



with the preparation and implementation of environmental and resettlement plans. Furthermore, 8 person-months of independent monitoring for social safeguard implementation will be engaged.

15. In addition, the services of a consulting firm will be engaged using fixed budget selection (FBS) to provide courses to management and staff of NPT in i) strategic corporate planning, business planning and management; and (ii) accounting, financial management, planning and control. At least 20 management and staff will undertake training seminars (7 in management, 6 in accounting, and 7 in finance). An outline of consultant's terms of reference is provided in Annex 3.

#### **E. Participation of State-Owned Enterprises**

16. In accordance with ADB's Procurement Guidelines (2010, as amended from time to time) para 1.8: Government-owned enterprises may participate as a bidder only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not dependent agencies of the borrower or sub-borrower. As part of the procurement plan, NPT will submit semiannually updated information on local suppliers and service providers with regards to their affiliation with EVN / NPT to guide ADB's decision on eligible local bidders for works, goods and consulting services.

## **VII. SAFEGUARDS**

### **A. Land Acquisition, Resettlement, Ethnic Minorities**

1. In order to ensure compliance with ADB Safeguard Policy Statement (2009), the government will ensure and will cause NPT to ensure social safeguard compliance under the investment program. The government and NPT endorsed the Resettlement and Ethnic Minority Development Framework (REMDF) that has been prepared for the investment program (see Linked Document 15 of the RRP). Land acquisition and the involuntary resettlement process will be followed during implementation and necessary Resettlement Plans (RP) and, if applicable, ethnic minority plans will be prepared.

### **B. Environmental Safeguards**

2. In order to ensure compliance with ADB Safeguard Policy Statement (2009), the government will ensure and will cause NPT to ensure environmental safeguard compliance under the investment program. The government and NPT endorsed the Environmental Assessment and Review Framework (EARF) that has been prepared for the investment program (see Linked Document 13 of the RRP). The environmental assessment process as required under the EARF will be followed during implementation and necessary Initial Environmental Examinations (IEE) and/or Environmental Impact Assessments (EIA) and Environmental Management Plans (EMP) will be prepared.

### **C. Frameworks**

3. The REMDF and EARF are to guide NPT and the PPMBs. in the preparation and implementation of safeguard measures for projects with regards to (i) project design; (ii) impact assessment; (iii) public consultations and disclosure of information; (iv) entitlements and compensation; (v) monitoring and reporting; and (vi) institutional arrangements to ensure effective and timely implementation. They describe (i) the criteria to determine the appropriate safeguard category, (ii) the measures that will need to be followed and put in place during preparation, processing, and implementation considering that subprojects will need to be classified as safeguard category B or A.

### **D. Categorization of Subsequent Tranches**

4. The safeguard frameworks have been designed taking into account that for future subprojects a more sensitive safeguard categorization might apply. The safeguard frameworks and due diligence by ADB will ensure that all impacts are examined, categorized, mitigated and compensated as per ADB SPS.

5. Following an initial assessment, the safeguard category for subsequent tranches will be reflective of tranche 1 with no significant adverse environmental impacts but potentially significant involuntary resettlement impacts and some having limited impact on indigenous people (in particular tranche 2). The safeguard categories for all subsequent subprojects will be confirmed after detailed technical design.

6. Tranche 2 will finance the 500 kV Pleiku – My Phuoc – Cau Bong transmission line. The transmission line is 437 km in length and will traverse five provinces and one city. An environmental assessment confirmed that the transmission line is not passing through critical or natural habitats and national parks with high biodiversity value. With regards to the impact on

resettlement and ethnic minorities, the transmission lines route right-of-way area (ROW) is 13,991 square meter and the permanent land that needs to be acquired for the tower foundations is 319,642 square meter. About 10% of the population will be affected including several ethnic minority people. The cost for land acquisition and resettlement is currently estimated at \$23 million. The safeguard category for tranche 2 subproject is currently considered B for environment and A for resettlement and ethnic minorities. Consultants that have been engaged under the Project Preparatory Technical Assistance for preparing the MFF are supporting the preparation of the REMDP and IEE in accordance with Viet Nam's regulations and ADB SPS 2009.

## **E. Project 1**

7. The safeguard category for Project 1 is B for environment, A for involuntary resettlement, and C for indigenous people.

8. **Environmental Safeguards:** The evaluation of the pre-construction, construction, and operational phases of the project components indicates that the subprojects will generate minor adverse impacts to the environment that can be reduced to acceptable levels through the implementation of practical mitigation measures normally associated with internationally recognized engineering practices. No significant natural habitats will be affected by the transmission lines, the substations and connecting lines since the proposed project will be located within an area where the natural habitat has been greatly modified due to human settlements and agricultural activities. Environmentally sensitive areas, villages, settlements, and religious and cultural/heritage sites were avoided in the siting of subprojects. Subprojects of Project 1 are categorized as B under ADB's environment guidelines. An Environmental Management Plan for each subproject has been prepared for implementation during all phases of the project. The EMP identifies the potential environmental impacts and the corresponding mitigating measures to reduce the impacts to acceptable levels. The EMP also outlines the institutional responsibilities in implementing the EMP. An institutional capacity development program is recommended to ensure sustainable implementation of the EMP.

9. NPT will provide the overall management and coordination of the subprojects with respective PPMBs and contractors to carry out all subproject components. In addition, NPT will coordinate with ADB and PPMB on recruitment of environmental consultants for implementing EMP and providing monitoring reports. For each PPMB, an Environmental Office (EO) will be established for project monitoring and coordinating purposes. The EO will be responsible for implementation and monitoring of the EMP and the Environmental Monitoring Plan (EMoP) as well as coordination with contractor, local authorities and the affected persons. The EO shall work closely with the contractor during the construction phase and will be the first direct contact on the ground to receive environmentally related complaints and grievances.

10. The NPPMB and SPPMB will each hire the services of two environmental consultants to form the Environmental Office. A training program for PPMB will be provided to strengthen their capacity to implement the Environmental Management Plan and Environmental Monitoring Plan. The training program will focus on community safety, environmental impact assessment (EIA) preparation and review, EMP implementation, inspection and corrective action, environmental standard operating procedures, proper handling and disposal of soils, protection of local vegetation and water resources, and avoiding impacts on local population from noise and dust-generating activities. A Grievance Redress Mechanism was also established to receive and

facilitate resolution of affected people's concerns, complaints, and grievances about the project, particularly on compensation policies.

11. The Contractor will be responsible for all aspects of plant construction and following the environmental specifications detailed in the construction contract. This includes:

- (i) Preparing a detailed Site Environmental Management Plan (SEMP) for the construction of the project based on the EMP requirements contained in the IEE;
- (ii) Applying construction phase mitigation as described in the EMP and ensuring compliance with relevant Vietnamese standards and Environment, Health, and Safety (EHS) Guidelines;
- (iii) Coordinating with the Environment Office for Environment, Health and Safety training of construction workers to respect environmental management commitments as detailed in the EMP;
- (iv) Ensuring safety of construction workers and local people during construction, and compliance with all relevant Vietnamese EHS standards; and,
- (v) Reporting on environmental performance during construction.

12. **Resettlement and Ethnic Minorities:** Four Resettlement Plans (RPs) have been prepared through extensive consultations with stakeholders. Two of the subprojects included in Project 1 are category A for resettlement, namely the (i) 500kV / 220 kV Pho Noi substation and (ii) 220 kV Song May – Uyen Hung transmission line, as the impact is significant. A total of approximately 1,880 households will be affected by land acquisition, including approximately 293 households which are likely to be significantly affected. An independent monitoring agency will be engaged to monitor compliance with the resettlement plans. With regards to ethnic minorities, the provincial governments confirmed that ethnic minorities are not residing in the project areas.

13. NPT will be responsible to manage the resettlement and social issues which are to be prepared and implemented by the respective PPMBs - NPPMB and SPPMB. The PPMBs are supported by full-time qualified and experienced social safeguard specialist to manage the resettlement related issues. In addition, the PPMBs will be responsible for the hiring of national subproject implementation consultants (PICs) including an international social safeguard consultant who will provide guidance for the updating of the RPs as well as implementation of resettlement. The responsibilities are detailed as follows:

14. NPT will be responsible to:

- (i) Provide overall management and coordination of the subproject;
- (ii) Liaise with PPMBs to carry out all subproject components;
- (iii) Coordinate with ADB to engage resettlement consultant services for the subproject;
- (iv) Support NPPMB and SPPMB for updating RPs and/or the REMDPs of the subproject components;
- (v) Consolidate subproject progress reports on land acquisition and resettlement submitted by NPPMB and SPPMB for relevant ministries and ADB; and
- (vi) Recruit and supervise independent monitoring services resettlement monitoring

15. The PPMBs will be responsible to:

- (i) Actively participate in the updating and implementation activities in collaboration with the concerned organization at the Province, District and Commune levels;

- (ii) Liaise with the Province People's Committee (PPC) to facilitate the establishment of the CARB at the provincial/city and district levels.
- (iii) Provide an orientation, to the concerned People's Committees of the province/city, districts, and communes, the CARB and related groups on the project, its Resettlement Policy,
- (iv) Process flow, and on the specific tasks of these groups relative to the updating and implementation of the RP;
- (v) Take the lead in the public disclosure of the Project RP in coordination with the concerned People's Committees, and participate in project information dissemination and holding of consultation meetings with AHs and other stakeholders;
- (vi) Monitor grievances related to the project and calls the attention of concerned government offices where complaints have remained outstanding beyond prescribed action periods;
- (vii) Design and implement an internal monitoring system that shall capture the overall progress of the RP updating and implementation; and prepare quarterly progress reports for submission to NPT and ADB;
- (viii) Engage and closely coordinate with an independent monitoring agency that shall perform a third-party monitoring and evaluation of the RPs and/or REMDPs updating and implementation

## VIII. GENDER AND SOCIAL DIMENSIONS

### A. Social Dimensions

1. The poverty and social analysis assessed impacts mainly at the sector level, since identifying specific consumers is challenging in the context of transmission network expansion. Although affordability and public welfare must be taken into consideration at Viet Nam's stage of development, gradual increase of electricity tariffs is inevitable to cover greater costs associated with expansion in power generation and transmission. Increases in basic living expenditures have a large impact especially on lower income groups by reducing the amount of disposable income and/or reducing the capacity of accessing the service. The Prime Minister enacted Guidelines for poor households in rural areas and urban areas (households with an average monthly income of less than VND 400,000 in rural areas and VND 500,000 in urban areas) to receive Government support for electricity of VND 30,000 per month. The government ensures under the investment program that it will continue its efforts of developing and effectively implementing appropriate tariff structures and social safety measures to ensure equal socio-economic development.

2. Throughout the implementation of all subprojects financed by the Facility, the government will cause NPT to ensure monitoring of the social impacts, in consultation with local governments, local communities and nongovernment organizations. In this respect, NPT will ensure that all civil work contractors: (i) comply with applicable core labor standards, labor laws of Viet Nam and incorporate applicable workplace occupational safety norms; (ii) disseminate, or engage appropriate service providers to disseminate information on the risks of sexually transmittable infections, including HIV/AIDS, to the employees of contractors engaged under the projects and to members of the local communities surrounding the project facilities, particularly to females; (iii) not differentiate payment between men and women for work of equal value; (iv) do not employ child labor; (v) eliminate any form of discrimination in respect of employment; and (vi) to the extent possible, maximize employment of women, local poor and disadvantaged persons for construction purposes, provided that the requirements for efficiency are adequately met.

### B. Gender

3. It is pivotal to involve women in consultations for land acquisition and resettlement. The REMDF outlines specific actions to ensure gender-equal participation in the preparation and implementation of resettlement plans. The REMDF provides guidance on social indicators that are to be considered in the preparation and implementation of resettlement and, if applicable, ethnic minority development plans. The social indicators include: (i) 100% of female headed and ethnic minority affected households consulted in preparing and implementing REMDP; (ii) the women unions participate actively in consultations and assume active roles compensation committees; (iii) fair compensation of all households irrespective of income level, ethnic group or headed by female/male; (iv) inclusion of occupational safety norms in all civil work contracts; (v) awareness campaign on prevention of HIV/AIDS and sexually transmitted infections in the project areas.

4. Women are present in NPT and the PPMBs at the execution and implementation of transmission projects and occupy key roles in accounting, finance, human resources, international cooperation, and safeguards. Component 2 and 3 of the investment program will provide training to NPT and PPMB staff in the operational areas of accounting, finance, human resources and safeguards which will enhance the capacity of women occupying these roles.

5. The government will cause NPT to implement the subprojects in accordance with ADB's Policy on Gender and Development (1998). In particular, the government will cause NPT to ensure that women shall have equal access to project information and benefits, including the opportunities to participate in project planning and implementation.

6. Further details are provided in the Summary Poverty Reduction and Social Strategy (Linked document 11 of RRP).

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

### A. Design and Monitoring Framework

1. The Design and Monitoring Framework (DMF) for the Investment Program is provided as Appendix 1 of the RRP.

#### Design and Monitoring Framework Project 1

Design Summary	Performance Targets and Indicators with Baseline	Data Sources and/or Reporting Mechanism	Assumptions and Risks
<b>Impact</b> Enhanced capacity to balance power load in northern and southern Viet Nam	System losses reduced to at least 9% by 2015 (2010 baseline: 10%)  Electricity intensity ratio declines to 1.36 kWh / \$ by 2015 (2010 baseline: 1.39 kWh / \$)	Annual performance reports provided by IoE and NPT	<b>Risks</b> <ul style="list-style-type: none"> <li>Transmission network expansion delays caused by limited financing capacity of NPT and delays in approval of land clearance and compensation</li> </ul>
<b>Outcome</b> Strengthened operational capacity	High quality trained staff in business planning, management, finance, and accounting in place by 2015 (at least 20 staff trained: 7 in management, 6 in accounting, 7 in finance)	Reports on conducted training seminars and staff participation provided by NPT  Documentation on corporate strategy, business and operational plans, accounting, financial management and planning tools and procedures provided by NPT	<b>Assumptions</b> <ul style="list-style-type: none"> <li>Effective on the job-training provided to relevant management and staff of NPT in key operational areas</li> <li>Relevant management and staff participating in training programs can be retained within NPT</li> </ul>
<b>Outputs</b> <b>Component 1: Expanded Transmission Network</b>  Energized transmission lines	By June 2015:  500 kV transmission lines expanded by 25.6 km (2010 baseline: 3,987 km)  220 kV transmission lines expanded by 49.3 km (2010 baseline: 10,820 km)	Annual performance reports provided by IoE and NPT  Quarterly progress reports and project completion reports provided by NPT	<b>Assumption</b> <ul style="list-style-type: none"> <li>Projected price and physical contingencies are sufficient to accommodate potential increases in costs</li> </ul> <b>Risks</b> <ul style="list-style-type: none"> <li>Implementation delays caused by construction delays of associated power generation and transmission projects not financed by ADB</li> </ul>
Energized substations	500 kV/ 220 kV substation capacity expanded by 600 MVA (2010 baseline: 12,450 MVA)  220 kV/110 kV substation capacity expanded by 500 MVA (2010 baseline: 28,032 MVA)	Annual performance reports provided by IoE and NPT  Quarterly progress reports and project completion reports provided by NPT	<ul style="list-style-type: none"> <li>Implementation delays caused by lengthy approval processes for tranche effectiveness, land clearance and compensation, procurement, and construction</li> </ul>



Design Summary	Performance Targets and Indicators with Baseline	Data Sources and/or Reporting Mechanism	Assumptions and Risks
<p><b>Component 2: Improved Operational Effectiveness and Efficiency of NPT</b></p> <p>Strengthened financial capacity of NPT</p> <p>Strengthened operational capacity</p>	<p>Progressive improvement in self-financing ratio: 20% in 2013 and 2014, and 25% in 2015 (2011 baseline: 1%)</p> <p>Progressive improvement in debt-service-coverage ratio: 1.3 in 2013 and 2014, and 1.5 in 2015 (2011 baseline: 1.0)</p> <p>Progressive improvement in debt-to-equity ratio: 85:25 in 2013, 80:20 in 2014, and 75:25 in 2015 (2011 baseline: 87:13)</p> <p>High quality trained staff in business planning, management, finance, and accounting in place by 2015 (at least 20 staff trained: 7 in management, 6 in accounting, 7 in finance)</p>	<p>Reports on annual transmission charge payments provided by NPT</p> <p>Audited financial statements and auditors opinion submitted to ADB by NPT</p> <p>Reports on conducted training seminars and staff participation provided by NPT</p> <p>Documentation on corporate strategy, business and operational plans, accounting, financial management and planning tools and procedures provided by NPT</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Continuous commitment to implementing PDMP VII</li> <li>• Effective on the job-training provided to relevant management and staff in key operational areas of NPT</li> <li>• Relevant management and staff participating in training programs can be retained within NPT</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• If more austere financial improvement measures cannot be sustained, a more rapid increase in inflation and depreciation of the dong delaying the achievement of financial performance objectives</li> </ul>
<p><b>Component 3: Project Implementation Support</b></p> <p>Enhanced streamlined project implementation</p> <p>Strengthened safeguard compliance management</p> <p>Effective support in design and</p>	<p>Number of procurement contracts per subproject is on average 2 – 5 by 2012, and thereafter (2011 baseline: 10-20 contracts)</p> <p>Established operational environmental and social safeguard units with full time trained staff within NPT and PPMBs by 2014, and thereafter</p> <p>Prepared technical designs and constructed</p>	<p>Procurement plan and bidding documents submitted by NPT</p> <p>Reports on organizational structure and staff appointment provided by NPT</p> <p>Quality of safeguard documents and implementation reports submitted by NPT</p> <p>Technical designs, bidding documents and contracts</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Effective on the job-training provided to staff of NPT and PPMBs in area of safeguard compliance</li> <li>• The PECCs upheld previous quality of work in supporting NPT in designing and supervising construction of transmission network</li> <li>• The government and NPT have given their assurance that transmission lines and substations are constructed in accordance with international standards and code of conducts</li> </ul>

Design Summary	Performance Targets and Indicators with Baseline	Data Sources and/or Reporting Mechanism	Assumptions and Risks
construction	transmission lines in accordance with international standards and code of conduct by 2012, and thereafter	submitted by NPT	

Activities with Milestones	Inputs
<b>Component 1: Expanded Transmission Network</b>	<b>ADB OCR Loan: \$120.5 million</b>
1.1 Procurement and award of contracts (1/2012-11/2013)	<b>Item</b> <b>Amount</b> (\$ million)
1.2 Construction and commissioning (12/2012-06/2015)	
1.3 Implementation of REMDP and EMP (04/2012-06/2015)	Component 1 95.38
<b>Component 2: Improved Operational Effectiveness and Efficiency of NPT</b>	Component 2 0.50
2.1 Implementation of annual transmission charge increases (01/2012 – 06/2015)	Component 3 0.61
2.2 Participation of NPT management and staff in management and operation efficiency seminars in (a) strategic corporate planning, business planning and management; (b) accounting, financial management, planning and control; (07/2012-06/2015)	Contingency 18.00
	Financing Charges 6.01
	<b>NPT: \$35.27 million</b>
<b>Component 3: Project Implementation Support</b>	<b>Item</b> <b>Amount</b> (\$ million)
3.1 Consolidation of equipment and civil works packages for various subprojects (12/2011-06/2015)	Component 1 24.13
3.2 Appointment of design and construction supervision support (01/2012-06/2015)	Component 2 0.05
3.3 Appointment of consultants to support preparation and implementation of safeguards (01/2012-06/2015)	Component 3 5.20
3.4 Staffing and training of environmental and social safeguard units (05/2012-06/2014)	Contingency 5.10
3.5 Appointment of independent person for safeguard compliance monitoring (04/2012-06/2015)	Financing Charges 0.79

ADB = Asian Development Bank; EMP = Environmental Management Plan; IoE = Institute of Energy; NPT = National Power Transmission Corporation; PECCs= Power Engineering Construction Companies; PPMBs = Power Project Management Boards; REMDP = Resettlement and Ethnic Minority Development Plan; SPS = Safeguard Policy Statement; Source: ADB

## B. Monitoring

2. **Project performance monitoring.** Disaggregated baseline data for output, outcome, and impact indicators gathered during the investment program processing will be updated and reported quarterly through investment program's quarterly progress reports prepared by the PPMBs and submitted by NPT, and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.<sup>5</sup>

3. **Compliance monitoring.** The Framework Financing Agreement, Loan and Project Agreements specify undertakings and covenants that will be monitored through regular review missions and on a quarterly basis in discussion with NPT, EVN, and MOIT, and reports and audited financial statements submitted by NPT to ADB.

4. **Safeguards monitoring.** As stipulated in the environmental assessment and review

<sup>5</sup> ADB's project performance reporting system is available at:  
<http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

framework, the resettlement and ethnic minority development framework, internal monitoring reports will be prepared and submitted to ADB on a quarterly basis for all projects together with the quarterly progress reports. For environmental category A projects, external monitoring reports will be prepared by an appointed independent monitoring body or person and submitted to ADB every 6 months during project implementation. For resettlement, an independent monitoring body or person will be appointed irrespective of the categorization of projects to prepare and submit to ADB semiannually external monitoring reports during project implementation. Monitoring and reporting of the implementation on safeguard requirements and procedures will be prepared by the PPMBs and overseen by NPT.

5. **Gender and social dimensions monitoring.** The social indicators included in the preparation and implementation of resettlement plans will be monitored through independent monitoring and submission of the external monitoring reports on resettlement. The inclusion and compliance with labor standards, health and gender aspects will be monitored through review of bidding documents, contract awards, and progress reports. The involvement of women in training programs will be monitored through reports on conducted training seminars and staff participation provided by NPT.

### C. Evaluation

6. ADB will conduct regular semiannual review missions to review, discuss progress, and report on the investment program's performance. A midterm review will be carried out within 3 years after effectiveness of the investment program and within 1 year of effectiveness of a tranche. Within 6 months of physical completion of the each Project under the investment program, NPT will submit a project completion report to ADB.<sup>6</sup>

7. To ensure the Project continues to be both viable and sustainable, project accounts and NPT's annual financial statements, together with the associated auditor's report, will be adequately reviewed.

### D. Reporting

8. NPT will provide ADB with quarterly progress reports in a format consistent with ADB's project performance reporting system including (i) narrative and statistical information on the subprojects' implementation and disbursement; (ii) progress achieved by output as measured through the indicator's performance targets; (iii) key implementation issues and solutions; (iv) progress in complying with the Facility's undertakings and the project's loan covenants (iv) updated procurement plan; (v) updated implementation plan for the next 6 to 12 months; (vi) any additional information on the work to be carried out over the next 6 to 12 months.

9. The progress reports provided by NPT and findings from regular review missions conducted by ADB will be used to update the Periodic Financing Request Monthly Reports and prepare the Multi-tranche Financing Facility Annual Report. The Multi-tranche Financing Facility Annual Report will be submitted to ADB's Strategy and Policy Department for subsequent submission to ADB's Board of Directors.

---

<sup>6</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

## E. Stakeholder Communication Strategy

No.	Document	Communication Tool	Responsible Entity	Frequency	Audience
1	Report and Recommendation of the President to the Board of Directors (RRP)	ADB website	ADB	Once, within 2 weeks of approval by ADB's Board of Directors	General Public
2	RRP linked Documents	ADB website	ADB	Once, within 2 weeks of approval by ADB's Board of Directors	General Public
3	Facility Administration Manuals	ADB website	ADB	Once, within 2 weeks of approval by ADB's Board of Directors	General Public
4	Project Administration Manuals	ADB website	ADB	Once, within 2 weeks of approval by ADB's Board of Directors / ADB's President	General Public
5	Loan Agreements	ADB website	ADB	Once, within 2 weeks of signing	General Public
6	Project Agreements	ADB website	ADB	Once, within 2 weeks of signing	General Public
7	Environment related Documents (PFRs)	ADB website	ADB	Within 120 days before approval by ADB's Board of Directors / ADB's President for safeguard category A; otherwise upon approval by ADB's Board of Directors / ADB's President	General Public, Government of Viet Nam, EVN, NPT, project-affected people
8	Resettlement Planning Documents (PFRs)	ADB website	ADB	Upon approval by ADB's Board of Directors / ADB's President	General Public, Government of Viet Nam, EVN, NPT, project-affected people
9	Indigenous People Planning Documents (PFRs)	ADB website	ADB	Upon approval by ADB's Board of Directors / ADB's President	General Public, Government of Viet Nam, EVN, NPT, project-affected people

No.	Document	Communication Tool	Responsible Entity	Frequency	Audience
10	Summary Poverty Reduction and Social Strategy	ADB website	ADB	Update periodically as part of approving new Periodic Financing Requests	General Public, Government of Viet Nam, EVN, NPT, project-affected people
11	Project Information Document (PID)	ADB website	ADB	Quarterly update	General Public
12	Design and Monitoring Framework (DMF)	ADB website	ADB	Upon approval by ADB's Board of Directors / ADB's President	General Public Government of Viet Nam, EVN, NPT, project-affected people
13	Social and Environmental Monitoring Reports	ADB website	ADB	Semiannual update	General Public, Government of Viet Nam, EVN, NPT, project-affected people
14	Multi-tranche Financing Facility Annual Report	ADB website	ADB	Annual update	General Public, Government of Viet Nam, EVN, NPT
15	Periodic Financing Request Monthly Report	ADB website	ADB	Monthly update	General Public, Government of Viet Nam, EVN, NPT
15	Project Completion Reports	ADB website	ADB	Once, within 2 weeks of circulation to ADB's Board of Directors	General Public
16	Evaluation Reports	ADB website	ADB	Routinely disclosed	General Public
17	Major Change in Scope, amendments	ADB website	ADB	Once, within 2 weeks of approval by ADB's Board of Directors / ADB's President	General Public

## X. ANTICORRUPTION POLICY

1. ADB reserves the right to investigate, directly or through its agents, any violation of the Anticorruption Policy relating to the Project.<sup>7</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of NPT, the PPMBs, and all contractors, suppliers, consultants and other service providers. Individuals / entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.<sup>8</sup>

2. To support these efforts, relevant provisions of ADB's Anticorruption Policy are included in the Facility's Framework Financing Agreement, Loan Agreement, Project Agreement, and all bidding documents for the Project. ADB's Anticorruption Policy was explained to, and discussed with, the Government, NPT, and the PPMBs.

---

<sup>7</sup> Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

<sup>8</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

## **XI. ACCOUNTABILITY MECHANISM**

1. People who are, or may in the future be, adversely affected by the project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism. For further information see: <http://compliance.adb.org/>.

## **XII. RECORD OF FAM CHANGES**

1. Date of first FAM – xx/xx/2011



### LIST OF SUBPROJECTS CONSIDERED FOR FINANCING UNDER THE INVESTMENT PROGRAM

No.	Implementing Agency	Project Name	Length / Capacity	Expected Tranche	Financing Consideration
1	NPPM	500 kV / 220 kV Pho Noi substation and connecting branches	1 transformer at 600 MVA	Tranche 1	Firm
2	NPPM	500 kV and 220 kV Bac Ninh 2 - Pho Noi transmission line	25.6 km for 500 kV (single circuit) 28.3 km for 220 kV (double circuit)	Tranche 1	Firm
3	SPPMB	220 kV Song May - Uyen Hung transmission line	21 km (double circuit)	Tranche 1	Firm
4	SPPMB	220 kV / 110 kV Phu My 2 substation and connecting branches	2 transformer at 250 MVA	Tranche 1	Firm
5	CPPMB	500 kV Pleiku - My Phuoc - Cau Bong transmission line	437 km (double circuit)	Tranche 2	Firm
6	NPPMB	500 kV Hiep Hoa - Bac Ninh 2 transmission line	40 km (single circuit)	Tranche 3	Tentative
7	NPPMB	220 kV / 110 kV Dong Anh substation	1 transformer at 250 MVA	Tranche 3	Tentative
8	NPPMB	220 kV / 110 kV Long Bien substation	1 transformer at 250 MVA	Tranche 3	Tentative
9	SPPMB	220 kV Cau Bong - Duc Hoa transmission line	14 km (double circuit)	Tranche 3	Tentative
10	SPPMB	220 kV Cau Bong - Cu Chi transmission line	16 km (double circuit)	Tranche 3	Tentative
11	SPPMB	220 kV Cau Bong - Hoc Mon transmission line	22 km (double circuit)	Tranche 3	Tentative
12	NPPMB	500 kV / 220 kV Pho Noi substation (expansion)	1 transformer at 600 MVA and 2 transformer at 250 MVA	Tranche 4	Tentative
13	SPPMB	500 kV Thot Not - Duc Hoa transmission line	145 km (double circuit)	Tranche 4	Tentative
14	SPPMB	500 kV / 220 kV Cu Chi substation	2 transformers at 900 MVA	Tranche 4	Tentative
15	SPPMB	220 kV / 110 kV Phu My 2 substation (extension)	1 transformer at 250 MVA	Tranche 4	Tentative

Source: National Transmission Power Corporation

## PROCUREMENT PLAN

### Basic Data

<b>Project Name:</b> Power Transmission Investment Program Periodic Financing Request 1	<b>Executing Agency:</b> National Power Transmission Corporation
<b>Country:</b> Viet Nam	<b>Loan Number:</b> tbd
<b>Loan Amount:</b> \$120.5 million	<b>Date of this Procurement Plan:</b> 08 November 2011
<b>Date of First Procurement Plan:</b> 16 December 2011	

### A. Process Thresholds, Review and 18-Month Procurement Plan

#### 1. Project Procurement Thresholds

1. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works	
Method	Threshold
International Competitive Bidding (ICB) for Works	Between \$5,000,000 and more
International Competitive Bidding for Goods	Between \$500,000 and more
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods
International Shopping for Works	Below \$100,000
International Shopping for Goods	Below \$100,000

#### 2. ADB Prior or Post Review

2. Except as ADB may otherwise agree, the following prior or post review requirements apply to the various procurement and consultant recruitment methods used for the project.

Procurement Method	Prior or Post	Comments
<b>Procurement of Goods and Works</b>		
ICB Works	Prior	
ICB Goods	Prior	
International Shopping for Works	Prior	
International Shopping for Goods	Prior	
<b>Recruitment of Consulting Firms</b>		
Fixed Budget Selection (FBS)	Prior	
<b>Recruitment of Individual Consultants</b>		
Individual Consultants	Prior	

### 3. Goods and Works Contracts Estimated to Cost More Than \$1 Million

3. All contract values are expressed in 2011 prices using an exchange rate of 20,608 VND/\$, net of taxes and duties.
4. The following table lists goods and works contracts for which procurement activity is expected to commence within the next 18 months.

General Description	Contract Value (\$ million)	Procurement Method	Prequalification of Bidders (y/n)	Advertisement Date (quarter/year)	Comments
<b>500 kV Pho Noi Substation and 500 kV and 220 kV Pho Noi-Bac Ninh 2 Transmission Line</b>					
<b>Package 1: Equipment</b>	<b>30.99</b>	ICB	N	Q1/2012	Domestic Preference
Lot 1: Equipment Substation	24.17	ICB	N		
Lot 2: Equipment Transmission Line	6.82	ICB	N		
<b>Package 2: Steel Towers Transmission Line and Substation Branches</b>	<b>12.20</b>	ICB	N	Q1/2012	Domestic Preference
<b>Package 3: Civil Works Substation</b>	<b>12.69</b>	ICB	N	Q1/2012	
<b>Package 4: Civil Works Transmission Line</b>	<b>16.17</b>	ICB	N	Q1/2012	
<b>220 kV Phu My 2 Substation and 220 kV Song May –Uyen Hung Transmission Line</b>					
<b>Package 1: Equipment</b>	<b>10.58</b>	ICB	N	Q1/2012	Domestic Preference
Lot 1: Equipment Substation	8.95	ICB	N		
Lot 2: Equipment Transmission Line	1.63	ICB	N		
<b>Package 2: Civil Works Substation &amp; Transmission Line</b>	<b>12.75</b>	ICB	N	Q1/2012	
Lot 1: Civil Works Substation & Branches (incl. Steel towers)	7.15	ICB	N		
Lot 2: Civil Works Transmission Line (incl. Steel towers)	5.60	ICB	N		

#### 4. Consulting Services Contracts Estimated to Cost More Than \$100,000

5. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months. All contract values are expressed in 2011 prices using an exchange rate of 20,608 VND/\$, net of taxes and duties.

General Description	Contract Value (\$ million)	Recruitment Method	Advertisement Date (quarter/year)	International or National Assignment	Comments
Consultant Services (Environment)	0.316	ICS (96 person-months)	Q4/2011	National	Advanced action
Consultant Services (Resettlement)	0.192	ICS (64 person-months)	Q4/2011	National	Advanced action
Consulting Firm (Component 2)	0.500	FBS	Q1/2012		

#### 5. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000

6. The following table groups smaller-value goods, works and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months. All contract values are expressed in 2011 prices using an exchange rate of 20,608 VND/\$, net of taxes and duties.

##### 5.1 Goods and Works Contracts Estimated to Cost Less than \$1 Million

General Description	Contract Value (\$ million)	Number of Contracts	Procurement Method	Comments
Environmental Management Equipment	0.008	1	International Shopping	

##### 5.2 Consulting Services Contracts Less than \$100,000

General Description	Contract Value (\$ million)	Recruitment Method	Advertisement Date (quarter/year)	International or National Assignment	Comments
Consultant Services (Resettlement)	0.060	ICS (4 person-months)	Q4/2011	International	Advanced action
Independent Monitoring (Resettlement)	0.034	ICS (8 person-months)	Q4/2011	National	

## B. Indicative List of Packages Required Under the Project

7. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

General Description	Estimated Value (\$ million cumulative)	Estimated Number of Contracts	Procurement Method	Domestic Preference Applicable	Comments
Equipment for Substations and Transmission Lines	53.77	3-5	ICB	Y	
Civil works for Substations and Transmission Lines	41.61	3-4	ICB	N	
Environmental Management Equipment	0.008	1	International Shopping		
General Description	Estimated Value (\$ million cumulative)	Estimated Number of Contracts	Recruitment Method	Type of Proposal	Comments
Consultant Services (Environment)	0.316	4	ICS	Biodata	
Consultant Services (Resettlement)	0.252	5	ICS	Biodata	
Independent Monitoring (Resettlement)	0.034	2	ICS	Biodata	
Consulting Firm (Component 2)	0.500	1	FBS	STP	
Design and Construction Supervision Consultants	3.350	3	Firm		Financed by NPT

## C. National Competitive Bidding

### 1. General

7. The laws to be followed for national competitive bidding are set forth in (i) the Law on Procurement No. 61/2005/QH11 of 29 November 2005, (ii) the Construction Law no. 16/2003/QH11 of 26 November 2003, (iii) the Amendment Law No. 38/2009/QH12 of 19 June 2009 amending and supplementing key articles of the above-mentioned two laws, and (iv) the processes described in Decree No. 85/2009/ND-CP of 15 October 2009 on “Guiding Implementation of Procurement Law and Selection of Construction Contractors under the Construction Law”. Whenever any procedure in the national procurement laws is inconsistent with the ADB Procurement Guidelines (April 2010, and as amended from time to time), the ADB Guidelines shall prevail, amongst others on the following.

### 2. Registration

- (i) Bidding shall not be restricted to pre-registered firms and such registration shall not be a condition for participation in the bidding process.
- (ii) Where registration is required prior to award of contract, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.
- (iii) Foreign bidders shall not be required to register as a condition for submitting bids.
- (iv) Bidder’s qualification shall be verified through pre- or post-qualification process.

### 3. Eligibility

- (i) National sanction lists may only be applied with approval of ADB<sup>9</sup>.
- (ii) A firm declared ineligible by ADB cannot participate in bidding for an ADB financed contract during the period of time determined by ADB.
- (iii) A firm which has been engaged by the borrower to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods, works, or services, resulting from or directly related to the firm's consulting services for such preparation or implementation.

---

<sup>9</sup> Section 52 of the Integrity Principles and Guidelines allows ADB to sanction parties who fail to meet ADB's high ethical standards based on the decisions of third parties, such a decision can only be made by the Integrity Oversight Committee on the basis of ADB's own independent examination of the evidence. As such, the process should follow the normal assessment and investigative processes prescribed by the Integrity Principles and Guidelines. <http://www.adb.org/Documents/Guidelines/Integrity-Guidelines-Procedures/integrity-guidelines-procedures-2006.pdf>

#### 4. Prequalification and Post qualification

- (i) Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.
- (ii) In the event where pre-qualification is used, interested firms shall be given no less than 42 days to prepare their pre-qualification submission.
- (iii) When pre-qualification is required, the evaluation methodology shall be based on pass/ fail criteria relating to the firm's experience, technical and financial capacities.
- (iv) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. The evaluation of the bidder's qualifications should be conducted separately from the technical and commercial evaluation of the bid.
- (v) In carrying out the post-qualification assessment, the Employer/ Purchaser shall exercise reasonable judgment in requesting, in writing, from a bidder missing factual or historical supporting information related to the bidder's qualifications and shall provide reasonable time period (a minimum of 7 days) to the bidder to provide response.

#### 5. Preferences

- (i) No preference of any kind shall be given to domestic bidders or for domestically manufactured goods.
- (ii) Regulations issued by a sectoral ministry, provincial regulations and local regulations which restrict national competitive bidding procedures to a class of contractors or a class of suppliers shall not be applicable.
- (iii) Foreign bidders shall be eligible to participate in bidding under the same conditions as local bidders, and local bidders shall be given no preference (either in bidding process or in bid evaluation) over foreign bidders, nor shall bidders located in the same province or city as the procuring entity be given any such preference over bidders located outside that city or province

#### 6. Advertising

- (i) Invitations to bid (or prequalify, where prequalification is used) shall be advertised in Government Public Procurement Bulletin. In addition, the procuring agency should publish the advertisement in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids and allowing potential bidders to purchase bidding documents up to at least twenty-four (24) hours prior the deadline for the submission of bids. Bidding of NCB contracts estimated at \$500,000 or more for goods and related services or

\$1,000,000 or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.

- (ii) Bidding documents shall be made available by mail, or in person, to all who are willing to pay the required fee, if any.
- (iii) The fee for the bidding documents should be reasonable and consist only of the cost of printing (or photocopying) the documents and their delivery to the bidder. (Currently set at 1 Mln VND, increase subject to approval of ADB)

## **7. Standard bidding documents**

- (i) The Borrower's standard bidding documents, acceptable to ADB, shall be used. The bidding documents shall provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission and opening of bids.
- (ii) Bidders shall be allowed to submit bids by hand or by mail/ courier.

## **8. Bid Opening**

- (i) All bids received after the deadline for submission indicated in the bidding documents will be rejected.
- (ii) All bids received before the bid submission deadline shall be opened except those with proper notice of withdrawal.
- (iii) A copy of the bid opening record shall be promptly provided to all bidders who submitted bids.

## **9. Bid Evaluation**

- (i) Merit points shall not be used in bid evaluation.
- (ii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.<sup>10</sup>
- (iii) Except with the prior approval of ADB, no negotiations shall take place with any bidder prior to the award, even when all bids exceed the cost estimates.
- (iv) A bidder shall not be required, as a condition for award of contract, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.
- (v) Bids shall not be rejected on account of arithmetic corrections of any amount. However, if the Bidder that submitted the lowest evaluated bid does not accept

---

<sup>10</sup> Minor, non-substantial deviation is one that, if accepted, would not affect in any substantial way the scope, quality, or performance specified in the contract; or limit in any substantial way, the Contracting entity rights or the Bidder's obligations under the proposed contract or if rectified, would not unfairly affect the competitive position of other bidders presenting substantially responsive bids.



the arithmetical corrections made by the evaluating committee during the evaluation stage, its bid shall be disqualified and its bid security shall be forfeited.

#### **10. Rejection of All Bids and Rebidding**

- (i) No bid shall be rejected on the basis of a comparison with the owner's estimate or budget ceiling without the ADB's prior concurrence.
- (ii) Bids shall not be rejected and new bids solicited without the ADB's prior concurrence.

#### **11. Participation by Government-owned enterprises**

8. Government-owned enterprises shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under Enterprise law and are not a dependent agency the contracting entity. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

#### **12. Non-eligibility of military or security units**

9. Military or security units, or enterprises which belong to the Ministry of Defense or the Ministry of Public Security shall not be permitted to bid.

#### **13. Participation by Foreign contractors and suppliers. Joint Ventures and Associations**

- (i) Foreign suppliers and contractors from eligible countries shall, if they are interested, be allowed to participate without being required to associate or form joint ventures with local suppliers or contractors, or to subcontract part of their contract to a local bidder.
- (ii) A bidder declared the lowest evaluated responsive bidder shall not be required to form a joint venture or to sub-contract part of the supply of goods as a condition of award of the contract.
- (iii) License for foreign contractors operation in Vietnam would be provided in a timely manner and will not be arbitrarily withheld.

#### **14. Publication of the Award of Contract. Debriefing.**

- (i) For contracts subject to prior review, within 2 weeks of receiving ADB's "No-objection" to the recommendation of contract award, the borrower shall publish in the Government Public Procurement Bulletin, or well-known and freely-accessible website the results of the bid evaluation, identifying the bid and lot numbers, and providing information on: i) name of each bidder who submitted a bid; ii) bid prices as read out at bid opening; iii) name and evaluated prices of each bid that was evaluated; iv) name of bidders whose bids were rejected and the reasons for their rejection; and v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.

- (ii) For contracts subject to post review, the procuring entity shall publish the bid evaluation results no later than the date of contract award.
- (iii) In the publication of the bid evaluation results, the borrower shall specify that any bidder who wishes to ascertain the grounds, on which its bid was not selected, should request an explanation from the procuring entity. The procuring entity shall promptly provide an explanation of why such bid was not selected, either in writing and / or in a debriefing meeting, at the option of the borrower. The requesting bidder shall bear all the costs of attending such as debriefing. In this discussion, only the bidder's bid can be discussed and not the bids of competitors.

### **15. Handling of Complaints**

10. The national competitive bidding documents shall contain provisions acceptable to ADB describing the handling of complaints in accordance with Chapter X of Decree No. 85/2009/ND-CP, read with Articles 72 and 73 of the Law on Procurement No. 61/2005/QH11.

### **16. ADB Member Country Restrictions**

11. Bidders must be nationals of member countries of ADB, and offered goods, works, and services must be produced in and supplied from member countries of ADB.

### **17. Fraud and Corruption**

12. ADB will sanction a party or its successor, including declaring ineligible, either indefinitely or for a stated period of time, to participate in ADB-financed activities if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, an ADB-financed contract.

### **18. Right to Inspect/ Audit**

13. Each bidding document and contract financed from by ADB shall include a provision requiring bidders, suppliers, contractors to permit ADB or its representative to inspect their accounts and records relating to the bid submission and contract performance of the contract and to have them audited by auditors appointed by ADB.

## OUTLINE TERMS OF REFERENCE CONSULTING SERVICES

1. **Environment Specialists** (4 national, intermittent for 2.5 years, 96 person-months): Four national consultants, two consultants per PPMB, will be engaged to form the environmental management unit within NPPMB and SPPMB. The specialists will be responsible to support staff in preparing environmental screening checklists and classifying subprojects that have not been yet classified, preparing and obtaining IEEs and Environmental Management Plans (EMP), providing support to the EMU for ensuring that EMPs are included in tender documents, ensuring prior clearance, monitoring, course corrections, consultations, due diligence, disclosures.
  
2. The consultants should have a graduate degree in environmental engineering or post-graduate degree in environmental science or a related discipline is required and have at least 5 years of experience in environmental management and monitoring of projects, environmental assessment and/or design and implementation of environmental mitigation measures.
  
3. In order to ensure compliance with *ADB Safeguard Policy Statement (2009)*, the EAs will ensure the implementation of the following requirements and procedures under the overall guidance of the EARF. An Environmental Management Unit (EMU) will be established in each PPMB which include environment specialists. The EMU will be responsible for:
  - i) Preparing environmental screening checklists and classifying sub-projects that have not been yet classified.
  - ii) Based on the checklist and as per ADB SPS (2009) and GoV requirements, preparing initial environmental examination (IEEs) and environmental management plans EMPs.
  - iii) Submitting the checklists and IEE/EIA reports to ADB as part of the approval of subproject.
  - iv) Ensuring that the EMPs are included in tender documents.
  - v) Ensuring that all regulatory clearances are obtained before starting civil works for the subproject.
  - vi) Ensuring that the EMPs, including all proposed mitigation measures and monitoring programs are properly implemented.
  - vii) Undertaking monitoring of subprojects and preparing environmental monitoring reports every six months (in case of projects with long duration) and post-project reports (for shorter projects), to be submitted to ADB.
  - viii) In the case of unpredicted environmental impacts occurring during project implementation, preparing and implementing a Corrective Action Plan (CAP).
  - ix) In case of subprojects with significant environmental impacts, having an IEE report for category B and EIA report for Category A, prepared for public disclosure.
  - x) In the case that a Category A or B subproject needs to have its location or alignment changed or its environmental classification reconfirmed, reviewing it to determine whether a supplementary study is required. If so, carry out the study and implement any amendments to the original EMP.
  - xi) Preparing a project specific EMP for the operations that includes a sub-plan for each of the work areas.

- xii) Providing awareness training in environmental management for all employees working on the subproject.
- xiii) Ensuring that meaningful public consultations (including both men and women) are undertaken with affected groups and local NGOs. The list of people attending the consultation, time and locations, subjects discussed during consultation will be recorded in a systematic manner.
- xiv) Sharing information and disclosure of environmental safeguard documents (including any Corrective Action Plans prepared in cases of change to original project design) as required.

4. **Safeguard Specialist for Resettlement and Ethnic Minority** (4 national, intermittent for 2.5 years, 64 person-months and 1 international, intermittent for 2.5 years, 4 person-months): Two national consultants per NPPMB and SPPMB will be engaged to support staff during project implementation. These specialists will be responsible for supporting staff in preparing resettlement and ethnic minority development plans, ensuring appropriate clearance, supervise monitoring, course corrections, consultations, due diligence, and disclosures. One international specialist will be engaged for total of four person-months over two years. The key task of the international specialist will be to (i) assist in the early project inception phase when there is a concentration of design and safeguard updating to be completed (ii) establish a deliverable work-plan, reporting structure and templates for the national specialists and PPMBs to use, and (iii) assist in achieving SPS compliance through ongoing support including review of updated RPs prior to submission to ADB for approval.

5. Consultant responsibilities will include:

- i) Update project resettlement plans according to the approved Resettlement Plans (RPs), the approved Resettlement and Ethnic Minority Development Framework (REMDF), and ADB Safeguard Policy Statement (SPS) after the detailed design for transmission lines and substations have been completed. An updated RP might include revisions to the entitlement matrix, provided that the revisions are limited to (a) inclusion of new entitlements to address impacts not recognized previously, or (b) changes of mode of payment from cash to in-kind. A reduction in the monetary value of any allowance will not be allowed, regardless of whether payment is made in cash or in-kind.
- ii) Design and implement information campaigns and consultation program. The consultant will disclose the updated RPs to affected communities and general public in a form and language they can understand, and in an easily accessible place, before submission to ADB for review and approval. This can be in the form of a public information booklet, a summary resettlement plan, or a complete resettlement plan. The booklet or summary resettlement plan will state clearly that copies of complete RPs (in English and Vietnamese) are available to the public, and can be obtained from the commune, district, and provincial offices.
- iii) Design and implement detailed socioeconomic support programs for severely affected people. The consultant will ensure that vulnerable groups are provided appropriate assistance socioeconomic programs that will improve their socioeconomic status. The groups would include any people who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement.

- iv) Establish and implement liaison mechanisms to ensure proper technical and logistical support to NPPMB and CARBs, as well as procedures for a centralized resettlement and social management information system and internal monitoring.
- v) Carry out formal and on-the-job training on consultation and grievance mechanism strategies to CARBs and mass organizations, so they will be able to provide correct and clear information and culturally appropriate support to affected persons.
- vi) Assist in the implementation of all resettlement activities and supervise external monitoring agency activities, and ensure that the terms of references are properly and effectively achieved.

6. **Independent Monitoring for Resettlement** (2 national, intermittent for 2.5 years, 8 person-months): One subproject for SPPMB and one for NPPMB are Category A for resettlement. Independent monitoring reports are to be submitted on a 6 monthly basis. These consultants will prepare the monitoring reports using the external monitoring criteria established in the approved REMDF.

16. **Training Seminars:** The services of a consulting firm will be engaged using fixed budget selection (FBS) to provide courses to management and staff of NPT in i) strategic corporate planning, business planning and management; and (ii) accounting, financial management, planning and control. At least 20 management and staff will participate in seminars (7 in management, 6 in accounting, and 7 in finance). Consultant responsibilities will include: (i) assessment of training needs in the areas of i) strategic corporate planning, business planning and management; and (ii) accounting, financial management, planning and control, (ii) design and implementation of specific training programs to address the needs of management and staff in the respective areas through on the job-training.