

Project Administration Manual

Project Number: 50098-002

Loan Number: {LXXXX}

November 2018

Socialist Republic of Viet Nam: Northern Mountain Provinces Transport Connectivity Project

ABBREVIATIONS

ADB	–	Asian Development Bank
CSC	–	construction supervision consultant
DOT	–	Department of Transport
EIA	–	environmental impact assessment
EMA	–	external monitoring agency
EMP	–	environmental management plan
EMDP	–	ethnic minority development plan
FMA	–	financial management assessment
GMS	–	Greater Mekong Subregion
GRM	–	Grievance Redress Mechanism
HTAP	–	HIV and human trafficking awareness and prevention
MOF	–	Ministry of Finance
MOT	–	Ministry of Transport
NH	–	National Highways
PMU2	–	Project Management Unit No. 2
PPC	–	provincial people's committee
RP	–	Resettlement plan
TOR	–	terms of reference
URP	–	updated resettlement plan

CONTENTS

I.	PROJECT DESCRIPTION	1
II.	IMPLEMENTATION PLANS	2
	A. Project Readiness Activities	2
	B. Overall Project Implementation Plan	3
III.	PROJECT MANAGEMENT ARRANGEMENTS	4
	A. Project Implementation Organizations: Roles and Responsibilities	4
	B. Key Persons Involved in Implementation	6
	C. Project Organization Structure	8
IV.	COSTS AND FINANCING	9
	A. Cost Estimates Preparation and Revisions	9
	B. Key Assumptions	9
	C. Detailed Cost Estimates by Expenditure Category	10
	D. Allocation and Withdrawal of Loan Proceeds	11
	E. Detailed Cost Estimates by Financier	12
	F. Detailed Cost Estimates by Outputs and/or Components	14
	G. Detailed Cost Estimates by Year (\$ million)	15
	H. Contract and Disbursement S-Curve	16
	I. Fund Flow Diagram	17
V.	FINANCIAL MANAGEMENT	19
	A. Financial Management Assessment	19
	B. Disbursement	21
	C. Accounting	22
	D. Auditing and Public Disclosure	22
VI.	PROCUREMENT AND CONSULTING SERVICES	23
	A. Advance Contracting and Retroactive Financing	23
	B. Procurement of Goods, Works, and Consulting Services	23
	C. Procurement Plan	24
	D. Consultant's Terms of Reference	24
VII.	SAFEGUARDS	25
	A. Environment	25
	B. Involuntary Resettlement, Indigenous Peoples	34
	C. Indigenous Peoples	35
	D. Consultation and Disclosure	35
VIII.	GENDER AND SOCIAL DIMENSIONS	38
IX.	PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION	40
	A. Project Design and Monitoring Framework	40
	B. Monitoring	41
	C. Evaluation	43
	D. Reporting	43
	E. Stakeholder Communication Strategy	45
X.	GRIEVANCE REDRESS MECHANISM	47
XI.	ANTICORRUPTION POLICY	53
XII.	ACCOUNTABILITY MECHANISM	53
XIII.	RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL	53

Project Administration Manual Purpose and Process

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

The Ministry of Transport (MOT) is the executing agency (EA), the Project Management Unit 2 (PMU2) will be the implementing agency (IA); in addition, Lao Cai, Lai Chau and Yen Bai provincial people's committees (PPCs) will be agencies in charge of executing land acquisition and resettlement in the three respective provinces. All of these agencies are wholly responsible for the implementation of ADB-financed project, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by MOT, PMU2, and PPCs of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project'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 PAM.

I. PROJECT DESCRIPTION

1. The proposed loan will finance improvement of international and national transport connectivity of underdeveloped provinces of Vietnam by improving their access to Greater Mekong Subregion (GMS) corridors. This project aims to expand the benefits of the GMS corridors to the northwestern province with high poverty incidence by enhancing the road connectivity of Vietnam through rehabilitation/upgrading the existing national highways and provincial roads.

2. Vietnam's Northwestern Region, a high mountainous region comprising the provinces of Dien Bien, Hoa Binh, Lai Chau, Son La, Lao Cai and Yen Bai, is still lagging far behind the rest of the country, with the highest poverty rates (12-50%) in 2016. Over 50% of the region's population is ethnic minority groups such as Tay, H'Mong, Thai, etc. The ethnic minority people live with nomadic habits, self-production and consumption. Industrial production of the Northwestern Region is less developed than other regions. In the recent past, development of road infrastructure in Vietnam, mainly focused on the key GMS expressways.¹ To date, expansion of the GMS expressway network is nearing completion and the government increasingly considers using public-private partnership (PPP) or build-operate-transfer (BOT) modality for further expressway development. The government's focus for road development has been shifted to the other road priorities.

3. The Noi Bai – Lao Cai Expressway is part of the GMS Kunming – Hai Phong Transport Corridor that connects the Ha Noi region to Yunnan Province in the PRC and passes through the provinces of Lao Cai and Yen Bai of the Northwestern region. Despite the completion of this expressway in 2014, the provinces in the corridors' proximity are still not fully benefitting from this GMS corridor and have developed at a slower pace than the rest of the country, as the next-tier roads network is largely incomplete, and the road condition is generally poor. To address this issue, the project will improve/upgrade two road stretches connecting several town/districts in the provinces of Lao Cai, Lai Chau and Yen Bai to the Noi Bai – Lao Cai Expressway, a total of 198 km. The first road stretch (about 147 km) comprises improvement of two national highway (NH) sections namely NH279 from Bao Ha to Khau Co and NH32 from Khau Co to Ban Bo and upgrading of Provincial Road (PR) No.136 from Ban Bo to Dong Pao and from Dong Pao to San Thang. The second road stretch (about 51 km) is the section of PR-175 from Mau A to Nghia Lo.

4. The project is aligned with the following impact: economic, sociocultural and environmental development in lagging and border areas accelerated.² The project will have the following outcome: national road connectivity to GMS corridors in Vietnam enhanced.³ The project's outputs will be achieved through improving the geometry of the project roads to Class III-IV Mountainous roads, except the section passing through HNVBNR which will be Class V mountainous roads. The work will include sound slope protection measures in areas of land and rock slides, raising/reconstructing of highway embankments and bridges along road sections prone to dangerous flooding, increasing cross drainage capacity, and installing cost-effective road safety devices and pavement markings.

¹ GMS Southern Coastal Corridor Project; GMS Kunming-Haiphong Transport Corridor - Noi Bai-Lao Cai Highway Project; Greater Mekong Subregion Ha Noi-Lang Son and Ben Luc-Long Thanh Expressways Technical Assistance Project; Greater Mekong Subregion: East-West Corridor Project.

² Government of Vietnam. 2013. Decision No.356/QĐ-TTg – *Decision Approving the Adjustment on Vietnam Road Transport Development Scheme to 2020 and Orientation Towards 2030*. Approved by the Prime Minister, 25 February. Hanoi.

³ The design and monitoring framework is in Appendix 1.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Main Activities

Indicative Activities	2018					2019					Responsible Individual/ Unit/Agency/ Government
	8	9	10	11	12	1	2	3	4	5	6
Establish project implementation arrangements	X										MOT, PMU2
ADB Board approval					X						ADB
Loan signing								X			ADB, MOF
Government legal opinion provided											X MOJ, MOFA
Loan effectiveness											X ADB

ADB = Asian Development Bank; MOF = Ministry of Finance; MOFA = Ministry of Foreign Affairs; MOJ = Ministry of Justice; MOT = Ministry of Transport; PMU = project management unit.

Source: Asian Development Bank.

B. Overall Project Implementation Plan

5. A Gantt chart recording the project output with key implementation activities that is updated annually and submitted to ADB with contract and disbursement projections for the following year.

Table 2: Project Implementation Plan

Indicative Activities	2018			2019				2020				2021				2022				2023				2024				2025			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Loan Signing				■																											
Loan Effectiveness					■																										
DMF																															
Output: Improved Safe, Protection and Climate Resilience for National Highways in Lagging Provinces in Northwestern Region																															
1. Recruitment of consultants, preparation of detailed engineering design and update of safeguards documents (EIA, RP, EMDP) ^a				■	■	■	■	■	■	■	■																				
2. Implement land acquisition and resettlement activities								■	■	■	■	■	■	■	■	■	■	■	■												
3. Implement construction of civil works for road infrastructure and its protection facilities												■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Management Activities																															
Procurement of civil work contract packages								■	■	■	■	■	■	■	■																
Selection procedures for supervision consultants								■	■	■	■																				
Environment management plan key activities								■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Road safety activities								■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Communication strategy key activities				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Regular review					■			■			■		■			■		■		■		■		■		■		■		■	
Midterm review																■															
Quarterly progress reports					■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Quarterly social monitoring reports					■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Semi-annually environmental monitoring reports								■	■			■	■			■	■			■	■			■	■			■	■		
Annually audited financial reports									■				■				■				■				■				■		
Project completion report																															■
Loan closing date																													■		

DMF = design and monitoring framework, EIA, environmental impact assessment, EMDP = ethnic minority development plan, Q = quarter, RP = resettlement plan

^a To be carried out under a separate project financed by the Government of Australia through Aus4Transport Program.

Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Table 3: Management Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing Agency Ministry of Transport	Oversee project preparation and implementation Provide policy guidance during the implementation Ensure the compliance with loan covenants Ensure the allocation of counterpart funding on time Approve project documents including detailed design, procurement plans, procurement documents, bidding results and contract awards Facilitate coordination with three related PPCs and other agencies involved during project preparation and implementation period Supervise communication with ADB for project management and implementation, reporting project implementation progress, safeguards and social compliance monitoring
Implementing Agency Project Management Unit No.2	Have overall responsibility for project management and implementation In charge of the day-to-day implementation of project activities Prepare procurement plans, work plans, and annual budget plans Submit bidding documents, bid evaluation reports, and other necessary documentations to ADB for necessary approval Carry out procurement and recruitment activities Responsible for signing contracts with consultants and contractors Monitor and evaluate contract performance and payment Ensure quality control for works Ensure the implementation of occupational and community health and safety, road safety, HTAP program, and EMP. Provide support to three related PPCs (Lao Cai PPC, Yen Bai PPC and Lai Chau PPC) and work closely with the relevant departments and local governments in implementing RPs and EMDPs Conduct internal monitoring of the RPs/EMDPs implementation and ensure that the resettlement activities are in compliance with the agreed RPs/EMDPs Update EIA (as needed) and EMP, and submit to ADB for appraisal and disclosure Update RPs and EMDPs, and submit to ADB for appraisal and disclosure Engage with project construction supervision consulting service and external monitoring and audit activities Responsible for managing the advance account(s) Prepare disbursement schedules and withdrawal applications Focal point for inter-agency coordination with ADB and relevant agencies of the borrower Submit required annual audit reports and financial statements of project account to ADB

Project Implementation Organizations	Management Roles and Responsibilities
	Submit required periodic project related reports (i.e. quarterly progress reports, annual progress reports and completion report), as well as safeguards and social monitoring reports
Agencies in charge of executing Land Acquisition and Resettlement Lao Cai PPC, Yen Bai PPC, and Lai Chau PPC	Have overall responsibility for executing land acquisition and resettlement in the respective province Supervise the organization and implementation of the respective RP and EMDP Approve the detailed unit prices in the replacement cost survey report and provide a basis for the preparation of compensation plans Resolve complaints and problems involved when necessary Coordinate closely with MOT and PMU2 during project implementation period
Agencies in charge of implementing Land Acquisition and Resettlement For Lao Cai province: To be confirmed For Lai Chau province: To be confirmed For Yen Bai province: To be confirmed.	Responsible for the implementation of the respective RP and EMDP Implement the DMS, prepare individual compensation plans, approve RP compensation plans and budget Implement land acquisition, compensation, support and other resettlement activities according to the agreed RP Conduct the consultations, livelihood development program and coordinate with the concerned agencies in the implementation of the RP Pay the compensation and support after the updated RP is agreed Coordinate with other agencies in the design and implementation of livelihood development measures and resettlement Report periodically on the implementation of land acquisition and resettlement to PMU2 Coordinate closely with MOT and PMU2 during project implementation period
Asian Development Bank	Provide loan financing for the project Monitor overall project implementation, including disbursement procurement, consultant selection, and reporting Monitor schedules of project activities Review compliance with agreed procurement procedures Review compliance with loan covenants Monitor effectiveness of safeguard procedures Monitor conformity with ADB anticorruption policies Undertake periodic review missions Provide review of documentation for prior approval of procurement and contracting procedures within the agreed service standards

ADB = Asian Development Bank; DMS = detailed measurement survey; EIA = environmental impact assessment; EMDP = ethnic minority development plan; EMP = environmental management plan; HTAP = HIV and human trafficking awareness and prevention; MOT = Ministry of Transport; PMU = project management unit; PPC = provincial people's committee; RP = resettlement plan.

Source: Asian Development Bank.

B. Key Persons Involved in Implementation

6. Key persons involved in implementation of the project are as follows:

Executing Agency		
Department of Planning and Investment (Ministry of Transport)	Officer's Name:	Nguyen Duy Lam
	Position:	Director General
	Telephone:	(+84-24) 38-221-973
	Email address:	To be confirmed
	Office Address:	80 Tran Hung Dao, Hoan Kiem, Hanoi, Vietnam
Implementing Agency		
Project Management Unit No.2 – PMU2 (Ministry of Transport)	Officer's Name:	Le Thang
	Position:	Deputy Director
	Telephone:	(+84-24) 37-680-063
	Email address:	thangle73@yahoo.co.uk
	Office Address:	18 Pham Hung, Cau Giay, Hanoi, Vietnam
	Number of staffs:	30
Agencies in charge of executing Land Acquisition and Resettlement		
Lao Cai Provincial People's Committee	Officer's Name:	To be confirmed
	Position:	Vice Chairman
	Telephone:	
	Email address:	
	Office Address:	
Lai Chau Provincial People's Committee	Officer's Name:	To be confirmed
	Position:	Vice Chairman
	Telephone:	
	Email address:	
	Office Address:	
Yen Bai Provincial People's Committee	Officer's Name:	To be confirmed
	Position:	Vice Chairman
	Telephone:	
	Email address:	
	Office Address:	
Agencies in charge of implementing Land Acquisition and Resettlement	Officer's Name:	To be confirmed
	Position:	
	Telephone:	
	Email address:	
	Office Address:	

Asian Development Bank

Southeast Asia Department Transport and
Communications Division

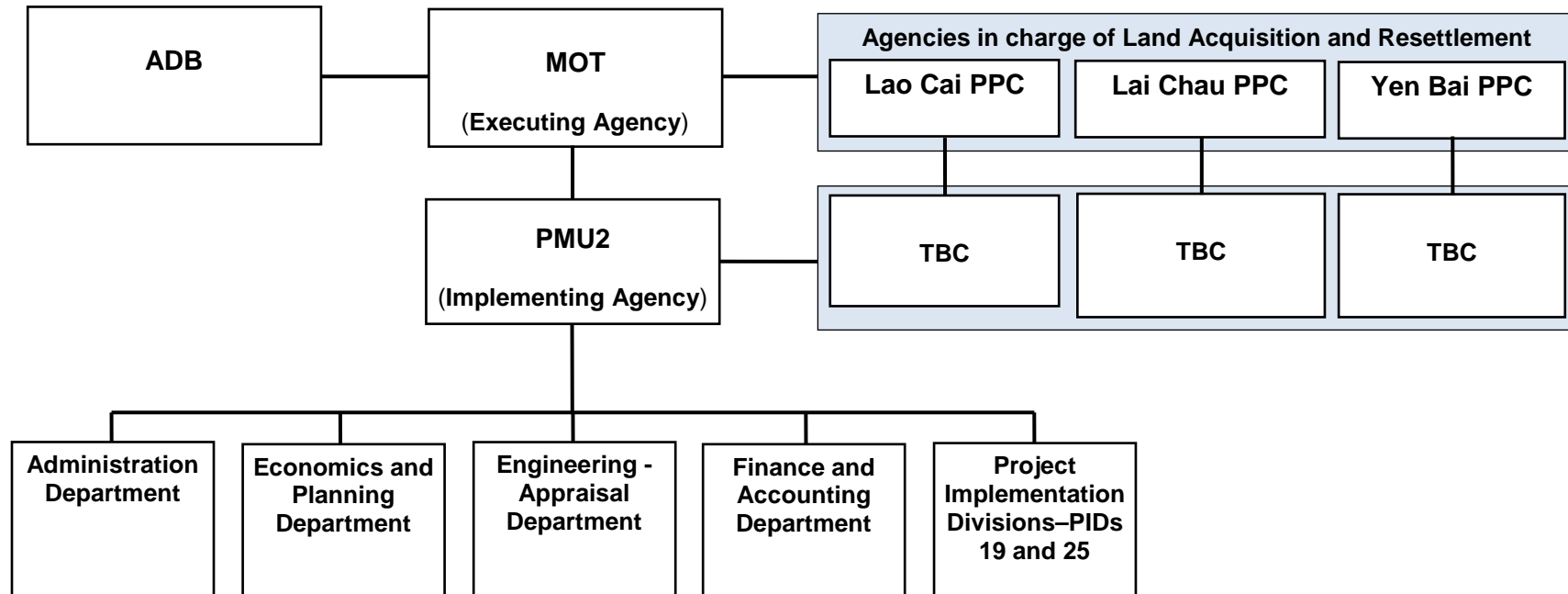
Staff Name: Hiroaki Yamaguchi
Position: Director
Telephone No.: (+632) 632-4444
Email address: hyamaguchi@adb.org

Mission Leader

Staff Name: Witoon Tawisook
Position: Principal Transport Specialist
Telephone No.: (+632) 632-4164
Email address: wtawisook@adb.org

C. Project Organization Structure

7. The project organization structure is as follows:



ADB = Asian Development Bank, MOT = Ministry of Transport; PMU = project management unit; PPC = provincial people's committee;
 TBC = to be confirmed (by the Government)
 Source: Asian Development Bank.

IV. COSTS AND FINANCING

8. The project is estimated to cost \$240.59 million. ADB's loans will finance all civil works contracts, construction supervision consultant, external audit, while the government counterpart funds will be used for tax and duties, land acquisition and resettlement, income restoration, external safeguard monitoring, project management expenses (for PMU2), other consulting services and other costs. The loan will have a 25-year term, including a grace period of 5 years, an annual interest rate of 2% for concessional COL (the interest during construction not to be capitalized in the loan), and such other terms and conditions set forth in the loan agreement.

A. Cost Estimates Preparation and Revisions

9. The cost estimate was prepared jointly by PPTA consultants and PMU2 using mid 2018 prices.

B. Key Assumptions

10. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate adopted is VND 22,690 to the US Dollar which is an official exchange rate announced by the State Bank of Vietnam on 20 March 2018
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 4: Escalation rates for Price Contingency Calculation

Item	2019	2020	2021	2022	2023	2024
Foreign rate of price inflation	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%
Domestic rate of price inflation	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Source: Asian Development Bank.

C. Detailed Cost Estimates by Expenditure Category

Item	Total Cost (\$ million)	% of Total Base Cost
A. Investment Costs		
1 Works	152.56	82.37
2 Land acquisition and resettlement	13.75	7.42
3 Consultants	15.20	8.21
a. Detailed design	4.48	2.42
b. Construction supervision	7.55	4.08
c. External financial audit	0.20	0.11
d. External social monitoring	0.18	0.10
e. External environment monitoring	0.09	0.05
f. Other consultants (quality check, traffic safety, etc.)	2.70	1.46
Subtotal (A)	181.51	98.00
B. Recurrent Costs		
a. Project administration	2.03	1.10
b. Other administrative cost	1.68	0.91
Subtotal (B)	3.71	2.00
Total Base Cost (A+B)	185.21	100.00
C. Tax and Duties	19.83	10.71
Subtotal (C)	19.83	10.71
D. Contingencies		
1 Physical	18.08	9.76
2 Price	13.55	7.32
Subtotal (D)	31.63	17.08
E. Financing Charges During Implementation		
1 Interest During Implementation	8.40	4.54
Subtotal (E)	8.40	4.54
Total Project Cost (A+B+C+D+E)	245.07	133.32

Notes:

- Numbers may not sum precisely because of rounding.
- Investment cost includes taxes and duties of \$19.83 million that will be financed by the counterpart fund.
- Physical contingencies computed at 10% for base costs. Price contingencies computed at 1.5% on foreign exchange costs and 5.0% on local currency costs.
- The detailed design (Sub-item A-3-a) will be financed by the Government of Australia on a grant basis.
- Interest during construction for concessional loan is computed at 2% per annum.
- Environment and social mitigation include all costs associated with implementing relevant safeguards, gender, and social dimension action plans.

Source: Asian Development Bank.

D. Allocation and Withdrawal of Loan Proceeds

No.	Categories	Amount Allocated (US\$)	Percentage and Basis for Withdrawal of ADB Financing from the Loan Account
A	Civil Works - Road and Bridge	152,560,000	100% of total expenditure claimed*
B	Consulting Services and other costs	7,750,000	100% of total expenditure claimed*
	1. Construction Supervision	7,550,000	100% of total expenditure claimed*
	2. External Financial Audit	200,000	100% of total expenditure claimed*
C	Unallocated	28,050,000	
Total Loan Amount		188,360,000	

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

E. Detailed Cost Estimates by Financier

Item	ADB Loan		Government of Australia		Government		Total Cost
	Amount {A}	% of Cost Category {A/D}	Amount {B}	% of Cost Category {B/D}	Amount {C}	% of Cost Category {C/D}	
A. Investment Costs							
1 Works	152.56	100.00	0.00	0.00	0.00	0.00	152.56
a. Civil Works - Lai Chau-Noi Bai Expressway	107.82	100.00	0.00	0.00	0.00	0.00	107.82
b. Civil Works - Provincial Road 175	44.74	100.00	0.00	0.00	0.00	0.00	44.74
2 Land acquisition and resettlements	0.00	0.00	0.00	0.00	3.75	100.00	13.75
3 Consultants	7.75	50.98	4.48	29.48	2.97	49.02	15.20
a. Detailed design	0.00	0.00	4.48	100.00	0.00	0.00	4.48
b. Construction supervision	7.55	100.00	0.00	0.00	0.00	0.00	7.55
c. External financial audit	0.20	100.00	0.00	0.00	0.00	0.00	0.20
d. External social monitoring	0.00	0.00	0.00	0.00	0.18	100.00	0.18
e. External environment monitoring	0.00	0.00	0.00	0.00	0.09	100.00	0.09
f. Other consultants (quality check, traffic safety etc.)	0.00	0.00	0.00	0.00	2.70	100.00	2.70
Subtotal (A)	160.30	88.32	4.48	2.47	16.72	9.21	181.51
B. Recurrent Costs							
1 Project administration ^a	0.00	0.00	0.00	0.00	2.03	100.00	2.03
2 Other administrative cost	0.00	0.00	0.00	0.00	1.68	100.00	1.68
Subtotal (B)	0.00	0.00	0.00	0.00	3.71	100.00	3.71
Total Base Cost (A+B)	160.30	86.55	4.48	2.42	20.43	11.03	185.21
C. Tax and Duties	0.00	0.00	0.00	0.00	19.83	100.00	19.83
Subtotal (C)	0.00	0.00	0.00	0.00	19.83	100.00	19.83
D. Contingencies							
1 Physical	16.04	88.72	0.00	0.00	2.04	11.28	18.08
2 Price	12.02	88.71	0.00	0.00	1.53	11.29	13.55
Subtotal (D)	28.06	88.71	0.00	0.00	3.57	11.29	31.63

Item	ADB Loan		Government of Australia		Government		Total Cost
	Amount {A}	% of Cost Category {A/D}	Amount {B}	% of Cost Category {B/D}	Amount {C}	% of Cost Category {C/D}	
E. Financing Charges During Implementation							
1 Interest During Construction	0.00	0.00	0.00	0.00	8.40	100.00	8.40
Subtotal (E)	0.00	0.00	0.00	0.00	8.40	100.00	8.40
Total Project Cost (A+B+C+D+E)	188.36	76.86	4.48	1.83	52.23	21.31	245.07
% Total Project Cost		76.86		1.83		21.31	

Notes:

- Numbers may not sum precisely because of rounding.
- The detailed design will be funded by the Government of Australia on a grant basis.
- Investment cost includes taxes and duties of \$19.83 million that will be financed by the Government.
- Interest during construction for concessional loan is computed at 2% per annum.
- Environment and social mitigation include all costs associated with implementing relevant safeguards, gender, and social dimension action plans.

Source: Asian Development Bank.

F. Detailed Cost Estimates by Outputs and/or Components

Cost Item		Total Cost, \$ million	Lai Chau-Noi Bai Expressway		Provincial Road 175	
			Amount, \$ million	% of Cost Category	Amount, \$ million	% of Cost Category
A.	Investment Costs^a					
1	Works	152.56	107.82	70.67	44.74	29.33
2	Land acquisition and resettlement	13.75	7.56	55.00	6.19	45.00
3	Consultants	15.20	10.74	70.67	4.46	29.33
	a. Detailed design ^b	4.48	3.17	-	1.31	-
	b. Construction supervision	7.55	5.33	-	2.21	-
	c. External financial audit	0.20	0.14	-	0.06	-
	d. External social monitoring	0.18	0.13	-	0.05	-
	e. External environment monitoring	0.09	0.06	-	0.03	-
	f. Other consultants (quality check, traffic safety etc.)	2.70	1.91	-	0.79	-
	Subtotal (A)	181.51	126.12	69.49	55.38	30.51
B.	Recurrent Costs					
1	Project management	2.03	1.56	76.87	0.47	23.13
2	Other administrative cost	1.68	1.18	70.36	0.50	29.64
	Subtotal (B)	3.71	2.74	73.93	0.97	26.07
	Total Base Cost	185.21	128.86	69.58	56.35	30.42
C.	Tax and Duties	19.83	14.01	70.67	5.82	29.33
	Subtotal (C)	19.83	14.01	70.67	5.82	29.33
D.	Contingencies^c					
1	Physical	18.08	12.89	71.27	5.19	28.73
2	Price	13.55	9.43	69.59	4.12	30.41
	Subtotal (D)	31.63	22.32	70.55	9.31	29.45
E.	Financing Charges During Implementation^d					
1	Interest During Implementation	8.40	5.84	69.49	2.56	30.51
	Subtotal (E)	8.40	5.84	69.49	2.56	30.51
	Total Project Cost (A+B+C+D+E)	245.07	171.03	69.79	74.04	30.21

^a In mid-2018 prices.

^b The detailed design cost will be funded by the Government of Australia on a grant basis.

^c Physical contingencies computed at 10% for civil works. Price contingencies computed at 1.5% on foreign exchange costs and 5% on local currency costs.

^d Interest during construction for concessional loan is computed at 2% per annum.

Source: Asian Development Bank.

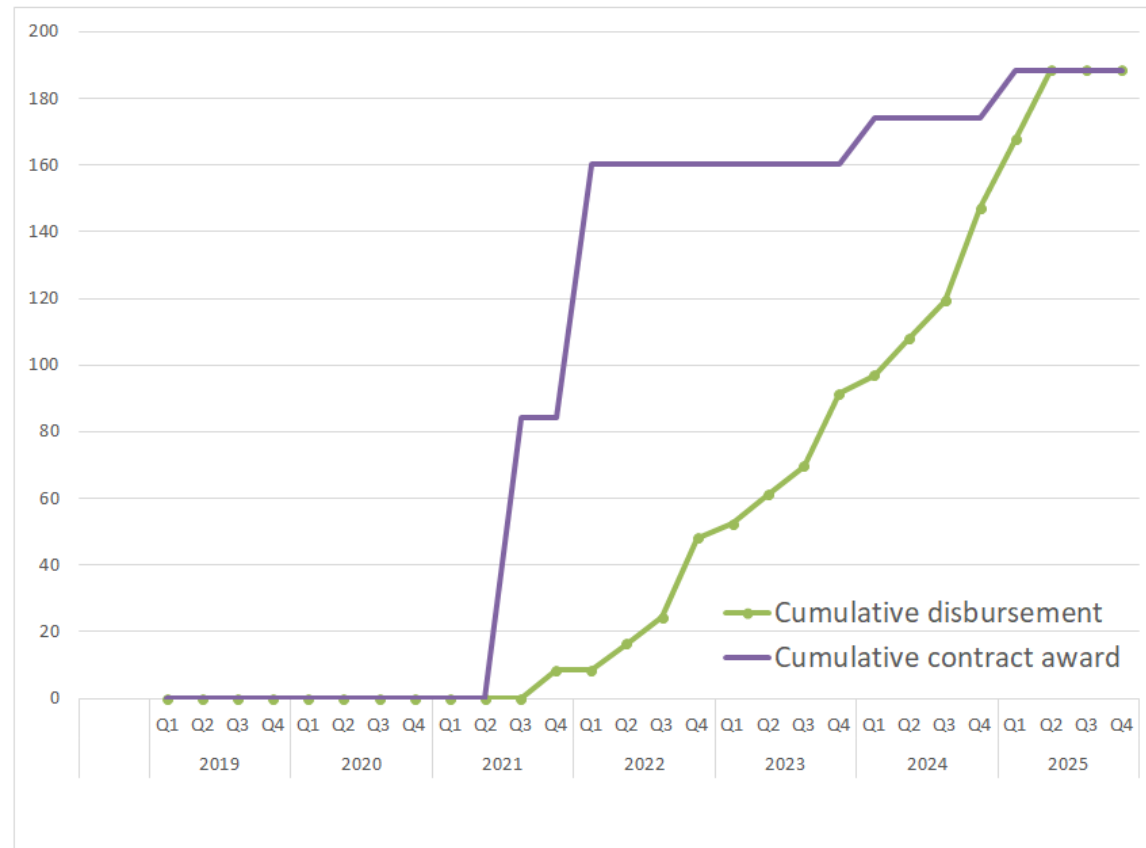
G. Detailed Cost Estimates by Year (\$ million)

Item	Total Cost	2019	2020	2021	2022	2023	2024	2025
A. Investment Costs								
1 Works	152.56	0.00	0.00	7.63	38.14	38.14	45.77	22.88
2 Land acquisition and resettlements	13.75	1.72	6.88	5.16	0.00	0.00	0.00	0.00
3 Consultants	15.20	1.70	2.20	1.94	2.15	2.54	2.92	1.75
a. Detailed design	4.48	1.70	2.20	0.58	0.00	0.00	0.00	0.00
a. Construction supervision	7.55	0.00	0.00	0.74	1.51	1.90	2.28	1.12
b. External financial audit	0.20	0.00	0.00	0.04	0.04	0.04	0.04	0.04
c. External social monitoring	0.18	0.00	0.00	0.02	0.04	0.04	0.04	0.04
d. External environment monitoring	0.09	0.00	0.00	0.02	0.02	0.02	0.02	0.01
e. Other consultants (quality check, traffic safety etc.)	2.70	0.00	0.00	0.54	0.54	0.54	0.54	0.54
Subtotal (A)	181.51	3.42	9.08	14.73	40.29	40.68	48.69	24.63
B. Recurrent Cost								
Project management	2.03	0.30	0.30	0.30	0.30	0.30	0.30	0.20
Other administrative cost	1.68	0.25	0.25	0.25	0.25	0.25	0.25	0.17
Subtotal (B)	3.71	0.56	0.56	0.56	0.56	0.56	0.56	0.35
Total Base Cost	180.73	2.27	7.43	14.72	40.84	41.22	49.23	25.02
C. Tax and Duties	19.83	0.00	0.00	1.57	4.70	4.81	5.61	3.13
Subtotal (C)	19.83	0.00	0.00	1.57	4.70	4.81	5.61	3.13
D. Contingencies	31.63	1.84	1.84	0.00	0.00	3.16	7.65	17.14
E. Financing Charges During Implementation	8.40	0.00	0.00	0.84	1.68	2.52	3.36	0.00
Total Project Cost (A+B+C+D+E)	245.07	5.82	11.48	17.70	47.23	51.73	65.87	45.25
% Total Project Cost	100.00%	2.37%	4.68%	7.22%	19.27%	21.88%	26.88%	18.46%

H. Contract and Disbursement S-Curve

Contract and Disbursement S-Curves
(\$ million)

	2019				2020				2021				2022				2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cumulative disbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.41	8.41	16.35	24.29	48.10	52.43	61.07	69.72	91.34	96.91	108.05	119.20	147.06	167.71	188.36	188.36	188.36
Cumulative contract award	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84.03	84.03	160.31	160.31	160.31	160.31	160.31	160.31	160.31	160.31	174.28	174.28	174.28	174.28	188.36	188.36	188.36	188.36



I. Fund Flow Diagram

11. The fund flow diagrams are as follows:

Figure 1: Direct payment for consulting services and contractors

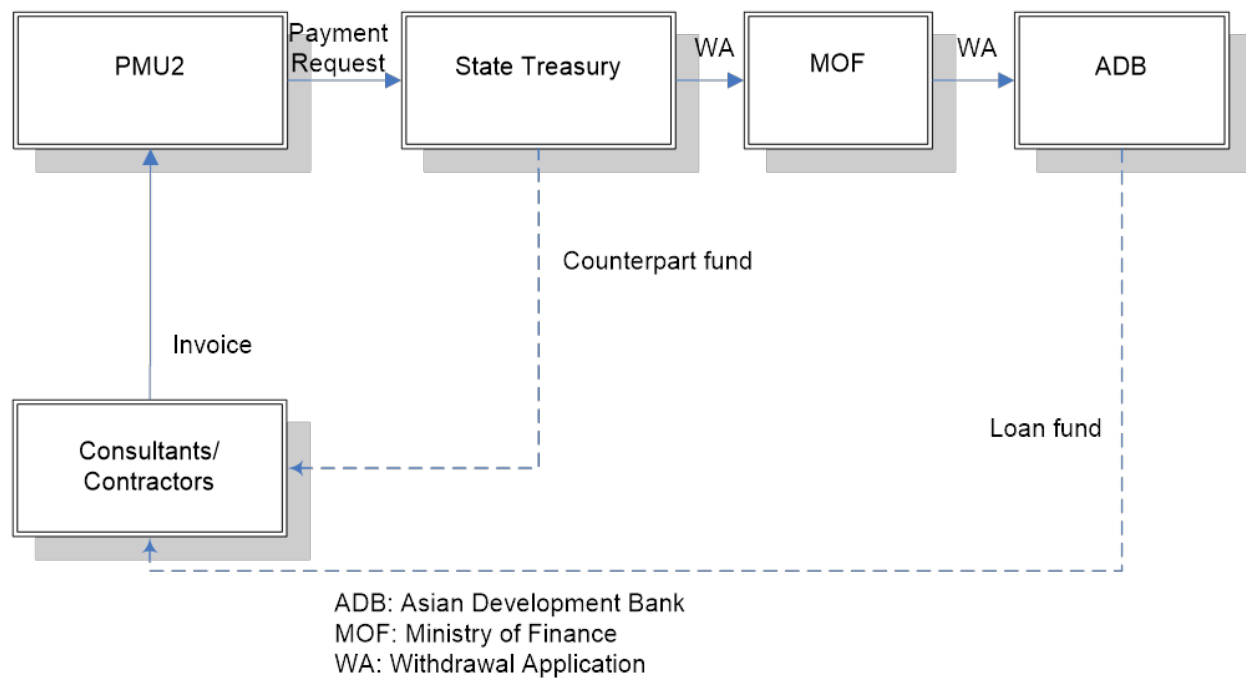
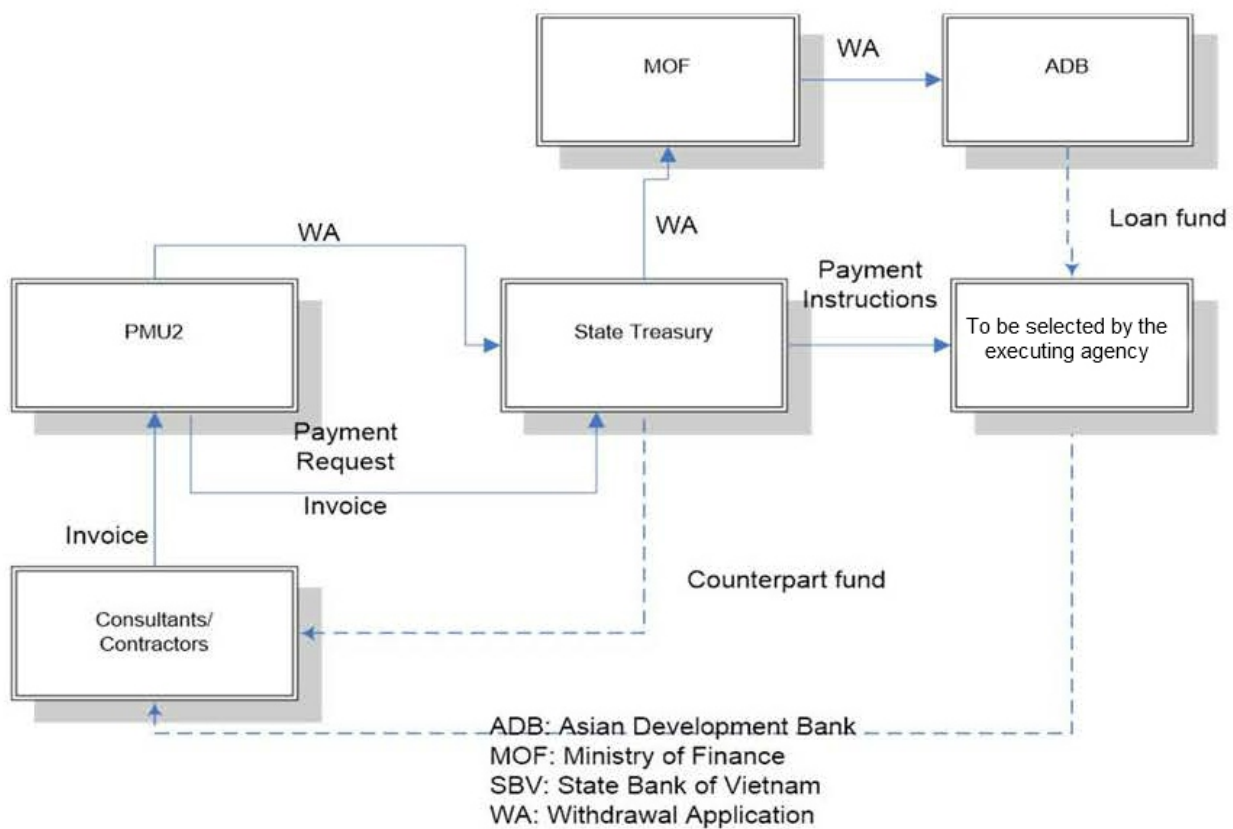


Figure 2: Advance Account Procedure



Note: Please refer to paragraph 15-16.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

12. The financial management assessment (FMA) was conducted in February and March 2018 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The FMA considered the capacity of the Project Management Unit No. 2 (PMU2), as implementing agency of the project, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Based on the assessment, the key financial management risks are: (i) inadequate audit; (ii) no previous experience in executing an ADB-funded loan, however strong experience in executing multilateral and bilateral funded loans (e.g. World Bank (WB), JICA); (iii) no external audit for PMU2 entity-level accounts, only project-level audit. It is concluded that the overall pre-mitigation financial management risk of the implementing agency is moderate. Training courses on financial management by ADB's Vietnam Resident Mission (VRM) are proposed in relation to PMU2's financial management practices. This includes training on the use of advance account and SOE procedures. Understanding of, and adherence to, ADB's financial management policies and procedures and strengthened internal audit system can be enhanced during project implementation. Financial management internal control and risk assessment and financial management action plan are summarized in Table x and y.

Table x. Financial Management Internal Control and Risk Assessment

Risk Description	Assessment	Mitigation Measures / Management Plan
Inherent Risk		
Country-Specific Risks Severe budget constraints for the country in general and transport sector in particular, inefficient public resource allocation and mobilization, which limits effective and timely allocation of funds for preparation and implementation of ODA projects.	Substantial	MOT will ensure to report to the concerned authority to allocate sufficient plan for counterpart and ADB funds in the annual planning and budgeting process. Practical implementation schedule should be prepared based on the realistic budget allocation schedule. Close monitoring and coordination between the ADB project team and executing and implementing agencies to ensure adequate allocation of counterpart funds, including counterpart funds for tax payments in the medium-term public investment plan.
Entity-Specific Risks PMU2 has a number of experiences in implementing ODA funded projects, i.e. the World Bank and JICA, following the similar requirements with ADB funded projects, though it has no experience in implementing ADB funded projects.	Moderate	Project financial management training organized by VRM for PMU2 and MOT.
Project-Specific Risks No specific risks identified.	Low	Not applicable
Overall Inherent Risk	Substantial	
Control Risk		
Implementing Entity PMU2 have extensive experience in implementing ODA projects financed by JICA and WB, but no staff have had knowledge and experience of ADB specific procedures.	Low	Training on project financial management by VRM is deemed necessary.

Risk Description	Assessment	Mitigation Measures / Management Plan
Internal Audit Internal audit function is not in place within PMU2, but as a unit in MOT, the established oversight by finance section of MOT is in place.	Moderate	Oversight by finance section of MOT has been proven as effective. PMU2 has its own accounting staff to meet the requirements of MOT. External financial auditor has been engaged for the audits of the project financial statements, to meet the requirements of ODA funding agencies.
Fund Flow Delay in the release of counterpart fund may cause the implementation delay.	Low	MOT ensures to provide timely and sufficient fund for project implementation. ADB loan will be used for 100% of major components of the project, civil works and consulting services, except for taxes and duties imposed in the country.
Staffing PMU2 has broadly adequate staffing levels across its accounting and finance division (FAD).	Low	Not applicable.
Accounting policies and procedures PMU2 accounting policies and procedures are largely based on those of MOF. PMU2 has its own manuals that specify its accounting policies and procedures in accordance with those of MOF.	Low	Not applicable.
External Audit PMU2 is subject to periodic audit of the State Audit and inspection of the Government Inspectorate, as a part of MOT, but PMU2 itself is not an entity, subject to external financial audit.	Moderate	External financial auditor will be recruited as a loan consulting service for submission of APFS to ADB.
Reporting and monitoring. Established system of MOT is in place for budget utilization monitoring. PMU2 financial reporting has been prepared in a timely manner.	Low	Not applicable.
Information systems. All financial recording and reporting systems are computerized	Low	Not applicable.
Overall Control Risk	Low	
Overall (Combined) Risk	Moderate	

Table y. Financial Management Action Plan

Issues	Actions	Timeline	Responsible Entity
Country-Specific Risks Severe budget constraints for the country in general and transport sector in particular, inefficient public resource allocation and mobilization, which limits effective and timely allocation of funds for preparation and implementation of ODA projects.	The project is included in the government midterm investment plan (MTIP) MOT will ensure to report to the concerned authority to allocate sufficient plan for counterpart and ADB funds in the annual planning and budgeting process. Practical implementation schedule should be prepared based on the realistic budget allocation schedule.	Within one year after the loan approval.	MOT/PMU2 in coordination with MPI and MOF MOT PMU2
Entity-Specific Risks PMU2 has a number of experiences in implementing ODA funded projects, i.e. the World Bank and JICA, following the similar requirements with ADB funded projects, though it has no	Project financial management training organized by VRM for PMU2 and MOT.	Continuous during the project implementation	VRM/ Disbursement Unit of CTL in VRM/PMU2/MOT

Issues	Actions	Timeline	Responsible Entity
experience in implementing ADB funded projects.			
Internal Audit Internal audit function is not in place within PMU2, but as a unit in MOT, the established oversight by finance section of MOT is in place.	Periodical reporting and assessment of financial management issues by finance section of MOT. External financial auditor has been engaged for the audits of the project financial statements, to meet the requirements of ODA funding agencies.	Continuous, at least quarterly basis.	MOT/PMU2
External Audit PMU2 is subject to periodic audit of the State Audit and inspection of the Government Inspectorate, as a part of MOT, but PMU2 itself is not an entity, subject to external financial audit.	External financial auditor will be recruited as a loan consulting service for submission of APFS to ADB.	By December 2019 (By the end of the first fiscal year after the loan effectiveness)	PMU2

B. Disbursement

1. Disbursement Arrangements for ADB Funds

13. The Loan proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time), and detailed arrangements agreed upon between the Government and ADB. Online training for project staff on disbursement policies and procedures is available. PMU2 staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

14. Under the guidance of the Ministry of Transport, PMU2 will be responsible for all disbursement arrangements, including (i) preparing disbursement projections, (ii) requesting budgetary allocations for counterpart funds, (iii) collecting supporting documents, and (iv) preparing and sending withdrawal applications to ADB. At the end of each year, realistic projections of contract awards/commitments and disbursement for the next year will be made for an assessment and projection of ADB funds.

15. **Advance fund procedure.** One advance account will be established at the bank, under the name of PMU2 for the purpose of project implementation. The currency of the advance account is the US dollar. The advance account is to be used exclusively for ADB's eligible expenditures. PMU2, on behalf of the Ministry of Transport, established the advance account in its name, administers the advance account, and is accountable and responsible for proper use of advances to the advance account.

16. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the advance account for the forthcoming six (6) months. PMU2 may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet setting out the estimated expenditures to be financed through the advance account for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by PMU2 in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time) when liquidating or replenishing the advance account.

17. **Statement of expenditure (SOE) procedure.** The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance accounts for the

project. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

18. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal application on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below this amount should be paid (i) by PMU2 and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD) system is encouraged for submission of withdrawal applications to ADB."

2. Disbursement Arrangements for Counterpart Fund

19. Ministry of Transport will annually allocate counterpart funds for the project. PMU2 will be responsible for preparing disbursement projections and requesting budgetary allocations for counterpart funds. The government will finance land acquisition, income restoration, external safeguard monitoring, local tax and duties, and other similar types of taxes and duties that are identifiable and determinable as the final tax amount at the time of transaction.

C. Accounting

20. PMU2 will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following accrual-based accounting following the Vietnam's national accounting standards. PMU2 will prepare respective project financial statements in accordance with the government's accounting laws and regulations, specifically Circular No.195/2012/TT-BTC under the Vietnamese Accounting Standards, as well as the reporting requirements of ADB.

D. Auditing and Public Disclosure

21. PMU2 will cause the detailed project financial statements to be audited in accordance with international standards on auditing by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion(s) on the financial statements and the use of the proceeds of the Loans, and a management letter will be presented in the English language to ADB within 6 months from the end of the fiscal year by the PMU2.

22. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreement (where applicable).

23. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

24. The government, Ministry of Transport and PMU2 have been made aware of ADB's approach to delayed submission and the requirements for satisfactory and acceptable quality of the audited project financial statements.⁴ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if such audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. 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.

25. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.⁵ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter and additional auditor's opinions will not be disclosed.⁶

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

26. The project does not include advance contracting and retroactive financing.

B. Procurement of Goods, Works, and Consulting Services

27. A procurement risk assessment was conducted in accordance with ADB's Guide on Assessing Procurement Risks and Determining Project Procurement Classification (August 2015). The overall project procurement risk was rated as 'moderate', with moderate to high country risk and moderate sector (transport) risk. There were no significant specific risks and major weaknesses of the EA have been identified. The project procurement was classified as 'B'.

28. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).

29. The expected procurement includes civil works packages of national highways' sections connecting Noi Bai-Lao Cai Expressway to Lai Chau and NH175 in Yen Bai province.

⁴ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

⁵ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

⁶ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

30. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Guidelines (2015, as amended from time to time). International competitive bidding procedures will be used for civil works contracts estimated to cost \$10 million or more, and supply contracts valued at \$5 million or higher. National competitive bidding procedures will be used for supply contracts valued from \$100,000 to less than \$5 million and Shopping will be used for contracts for procurement of works and equipment worth less than \$100,000.

31. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

32. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).⁷ The terms of reference for all consulting services are detailed in Section D.

33. Consulting services to be financed by ADB will include a single package for detail design review, procurement assistance and construction supervision, with the firm to be engaged using the quality- and cost- based selection (QCBS) method with a standard quality–cost ratio of 80:20. An external financial audit services firm will be engaged using consultant's qualification selection (CQS). All ADB-funded consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Other consulting services will be funded by DFAT (i.e. detail design and bidding document preparation, and HIV/human trafficking and traffic safety awareness) or the Government (e.g. environmental monitoring and social monitoring) following the procedure of the respective financier.

C. Procurement Plan

34. The procurement plan is prepared in accordance with the templates prepared by the Procurement, Portfolio and Financial Management Department.⁸ It is attached in Annex 1. The procurement plans are only indicative and shall be updated during implementation as necessary.

D. Consultant's Terms of Reference

35. Detailed terms of reference for all consulting services are in Annex 2. The terms of references are only indicative and shall be revised during implementation if necessary.

⁷ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

⁸ Procurement plan template:
http://wpqr2.asiandevbank.org/LotusQuickr/cosopedia/PageLibrary48257599000668D1.nsf/h_Toc/5EA6EACF755AA652482575D9002FCB8F/?OpenDocument.

VII. SAFEGUARDS

36. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), 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 (2009).

A. Environment

37. **Categorization, due diligence.** The project is classified as category A for environmental safeguards. An environmental impact assessment (EIA) including environmental management plan (EMP) was drafted in compliance with ADB's Safeguard Policy Statement (2009). The draft EIA has been cleared by ADB's Chief Compliance Officer⁹ and disclosed on ADB's website on 27 April 2018.

38. **Anticipated impacts.** The EIA identified several potentially significant environmental impacts related to the design, upgrade and operation of the project roads, and proposed mitigation measures. Special-use forest likely to be affected is located within the boundaries of the Ecological Restoration Subzone (ERS) of the Hoang Lien Van Ban Nature Reserve. Protection Forest is located at various sections of NH32, NH279 and PR175, but primarily on the West side of the Khau Co Pass. The exact impact shall be estimated at detailed design stage and fully offset through compensation replanting in compliance with Circular 23/2017/TT0-BNNPTNT "Provisions on Replacement Afforestation upon Conversion of Forest Use Purpose to Other Purposes" and the new Forestry Law, to become effective on 1 January 2019. Tree replanting shall be conducted exclusively in protection and special-use forest zones, as required per Circular 23/2017/TT0-BNNPTNT.

39. Without mitigation measures, construction impacts have the potential to be significant. Suitable spoil disposal sites shall be identified by district environmental protection authorities and defined in the bidding documents for works contracts. The project will require the construction of 31 new bridges that partly cross rivers and streams. Bridge pier construction shall avoid the high runoff season to minimize negative impacts on river hydrology, ecology and surface water quality. Other anticipated construction environmental impacts are fugitive dust, noise, disposal of solid waste, temporary traffic disturbance, and occupational and community health and safety at construction sites.

40. NH279 currently passes through the Hoang Lien Van Ban Nature Reserve (HLVBNR). The alignment of NR279 within the VBNR passes between several blocks of forest which are designated Ecological Restoration Subzones (ERS). The assessment concludes that (i) none of the areas along NH279 located within the ERS of the HLVBNR classifies as critical habitat per ADB's Safeguard Policy Statement (2009); (ii) the project acts in a manner consistent with the nature reserve master plan (2012); (iii) the project is supported by nature reserve managers, local communities, and provincial authorities; and (iv) the proposed upgrade of the NH279 within the ERS is legally permitted. The EIA further concludes that the project will not have any significant adverse impact on species classifying as CR and/or VU.

41. However, the HLVBNR Management Authority has expressed some concerns over temporary impacts during construction. These concerns are addressed in the EMP. Spoil disposal within the boundary of the reserve will be strictly prohibited. Training will be provided by the

⁹ The Safeguards Policy Compliance Memo was issued by the Chief Compliance Officer on 21 September 2018.

construction supervision consultant (CSC), with support of the HLVBNR Management Authority to construction workers, to provide information on the nature reserve's sensitivities, and to instruct them on prohibited activities including collection of non-timber forest products, wildlife poaching and others.

42. Noise along project roads is not anticipated to increase significantly as a result of the project. Background levels at distances more than 20 meters from the road centerline (or 12.5 meters from the carriageway edge) will not increase by more than 3dB in 2031 and 2041. A more detailed analysis of the project's impact on noise sensitive receptors shall be conducted at detail design stage and required noise protection measures shall be included in the project design and reflected in the bidding documents.

43. **Greenhouse gas emissions.** With a total length of 197 km, the construction/upgrade of the proposed roads is expected to generate 40,800 to 156,000 tons of CO₂eq during the entire construction period, or some 13,600 to 52,200 tons of CO₂eq per year (assuming a construction period of 3 years). Absolute CO₂eq emissions from road operation for the baseline year (2018) were estimated based on actual traffic counts and amount to 41,323 tons per year. These absolute emissions are anticipated to increase to 69,678.5 tons per year (2031) and 104,252.7 tons per year (2041). These figures represent the sum of normal traffic (i.e. traffic that would use the project roads even if no improvements were made); diverted traffic (i.e. traffic that changes from an original route to the project road because of the road improvement); and generated traffic, i.e. traffic that occurs only because of the improvement to the roads, due to the reduction in perceived costs. The sum of diverted plus generated traffic thus represents the relative or net CO₂eq emissions (i.e. the net increase in CO₂eq emissions generated by the project as compared to "business as usual" or "without project"). For the period 2021-2041 (20 years), the cumulative net CO₂eq emissions are estimated at -35,400 tons, representing an average annual emission reduction of approximately 2,000 tons as compared with the no-project alternative. Given the uncertainties in CO₂eq emission forecasting, the project can be assumed to be carbon neutral during operation.

44. **Climate Risk.** The project is classified as "High Climate Risk" mainly because of risks associated with flooding, landslide/rockfall, temperature and precipitation increase. A climate risk and vulnerability assessment (CRVA) was prepared for the project by an independent group of consultants.¹⁰ The CRVA concludes that there is an increased risk (likelihood and magnitude of impacts) of flooding, landslides and rockfalls in the July to October wet season and an increased risk of wildfire from January to April.

45. Along NH32 and NH279, 11 climate-related vulnerability "hot spots" were identified. Most are classified as hot spots due to the low elevation of the roads and frequent high-water levels experienced in the nearby Nam Chan River. Along PR175, 19 climate-related vulnerability "hot spots" were identified, primarily sites with high risks of landslides/rockfalls and floods associated with high water levels in the Ngoi Thia River.

46. Preliminary design has accounted for the climate vulnerabilities identified by the CRVA team. The road sections with medium to high vulnerabilities related to flooding/flash flooding and landslide/rockslides in the CRVA have been scrutinized in the preliminary engineering design process and provided with a number of adaptation measures. Additional hotspots have been identified by the PPTA consultant that require adaptation measures. Key adaptation measures

¹⁰ The full report is available under separate cover on the project website.

incorporated in the preliminary design include (i) adjustments to the road alignment (primarily to avoid flood-prone areas or areas along rivers with high risk of bank erosion/collapse, proposed at 15 sections); (ii) adjustments to longitudinal profile and road cross-sections; (iii) slope stabilization, retaining walls and rockfall galleries; (iv) improved drainage design (including construction of 359 new culverts and rehabilitation of 298 existing culverts); and (v) strengthened roadbed design (especially in areas prone to floods).

47. Further climate-proofing works will be required at detailed design stage. Project infrastructure design will need to account for projected increases in precipitation and runoff. Bridge clearances, road drainage and culvert capacity will need to be adjusted to ensure that these are climate-proof. IDF curves accounting for climate projections rather than historic variability have been generated by the CRVA team; these will be used as basis for the detailed design.

48. **Environmental management plan.** An EMP has been prepared for the Project. The EMP outlines potential impacts, mitigation and monitoring measures, institutional arrangements, and training requirements. MOT (through PMU2) shall assure that each Contractor will prepare a detailed site-specific construction EMP (CEMP) based on the EMP and actual site condition. MOT, through the PMU2 and with support of the CSC, will supervise compliance with the CEMP.

49. The bidding documents for construction contracts will be based on standard ADB documents for international competitive bidding and will include contract clauses requiring the contractor to implement the relevant clauses of the EMP and to develop and implement the CEMP. The construction specifications will incorporate the EMP requirements. The EMP shall be included as an attachment in the bid documents.

50. The following **EMP implementation arrangements** shall be put in place to implement and supervise the EMP: (i) MOT as the executing agency will be responsible for the overall implementation and compliance with loan assurances, the EIA and the EMP; (ii) PMU2 will be responsible, on behalf of MOT, for the day-to-day management of the project. PMU2 will coordinate procurement and consultant recruitment. The PMU2 will have the overall responsibility to supervise the implementation of environment mitigation and monitoring measures, ensure the contractors' compliance with environmental management requirements, and coordinate the Grievance Redress Mechanism (GRM) and report to ADB. The PMU2 will appoint one qualified full-time staff to coordinate and manage EMP implementation; (iii) PMU2 will hire a construction supervision consultant (CSC) to advise and support the PMU2 throughout project implementation, supervise construction works, conduct environmental monitoring, provide oversight of contractors' environmental management performance, and provide training on EMP, amongst others. The CSC will include environment specialists and occupational safety specialists; (iv) each works contractor will develop a site-specific construction EMP (CEMP) and will assign one person responsible for supervising EMP implementation and monitoring, and one qualified person responsible for construction safety. Contractors will conduct noise monitoring at construction site boundaries and nearby sensitive receptors to confirm compliance with relevant Vietnamese ambient quality standards as well as the IFC (2007) standard for noise.

51. As required by ADB's Safeguard Policy Statement (2009) for category A projects, the implementation of safeguard plans, including the EMP and the LARP, will be verified by an independent external monitoring consultant (EMC), to be contracted by the PMU2.

52. **Consultation.** Meaningful public consultations were carried out during EIA preparation to inform the project design and environmental assessment process. In total, 1,100 potentially affected people in the project provinces as well as more than 50 representatives from relevant

provincial and district authorities (including the People's Committees, the Departments of Agriculture and Rural Development (DARD, the Departments of Natural Resources and Environment (DONRE) and other specialized agencies such as the Van Ban Nature Reserve Management Board) were consulted. The responses were overwhelmingly positive, and the project received strong support. Issues raised during public consultation relate to land acquisition and resettlement and fears over poor environment management by contractors during construction, which could affect the local environment and community health and safety. These concerns have been addressed through mitigation measures defined in the EMP. Consultation shall continue during project implementation in accordance with the consultation plan defined in the EMP (Table G-10). PMU2, with the support of the CSC, will have the main responsibility to ensure meaningful public consultation during project implementation.

53. **Grievances.** Every grievance and complaint relating to environmental and/or safety issues of the project arising from citizens, institutions, and organizations during the project implementation will have to be resolved as per the Vietnamese legal framework, including the Law on Environmental Protection (LEP): No. 55/2014/QH13 approved by the National Assembly on June 23rd, 2014 and effective from January 1st, 2015, Law No.64/2010/QH12 dated 24 November 2010 (Grievance and Accusation). PMU2, with the support of the CSC, will establish the GRM as specified in the EMP, and coordinate the GRM and ensure that all grievances are properly registered, addressed, and reported upon through the semi-annual environmental monitoring reports to ADB. MOT/PMU2 shall make public the existence of the GRM through public communication campaigns.

Table 5: Roles and Responsibilities of Relevant Parties in the Environmental Management/Monitoring System

Agency/Unit	Responsibility		
	Tendering & Pre-construction	Construction	Operation (until PCR is issued)
Ministry of Transport (MOT)	The Executing Agency (EA) for the project responsible for overall implementation and compliance with loan assurances and the EMP. Supervisory and advisory function to PMU2.		
Project Management Unit (PMU2)	<p>Established by the EA, responsible for the day-to-day management of the project. Has overall responsibility delegated by the EA for supervising construction works, the implementation of environment mitigation measures, coordinating the project level GRM and reporting to ADB. The PMU2 will coordinate procurement and consultant recruitment. It will engage the construction supervision consultant (CSC) and contract an external environmental monitoring consultant (EEMC) to conduct independent verification of EMP implementation and environmental impact monitoring results during the construction and operational stages of the project.</p> <div> <div> <ul style="list-style-type: none"> - Appoint one staff to coordinate EMP implementation; - Recruit the DD consultant, ensuring that EMP requirements pertaining to DD are incorporated in the DD; - Recruit the CSC, ensuring that adequate budget and human resources are allocated for EMP coordination; - Recruit an external environmental monitoring consultant (EEMC) to monitor EMP implementation and to verify monitoring information submitted by PMU2 to ADB; - Ensure that EIA and EMP are updated at detailed design stage, and submitted to ADB for review and disclosure; - Ensure that tender documents for works contracts include the Project EMP and specify requirement for preparation and implementation of construction EMP (CEMP) - Review the CEMPs with assistance from CSC; - Based on final project design, and with support of DD consultant, prepare and submit to provincial authorities forest replanting compensation plans in accordance with national requirements. These plans shall be included in the bidding documents for select works contracts in each province (to be identified at DD stage). </div> <div> <ul style="list-style-type: none"> - Supervise contractors and their compliance with the EMP and their CEMPs; - Conduct regular site inspections; - Establish an environmental GRM, acceptable to ADB, to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances about the Project's environmental performance; act as local entry point for the GRM; - Coordinate implementation of the capacity building and training program related to environment - Prepare inputs to the quarterly project progress reports. - Coordinate the preparation of the semi-annual environment monitoring reports and submit them to MOT, MONRE and ADB. - Implement changes or adjustments according to MONRE recommendation to protect the environment according to Vietnam's standards, laws, and regulations. - Based on the results of EMP monitoring, identify environmental corrective actions and prepare corrective action plan(s), as maybe necessary, for submission to ADB. </div> <div> <ul style="list-style-type: none"> - Implement the EMP in the first year of operation (until PCR is issued); - Investigate and monitoring of environmental matters in the first three years of operation; - Coordinate the preparation of the semi-annual environment monitoring reports and submit them to MOT and ADB. </div> </div>		
Detailed Design Consultant (DD Consultant)	<ul style="list-style-type: none"> - Minimize encroachment on forest land, and establish exact scope of impact on different forest zones (production, protection and special-use 		- N/A

Agency/Unit	Responsibility		
	Tendering & Pre-construction	Construction	Operation (until PCR is issued)
	<p>forest); consult Van Ban NR management board on proposed road design within ERS of NR;</p> <ul style="list-style-type: none"> - Prepare on behalf of PMU2 3 province level tree replanting compensation plans, to be included in scope of works of select works contracts; - Conduct detailed noise modeling at sensitive receptors using internationally accepted methodology; assess whether noise intrusion is likely to affect residential property or noise sensitive dwellings during operation. Incorporate and cost remedial measures in the design; - Consider in more detail remedial measures for impacts from operational air pollution; - Ensure that the project infrastructure design includes adequate road safety measures, available and adequate lighting in urban and town sections, road safety signs, vehicle calming measures in strategic spots near market, school, health facilities through conducting consultation with local people (50% of the consulted participants being women). - Ensure that project infrastructure is climate-proof. For that purpose, the findings and recommendations of the CRVA shall be used and integrated into project design whenever possible. - Update project EIA and EMP (Apr-18) to reflect final project design. - Prepare HIV/AIDS and human trafficking prevention program, traffic safety awareness program for contractors' workers and community people; and include these into bidding documents preparation. - Ensure to include gender design measures in DMF (1c, 1d) to bidding documents of contractors and consultant. 		

Agency/Unit	Responsibility		
	Tendering & Pre-construction	Construction	Operation (until PCR is issued)
	<ul style="list-style-type: none"> - Conduct traffic safety audit of DD prior to construction. 		
Construction Supervision Consultant (CSC)	<ul style="list-style-type: none"> - Engage environment specialists to undertake regular project monitoring and reporting based on EMP provisions; - Review and update the EMP and environmental monitoring program, as needed; - Assist the PMU2 to ensure that the EMP provisions are included in the tender documents and civil works contracts; - Prior to implementation of civil works, review and clear the CEMPs prepared by contractors to ensure that these are consistent with the provisions of the EMP 	<ul style="list-style-type: none"> - Supervise the implementation of the mitigation measures specified in the EMP and the CEMPs through regular site visits and review of monthly reports of the contractors; - Coordinate environmental monitoring in accordance with the monitoring plan; - Incorporate in the environmental monitoring reports the results of environmental effects monitoring and undertake data analysis. - Prepare semiannual environment monitoring reports in English and Vietnamese and submit them to ADB and PMU2 for review and disclosure; - Provide training to the PMU2 and contractors on ADB SPS 2009, the IFC Environmental, Health and Safety (EHS) Guideline, EMP implementation, and GRM in accordance with the training plan defined in the EMP - Identify any environment-related implementation issues, and propose necessary corrective actions; - Suspend any activity that triggers serious negative environmental impacts; suspending construction if contractors fail to observe requirements in the EMP or take mitigation measures recommended by the PMU2; - If required, update the EIA and EMP reports for changes in the project during project implementation that would result in adverse environmental impacts not within the scope of the approved EIA/EMP; - Assist PMU2 to establish a Grievance Redress Mechanism (GRM), and provide training for the PMU2, contractors and other GRM access points; - Provide support to the PMU2 in organizing public meetings in 	<ul style="list-style-type: none"> - Coordinate environmental monitoring in accordance with the monitoring plan; - Prepare semi-annual environment monitoring reports in English and Vietnamese and submit them to ADB and PMU2 for review and disclosure; - Prior to project completion report, organize surveys to assess community satisfaction with project implementation, project outputs, and EMP implementation performance, and draft the project completion report (PCR).

Agency/Unit	Responsibility		
	Tendering & Pre-construction	Construction	Operation (until PCR is issued)
		<p>the project affected areas prior to mid-term mission to present and discuss EMP implementation progress, solicit community opinions and concerns, and agree on required corrective actions.</p> <ul style="list-style-type: none"> - Implement HIV/AIDS and human trafficking prevention program, traffic safety awareness program and human traffic prevention program in collaboration with local authority and/or CSOs - Conduct traffic safety audit prior to road opening 	
External environmental monitoring consultant (EEMC)		<ul style="list-style-type: none"> - Verify the monitoring information provided by the contractors to the PMU2, and the monitoring information provided by PMU2 to ADB; - Conduct site visits of the project sites and consult potentially affected people; - Determine if the EMP is being implemented properly; assess the effectiveness of the EMP and the local grievance redress mechanism. - Discuss the assessment with the PMU2 and the CSC; and suggest corrective actions. - Prepare annual reports for submission to PMU2/MOT (in Vietnamese) and ADB (in English). 	<ul style="list-style-type: none"> - Verify the monitoring information provided by the contractors to the PMU2, and the monitoring information provided by PMU2 to ADB; - Conduct site visits of the project sites and consult potentially affected people; - Determine if the EMP is being implemented properly; assess the effectiveness of the EMP and the local grievance redress mechanism. - Discuss the assessment with the PMU2 and the CSC; and suggest corrective actions. - Prepare annual reports for submission to PMU2/MOT (in Vietnamese) and ADB (in English).
Works Contractors	<ul style="list-style-type: none"> - Recruit a qualified Environmental Officer and a Construction Safety Engineer on a full-time basis to ensure proper implementation of the CEMP. - Prepare and submit to PMU2, CSC and ADB a CEMP prior to commencement of civil works. 	<ul style="list-style-type: none"> - Carry out noise monitoring monthly as defined in the EMP and the CEMP; - Implement tree replanting compensation plans (as relevant); - Submit monthly reports to the PMU2 and the CSC on the monitoring results and implementation of the CEMP (as part of regular progress reports); - Implement additional environmental mitigation measures, as necessary; 	- N/A

Agency/Unit	Responsibility		
	Tendering & Pre-construction	Construction	Operation (until PCR is issued)
		<ul style="list-style-type: none"> - Apply all mitigation measures defined in EMP/CEMP during construction of road and bridges; - Ensure safety of construction workers and local people during construction; - Comply with Vietnam and ADB policies on environmental protection including biodiversity conservation during construction. - Implement HIV/AIDS and human trafficking prevention program, traffic safety awareness program and human traffic prevention program in collaboration /partnership with local authority and/or CSOs for their workers. 	
Department of Natural Resources and Environment (DONRE)	<ul style="list-style-type: none"> - Issue relevant permits as required (batching plants, spoil disposal sites, work camps) 	<ul style="list-style-type: none"> - Monitor the implementation of mitigation measures identified in the EIA report and approved by MONRE to minimize the project impacts in the construction phase (compliance monitoring); - Investigate environmental incidents (pollution and damages to natural resources caused by the project); - Resolution of environmental issues generated by the project; - Resolution of environment-related complaints in accordance with the GRM established for the project. 	<ul style="list-style-type: none"> - Monitor the implementation of mitigation measures identified in the EIA report and approved by MONRE to minimize the project impacts in the construction phase (compliance monitoring); - Investigate environmental incidents (pollution and damages to natural resources caused by the project); - Resolution of environmental issues generated by the project; - Resolution of environment-related complaints in accordance with the GRM established for the project.
Provincial Department of Agriculture and Rural Development (DARD).	<ul style="list-style-type: none"> - review forest replanting compensation plan submitted by PMU2, approve plan (on behalf of Provincial PC); - calculate amount of monetary compensation to be paid to DARD by PMU2 for cutting of trees and taking of protected and/or special-use forest. 	<ul style="list-style-type: none"> - Supervise implementation of tree replanting compensation plan and report to Provincial People's Committee, PMU2 and ADB. 	<ul style="list-style-type: none"> - Manage newly planted forest areas.
Van Ban Nature Reserve Management Authority	<ul style="list-style-type: none"> - Review DD to ascertain that necessary measures have been incorporated into project design; - Review relevant CEMP of work contractors to ascertain that 	<ul style="list-style-type: none"> - Support CSC in providing training and awareness raising to relevant works contractors on sensitivities of the Nature Reserve, prohibited activities; 	<ul style="list-style-type: none"> - Manage Nature Reserve

Agency/Unit	Responsibility		
	Tendering & Pre-construction	Construction	Operation (until PCR is issued)
	necessary protection measures have been incorporated into the CEMP;	<ul style="list-style-type: none"> - Conduct regular site visit and interviews with relevant works contractors to assess their compliance with protection measures; - Inform CSC and PMU2 of observed non-compliances and illegal practices by works contractors. 	
Department of Labor, Invalids and Social Affairs (DOLISA)	N/A	<ul style="list-style-type: none"> - Conduct periodic visits of construction sites; - Investigate accidents, if any, in compliance with the Law on Occupational Health and Safety No. 84/2015/QH13, and the procedures defined in Joint Circular No. 12/2012/TTLT-BLDTBXH-BYT guiding the statement, investigation, statistics and reports on occupational accidents. 	N/A

B. Involuntary Resettlement, Indigenous Peoples

54. **Involuntary Resettlement.** The Project has been classified as involuntary resettlement category A in accordance with ADB's SPS. The Project will acquire a total of 776,897 m² of private and public lands in Lao Cai, Yen Bai and Lai Chau provinces. A total 957 land owners (4370 APs) will be affected by land acquisition for project activities. A total of 115 households (454 APs) will be severely affected. Six households (28 APs) will experience physical displacement, 634 households (2,669 APs) will experience economic displacement due to loss of income from affected land or business. Three draft resettlement plans (RPs) have been prepared to mitigate the identified IR impacts in consultation with the affected households. The RPs will be updated and confirmed for implementation upon the completion of detail engineering design. During project implementation period, the Government/ PMU2/PPCs/DOTs will ensure:

- (i) Compliance with ADB SPS, 2009, Government laws and regulations during the implementation of the project.
- (ii) Updated Resettlement Plans (URP), including corrective actions plan (CAP) agreed between the Government and ADB, are prepared, submitted to ADB for review and approval, and implemented in accordance with their terms and all applicable laws and regulations of Vietnam and ADB's SPS;
- (iii) in case of any inconsistency between government laws and ADB's policy, the latter will prevail; the PMU2 will work with the PPC/DPC/DOT/Land Fund agencies to ensure ADB's policy will be implemented;
- (iv) all affected persons are given adequate opportunity to participate in resettlement planning and implementation;
- (v) Disclosure; implementation, monitoring and reporting of project GRM to the affected households, communities and included in the regular monitoring report;
- (vi) Assist, facilitate and guide the contractor, DPC and PPC to find solution for grievances reported by the complainant;

- (vii) counterpart funds for resettlement activities are provided according to the budget and project schedule;
- (viii) Any additional costs from the estimated resettlement plan budget are met within the project schedule;
- (ix) adequate staff and resources are committed to supervising and monitoring implementation of the resettlement plan;
- (x) Timely recruitment and mobilization of external monitoring agencies (EMA);
- (xi) Submission of EMA report to ADB for review and disclosure; and
- (xii) Regular and timely submission of quarterly safeguard monitoring report to ADB three months after the Project effective date for review and disclosure¹¹.

55. Land acquisition, compensation and relocation of affected people (AP) shall not commence until the ADB has reviewed and approved the updated RP. Land clearance will not commence until compensation and assistance required in the updated resettlement plan has been provided in full and livelihood restoration activities put in place for any given project area as reported to ADB in quarterly progress report for land acquisition and resettlement.

C. Indigenous Peoples

56. The Project has been classified as category B for Indigenous People safeguards in accordance with ADB's SPS. The Project is located in areas where ethnic minority are the majority. Thus, the project affected people are mostly come from EM backgrounds. The impacts to the IP communities are from the acquisition of their agricultural and/or residential lands. No acquisition of their ancestral lands or development of their cultural or natural resources will be conducted. Three Ethnic Minority Development Plans (EMDPs) are prepared to mitigate the identified impacts. The EMDPs will be updated and confirmed for implementation upon the completion of detail engineering design. The Government will ensure:

- (i) Counterpart funds for the implementation of the EMDPs are timely provided;
- (ii) Involvement of provincial and district CEMA during the project implementation period for EMDP implementation;
- (iii) Activities specified in the EMDPs are properly implemented; and reported;
- (iv) Implementation of ethnic minority communication plan and meaningful consultation and participation of ethnic minority peoples in project design and benefits;
- (v) Translation into appropriate languages and disclosure of project EMDPs to ethnic minorities in project areas;
- (vi) Inclusion of EMDP implementation and progress in the semiannual safeguard monitoring report for ADB submission, review and disclosure;
- (vii) Adequate staff and resources are committed to supervising and monitoring implementation of the EMDP.

D. Consultation and Disclosure

57. The Government with assistance from PMU will ensure meaningful consultation with the affected households, communities and ethnic minority groups during the safeguard document preparation, updating and implementation. A project communication and participation plan has

¹¹ Social safeguard monitoring guideline in Section IX of this PAM.

been prepared for implementation and updating when necessary. Updated resettlement plans, ethnic minority development plans, project grievance redress mechanism must be publicly disclosed and translated into languages appropriate with the affected communities. The disclosed documents include semiannual safeguard monitoring reports and external monitoring reports. The documents will be disclosed at district/provincial/ project's website and ADB website. PMU safeguard officer and project consultant/ experts will monitor the activities and include it in the quarterly safeguard monitoring report for ADB review and disclosure.

58. The following are institutional roles and responsibilities to ensure social safeguards requirements are followed during design and construction stages.

1. Project Management Unit

59. The PMU will ensure:

- (i) Compliance with ADB Safeguard Policy Statement (2009) and applicable government law and regulation;
- (ii) Appointment of dedicated safeguard officer who will receive assistance from the regional social safeguard consultants of MDS consultant
- (iii) The draft RPs prepared during project processing are updated based on detailed designs;
- (iv) ensure application of safeguards requirement on ethnic minorities in project areas as defined in the prepared EMDP;
- (v) engage in ongoing meaningful consultations with stakeholders and affected persons particularly through implementation of the consultation and participation plan;
- (vi) review, prepare, and submit to ADB for review and approval resettlement plans and ethnic minority development plans or DDRs (if any) for new subprojects with support from the national social safeguard specialists of MDS consultants;
- (vii) ensure provision of timely payments by the DPC/DOT/Land Fund to the affected persons before displacement or impact occurs in sections ready for construction;
- (viii) ensure the establishment of grievance redress cell (GRC) and function of GRM in all project provinces and districts;
- (ix) ensure all grievances are recorded and properly addressed;
- (x) conduct oversight and develop effective mechanism to monitor implementation of resettlement plans/and ethnic minority development plans to ensure smooth project implementation; and
- (xi) review the consolidated monthly reports by project social safeguards officer/specialist and include it in quarterly monitoring reports to ADB. The PMU will also prepare a separate semiannual social safeguard monitoring report. The monitoring reports should record the progress of resettlement activities, ethnic minority development plans and any compliance issues, grievances, corrective actions taken, follow-up actions required and status of compliance with relevant loan covenants.

2. PPC/DPC/DOT/Land Fund

60. The responsible provincial/district agencies for implementation of URP and EMDP will:

- (i) assign dedicated staff/ officer related to safeguard document preparation and implementation of URP and EMDP with assistance from PMU safeguard officer and Project's implementation consultant;
- (ii) coordinate with the provincial/district CEMA in provincial and district level for the disclosure and implementation of EMDP;
- (iii) assist in the collection of the needed information for RP updating and disclosure of the updated RPs and EMDP upon completion of detail design;
- (iv) engage in ongoing meaningful consultations with stakeholders and affected persons particularly through implementation of the consultation and participation;
- (v) ensure provision of timely payments to the affected persons before displacement/impact occurs in project sites ready for construction;
- (vi) implement the ADB approved resettlement plans and/or ethnic minority development plans;
- (vii) advise or take corrective actions when necessary to minimize or avoid social safeguards impacts;
- (viii) assist the preparation of quarterly social safeguards monitoring reports to PMU;
- (ix) Disclose the project GRM and ADB AM at the provincial and district level to project affected people, and record and address any grievances brought about through the GRM in a timely manner; and
- (x) act as focal person at provincial/district level on the GRM process.

3. External Monitoring Agency (EMA)

61. As required by ADB Safeguard Policy Statement (2009) for projects with significant impacts on Involuntary resettlement, an independent external monitoring agency will have to be recruited to monitor the implementation of resettlement plan and ethnic development plan in the project areas. The EMA is recruited by the EA/PMU2 using counterpart funds. The EA/PMU2 should ensure EMA is timely recruited and the fund is timely secured. The EMA will prepare semiannual monitoring report to be submitted to EA and ADB and disclosed on ADB website. The PMU/PPC/DOT/DPC and CEMA will facilitate and provide the needed assistance to the EMA to conduct its monitoring and evaluation of the project. The terms of reference (TOR) of EMA is in Annex 2 of this PAM.

62. **Additional requirements.** For project activities to be constructed on the donated land, the land donation deeds between the donor(s) and the receiving district authority should be completed and confirmed prior to commencement of civil works activities. Due diligence report (DDR) will have to be prepared by PMU's safeguard officer to ensure there are no IR/IP impacts arising from the proposed activities.

63. **Project Grievance Redress Mechanism (GRM).** The project GRM will be formally and legally established in each project's province and district. The GRM will be disclosed to the affected communities and households during the RP updating, prior to the land acquisition activities and prior to mobilization of contractors in any subproject area. The PMU safeguards officer, supported by the project implementation consultant, will be responsible for timely grievance redress on (environmental and) social safeguards issues, as well as registration of grievances, related disclosure, and communication with the aggrieved party. Contact details, procedures and complaint mechanism will be disclosed to the project-affected communities at accessible locations and through various media (i.e.; leaflets, newspapers, etc.). Samples of draft project leaflets.

64. **Capacity Building.** The PMU's safeguards officer, and PPC/DPC/DOT/Land Fund officers/CEMA focal person and Contractor's will be further trained by project's consultants and national social/resettlement expert on safeguards and GRM implementation of the projects. Typical modules would be as follows: (i) introduction and sensitization to ADB's SPS and requirements; (ii) reviewing, updating and preparing resettlement plans, and ethnic minority development plans upon the completion of project detailed design; (iii) improving coordination within nodal departments; (iv) monitoring and reporting system; and (v) project GRM. Briefings by the PMU safeguard officers, assisted by project consultants, on safeguards principles and GRM will also be required for the contractors upon their mobilization. Safeguards refresher trainings might be periodically conducted in each district/province.

65. **Civil Works Contracts.** The PMU2 will ensure that bidding and contract documents include specific provisions requiring contractors to comply with all applicable labor laws and core labor standards on prohibition of child labor as defined in national legislation for construction and maintenance activities, on equal pay for work of equal value regardless of gender, ethnicity or caste, and on elimination of forced labor. Contractors will also be required to disseminate information on sexually transmitted diseases including HIV/AIDS to employees and local communities surrounding the project sites. Relevant provisions of the GAP will be shared with the contractors' responsibilities by the PMU. Contractors will carry out all environmental and social mitigation and monitoring measures outlined in their contract and will be required to report to the PMU safeguards officer any unanticipated impacts on social safeguards issues (IR or IP) that occur during civil works activities. Project consultants will assist the PMU in monitoring contractor's compliance activities.

VIII. GENDER AND SOCIAL DIMENSIONS

66. **HIV/AIDS and Human Trafficking.** Project preparation identified risks related to HIV/AIDS and human trafficking. Risks for HIV infection stems from the following factors: (i) an influx of construction workers who are expected to be partly unaccompanied men from other parts of the country. There is an assumed associated increase in demand for, and presence of, sex workers in the vicinity of the construction sites; (ii) increased mobility upon completion of the road which will include movement to and from areas of higher HIV/AIDS prevalence; and (iii) general low understanding of risks of HIV/AIDS transmission and prevention amongst communities in the project areas.

67. Risks for human trafficking are associated with: (i) increased vulnerability of women and children if they, or their families, experience economic hardship or displacement as a result of land acquisition and resettlement or other project impacts; (ii) the ease of movement resulting from the operation of the completed project. This increases potential for exploitation when women are prompted, or have the desire, to work far from home yet are insufficiently aware of the risks, their rights and appropriate responses to exploitative situations.

68. **Road safety** has been identified as a potential problem, primarily during construction where temporary traffic disturbance may affect safety of local communities, drivers and construction workers. A global Information/awareness Campaign specific to these Road Works is a necessity to inform not only the local population, the general population (drivers driving through the works zone), but also the managers and workers of the Construction Companies about the dangers, and how to avoid them.

69. To address the above risks, a series of measures will be implemented during project preparation and implementation. The mitigating measures will take two forms:

- a. A specific **HIV/AIDS and Human Trafficking Prevention Program (HTAP¹²)**, to be financed by the Government.¹³ The PMU2 is responsible for ensuring that the HIV and Human Trafficking Prevention Program is implemented. Counterpart human resource requirements will be provided by local government agencies and mass organizations with mandated responsibilities in the relevant action plan areas.
- b. **Information, education, and communication on HIV/AIDS and STIs** and the prevention of trafficking, will be made a contractual obligation of the construction contractors. The PMU2 will ensure that bidding and contract documents include specific provisions requiring contractors to disseminate information on sexually transmitted diseases including HIV/AIDS to employees and local communities surrounding the project sites.
- c. **Road Safety Awareness Program.** The objective of a road safety awareness program is to provide measures so that the Road Works can be carried out in the safest manner for drivers, the local communities, and the construction workers. The awareness campaign will primarily be delivered through targeted information dissemination during pre-construction, construction and post-construction phases. The awareness campaign has been outlined by the PPTA consultant specifically targeting local communities, construction companies and their workers, and the wider public (including drivers).¹⁴

70. Gender relation actions and social risks mitigations to be implemented include the following:

Gender actions

- (i) Project detailed design and implementation is gender and social responsive. Specifically, socially inclusive design features are incorporated in the project to enhance social utility of roads;
- (ii) Generate unskilled jobs in road construction for women (Contractors' cumulative unskilled labor days will be at least 30% women, for all roads);
- (iii) Ensure gender responsive social protection for the labor force during project implementation and maintenance (CLS incorporated in bidding docs and contracts);
- (iv) Ensure women's participation in road safety awareness and enforcement (at least 50% of the 98,000 participants in community- based road safety awareness activities are women/girls)
- (v) Mitigate HIV/AIDS and human trafficking risks due to improved connectivity for local people and workers
- (vi) At least 50% of 136 local facilitators for community awareness raising are women
- (vii) Oversight and reporting of gender responsive measures will be done by PMU supported by PSC to ADB.

¹² The HTAP has been drafted by the PPTA consultant in March 2018. This draft HTAP will be reviewed at DD stage by the DD consultant.

¹³ Estimated to cost \$400,000. Grant financing is being sought for the preparation and implementation of the HTAP.

¹⁴ The Road Safety Awareness Program has been drafted by the PPTA consultant in April 2018. This draft program will be reviewed at DD stage by the DD consultant.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

Impact the Project is Aligned with			
Economic, sociocultural, and environmental development in lagging and border areas accelerated (Viet Nam National Transport Strategy 2020) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Road connectivity to GMS corridors in northwestern provinces of Viet Nam improved	By 2025: a. Freight transport increased by 8.3% annually on national roads connected to GMS corridors (2017 baseline: 7,818 tons) b. Passenger transport increased by 1.3% annually on national roads connected to GMS corridors (2017 baseline: 29,311 passengers) c. Average travel speed on project roads increased to 45 km per hour (2017 baseline: 25 km per hour).	a–c. Project benefit monitoring reports by supervision consultant	Inadequate budget allocation of road operation and maintenance
Outputs 1. Safe and climate-resilient national highways in lagging provinces of northwestern Viet Nam completed 2. Awareness for road safety, HIV/AIDS, and human trafficking created	By 2024: 1a. National Highway 279, National Highway 32, and Provincial Road 136, (147 km in total), rehabilitated and/or upgraded to class III/IV national highways (2017 baseline: 0 km) 1b. 51 km of Provincial Road 175 upgraded to class IV national highway (2017 baseline: 0 km) 1c. At least 35% of contractors' accumulative unskilled labor days prioritized for women in the project area during construction works (2017 reference point: 30%) ^b 2. Awareness of 68,000 people in project area, 50% of whom are women, improved through awareness campaigns for road safety, HIV/AIDS, and human trafficking (2017 baseline: 0)	1a. Annual reports of the Ministry of Transport 1b–1c. Progress reports of the Ministry of Transport's PMU2 and supervision consultant 2. Progress report of PMU2 and supervision consultant	Delays in land acquisition and resettlement Insufficient allocation of counterpart funds

<p>Key Activities with Milestones</p> <p>1. Safe and climate-resilient national highways in lagging provinces of northwestern Viet Nam completed</p> <p>1.1 Recruit detailed design consultant by Q3 2019</p> <p>1.2 Recruit supervision consultant by Q1 2020</p> <p>1.3 Complete detailed design by Q3 2020</p> <p>1.4 Procure civil works packages by Q2 2021</p> <p>1.5 Complete civil works by Q4 2024</p> <p>2. Awareness for road safety, HIV/AIDS, and human trafficking created</p> <p>2.1 Recruit consultant (for program design) by Q3 2019</p> <p>2.2 Complete program design by Q3 2020</p> <p>2.3 Recruit implementation consultant by Q3 2020</p> <p>2.4 Complete program implementation by Q3 2023</p>
<p>Inputs</p> <p>ADB: \$188.36 million loan</p> <p>Government of Viet Nam: \$52.23 million</p>
<p>Assumptions for Partner Financing</p> <p>The Government of Australia, through its Aus4Transport program, has agreed with the Government of Viet Nam to provide a grant amounting to \$4.481 million to finance (i) the detailed engineering design; (ii) awareness campaigns for road safety, HIV/AIDS, and human trafficking; and (iii) development of an axle load control program. The grant will be administered by the Government of Australia's Department of Foreign Affairs and Trade. ADB will review the detailed project scope and the terms of reference of the detailed design consultant jointly with the PMU2 and the Government of Australia to ensure harmonization during implementation.</p>

^a Government of Vietnam. 2013. Decision No.356/QĐ-TTg – *Decision Approving the Adjustment on Vietnam Road Transport Development Scheme to 2020 and Orientation Towards 2030*. Approved by the Prime Minister, 25 February. Hanoi.

^b 'Reference point' refers to the current practice as identified by ADB, TA-9252 VIE: Greater Mekong Sub-Region (GMS) Corridor Connectivity Enhancement Project Consulting Services for the PPTA (50098-001) Poverty and Social Assessment in the North-Western Region, 2018

ADF = Asian Development Fund, GMS = Greater Mekong Subregion, km = kilometer, MOT = Ministry of Transport, NH = National Highway, PMU = project implementation unit, Q = Quarter.

Source: Asian Development Bank.

B. Monitoring

1. Project performance monitoring

71. The PMU will establish a project performance monitoring system. ADB through the project performance reporting system will monitor the overall performance of the project. The PMU will refine the monitoring system within 6 months from project commencement and collect and update baseline data for performance monitoring. The key indicators and targets, assumptions, and risks outline at the impact, outcome, and output levels in the project's design and monitoring framework will be the primary data required for analysis. For this purpose, the ADB inception mission will provide to MOT a checklist of the required data which will be updated and reported quarterly through MOT's quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.

2. Compliance monitoring

72. Compliance for all loan covenants (environmental/ involuntary resettlement/ indigenous peoples safeguards, financial, economic, and others) will be jointly monitored by MOT and ADB through monthly and quarterly updates provided by the PMU as well as during regular ADB review missions. In addition, MOT and ADB will undertake a comprehensive midterm review in May 2022 during the project implementation. At the conclusion of the mid-term review, ADB and MOT may agree on changes in both Project scope and implementation arrangements, as deemed necessary.

3. Safeguards monitoring

a. Environment

73. Environment monitoring will include environmental compliance monitoring (to be conducted by the PMU2 with support of the CSC, and to be verified by the EMC), environmental effect monitoring (to be conducted by the CSC), and independent external environmental monitoring/verification. Contractors will also be required to conduct periodic noise monitoring around construction sites. Monitoring arrangements defined for this project are described below.

74. **Environmental effect monitoring.** Table G-5 of the EMP defines the environmental effect monitoring program specifically designed for this project, defining the requirements, including scope, location, parameter, duration and frequency of monitoring during pre-construction, construction and operational stages. Environmental effect monitoring will include monitoring of air quality, noise, water quality and soil quality, and will be conducted in compliance with relevant Vietnamese standards and procedures. Quarterly environmental monitoring of air quality, noise and water quality during pre-construction, construction and operation will be conducted by the CSC. Monitoring shall in principle be conducted at the sites included in the baseline monitoring, but new points have been identified given the partly new alignment of the road and sensitive receptors identified in the framework of the EIA. The costs for environmental effect monitoring by the CSC have been estimated at \$30,800. This estimate does not include noise monitoring to be conducted by the contractors. Works contractors will be required to conduct noise monitoring during peak construction period around construction sites and nearest sensitive receptors (residential areas, Van Ban Nature Reserve).

75. During construction, **EMP compliance monitoring** will be conducted by the CSC. Compliance monitoring will be done on a weekly basis by the CSC and compiled in monthly reports. These should be discussed with the contractors as necessary but at a minimum monthly. The monthly reports will be consolidated in the semi-annual environmental monitoring reports, to be submitted to the EMC, ADB, and provincial DONRE by the CSC, through the PMU2. The PMU2 will also conduct regular site visits to assess the contractors' compliance with their CEMPs.

76. **Independent environment monitoring.** The environment performance of the project will be verified by the external monitoring consultant (EMC), to be contracted by MOT. The EMC will (i) review EMP implementation and monitoring activities and results; (ii) review semiannual EMP monitoring and progress reports prepared by PMU2; (iii) assess EMP implementation performance; (iv) visit the project sites and consult potentially affected people; (v) discuss assessment with MOT, PMU2 and the CSC; and (vi) suggest necessary corrective actions. The EMC will prepare annual verification reports, to be submitted to MOT/PMU2 and ADB for disclosure.

77. **ADB monitoring and supervision** will include (i) regular review missions including site visits of construction sites; (ii) review of the semi-annual monitoring reports, ensuring that these are locally disclosed as well on the ADB website. If any unanticipated environmental impacts become apparent during project implementation, ADB will advise and require MOT and PMU2 to (i) assess the significance of such unanticipated impacts; (ii) evaluate the options available to address them; and (iii) prepare or update the EIA and/or EMP. ADB may consider exercising its legal remedies, including suspension, cancellation, or acceleration of maturity, specified in the legal agreement, in case of continuous non-compliance.

b. Involuntary Resettlement, Indigenous Peoples

78. The implementation progress, compliance with involuntary resettlement and indigenous peoples safeguard will be included in the quarterly progress report to be prepared by the PMU. The PMU will also prepare semi-annual resettlement and ethnic minority monitoring reports that will document its monitoring of resettlement and ethnic minority development plans implementation. The status of safeguards implementation, compliance issues, and progress of corrective actions, if any, are to be reviewed by ADB and disclosed on MOT and ADB website. The status of safeguards implementation will also be discussed at each ADB review mission with necessary issues and agreed actions recorded in Aide Memoires. In addition, an external monitor agency (EMA) will be engaged to monitor implementation of the resettlement plan and ethnic minority development plan. The EMA report will be submitted to MPT/PMU and ADB for reviewed and disclosed. The TOR of the EMA is in Annex 2 of the PAM.

79. **Gender and social dimensions monitoring.** Implementation of the Gender and social mitigation measures will be regularly monitored by the PMU and Gender and social action reports will be prepared on a quarterly basis. The HIV and Human Trafficking Awareness and Prevention Program and Road Safety Awareness Program will be reported by contractors and related consultants to PMUs. Construction supervision consultant will prepare quarterly reports and final report (consolidating reports from contractors and all other service providers) for PMU and PSC to report to ADB.

C. Evaluation

80. ADB will review the project every six months to assess implementation performance and achievement of outcomes and objectives, examine financial progress, and identify issues and constraints affecting the project and work out time-bound action plans for their resolution. In addition, a midterm review will also be undertaken in May 2022. This review will include a comprehensive evaluation of project implementation arrangements, detailed evaluation of the scope and implementation process and progress of subprojects, feedback from the project performance monitoring system (PPMS), performance of consultants, and possible reallocation of loan proceeds. During this more significant review, the effectiveness of project management arrangements will be a priority with remedial action instituted as required.

D. Reporting

81. The MOT will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, (d) updated implementation plan for the next 12 months, and (e) updated progress report on implementing gender specific and social mitigation measures as outline in Chapter 8, para 70 above; and (iii) a project

completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

1. Quarterly progress reports

a. Environment

82. The following reports related to the implementation of the EMP will be prepared and submitted to relevant agencies. Frequencies and responsibilities are shown in Table 10.

83. **Monthly progress reports by the contractors (to the CSC).** Each works contractor will submit monthly progress reports to the CSC. These reports will include reporting on EMP implementation performance as well as results of the monthly monitoring of noise, air and surface water quality. The CSC to develop a report template to be used by the works contractors.

84. **Monthly reports by the CSC (to the PMU2).** The CSC will submit monthly project progress reports to the PMU2. These reports shall also include a comprehensive section on EMP and CEMP implementation progress, grievances received, minor and major infringements, occupational accidents, and necessary corrective actions.

85. **Semiannual environmental monitoring reports by MOT/PMU2 (to ADB).** The MOT (as the executing agency) will submit semi-annual environmental monitoring reports in English and Vietnamese to ADB for clearance and disclosure. The reports will follow the template prescribed by ADB. Semi-annual reporting shall continue after construction completion and during the operation period of the project until the project completion report is issued.

86. **Annual external verification reports by the EMC (to PMU2, ADB, and Provincial DONREs).** The EMC will submit annual independent EMP verification reports to PMU2, ADB and the provincial DONREs. These reports will be disclosed to AHs. Independent EMP verification shall continue after construction completion until the project completion report is issued.

87. **Midterm review report on EMP implementation (by CSC/PMU2 to MOT and ADB).** Not later than 1 month prior to the project's mid-term review mission, the PMU2, with support of the CSC, will submit a mid-term review report on EMP implementation to MOT and ADB.

88. **Draft project completion report on EMP implementation (by CSC/PMU2 to MOT and ADB).** No later than 3 months after the completion of the construction works, the CSC and PMU2 will gather compliance monitoring information from all contractors and provide a completion report on construction mitigation to ADB and MOT. The report will show the timing, extent, and success of the completed mitigation measures, and the maintenance and monitoring needs during operation.

Table 10: Environmental Reporting Plan

Environment Reports		From	To	Reporting Frequency
Construction Phase				
Progress reports by contractors	Internal project progress report by construction contractors, including progress reporting on CEMP implementation, environmental effect monitoring, public consultation, occupational health and safety, training etc.	Contractors	CSC, PMU2	Monthly
Project progress reports by CSC	Internal project progress report including EMP and CEMP implementation progress	CSC	PMU2	Monthly
Semi-annual environmental monitoring reports	Internal EMP implementation reports, including compliance with the EMP and CEMPs, training plan and consultation plan, GRM, etc., following the template prescribed by ADB.	PMU2, CSC	ADB, DONREs, AHs (disclosed)	Semi-annual (January, July)
Annual external verification reports on EMP implementation	External report on EMP implementation performance and compliance	EMC	PMU2, ADB, DONRE, contractors, AHs (disclosed)	Annual (March)
Mid-term report on EMP compliance	Internal report on EMP implementation progress and compliance, proposed adjustments to the EMP and EMP implementation arrangements, as input to the mid-term review mission	CSC, PMU2	ADB	Before Mid-term review mission
Operational Phase				
Reports to ADB and disclosed to AHs	Semi-annual internal environmental monitoring reports, including results of environmental effect monitoring	PMU2	ADB	Semi-annual (until PCR is issued) Once after one year of operation
	External environment monitoring report	EMC	ADB, PMU2, Lang Son DONRE, AHs	

Notes: ADB = Asian Development Bank; AHs = affected households; EMC = external environmental monitoring consultant; PCR = project completion report; PMU2 = Project Management Unit; CSC = Construction Supervision Consultant; DONRE = Department of Natural Resources and Environment

E. Stakeholder Communication Strategy

89. The MOT will ensure that agreed measures under the Stakeholder Communications Strategy are fully implemented to promote participation and awareness of project activities and impacts of all key stakeholders and including vulnerable groups, particularly with respect to EMP implementation, resettlement impacts and entitlements, grievance redress mechanism (GRS), HIV and human trafficking prevention, road safety, and civil works related labor standards and opportunities. The stakeholder communication strategy is based on the principles of transparency, timeliness, participation, meaningful engagement, and inclusiveness. Stakeholder communications will encompass institutional stakeholders, communities within the project area, and persons directly affected by the project. Consultations with affected people and communities shall be carried out as early as possible and continue throughout the project implementation. Different types/means of communication will be utilized as required and as appropriate to the audience. Communications and consultations are to promote participation of those who may tend to be marginalized such as women, indigenous people, elderly, and the poor. All significant communications will be recorded, and stakeholders will have the opportunity to present their questions, opinions and suggestions.

90. The Stakeholder Communication Strategy includes the ADB requirements for disclosure of project information in accordance with ADB's SPS. In addition, broader stakeholder communication will be carried out regarding the project with government, civil society and local communities. This PAM provides details of the project disclosure, monitoring, and reporting requirements for safeguard policies on environment, resettlement and indigenous peoples. The Project will follow ADB's Public Communication Policy and its guidelines on the disclosure and exchange of information.

91. Information on the project will also be communicated with government through the PMU and MOT. Relevant government officials in the project areas will be briefed on the project and provided with written information on key project components and relevant requirements pertaining to ADB safeguards, stakeholder communication, and grievance redress procedures.

92. Stakeholder outreach meetings will be held in the project areas to update local communities with project progress and information dissemination. The timing and frequency of such information dissemination will be dependent on various project activity milestones, ensuring that consultations are meaningful. Such communication will be undertaken by the Construction Supervision Consultant and the PMU. Commune leaders, mass organizations and traditional leaders will be involved to help ensure the consultative process is inclusive and productive. Printed communication materials in Vietnamese and other appropriate local languages will be provided to community members, describing, in language understandable to them (including low-literacy audiences), the scope of the project, governing project policies and procedures, benefit entitlements, and/or other relevant matters. Information on project process, HIV/AIDS, safe working conditions will be provided as documented in the civil works contracts. A basic tracking system will be maintained to record consultation activities, the provision of project information, to register concerns and/or complaints received, and to track follow-up action. Where appropriate, project progress will be shared with local and national media.

93. A project focal point, with full name and contact information, will be designated for regular contact with affected people and other interested stakeholders.

94. **Environment.** Plans for public involvement during construction and operation stages of the project have been developed during project preparation (Table 11). The PMU2 has main responsibility for public participation during project implementation but will be supported by the CSC. Affected communities will be involved and consulted through site visits, investigations of specific issues, interviews, and public meetings.

Table 11: Public Consultation Plan for Environment

Organizer	Format	Frequency	Subject	Attendees
Construction Stage				
Contractors	Public meetings	Prior to start of construction works; quarterly thereafter	Presentation of planned activities and schedule; anticipated impacts and mitigation measures; GRM	Potentially affected households, ward PC representatives
PMU2, CSC	Public meetings & site visits and informal interviews	Once before construction commences (public meetings) and semi-annually thereafter during construction	Presentation of planned activities and schedule; anticipated impacts and mitigation measures; GRM	Potentially affected households, ward PC representatives

Organizer	Format	Frequency	Subject	Attendees
		(site visits and informal interviews)		
PMU2, CSC	Expert workshop	As needed, based on public consultation	Comments and suggestions on mitigation measures, public opinion	Experts of various sectors, county/district EPBs
CSC	Public opinion survey	Once at MTR stage	Public satisfaction with EMP implementation	Potentially affected households, ward PC representatives
Operational Stage				
PMU2, CSC	Public consultation and site visits	Once in the first year	Effectiveness of mitigation measures, impacts of operation, comments and suggestions	Potentially affected households, ward PC representatives
CSC, PMU2	Public satisfaction survey	Once at PCR stage	Public satisfaction with EMP implementation Comments and suggestions	Potentially affected households, ward PC representatives

X. GRIEVANCE REDRESS MECHANISM

95. A project grievance can be defined as an actual or perceived project-related problem that gives ground for complaint by an affected person (AP). As a general policy, the EA (Ministry of Transport - MOT) and IA (Project Management Unit No.2- PMU2) will work proactively to prevent grievances through the implementation of impact mitigation measures and community liaison activities that anticipate and address potential issues before they become grievances. Nonetheless, it is possible that unanticipated impacts may occur if the mitigation measures are not properly implemented or unforeseen issues occur.

96. To address complaints, a project grievance redress mechanism (GRM) will be developed in accordance with ADB requirements and Government procedures. A GRM is a systematic process for receiving, recording, evaluating and addressing AP's project-related grievances transparently and in a reasonable period. The GRM will be established by PMU2 prior to the commencement of any land acquisition or resettlement activities, and will operate during the pre-construction, construction and operation phases.

97. The proposed GRM integrates resettlement, environment and technical issues into a single structure. The structure considers Vietnamese laws and provisions for complaint handling as well as nuances of the operating environment and cultural attitudes toward lodging complaints. Specifically, the structure enables the GRM to:

- (i) provide a predictable, transparent, and credible process to all parties, resulting in outcomes that are seen as fair, effective, and lasting;
- (ii) build trust as an integral component of broader community relations activities; and
- (iii) enable a systematic identification of issues or problems, facilitating corrective actions and pre-emptive engagement.

98. The proposed GRM includes the following elements:

- (i) a grievance receipt and registration system to provide ways for community members to register complaints and confirm they have been received;

- (ii) grievance eligibility assessment to determine if the issues raised in the complaint fall within the mandate of the GRM and if the complaints are legitimate;
- (iii) grievance assessment and investigation to clarify concerns raised in the complaint, to gather information on the situation, and to identify how the issues might be resolved;
- (iv) joint problem-solving, in which all relevant project stakeholders engage in a dialogue and action planning to resolve the problem;
- (v) grievance tracking, including maintenance of written records of grievances, monitoring, public information disclosure and reporting to the affected people; and
- (vi) grievance closure, including community feedback and confirmation of resolution of the problem.

99. APs are entitled to lodge complaints regarding any aspect of affected environment, land acquisition and resettlement, such as noise, pollution, entitlements, rates and payment and procedures for resettlement, income restoration programs, etc.

100. The principles and procedures of the GRM are based on provisions of the Land Law No. 45/2013/QH13, dated 29/11/2013; Law on Grievances No. 02/2011/QH13, dated 11/11/2011; Law on Denunciations No. 03/2011/QH13, dated 11/11/2011; Law on Receiving of Residents No. 42/2013/QH13, dated 25/11/2013; Decree No. 75/2012/ND-CP, dated 03/10/2012 of the Government Stipulating Detailed Regulations on Some Articles of Law on Grievance 2011; Decree No. 76/2012/ND-CP, dated 03/10/2012 of the Government Stipulating Detailed Regulations on Some Articles of Law on Denunciation 2011; Circular No. 06/2013/TT-TTTP, dated 30/9/2012 of the Government Inspectorate Stipulating Procedures of Denunciation Settlement, Circular No. 07/2014/TT-TTTP, dated 31/10/2014 of the Government Inspectorate Stipulating Procedures of Settling Grievances, Denunciating Letters and Letters of Requests; ADB's SPS (2009) and ADB's Public Communications Policy (2011). According to the Land Law No. 45/2013/QH13, a grievance must be submitted within 90 days of the time they receive the decision of land acquisition or become aware of the actions of the administrative action in question. In circumstances, such as sickness, natural calamity, or required to work or study in a distant location or other objective constraints, that time will not be counted within the 90 days mentioned above.

101. The GRM consists of several escalating stages. Complaint resolution and decision making are undertaken by PMU2's Environmental and Social Unit (ESU) in consultation with the District Grievance Redress Units of Than Uyen, Tan Uyen, Lai Chau City, Tam Duong (Lai Chau Province), Van Yen, Van Chan (Yen Bai Province), Van Ban (Lao Cai Province) then by a Provincial-level Grievance Redress Committee (GRC) of respective provinces, if required. The roles and responsibilities of PMU2 ESU, DGRU/CGRU and GRC are presented below.

102. **Environment and Social Unit of PMU2 (PMU2 ESU):** The unit consists of social and environmental staff at PMU2, supported by the CSC (safeguards and communications specialists), and one or two members based in respective Districts. Staff of PMU2 ESU will (i) receive all complaints from APs seeking access to the GRM; (ii) register the complaints; (iii) determine complaint eligibility; (iv) send confirmation of eligibility to the complainant; (v) forward the complaint to relevant contractor (during construction) or facility operator (during operation), DGRU/CGRU and GRU; (vi) follow up with the DGRU/CGRU and the GRC on status of complaint redress; (vii) investigate the complaint and identify corrective actions that are within the mandate of MOT; (viii) inform AP on the proposed corrective action; (ix) track and record all decisions taken; (x) maintain a complaint registration, tracking and monitoring system; and (xi) report to

MOT, respective districts (07) and provinces (03) on the implementation and result of the corrective action plans.

103. District/City Grievance Redress Units (DGRU/CGRU) (07): The Unit consists of 6 officers of six relevant District/City divisions: Center for Land Fund Development, Natural Resources and Environment, Inspectorate, Finance, Construction, and Resident Receiving Office. The Units are chaired by the Vice Chairmen of 07 respective District People's Committees/City People's Committee. The DGRU/CGRU will (i) determine eligibility of complaints relating to resettlement and environment, (ii) conduct an assessment of complaints that relate to resettlement and environment, (iii) send confirmation of eligibility to the AP in case the complaint is related to resettlement and environment, with copy to PMU2 ESU; (iv) identify the corrective action plan and send it to the AP with copy to PMU2 ESU for further processing; (v) execute the plan and report the implementation, result of the plan implementation to PMU2 ESU; (vi) participate in GRC meetings if invited; (vii) monitor implementation of grievance resolution processes under their jurisdiction.

104. The Grievance Redress Committees of respective Provinces of Lai Chau, Yen Bai and Lao Cai (GRC): The Committee consists of 5 officers of five relevant provincial departments: Natural Resources and Environment, Inspectorate, Finance, Construction, and Resident Receiving Office. The Committee is chaired by the Vice Chairman of respective PPC. The Committee will (i) determine eligibility of appeals; (ii) conduct the assessment of appeals; (iii) send confirmation letter of eligibility to the AP with a copy to PMU2 ESU; (iv) identify corrective action plans for appeals; (v) manage and supervise the implementation of the plan; and (iv) inform PMU2 ESU on the decision of the corrective action plan.

105. The GRM stages are presented below and illustrated in the Figure below.

A. Stage 1: Submission of complaint.

- (i) The AP submits a written complaint to PMU2 ESU staff, or as letter, or email (with attached signed letter). Contact details of PMU2 ESU will be posted at the construction sites. A registered and legally recognized civil society organization (CSO) with valid representation authorization may file a complaint on behalf of an AP through PMU2 ESU.
- (ii) Complaints can also be sent directly to the works contractor (during construction through a hotline number that will be posted for construction-related matters (such as noise, dust, access to property and other matters) which require immediate action, or to the operator (during the operation phase). Contractors are required to register the complaint, and report to PMU2 ESU on complaints received and actions taken.

B. Stage 2: Registration, Eligibility Assessment, Confirmation of Eligibility [max. 5 working days]

- (i) PMU2 ESU registers the complaint in a grievance registry and identifies the nature of the complaint. If the complaint relates to resettlement (case 1), PMU2 ESU forwards the complaint to the relevant DGRU/CGRU for further processing. If the complaint relates to other matters such as environment, project design, damage to property or others (case 2), PMU2 ESU proceeds to the next step.
- (ii) The DGRU/CGRU (case 1) or PMU2 ESU (case 2) determines whether the complaint is eligible for the GRM using the screening procedure.

- (iii) If the complaint is deemed ineligible, the complainant is informed of the decision and the reasons for ineligibility.
- (iv) If the complaint is deemed eligible, the DGRU/CGRU (case 1) or PMU2 ESU (case 2) identifies how the complaints should be investigated and addressed and who will be responsible for these actions, and informs the relevant parties accordingly. Options include: (i) the works contractor (during construction phase); (ii) the operator (during operation phase); (iii) the Center for Land Fund Development; (iv) the DGRU/CGRU; (iv) PMU2 ESU; (v) others.
- (v) The DGRU/CGRU (case 1) or PMU2 ESU (case 2) sends a confirmation of eligibility to the complainant, with copy to PMU2 ESU for case 1. The letter provides information on when a decision will be made regarding the complaint, and the main agency in charge of addressing the complaint.

C. Stage 3: Assessment and Identification of Action [max. 10 working days]

- (i) If the complaint is eligible, the entity identified under Stage 2(d) conducts an assessment and gathers information about the complaint to determine how it might be resolved.
- (ii) If outside experts or technical information is needed, the entity identified under Stage 2(d) may seek such guidance and may request all parties concerned (including the complainant, as relevant) to participate in the grievance redress process.
- (iii) The entity identified under Stage 2 (d), in consultation with PMU2 ESU, drafts a time-bound action plan including responsibilities for plan implementation.
- (iv) The entity identified under Stage 2(d) submits the assessment letter including time-bound action plan to the complainant. PMU2 ESU is copied in the letter.

D. Stage 4: Confirmation by AP, or First Appeal [max. 10 working days]

- (i) The complainant confirms in writing consent with the proposed action plan to execute immediately the action plan.
- (ii) The complainant may submit an appeal to GRC of respective Provinces in the following cases: (i) no response is provided within 30 days after acknowledgement of the complaint; (ii) the complainant disagrees with the decision under Stage 3.

E. Stage 5: Review, Eligibility Assessment and Confirmation of Appeal by GRC of respective Provinces [max. 5 working days]

- (i) The GRC informs PMU2 ESU/concerned DGRU/CGRU that the complainant appealed the decision, and requests all relevant documents and issued decisions from PMU2 ESU/concerned DGRU/CGRU. The GRC, in consultation with the DGRU/CGRU determines whether the appeal is eligible using their own screening procedure.
- (ii) If the appeal is deemed ineligible, the complainant is informed of the decision and the reasons for ineligibility.
- (iii) If the appeal is deemed eligible, the GRC identifies who and how the complaint should be investigated and addressed, and informs the relevant parties accordingly.
- (iv) The GRC sends a confirmation of eligibility to the complainant with copy to PMU2 ESU for registration. The letter provides information on when a decision will be

made regarding the complaint, and the main agency in charge of addressing the complaint.

F. Stage 6: Assessment and Identification of Action by GRC [max 10 working days]

- (i) If the complaint is eligible, the entity identified under Stage 5 (c) conducts an assessment and gathers information about the appeal to determine how it might be resolved.
- (ii) If outside experts or technical information is needed, the entity identified under Stage 5 (c) may seek such guidance and may request all parties concerned (including the complainant, as relevant) to participate in the grievance redress process.
- (iii) The entity identified under Stage 5 (c), in consultation with PMU2 ESU, drafts a time-bound action plan including responsibilities for plan implementation.
- (iv) The entity identified under Stage 5 (c) submits the assessment letter including time-bound action plan to the complainant. The DGRU/CGRU and PMU2 ESU are copied in the letter.

G. Stage 7: Confirmation by AP, or Second Appeal [max 10 working days]

- (i) The complainant confirms agreement in writing with the Decision and the proposed action plan.
- (ii) The complainant may appeal to the local court in the following cases: (i) no response is provided within the 30 days after acknowledgement of the appeal; (ii) the complainant disagrees with the decision in Stage 6. In fact, at any time in the GRM the AP may appeal to the local court system if they so choose.
- (iii) If the AP is not satisfied with the outcome of the GRM, they may send their grievance directly to ADB's Southeast Asia Department (SERD) through ADB Vietnam Resident Mission. If the AP is not satisfied with the responses of SERD, they can also directly contact the ADB's Office of the Special Project Facilitator.

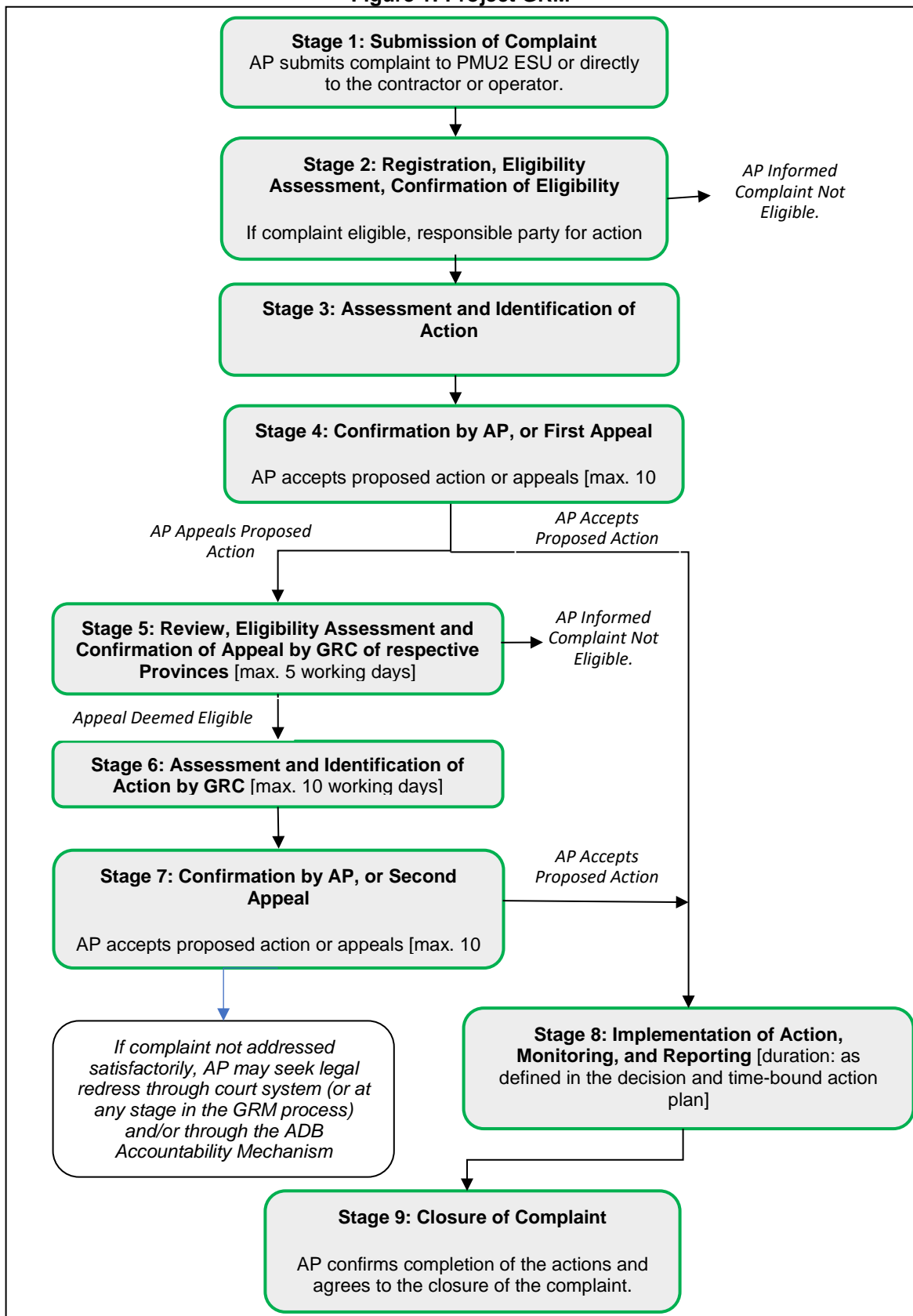
H. Stage 8: Implementation of Action, Monitoring, and Reporting [duration: as defined in the Decision and time-bound action plan]

- (i) Implementation of the Decision and action plan commences, with close collaboration of relevant project stakeholders depending on the type of complaint.
- (ii) PMU2 ESU monitors the implementation of actions and records findings, to be filed through the grievance administration system. As part of the monitoring process, PMU2 ESU consults the relevant project stakeholders, as needed.

I. Stage 9: Closure of Complaint

- (i) When the decision/actions are implemented and when monitoring is completed, PMU2 ESU prepares a final report which is shared with the complainant, DGRU/CGRU and GRC, and filed.
- (ii) The complainant confirms completion of the actions and agrees to the closure of the complaint. The grievance dossier is closed and filed in the project archive.

106. The AP will not have to pay any fee for his/her case (official or unofficial). APs will be encouraged to use the above GRM. However, the GRM does not impede access to the country's judicial or administrative remedies by APs, at any stage, if they so wish.

Figure 1: Project GRM

XI. ANTICORRUPTION POLICY

107. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹⁵ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or 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.¹⁶

108. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project. All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the EAs, as well as all contractors, suppliers, consultants, and other service providers as they relate to the Project. 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.

XII. ACCOUNTABILITY MECHANISM

109. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.¹⁷

XIII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

110. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

¹⁵ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

¹⁶ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

¹⁷ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

PROCUREMENT PLAN

Basic Data

Project Name: Northern Mountain Provinces Transport Connectivity Project	
Project Number: 50098-002	Approval Number:
Country: VIET NAM	Executing Agency: Ministry of Transport
Project Procurement Classification: B	Implementing Agency: Project Management Unit No.2
Procurement Risk: Moderate	
Project Financing Amount: 240.59 million ADB Financing: 188.36 million Government Financing: 52.23 including interest during construction (8.40 million)	Project Closing Date:
Date of First Procurement Plan {loan approval date}:	Date of this Procurement Plan:

A. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and 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	Comments
International Competitive Bidding (ICB) for Works	\$10,000,000	
International Competitive Bidding for Goods	\$5,000,000	
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works	The first NCB is subject to prior review, thereafter post review.
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods	
Shopping for Works	Below \$100,000	
Shopping for Goods	Below \$100,000	

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	Prior review regardless of contract value
Consultants' Qualifications Selection (CQS)	Prior review for 1 st package and financial audit, thereafter post review.

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

2. The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value (\$ million)	Procurement Method	Review [Prior/Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
CW1	NH279 section IC16 – Duong Quy bypass (Km92 -Km111) including Tree replanting	26.96	ICB	Prior	1S1E	Q1/2020	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works
CW2	NH279 section Duong Quy bypass – Khu Co bypass (Km111 - Km157+400)	22.14	ICB	Prior	1S1E	Q1/2020	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works
CW3	NH279 section Khu Co bypass – Trung Dong (Km157+400 - Km166) and NH32 (Km351-Km377+100)	22.51	ICB	Prior	1S1E	Q1/2020	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works
CW4	New bypass Bản Bo - Dong Pao	21.75	ICB	Prior	1S1E	Q1/2020	
CW5	NH32 section Trung Dong - Ban Bo (Km377+100-Km398) & PR136 section San Thang - Dong Pao (Km0 - Km20)	25.23	ICB	Prior	1S1E	Q1/2020	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works
CW6	PR175 section IC14 – An Luong bypass (Km0 – Km33) including Tree Replanting	27.04	ICB	Prior	1S1E	Q1/2020	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works
CW7-	PR175 section An Luong bypass – Mau A (Km33 – Km56)	22.18	ICB	Prior	1S1E	Q1/2020	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Large Works

Note: No. of contract packages and package size are tentative and will be further revised if necessary.

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

3. The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value (\$ million)	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
CS1	Detail Design Review & Procurement Assistance and Construction Supervision	8.31	QCBS	Prior	Q3/2019	Full Technical Proposal	Assignment: International Quality-Cost Ratio: 80:20
CS2	External Financial Audit	0.20	CQS	Prior	Q2/2019	Bio Data Technical Proposal	Assignment: National

Note: No. of contract packages and package size are tentative and will be further revised if necessary.

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

4. The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value (\$ million)	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments

B. Indicative List of Packages Required Under the Project

5. The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works								
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Comments	

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments

C. List of Awarded and Ongoing, and Completed Contracts

6. The following tables list the awarded and on-going contracts and completed contracts.

1. Awarded and Ongoing Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments

Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments

2. Completed Contracts

Goods and Works								
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

Consulting Services								
Package Number	General Description	Estimated Value	Contract Value	Recruitment Method	Advertisement Date (quarter/ year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

D. Non-ADB Financing

7. The following table lists goods, works and consulting services contracts over the life of the project, financed by Non-ADB sources.

Goods and Works				
General Description	Estimated Value (cumulative)	Estimated Number Contracts	of Procurement Method	Comments

Consulting Services					
General Description	Estimated Value (cumulative)	Estimated Number Contracts	of	Recruitment Method	Comments
Environmental Monitoring	0.10	1		Government procedure	Government funded
Social Monitoring & EMD	0.20	1		Government procedure	Government funded
Detail Design & Bidding document preparation	TBD	1		QCBS	DFAT funded
Environmental Monitoring	0.09	1		Government procedure	Government funded
Social Monitoring & EMD	0.18	1		Government procedure	Government funded
Other Consultants	2.70			Government procedure	Government funded
HIV/Human Trafficking and Traffic Safety Awareness	0.80	1		CQS	DFAT funded

E. National Competitive Bidding

1. General

8. The procedures to be followed for the procurement of goods, non-consulting services, and works under contracts awarded on the basis of National Competitive Bidding shall be those set forth in: (a) Law on Procurement No. 43/2013/QH13 dated November 26, 2013 ("Law on Procurement") and (b) Decree No. 63/2014/ND-CP dated June 26, 2014 (collectively, "National Procurement Laws"). Whenever any procedure in the National Procurement Laws is inconsistent with the ADB Procurement Guidelines (April 2015, as amended from time to time), the ADB Procurement Guidelines shall prevail, amongst others on the following.

2. Eligibility

- (i) The eligibility of bidders shall be as defined under Section I of the ADB Procurement Guidelines; accordingly, no bidder or potential bidder should be declared ineligible for reasons other than those provided in section I of the ADB Procurement Guidelines, as amended from time to time. Conditions of bidders' participation shall be limited to those that are essential to ensure bidders' capability to fulfill the contract in question. Foreign bidders shall be eligible to participate under the same conditions as national bidders. Foreign bidders shall not be asked or required to form joint ventures with, or be subcontractors to, national bidders in order to submit a bid.
- (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 bidder shall not have a conflict of interest, which term shall be defined in accordance with section 1 of ADB Procurement Guidelines.¹ Any bidder found to have a conflict of interest shall be ineligible for contract award.
- (iv) Government-owned enterprises in the Borrower's country shall be eligible to participate as a bidder only if they can establish that they are legally and financially autonomous, operate under commercial law and are not dependent agencies of the Borrower or Sub-Borrower.
- (v) National sanction lists may only be applied with approval of ADB².

3. Preferences

9. No preference of any kind shall be given to domestic bidders over foreign bidders or for domestically manufactured goods over foreign manufactured goods. Unless otherwise stated in the applicable financing agreement, preferences among domestic bidders set forth in Article 14(3) of the Law on Procurement shall not be applied.

4. Bidding Procedure

10. Single stage-single envelope shall be the default bidding procedure and application of other bidding procedures shall require ADB's prior approval.

5. Time for Bid Preparation

11. The time allowed for the preparation and submission of bids for large and/or complex packages shall not be less than thirty (30) days from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later.

6. Standard bidding documents

12. The harmonized standard bidding documents of goods and works for the ADB/WB funded projects shall be used. Bidders shall be allowed to submit bids by hand or by mail/ courier.

7. Bid Opening and Evaluation

- (i) Bids shall be opened in public, immediately after the deadline for submission of bids, regardless of the number of bids received.
- (ii) Except with the prior approval of ADB, merit points shall not be used in bid evaluation.

¹ Detailed guidance on how to apply conflict of interest test is available under section 1 of ADB's standard bidding documents for goods and works (as amended from time to time).

² For fraud and corruption cases, Section 50 of ADB's Integrity Principles and Guidelines provides that ADB may decide that another international financial institution's or legal or regulatory body's determination that a party has failed to adhere to appropriate ethical standards, as defined by any established system of principles, rules, or duties, including the laws or regulations of a state, constitutes that party's failure to maintain the highest ethical standards as required by ADB's Anticorruption Policy. The party may be subject to remedial action in accordance with the Integrity Principles and Guidelines. <http://www.adb.org/sites/default/files/integrity-principles-guidelines.pdf>

- (iii) No price adjustments shall be made for evaluation purposes in accordance with Article 117(6) of Decree 63 when unit rates offered by the bidder are determined to be abnormally low.
- (iv) Bidders shall be given commercially reasonable time period to respond to clarification requests.
- (v) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations³.
- (vi) Except with the prior approval of ADB, negotiations contemplated under paragraphs 7 and 8 of Article 117 of Decree No. 63/2014/ND-CP shall not take place with any bidder prior to contract award.
- (vii) 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.

8. Rejection of All Bids and Rebidding

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

9. 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 Gazette, 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, may request an explanation from the Borrower. The Borrower 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 a debriefing.

10. Contract Administration

13. The Contract Agreement, as such term is defined in the relevant bidding document, shall be applied without any modification during implementation except as otherwise agreed by ADB.

³ A 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.

11. Fraud and Corruption

14. A provision shall be included in all bidding documents for NCB works and goods contracts financed by ADB stating that ADB will sanction a party or its related parties, including declaring ineligible, either indefinitely or for a stated period of time, to participate in ADB-financed, administered or supported activities if it at any time determines that the party has, directly or indirectly through an agent, engaged in integrity violations as defined under ADB's Integrity Principles and Guidelines, including corrupt, fraudulent, collusive, or coercive practices in competing for, or in executing, an ADB-financed, administered or supported contract.

12. Right to Inspect/Audit

15. Each bidding document and contract financed by ADB shall include a provision requiring bidders, contractors, agents (whether declared or not), sub-contractors, sub-consultants, service providers, or suppliers and any personnel thereof, to permit ADB to inspect all accounts, records and other documents relating to any prequalification process, bid submission, and contract performance (in the case of award), and to have them audited by auditors appointed by ADB.

TERMS OF REFERENCE FOR CONSTRUCTION SUPERVISION CONSULTANTS

A. Objective

1. The objective of this consulting service is to assist the Implementing Agencies (IA) with the supervision of civil works construction of Northern Mountains Provinces Transport Connectivity Project which will upgrade two road sections a total of 198km that connect the province of Lai Chau and Yen Bai to Noi Bai-Lao Cai Expressway. The first road section comprises part of National Highway (NH) 32 and part of NH 279 linking Bao Ha to Lai Chau, and the second road section is the Provincial Road 175 from Mau A to Nghia Lo.

2. The construction supervision consultant (the Consultants) shall ensure that high quality construction is achieved in the given project implementation period, within budget and that the work is carried out in full compliance with the approved engineering designs, technical specifications within the terms and condition of the contract documents and sound engineering practices.

3. The Consultants will be responsible for (i) construction supervision and contract administration for the proposed project ensuring full compliance with the design drawings, specification and civil works contract documents; (ii) supporting the IA on bid evaluation of civil work contracts for project roads and all contractual matters; (iii) implementation of social and environmental aspects in accordance with the resettlement plans, environmental management plan and ethnic minority development plans;.

B. Scope of Work

4. The services will be carried out in accordance with (i) Vietnam laws and regulations and (ii) ADB's policies and guidelines stipulated in the loan agreement including the approved environmental impact assessment (EIA), land acquisition and resettlement plan (LARP) and ethnic minority development plan (EMDP). PMU-2 will be the Employer represented by the Project Director, based in Hanoi. The Consultants will act as the "Engineer" for the contracts and assist PMU-2 to supervise the execution and implementation of all works in accordance with the conditions of contract. The Consultants shall nominate a Senior Highway Engineer (international) to act as the Team Leader/Engineer's Representative.

5. Under the overall guidance of the Project Director (ADB), the Engineer shall work closely with the PMU-2 Project Manager and his staff. As the Engineer's representative, the Consultants' Senior Highway Engineer/Team Leader will administer the civil works contract and ensure that the works are executed in accordance with its specifications. The Consultants will have all the powers which are defined as being the Engineer under civil works contracts; however, the Consultants shall seek and obtain the Employers specific approval prior to undertaking the following:

- (i) Issuing the order to commence the works;
- (ii) Issuing variation orders which have financial implications or significant in quantities;
- (iii) Revising the Time for Completion of the Works;
- (iv) Approving any subcontracting of any part of the works; and
- (v) Fixing rates or prices.

1. Construction Supervision

6. The Consultants' responsibilities will include, but not necessarily be limited to, the following:

- (i) Approve contractor's quality management plan, work program, method statements, material sources, manpower and equipment deployment etc.;
- (ii) Ensure at all times the Contractor works in strict compliance with the Contractor's quality management plan, work plan, and contract specification, including instruction issued as per contract and non-compliance notification;
- (iii) Provide all necessary setting out data to the civil work contractors and ensuring correctness of the setting out at field;
- (iv) Prepare supervision manual for supervision staff;
- (v) Carryout and recommend necessary adjustments in the design/drawing required during construction due to site requirement;
- (vi) Inspect and supervise the day-to-day operations and activities of the contractor to ensure quality of workmanship and compliance with the contract;
- (vii) Review the Contractor's organizational arrangements, key personnel and work plan, materials and their sources;
- (viii) Monitor progress of works against baseline work plan and advise on measures to be taken to improve progress and quality;
- (ix) Convene regular site meetings with the contractor to discuss issues and problems affecting the progress, keep minutes and brief the employer accordingly;
- (x) In the event of variations to the works being required, prepare the necessary documents, negotiate these with contractor, determination of rates of works, advise the Employer on alternatives and recommend these to employer for approval;
- (xi) Supervise the Contractor's in all matters concerning safety and care of civil works including provision of necessary lights, guardrails, fencing and security;
- (xii) Prepare and issue monthly and quarterly progress reports for the contracts and projects in the form acceptable to employer. These reports will include details of the physical and financial status of the contract/project, details of delays and consequences' if any, comments and solution on the quality of works in accordance with the contract. These reports shall also include updated status of all imported items in each contract. The report shall include items imported, items used and items remaining;
- (xiii) Approve and/or issue working drawings and issuing instructions to the contractor as required in accordance with the contract specification and Contractor's quality management plan;
- (xiv) Measure the completed works and keep detailed records of the measurement;
- (xv) Supervise the tests in field and in laboratory, analyze and justify the results;
- (xvi) Undertake independent field and laboratory testing as may be required to verify;
- (xvii) Prepare the non-conformity reports and propose the rectification work or solution;
- (xviii) Maintain records, correspondence, detailed diaries, photographs and other documents concerning relevant events and activities;
- (xix) Approve interim certificates for progress payments and verify the quantities for such certificates and recommend for payment to the Employer;
- (xx) Assess and make recommendations to the employer on the Contractors claims for additional payment, extension of time and any other matters, based on the Engineers interpretation of the contract as per Contractors detailed submissions;

- (xxi) Assist the Employer's Representative with the maintenance of consolidated project accounts, and with preparation of financial statements and withdrawal applications for submission to the ADB;
- (xxii) Certify completion of part or all of the works and issue the Taking Over Certificate;
- (xxiii) Inspect the works at appropriate intervals during the defects liability period;
- (xxiv) Advise the Employer's Representative on all matters relating to the execution of the works; and assess and recommend the Representative with processing the contractor's possible claims and disputes;
- (xxv) Ensure compliance with the environmental and social impact mitigation requirements of civil works contracts, including environmental management plan and land acquisition and resettlement action plan, monitoring the process of resettlement of people affected by the works, and provide information to ADB on those processes in the monthly progress reports;
- (xxvi) At the completion of the works, undertake project monitoring and evaluation in the format acceptable by the Employer and the ADB and assist in preparing a consolidated Project Completion Report in a current format to be provided by the ADB;
- (xxvii) Check and certify as-built drawings for the works prepared by the contractors;
- (xxviii) Carry out final inspections of the works Defect Liability Certificates;
- (xxix) Approve the final accounts for contracts and recommend for payments;
- (xxx) Provide the Employer with complete records, and inception, monthly and completion reports;
- (xxxi) Recommend and report to the employer regarding any appeal to Dispute Resolution Board, Adjudication, Arbitration or litigation related to the works;
- (xxxii) Provide any other specialized services as may be requested by employer;
- (xxxiii) Assist the Employer to provide on-site training where required MOT and PMU-2 field staff on quality assurance and contract administration; and
- (xxxiv) Comply with the audit requirements of the Government.

2. Social and Environmental Aspects

7. The Consultants' responsibilities will include, but not necessarily be limited to, the following:

a. Gender and Child Labor

- (i) Prepare and conduct campaigns for awareness of child labor, and training for gender sensitization at the project influenced areas.
- (ii) Provide gender sensitization trainings to EA and NGOs with a particular focus on the issues of the transport sector and develop gender responsive indicators for tracking progress.
- (iii) Conduct a workshop to EAs for feedback and finalization; determine appropriate IEC packages for transport operators, construction workers, female sex workers, tea stall operators, women, schoolchildren, mobile populations, etc. and ensure timely dissemination; reproduction; undertake child labor interventions that address gender concerns.
- (iv) Submit quarterly review reports to PMU-2 and determine whether the goals/indicators have been achieved.

b. Land Acquisition and Resettlement

8. The Consultants will assist the IAs in implementing resettlement plans (RPs) and other social mitigation plans of project roads. The Consultants will:

- (i) Assist the IAs on land acquisition;
- (ii) Develop resettlement and rehabilitation (R&R) information campaigns and community participation;
- (iii) Assist the Project Affected Persons (PAPs), especially from indigenous people, vulnerable groups, in resettlement and rehabilitation, including redressing grievances, and coordination with local authorities and other relevant institutions;
- (iv) Calculate detailed costs of all land acquisition, income restoration and resettlement components.
- (v) Update the database of PAPs and their entitlements for implementation and monitoring purposes.
- (vi) Monitor and evaluate progress and achievement of resettlement objectives.

9. The administrative responsibilities of the Consultants will include:

- (i) Working in co-ordination with PMU-2 Project Manager and local authorities.
- (ii) The Consultants shall help promote good working relationships between the PAPs and the PMU-2 Project Manager. This will be achieved through regular meetings with both the IAs and the PAPs. Meetings with the RO will be held at least fortnightly, and meetings with the PAPs will be held monthly, during the entire duration of the assignment. All meetings and decisions taken shall be documented by the Consultants.
- (iii) Preparing monthly action plans with targets in consultation with the IAs.
- (iv) Assisting the IAs in carrying out the implementation of the RPs.
- (v) Updating the database of PAPs and their entitlements.
- (vi) In consultation with the PAPs, preparing micro-level plans indicating the categories of entitlement, alternative livelihood options, and relevant institutions for obtaining additional training and support. Women's perceptions are important to be incorporated in the development of these plans.
- (vii) Reporting to the IAs on a monthly and quarterly basis. The report should include physical and financial progress, both in quantitative and qualitative terms. The report should prominently feature the problems and issues addressed and tackled with the PAPs and the solutions found. The report should have a separate chapter on women's issues, their problems and what has been done (within the framework of the RP) to ensure their participation in decision-making as well as the options made available to them to access economic opportunities, marketing and credit. The report should clearly indicate the number of field visits made by the Consultants' staff and the outcome of consultations with people.

10. Identification of PAPs and verification of database from RPs:

- (i) The Consultants shall establish rapport with PAPs, consult with and provide information to them about the respective entitlements as proposed under the RPs, and distribute identity cards to the eligible PAPs. The identity card should include a photograph of the PAP, the extent of loss suffered due to the Project, and the choice of the PAP with regard to the mode of compensation and assistance.

- (ii) During the identification and verification of the eligible PAPs from RPs, the Consultants shall ensure that each of the PAPs are contacted and consulted either in groups or individually. The Consultants shall ensure consultation with women from the PAP families especially from women headed households.
- (iii) Participatory methods should be adopted in assessing the needs of the PAPs, especially with regard to the vulnerable groups of PAPs. The methods of contact may include village level meetings, gender participation through group's interactions, and individual meetings and interactions.
- (iv) The Consultants shall verify the information already contained in the RPs and make suitable changes if required. Verification shall include actual measurement of the extent of total property loss/damage, and valuation of the loss/damage/affect along with the IAs. The Consultants shall display the list of eligible PAPs in prominent public places like villages, local administrative offices, schools, and the District Headquarters.
- (v) Assessing the eligibility¹ for any land donation activity proposed in any of project activity.

11. Counseling the entitled persons:

- (i) The Consultants shall explain to the PAPs the provisions of the policy and the entitlements under the RP. This shall include communication to the roadside squatters and encroachers about the need for their removal, the timeframe for their removal and their entitlements.
- (ii) The Consultants shall disseminate information to the PAPs on the possible consequences of the Project on the communities' livelihood systems and the alternatives available to them.

12. For disbursing the resettlement assistance:

- (i) The resettlement costs will be financed from the Government fund, not the ADB loan.
- (ii) The Consultants shall assist the IAs in ensuring a smooth transition (during the part or full relocation of the PAPs), helping the PAPs to take salvaged materials and shift. In close consultation with the PAPs, the Consultants shall inform the RO about the shifting dates agreed with the PAPs in writing and the arrangements desired by the PAPs with respect to their entitlements.
- (iii) The Consultants shall assist the PAPs in opening bank accounts explaining the implications, the rules and the obligations of a joint account and how s/he can access the resources s/he is entitled to.
- (iv) The Consultants shall ensure proper utilization of the R&R budget available for the package.
- (v) The Consultant shall ensure that economic investment options be available to PAPs to restore their losses of land and other productive assets. The Consultant shall advise the PMU-2 Project Manager to disburse the entitlements to the eligible persons/families in a transparent manner and shall report to the PMU-2 Project Manager on the level of transparency achieved in the project.

¹ Basic principles of eligibility for land donations are: (i) the donated land less than 10% of the total landholding in the project areas; (ii) the land donor is not coming from the poor, vulnerable families; (iii); the value of donated land is known/ acknowledged by the donor; and (iv) the donation is voluntary, not by coercion or request from the government authority. Third independent party is available to validate that the land donation is meeting the above-mentioned criteria.

13. Accompanying and representing the PAPs at the Grievance Committee Meetings

- (i) The Consultants shall nominate a suitable staff member to be a member of the Grievance Redress Committees (GRCs) for the respective contract packages.
- (ii) The Consultants shall help the PAPs in filling the grievance application and also in clearing their doubts about the required procedures.
- (iii) The Consultants shall record the grievance and bring it to the notice of the GRCs within seven days of receipt of the grievance from the PAPs. It shall submit a draft resolution with respect to the particular grievance of the PAP, suggesting multiple solutions, if possible, and deliberate on the same in the GRC meeting through the Consultants representative in the GRC.
- (iv) The Consultants shall accompany the PAPs to the GRC meeting on the decided date, help the AP to express his/her grievance in a formal manner if requested by the GRC and again inform the PAPs of the decisions taken by the GRC within 3 days of receiving a decision from the GRC. (The time frame for the GRC to take a decision is 15 days).

14. Assisting eligible PAPs to take advantage of the existing Government Housing and Employment Schemes, if available.

- (i) Establish linkages with the district administration to ensure that the PAPs are benefited from the schemes available and those they are entitled to. The focus for this component of the Consultants work shall be the vulnerable PAPs for their income restoration. The Consultants shall maintain a detailed record of such facilitation.
- (ii) Identify, design and conduct training programs on alternative methods of livelihood restoration using local skills and resources.

15. Inter-agency linkages for income restoration and other R&R services

- (i) The Consultants shall be responsible for establishing linkages with financial institutions to assist the PAPs to access credit, if possible.
- (ii) Training institutes to impart skills and management training for enterprise creation and development.
- (iii) Coordinate with the PMU-2 Project office to facilitate consultation on rehabilitation of borrow areas.

16. Recommending improvement of R&R services

- (i) Recommend and suggest techniques and methods for improvement of services extended by the concerned government departments and other agencies and committees in disbursement/extension of R&R services in the Project.
- (ii) Discuss, with the PMU-2 Project Manager on contingency management and other improvement of R&R services, within the Project period.

c. Environmental Management

- (i) The Consultants will ensure and monitor that the Governments and ADBs safeguard policies on Environment are adequately complied at construction sites;
- (ii) Undertake monitoring the implementation of EMP during construction period;

- (iii) In case of unexpected environmental impacts during project implementation period, prepare remedial actions to handle such impacts;
- (iv) Prepare a reporting system on implementation of EMP and preparing semi-annual report on implementation to ADB and PMU-2.

d. Project Performance Monitoring System

17. The Consultants will develop and implement PPMS during entire period of assignment. The Consultants will collect and analyze a set of indicators for evaluating project performance against the set project impact, outcome and outputs. A systematic baseline survey will be conducted at the beginning of the project implementation and follow-up surveys at project completion, and one year after completion. Data collected during and after implementation will be compared with the baseline data and the target values shall be established by the Employer and ADB before the start. The main indicators to be monitored include; (i) economic development and poverty indicators at each of the project districts, (ii) transport costs and time for specific types of vehicles and trips, (iii) transport services and charges, (iv) accident rates, (v) air quality, (vi) per capita income in the project districts, (vii) access to social services, and (viii) jobs created during the construction and maintenances. Where relevant, indicators will be differentiated by gender and minority groups.

18. The data collection method shall consist of;

- (i) reviewing secondary data from respective district and village profiles;
- (ii) conducting household socioeconomic sample surveys; and
- (iii) developing participatory rural appraisal methods among the communities affected by the road construction/upgrading activities.

e. Road Safety Improvement

19. The Consultants' responsibilities will include, but not necessarily be limited to, the following;

i. Public Awareness Campaign

- (i) Review public awareness campaign on road safety; and assist PMU-2 in conducting the awareness program.
- (ii) Develop plan and manual to conduct awareness in co-ordination with the Employer;
- (iii) Arrange workshop in PMU-2 on the awareness program

ii. Overloading Mitigation

- (i) Identify appropriate locations for weighbridges;
- (ii) Prepare a report of axle load analysis with MOT and PMU-2 staff.

C. Consultants' Personnel

20. The consulting services shall be carried out by an international consulting firm in association with national. The firms will have extensive experience in the supervision of road and bridge works and will nominate personnel who have similar experience. The Consultants should have experience in the fields of transport planning, highway, bridge, survey, slope protection,

bioengineering, hydrology, material study, economic evaluation, contract management, construction supervision, resettlement, environmental management and social development.

21. It is anticipated that the Consultants' organization will be as set out in Staffing Input, although in preparing their proposals the Consultants may propose alternative arrangements which in their opinion, will provide supervision services of an equivalent quality.

22. About 119 person-months of international experts in association with about 874 person-months of national experts and 804 person-months of support staffs will be required to carry out construction supervision services. The consulting services are expected to be completed over a period of 50 months. The person-month required for assignment is as follows;

Required Expertise	Inputs, Person-month (p-m)
a. International Experts	
1 Team Leader/ Chief Resident Engineer TL/CRE (1)	42 p-m
2 Senior Highway/Pavement Engineer (1)	20 p-m
3 Senior Bridge/Structure Engineer (1)	15 p-m
4 Senior Geotechnical/Material Engineer (1)	10 p-m
5 Senior Contract Specialist (1)	10 p-m
6 Senior Environment Specialist (1)	6 p-m
7 Senior Social Development Specialist (1)	10 p-m
8 Senior Road Safety Specialist (1)	6 p-m
Total Person-months (International)	119 p-m
b. National Experts	
1 Deputy Team Leader/ Senior Resident Engineer (1)	42 p-m
2 Resident Engineer (7)	252 p-m (7x36)
3 Bridge/Structure Engineer (3)	60 p-m (3x20)
4 Geotechnical/Material Engineer (3)	54 p-m (3x18)
5 Quantity Engineer (3)	108 p-m (3x36)
6 Environment Specialist (1)	36 p-m
7 Social Development/ Resettlement Specialist (1)	36 p-m
8 Road Safety Engineer (1)	10 p-m
9 Gender specialist (1)	6 p-m
10 Construction Safety Specialist (1)	20 p-m
11 Inspectors (7)	252 p-m (7x36)
12 Surveyors (4)	24 p-m (4x6)
Total Person-months (National)	874 p-m
c. Office Supporting Staff:	
Office Manager, CAD Operator, IT Support, Secretary, Translator, Logistic Support, etc.	804 p-m
Total Person-months (Support Staff)	804 p-m

D. Tentative Schedule

23. The Consultants shall adopt the following key milestones during implementation;

Key Activities	Approximate Timing
Procurement of Civil works Contracts	8 months (to be confirmed)
Construction Supervision	50 months
Defect Liability Period	12 months

E. Reports

24. All original drawing, work sheets, field notes, computer program, reports, and other documents relating to the study shall become the property of the Department of Roads.

1. Inception Report

25. The Consultants shall submit Inception Report (6 copies to PMU-2 and 2 copies to ADB) within one month of the commencement of services. The Report will include the Consultants' detailed work program (including methodology and details of special investigation proposed and any revision needed in the original proposal and the design criteria).

26. During the construction stage, the Consultants shall submit the following:

2. Progress Reports

27. The Consultants shall submit progress reports every month and detailed reports every fourth months on the progress of work (6 copies to PMU-2 and 3 copies to ADB). Monthly reports shall be submitted within tenth day of successive month and trimester report within 10th day of the next month after the end of the trimester. The first report will be submitted on the 10th day of the month following the submission of the Inception Report. The reports will summarize the work performed during the reporting period, identifying the causes of significant delays and indication the corrective actions taken or recommended.

28. Monthly reports, and other reports as applicable, are to include schedules of contract payments and variation order, graphical representations of progress against program, based on the approved contract schedules, charts of physical progress on major items, relevant photographs and details of impediments to the works and proposals for overcoming those problems and also list of imported items, its utilization and use.

3. As Built Drawings

29. The Consultants will approve the as-built drawings submitted by the civil work contractors and transmit item to the Government one set of as built drawings for all civil works in digital form (CD Rom in AutoCAD compatible files) and six hard copies thereof within time limit specified in the work contract.

4. Project Completion Report

30. Upon completion of the project, the Consultants shall submit 10 copies of project completion report to the Government and 5 copies to ADB.

F. Facilities and Equipment

1. To be Provided by the Consultants

31. During bidding period, and prior to the commencement of the civil works, and during the defect liability periods, the Consultants will provide for the facilities and requirements for themselves. These will include support staff and office facilities in Hanoi, office equipment and supplies, vehicles, and communications. The Consultants will set out these requirements in the technical proposal and provide estimated costs in the financial proposal.

2. To be Provided through the Civil Works Contract

32. During supervision of construction; the following items will be provided to the Consultants through the civil works contracts: (i) office, residential accommodation, for team Leader and CRE TL/CRE, furnishings, maintenance and facilities in Project site; (ii) vehicles, drivers, fuel, and vehicle maintenance; and (iii) equipment, consumables and unskilled labor needed for surveys and quality control including laboratory testing. The contracts will include appropriate provisional sums for these purposes. However, the Consultants will list in the technical proposal, and include in the financial proposal, all facilities and equipment, and support staff that it considers necessary to carry out the services. After review and negotiation, the agreed items will be procured and/or provided against provisional sums.

3. To be Provided by the Government

33. The Government will provide the Consultants with all available studies and reports and the relevant to the services including feasibility study reports, ADB appraisal report, and results of previous vehicular traffic count and maps of the area as available at their disposal. Any other studies or report need to be provided at the expense of Consultants themselves.

34. The Governments will (i) permit temporary importation into Vietnam for the duration of the projects and subsequent exportation of equipment and materials, required but not available in the country for the proposed execution of the services and of the personal effects of the Consultants' personnel, such items shall be exempted from levy of import duties or taxes as per prevailing rules and regulations of Government of Vietnam and (ii) obtain visas and work permits for Consultants' foreign staff.

G. Qualifications Requirements of Key Experts

1. International Experts

Team Leader/Chief Resident Engineer	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil Engineering or relevant field • Masters in Transport Engineering/Highway Engineering Construction Management
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 20 years • 15 years in Road Works • 5 years of experience as a Team Leader and minimum experience in 2 projects of size approximately US \$ 50 million. • Experience in FIDIC contracts is preferable
iii. Language	
Communicate fluently in English Language	
Senior Highway/Pavement Engineer	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil Engineering or relevant field • Masters in Transport Engineering/Highway Engineering

ii. Experience	
<ul style="list-style-type: none"> Professional Experience Experience in Related Field Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> 15 years 10 years in Road Works 5 years of experience in design/design review of highways and pavement
iii. Language	Communicate fluently in English Language
Senior Bridge/Structure Engineer	
i. Education	
<ul style="list-style-type: none"> Minimum Preferable 	<ul style="list-style-type: none"> Graduate in Civil Engineering or relevant field Masters in Transport Engineering/Highway Engineering Construction Management
ii. Experience	
<ul style="list-style-type: none"> Professional Experience Experience in Related Field Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> 15 years 10 years in Road Works 5 years of experience in bridge/structure design
iii. Language	Communicate fluently in English Language
Senior Geotechnical/Material Engineer	
i. Education	
<ul style="list-style-type: none"> Minimum Preferable 	<ul style="list-style-type: none"> Graduate in Civil Engineering or relevant field Masters in Geotechnical Engineering
ii. Experience	
<ul style="list-style-type: none"> Professional Experience Experience in Related Field Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> 20 years 12 years in Road Works 10 years of experience in foundation/geotechnical engineering design
iii. Language	Communicate fluently in English Language
Senior Contract Specialist	
i. Education	
<ul style="list-style-type: none"> Minimum Preferable 	<ul style="list-style-type: none"> Graduate in Civil Engineering or relevant field Masters Construction Management or Laws
ii. Experience	
<ul style="list-style-type: none"> Professional Experience Experience in Related Field Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> 20 years 10 years in road/infrastructure projects 7 years as contract specialist Experience in FIDIC contracts is essential

iii. Language	Communicate fluently in English Language
Senior Environment Specialist	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Environmental/Civil Engineering or relevant field • Masters in Transport Engineering/Highway Engineering Construction Management
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 15 years • 7 years in Road Works • 10 years of experience as an environment specialist/environmentalist
iii. Language	Communicate fluently in English Language
Senior Social Development Specialist	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in social science or relevant field • Masters in social development/social science
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 15 years • 10 years in Road Works • 10 years of experience as a social development/resettlement specialist
iii. Language	Communicate fluently in English Language
Senior Road Safety Specialist	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil Engineering or relevant field • Masters in Highway Engineering
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 15 years • 12 years in Road Works • 7 years of experience as a road safety/traffic management specialist • Experience in road safety/traffic management design is advantageous
iii. Language	Communicate fluently in English Language

2. National Experts

Deputy Team Leader/Senior Resident Engineer	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil Engineering or relevant field • Masters in Transport/Highway Engineering or Construction Management
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 15 years • 10 years of experience in Road Works • 7 years of experience as a Resident Engineer or 10 Years as ARE in road projects. • Experience in FIDIC contract is preferable
iii. Language	Communicate fluently in English Language
Resident Engineer	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil Engineering or relevant field • Masters in Transport Engineering/Highway Engineering/ Construction Management
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 12 years • 8 years of experience in Road Works • 3 years of experience as a Resident Engineer or 8 Years as project engineer
iii. Language	Communicate fluently in English Language
Bridge/Structure Engineer	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil Engineering or relevant field • Masters in structure/bridge engineering
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 12 years • 8 years in Road Works • 7 years of experience as a bridge/structure engineer • Experience in design/design review of bridge/structure is advantageous
iii. Language	Communicate fluently in English Language

Geotechnical/Material Engineer	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil Engineering/Engineering, Geology or relevant field • Masters in Geotechnical Engineering
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 12 years • 8 years of experience in Road Works • 5 years of experience as a Pavement/Material/Geotechnical Engineer • Experience in design/design review of foundation/geotechnical is advantageous
iii. Language	
Communicate fluently in English Language	
Quantity Engineer	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil Engineering or relevant field • Masters in Transport Engineering/Highway Engineering Contract Management
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 12 years • 7 years of experience in road works • 5 years of experience in road as quantity surveyor
iii. Language	
Communicate fluently in English Language	
Environment Specialist	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Environmental/Civil Engineering • Masters in Environment Engineering/ Environmental Science
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 12 years • 5 years of experience in Road Works • 5 years of experience as Environment Specialist.

iii. Language	Communicate fluently in English Language
Social Development/Resettlement Specialist	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Social Science • Masters in Social Science
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 10 years • 5 years in road projects • 5 years of experience as Social Development Specialist/Resettlement Specialist.
iii. Language	Communicate fluently in English Language
Road Safety Engineer	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Civil/Transport Engineering • Masters in Highway/Traffic Engineering
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 10 years • 8 years in Road Works • 5 years of experience of as road safety/traffic management Specialist.
iii. Language	Communicate fluently in English Language
Gender Specialist	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Social Science • Masters in Social Science
ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 10 years • 5 years in infrastructure development projects • 5 years of work experience in gender empowerment/development aspect.
iii. Language	Communicate fluently in English Language
Construction Safety Specialist	
i. Education	
<ul style="list-style-type: none"> • Minimum • Preferable 	<ul style="list-style-type: none"> • Graduate in Environmental Health & Safety or related field • Certified Safety Professional, Associate Safety Professional, or similar safety accreditation

ii. Experience	
<ul style="list-style-type: none"> • Professional Experience • Experience in Related Field • Experience in the Proposed Field of Expertise 	<ul style="list-style-type: none"> • 10 years • 8 years in Road Works • 5 years of experience as Construction Safety Specialist.
iii. Language	Communicate fluently in English Language

TERMS OF REFERENCE

EXTERNAL MONITORING CONSULTANT (ENVIRONMENT SAFEGUARDS)

A. Background

1. The objective of this consulting service is to assist the Implementing Agencies (IA) on the implementation of Northern Mountains Provinces Transport Connectivity Project (the project) which will upgrade two road sections, a total of 198 km, which connect the provinces of Lao Cai, Lai Chau and Yen Bai to Noi Bai-Lao Cai Expressway in Northern Vietnam. The first road section comprises part of National Highway (NH) 32 and part of NH 279 linking Bao Ha to Lai Chau, and the second road section is the Provincial Road 175 from Mau A to Nghia Lo. The project executing agency is the Ministry of Transport (MOT). The Project Management Unit 2 (PMU2) is responsible for the overall management during project implementation and works with the relevant ministries, departments, local authorities and ADB.

2. The project is classified as category A for environmental safeguards under ADB's Safeguard Policy Statement (2009). An environmental impact assessment (EIA) including environmental management plan (EMP) was completed in May 2018, based on the findings of the domestic assessment that was approved by the Viet Nam Ministry of Natural Resources and Environment (MONRE) in 2018. The EIA and EMP cover the following project phases: pre-construction, construction and operation. The EMP specifies mitigation measures, monitoring requirements, training and capacity building requirements, cost estimates, reporting requirements and implementation responsibilities.

3. The EIA identified several potentially significant environmental impacts related to the design, upgrade and operation of the project roads, and proposed mitigation measures. 23.2 ha of forest are anticipated to be affected, including 20.2 ha of production forest, 2.0 ha of protection forest, and 1.0 ha of special-use forest. Special-use forest likely to be affected is located within the boundaries of the Ecological Restoration Subzone (ERS) of the Hoang Lien Van Ban Nature Reserve. Protection Forest is located at various sections of NH32, NH279 and PR175, but primarily on the West side of the Khau Co Pass. The exact impact will need to be fully offset through compensation replanting in compliance with Circular 23/2017/TT0-BNNPTNT "Provisions on Replacement Afforestation upon Conversion of Forest Use Purpose to Other Purposes" and the new Forestry Law, to become effective on 1 January 2019.

4. Given the sensitive environmental issues under the project, especially those related to possible impacts on the Hoang Lien Van Ban Nature Reserve, close guidance and stringent monitoring will be necessary to ensure environmental mitigation and enhancement measures are implemented in an effective manner in accordance with the approved EIA and EMP.

5. As required by ADB's Safeguard Policy Statement (2009) for category A projects, the implementation of the EMP must be verified by an independent external monitoring consultant (CONSULTANT), to be contracted by the PMU2.

B. OBJECTIVES

6. The objectives of the assignment are:

- (i) To conduct third party monitoring of implementation of environment safeguard requirements under the Project and check compliance with the EIA, EMP, and SPS.

- (ii) To verify accuracy, breadth, depth and relevance of information that is provided by MOT/PMU2 to ADB concerning implementation of EMP.
- (iii) To determine whether EMP's terms (monitoring, mitigation, supervision, reports, etc.) have been done right and in compliance with the Project Administration Manual and the project EMP.
- (iv) To identify non-compliances with EMP requirements and propose corrective actions to be implemented by contractors, the CSC and the PMU2.

C. SPECIFIC TASKS

7. The external monitoring process shall be performed by reviews of environmental monitoring reports, site visits and interviews with affected households, local authorities and other stakeholders. These activities are as follows.

1. Desk Review and Interview

8. Through desk review and interviews with the PMU2, construction supervision consultant (CSC) and the civil works contractors, the consultant shall review the environmental records and documents prepared by them.

9. **CSC.** The consultant shall review the CSC's compliance with their TOR, including activities carried out and the records and documents created / updated / maintained by the CSC Team. The focus of the independent evaluation should be on the following aspects:

- (i) Review mobilization and qualifications of environment and safety personnel of the CSC and confirm compliance with the CSC contract.
- (ii) Seek written confirmation from the CSC that there have been no major omissions of mitigation measures during the reporting period, or that corrective actions have been taken.
- (iii) Review checklist developed by the CSC for use during construction supervision and assess if this checklist is applied and recorded.
- (iv) Assess and confirm if a log-book is kept by the CSC to document site inspections, observed non-compliances and the actions triggered to address non-compliances.
- (v) Assess EMP trainings conducted by the CSC during the reporting period, confirm if trainings were conducted in accordance with the training plan, and confirm that records on the training program for Contractors, PMU2 staff, and workers are kept and documented.
- (vi) Assess the CSC's performance and compliance with the EMP in terms of day-to-day EMP supervision, based on the following criteria:
 - Frequency and scope of regular site inspections;
 - CSC's review and response mechanism of contractors' EMP implementation; CSC's system to issue, record and track notices to correct.
 - CSC's review and response mechanism for environmental acceptability of the construction methodology (both temporary and permanent works), relevant design plans and submissions, if applicable.
 - CSC's environmental effect monitoring program and its implementation in the reporting period as compared to the monitoring program approved in the EMP.

- CSC's communication and public consultation program and activities in the reporting period.
- CSC's supervision and monitoring of contractors' management and recording of construction-related public concerns and complaints.

10. **Civil Works Contractors.** The consultant shall review the Contractors' environment, health and safety management system, the activities carried out and the records and documents created / updated / maintained by the Works Contractors, including:

- (i) Environment, health and safety staff allocation and qualifications of contractors.
- (ii) Contractors' environmental management system, including responsibilities, frequency and type of environmental management supervision and reporting.
- (iii) Trainings (type and frequency) conducted on environment, health and safety for the contractor's workers.
- (iv) Site surveillance methodology and frequency to investigate site practice, equipment and work methodologies with respect to pollution control and adequacy of environmental mitigation implemented;
- (v) Record of environmental incidents, construction safety breaches.
- (vi) Contractors' involvement in monitoring activities conducted by the CSC.
- (vii) Contractor's Frequency and relevance of periodic progress reports and coverage of environmental progress (covering environment, health and safety) into contractor's progress reports.
- (viii) Complaint register, including recording, investigation, evaluation and identification of corrective measures.
- (ix) Public communication plan and activities in the reporting period.

11. **PMU-2.** The consultant shall review the PMU2's environment and safety management system, activities carried out by PMU2:

- (i) Allocation and qualifications of staff responsible for environmental and safety aspects of the project.
- (ii) PMU2's activities in the reporting period related to EMP coordination and supervision (field visits, meetings with environment staff of the CSC and Works Contractors, etc).
- (iii) PMU2's role in the GRM (coordination, records on complaints received and solutions).
- (iv) PMU2's response to non-compliances and notices to correct as observed and issued by the CSC.
- (v) PMU2's response to recommendations of ADB and agreements reached as defined in review mission Memorandum of Understanding.
- (vi) EMPU's compliance with reporting requirements to ADB.
- (vii) EMPU's semi-annual environmental monitoring reports to ADB.

a. Site Inspections

12. As part of the independent environmental monitoring process, the consultant shall carry out regular (at least twice per year) site visits at construction sites using a pre-defined site inspection checklist, focusing on the following environmental and safety issues:

- (i) Compliance/violation of contractors to Environmental Specifications, EMP provisions included in the ADB-cleared EIA, and approved site-specific contractor EMPs.
- (ii) Relevance and efficiency of protection measures within the boundaries of the Hoang Lien Van Ban Nature Reserve.
- (iii) Status of preparation and implementation of compensatory tree replanting plans, and their compliance with Circular 23/2017/TT0-BNNPTNT “Provisions on Replacement Afforestation upon Conversion of Forest Use Purpose to Other Purposes” and the new Forestry Law, to become effective on 1 January 2019.
- (iv) Soil erosion control along the road, potentially caused by excavation and tree cutting.
- (v) Environment, health and safety conditions at worker’s camps and work areas.
- (vi) Batching plants: general housekeeping, presence and status of sedimentation tanks, availability of license.
- (vii) Earthwork: proper temporary storage of spoil, safety of transport routes and spoil disposal sites, post-rehabilitation of spoil disposal sites.
- (viii) Impacts of construction works (noise, dust) on surrounding residential areas, and damage to roads due to earthworks and transportation of building materials.
- (ix) Construction safety (signboards, access restrictions, fences, scaffolding, the use of protective equipment, etc.), particularly at the intersections and other traffic hotspots.
- (x) Required corrective actions to ensure compliance with requirements of the EMP and the site-specific EMPs.

b. Consultation

13. The Consultant shall seek views, through interviews, from relevant environmental protection authorities and affected households, on the project's environmental management performance. The following tasks shall be executed during each review mission:

- (i) Hold meetings with representatives from the department of natural resources and environment (DONRE) and Department of Agriculture and Rural Development (DARD) at provincial or district level, as well as the Hoang Lien Van Ban Nature Reserve Management Authority, to assess their involvement in the supervision of the project, and seek their views on the project's environmental management performance.
- (ii) Conduct meaningful consultations with potentially affected people along the construction sites to seek their views on the project's environmental management performance, most relevant impacts to communities, the contractor's and CSC's information dissemination and consultation activities, and their level of awareness about the project GRM. A simple questionnaire checklist shall be used for that purpose.
- (iii) Document consultation process in the external monitoring report.

c. Others

14. Review the project grievance redress mechanism (GRM; confirm the presence of a GRM with clearly defined procedures and responsibilities (PMU2, CSC, DONRE, others); review grievance register; assess status complaint resolution; identify weaknesses in the current GRM and recommend corrective actions.

- (i) Review the EIA and EMP prepared for the project.
- (ii) Review the environmental components of monitoring and progress reports prepared by the contractor and supervision consultants to check consistency and accuracy with site conditions. Environmental components may include: i) air quality; ii) water quality; iii) soil quality; iv) noise and vibration; v) occupational health and safety and others.
- (iii) Conduct site visits once every 6 months during project construction period to conduct third party monitoring of the implementation of the EMP by the contractor and supervision by the CSC.
- (iv) Provide technical guidance on ways to improve implementation of the EMP to the contractor and monitoring by the CSC as necessary to ensure compliance with the EIA, EMP and ADB's SPS 2009.
- (v) Prepare annual external environment monitoring reports during project construction and the first 3 years of project operation to document observations and recommendations from third-party monitoring of the implementation of the EMP.
- (vi) Prepare annual monitoring reports during project operation to document post construction environmental conditions (such as air, water and soil quality, noise and vibration levels). This report will be consolidated with the annual report on monitoring of ecological components that will be prepared by the International Biodiversity Expert.

D. Personnel Requirements of Consulting Services

15. **Person month inputs:** Consulting services for external environmental monitoring will be carried out by one national environmental expert with 22 man-months input (4 months per year during 4 years of project construction, 2 months per year during 3 years of project operation). The specialist should be external to the project and not be involved in day-to-day aspects of project implementation.

16. **Qualifications:** The specialist shall have a bachelor's degree, or higher, in environmental engineering/science or closely related discipline; with at least 7 years of relevant experience in environmental management of infrastructure projects, and at least 5 years of experience in equivalent positions in projects of similar nature and scale.

17. **Working experience:** The specialist shall have experience in working for at least one infrastructure project financed by International Financing Institutions, be familiar with ADB's Safeguard Policy Statement (2009) and the Government of Viet Nam environmental regulatory framework and having excellent English skills.

E. Key Deliverables

- (i) Work plan and mission schedule one week before every independent verification campaign.
- (ii) Annual monitoring reports during project construction and first 3 years of project operation. The reports will provide details the following:
 - Used methodology;
 - Results (reviewed results on paper, field observation, consultations / interviews with affected households, local authorities and other stakeholders);

- Main findings, identified non-compliances, and proposed corrective actions (including tabular form and narrative text);
- Other relevant information to support results (meeting minutes, documents, etc.).

TERMS OF REFERENCE

EXTERNAL MONITORING CONSULTANT (SOCIAL SAFEGUARDS)

A. Project Background

1. The objective of this consulting service is to assist the Implementing Agencies (IA) on the implementation of Northern Mountains Provinces Transport Connectivity Project (the project) which will upgrade two road sections, a total of 198 km, which connect the provinces of Lao Cai, Lai Chau and Yen Bai to Noi Bai-Lao Cai Expressway in Northern Vietnam. The first road section comprises part of National Highway (NH) 32 and part of NH 279 linking Bao Ha to Lai Chau, and the second road section is the Provincial Road 175 from Mau A to Nghia Lo. The project executing agency is the Ministry of Transport (MOT). The Project Management Unit 2 (PMU2) is responsible for the overall management during project implementation and works with the relevant ministries, departments, local authorities and ADB.

2. The project is classified as category A for involuntary resettlement safeguard and B for Indigenous People safeguard under ADB's Safeguard Policy Statement (2009). Three draft land acquisition and resettlement plans and three ethnic minority development plans were prepared for Yen Bien, Lao Cai and Lai Chau provinces. The resettlement plans and ethnic minority development plans are to be updated and finalized during project implementation, upon the completion of final detail design.

B. Objectives

3. The Project requires the services of external monitoring and evaluation agencies²/qualified non-government organizations (NGOs) to conduct an external assessment of the extent to which resettlement and rehabilitation objectives are being met in accordance to the approved and final updated resettlement plans and ethnic minorities development plans. Specifically, the objectives of the monitoring program are:

- (i) To verify ongoing internal monitoring information;
- (ii) To verify whether the overall project and resettlement objectives are being met in accordance with the Resettlement Plan (RP) and Ethnic Minority Development Plan (EMDP), and if not to suggest corrective measures;
- (iii) To assess the extent to which implementation of the resettlement plan and ethnic minority development plans³ complies with ADB's Safeguard Policy Statement (SPS);
- (iv) To identify problems or potential problems;
- (v) To identify methods of responding immediately to mitigate problems and advise the [name of the borrower or client] accordingly; and
- (vi) To verify if the livelihoods and the standard of living of affected persons (APs), including those of the non-titled displaced persons, are restored or improved;

C. Tasks

4. The external experts/agencies will monitor/evaluate specific issues such as the following:

² External experts mean experts not involved in day-to-day project implementation or supervision.

³ Including updating of the RP and EMDP.

- (i) Verify the detailed measurement survey (DMS) database generated by the project management unit (PMU), identify differences in inventory of loss (IOL) and/or DMS recorded in the RP, and document changes to the database;
- (ii) Confirm that all APs are eligible for compensation, resettlement and rehabilitation assistance, irrespective of tenure status, social or economic standing, and any such factors that may discriminate against achieving the project objectives; Payment of compensation, allowances and other assistance are as per approved RP;
- (iii) Confirm timing of disbursement of payment and assess that the level of compensation is sufficient to replace their losses;
- (iv) Implementation of ethnic minority development plans and whether the objectives are met⁴;
- (v) Public consultation and awareness of key information in the resettlement plan and ethnic minority development plan;⁵
- (vi) Coordination of resettlement activities with construction schedule;
- (vii) Validate and observe the land donation activities (if any) to ensure they are meeting the established criteria;
- (viii) Land acquisition and transfer procedures are conducted timely and appropriately based on the government requirements and ADB SPS;
- (ix) Construction/rebuilding of replacement houses and structures on residual land, relocation sites (outside the residual land), and self-selected land;
- (x) Implementation of gender and/or Indigenous Peoples measures as indicated in the RP;
- (xi) Level of satisfaction of APs with the provisions and implementation of the RP;
- (xii) Effectiveness of grievance redress mechanism (accessibility, documentation, process, resolution);
- (xiii) Effectiveness, sufficiency, impact, and sustainability of entitlements and income restoration programs and the need for further improvement and corrective measures, if any;
- (xiv) Relocation site development (civic infrastructure and community services as required), identification and selection of sites in consultation with APs and host communities, equivalent or enhanced access to livelihood opportunities, process and timeliness of providing land titles/certificates;
- (xv) Capacity of APs to restore/re-establish livelihoods and living standards. Special attention will be given to severely affected APs and vulnerable APs;
- (xvi) Involuntary resettlement impacts caused during construction activities;
- (xvii) Participation of APs/ targeted ethnic minority communities in RP and EMDP implementation; and
- (xviii) Adequacy of budget and human resources⁶ at executing agency/implementing agency level for resettlement and EMDP activities, including internal monitoring.

D. Methodology

5. The methods for external monitoring activities include:

⁴ This include the updating of the EMDP.

⁵ Scope of Land Acquisition and Resettlement Impacts, Entitlement Matrix, Grievance Redress Mechanism.

⁶ Assessment of human resources is in terms of both number of staff assigned, as well as capacity.

- (i) Review of DMS process to be able to establish a baseline for monitoring and evaluating project benefits. The external monitoring organization (EMO) to check on a random basis⁷ the DMS process with APs, from identification to agreement on DMS results. The EMO will also evaluate the DMS process to determine and assess if DMS activities are being carried out/was carried out in a participatory and transparent manner.
- (ii) Resettlement audit conducted during monitoring. The EMO will carry out random checks of payments⁸ disbursed to APs during monitoring. The EMO will submit a resettlement audit report upon completion of compensation payment to APs.
- (iii) Ethnic minority development plan audit conducted during monitoring. The EMO will carry field visits to the ethnic minorities communities at semiannual bases to check the implementation of the EMDP at the community level as stated in the final EMDP.
- (iv) Review of socioeconomic data⁹ prepared during the Project Preparatory Technical Assistance (PPTA). With this review, the DMS data, and additional data compiled, the EMO will provide the baseline data to be used in comparison to the post-resettlement survey. A post-resettlement survey will be carried out one year following completion of all resettlement activities, including livelihood restoration activities. Sampling size should be at 95 confidence level with confidence interval of maximum 7 from the total population of both severely affected and vulnerable households, and other APs. Special attention will be paid to the inclusion of women, ethnic groups, the very poor, the landless and other vulnerable groups, with set questions for women and other target groups. The database will disaggregate information by gender, vulnerability, and ethnicity.
- (v) Participatory Rapid Appraisal (PRA), which will involve obtaining information, identifying existing or potential problems, and finding specific time-bound solutions through participatory means including: a) key informant interviews including representatives of civil society, community groups, and NGOs; b) focus group discussions (FGDs) on specific topics such as compensation payment, income restoration and relocation¹⁰; c) community public meetings to discuss community losses, integration of resettled households in host communities or construction work employment; d) direct field observations, for example, of resettlement site development; e) formal and informal interviews with affected households, women, ethnic minorities, and other vulnerable groups to monitor and assess the progress the APs are making to restore their living standards, APs' perceived need for additional assistance (and type of assistance), and their individual satisfaction with current economic activities; and f) in-depth case studies of problems identified by internal or external monitoring that required special efforts to resolve. The PRA will also focus on good practices in land acquisition and involuntary resettlement objectives, approaches, and implementation strategies.
- (vi) Review the results of internal monitoring.

⁷ Depending on number of affected households (AHs).

⁸ Depending on number of AHs.

⁹ Possible data sources include: census, IOL, socioeconomic survey, village records/documents.

¹⁰ Groups that may be targeted for involvement in FGDs include AHs in general, and vulnerable AHs such as women-headed households, the poor, and ethnic minorities

E. Timing & Team Composition

6. Standard large-scale infrastructure project. External monitoring activities will be carried out for a period of 3 year(s) on a semi-annual basis¹¹ starting from the conduct of DMS until the completion of livelihood/income restoration activities and at annual bases until the completion of the ethnic minority development plan in each province. Final evaluation activities will be done after one year of completion both RP and EMDP implementation to evaluate whether the RP and EMDP objectives are being met and whether corrective action is required to be prepared and implemented before project completion date. For project components where payment of compensation/allowances has been substantially completed, the external expert will also conduct a resettlement audit to verify completion of payment of compensation/allowances and hand-over of plots and recommend issuance of NOL for commencement of civil works.

7. Projects with several subprojects. The external experts will conduct six monitoring missions to be carried out on a semi-annual basis¹² starting from the completion of DMS for the first batch of subprojects until the completion of livelihood/income restoration activities in all subprojects. For subprojects where payment of compensation/allowances has been substantially completed, the external experts will also conduct resettlement audit mission to validate status of compensation and hand-over of plots and recommend issuance of (no-objection letter) NOL for the commencement of civil works. For monitoring the implementation of the ethnic minority development plan annual bases missions to be carried out until the completion of all activities as detailed in the final EMDP in each province.

8. The external monitoring and evaluation agencies¹³/qualified NGOs will be composed of one team leader with extensive experience in monitoring and evaluation of resettlement and social development activities in the country with strong ability in preparing resettlement and ethnic minority development reports. He/she should demonstrate good communication skills (in English and Vietnamese) and have at least a graduate degree in a relevant field. The team leader will be assisted by at least one national ethnic minority specialist with similar experience and background. All reports will be submitted in good quality English (and in local language, if required) to the government and ADB simultaneously.

F. Deliverables

9. Inception report, including findings of review of baseline data, monitoring methodology and detailed work plan (in terms of sampling, timing, budget, other required resources)

10. Semi-annual monitoring report,¹⁴ including (a) methods used by the EMO during the monitoring period; (b) progress of RP & EMDP implementation, including any deviations from the provisions of the RP and EMDP; (c) identification of problem issues and recommended corrective actions to inform implementing agencies and resolve issues in a timely manner (refer to Table 1); (d) identification of specific gender and ethnic minorities issues, as relevant; (e) report on progress

¹¹ As per ADB SPS (2009). For projects deemed by ADB as highly complex and sensitive, ADB requires quarterly monitoring reports - refer to ADB. 2010. Safeguard Policy Statement. Operations Manual. OM Section F1/OP, Para 27. Manila (issued on 4 March 2010).

¹² Ibid.

¹³ External experts mean experts not involved in day-to-day project implementation or supervision.

¹⁴ Monitoring reports will be disclosed semi-annually/quarterly – depending on complexity of project (see footnote 10), upon receipt from borrower.

of the follow-up of issues and problems identified in the previous reports; (f) lessons learned that might be useful for future activities; and, (g) resettlement and EMDP audit report.

11. Specific project completion and evaluation reports will be prepared and submitted to EA and ADB upon the completion of RP and EMDP implementation in each province and one year after (before the project closing date) to evaluate the impacts and whether the RP and EMDP objectives are met.

Table 1: Sample Corrective Action Plan Summary Table¹⁵

No.	Survey code	Project Component	Village	Name of head of Affected Household/ Name of AP	Name or use of affected structure	Status of structures	Corrective Action	Budget (USD)	Schedule of implementation of corrective action
									By (date)
Total									

Include Monitoring and Evaluation indicators (commonly a table in the RP or set of activities in the EMDP). A set of suggested indicators are in Table 2¹⁶, to be replaced with RP/EMDP table as required:

Table 2: Indicators for Verification by External Experts¹⁷

Monitoring Indicator	Basis for Indicator
Basic information on displaced persons' households (Gender disaggregated data essential for all aspects)	<ul style="list-style-type: none"> • Location of the project • Composition and structure, ages, educational, and skill levels • Gender of household head • Ethnic group • Access to health, education, utilities, and other social services • Housing type • Land and other resource-owning and resource-using patterns • Occupations and employment patterns • Income sources and levels • Agricultural production data (for rural households) • Participation in neighborhood or community groups • Access to cultural sites and events • Valuation of all assets
Restoration of living standards	<ul style="list-style-type: none"> • Were house compensation payments made free of depreciation, fees, or transfer costs to the displaced persons?

¹⁵ This table can be converted into specific activities as detailed in the ethnic minority development plans(EMDP)

¹⁶ ADB. 2012. *Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook – Draft Working Document*. Manila.

¹⁷ The indicators of EMDP monitoring and evaluation should be prepared based on the activities and target beneficiaries as defined in the final EMDP.

Monitoring Indicator	Basis for Indicator
	<ul style="list-style-type: none"> • Have displaced persons adopted the housing options developed? • Have perceptions of community been restored? • Have displaced persons achieved replacement of key social and cultural elements?
Restoration of livelihoods (Disaggregate data for displaced persons moving to group resettlement sites, self-relocating displaced persons, displaced persons with enterprises affected)	<ul style="list-style-type: none"> • Were compensation payments free of deductions for depreciations, fees, or transfer costs to the displaced persons? • Were compensation payments sufficient to replace lost assets? • Was sufficient replacement land available of suitable standard? • Did income substitution allow for reestablishment of enterprises and production? • Have affected enterprises received sufficient assistance to reestablish themselves? • Have vulnerable groups been provided income-earning opportunities? • Are these opportunities effective and sustainable? • Do jobs provided restore pre-project income levels and living standards?
Levels of displaced persons' satisfaction	<ul style="list-style-type: none"> • How much do the displaced persons know about resettlement procedures and entitlements? • Do the displaced persons know their entitlements? • Do they know whether these have been met? • How do the displaced persons assess the extent to which their own living standards and livelihoods have been restored? • How much do the displaced persons know about grievance procedures and conflict resolution procedures?
Effectiveness of resettlement planning	<ul style="list-style-type: none"> • Were the displaced persons and their assets correctly enumerated? • Was the time frame and budget sufficient to meet objectives, were there institutional constraints? • Were entitlements too generous? • Were vulnerable groups identified and assisted? • How did resettlement implementers deal with unforeseen problems?