

Project Administration Manual

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Socialist Republic of Viet Nam: Greater Mekong Subregion Biodiversity Conservation Corridors Project

Contents

ABBREVIATIONS

I.	PROJECT DESCRIPTION	1
A.	Project Rationale, Location and Beneficiaries	1
B.	Impact and Outcome	2
C.	Outputs	2
II.	IMPLEMENTATION PLANS	6
A.	Project Readiness Activities	6
B.	Overall Project Implementation Plan	7
C.	Technical Considerations	8
III.	PROJECT MANAGEMENT ARRANGEMENTS	11
A.	Project Implementation Organizations – Roles and Responsibilities	11
B.	Key Persons Involved in Implementation	13
C.	Project Management Structure	14
D.	Project Organization Structure	17
E.	Implementation Arrangements	18
F.	Subproject Preparation and Approval	19
IV.	COSTS AND FINANCING	22
A.	Detailed Cost Estimates by Expenditure Category	23
B.	Allocation and Withdrawal of Loan Proceeds	24
C.	Detailed Cost Estimates by Financier	25
D.	Detailed Cost Estimates by Outputs/Components	26
E.	Detailed Cost Estimates by Year	27
F.	Contract and Disbursement S-curve	28
G.	Fund Flow Diagram	29
V.	FINANCIAL MANAGEMENT	30
A.	Financial Management Assessment	30
B.	Disbursement	30
C.	Accounting	32
D.	Auditing	32
VI.	PROCUREMENT AND CONSULTING SERVICES	33
A.	Assessment of Procurement Capacity	33
B.	Advance Contracting	33
C.	Procurement of Goods, Works and Consulting Services	33
D.	Procurement Plan	34
E.	Consultant's Terms of Reference	43
VII.	SAFEGUARDS	56
A.	Resettlement	56
B.	Environmental Impact	62
C.	Ethnic Minority Development Framework	63
VIII.	GENDER AND SOCIAL DIMENSIONS	66
IX.	PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION	68

A.	Project Design and Monitoring Framework	68
B.	Monitoring	71
C.	Evaluation	75
D.	Reporting	76
E.	Consultation and Participation Plan	76
X.	ANTICORRUPTION POLICY	79
XI.	ACCOUNTABILITY MECHANISM	80
XII.	RECORD OF PAM CHANGES	81

ATTACHMENTS

1.	Project Readiness Filters	82
2.	Gender Action Plan	85
3.	Commune Development Fund	95
4.	Commune Development Fund (CDF) management guideline	100

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 Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Viet Nam Environment Administration (VEA) under the Ministry of Natural Resources and Environment (MONRE) and the Provincial Peoples' Committees (PPC) are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the Recipient and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by MONRE/VEA and PPC of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the Recipient 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.

Abbreviations

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AFS	–	audited financial statements
BCA	–	Biodiversity Conservation Agency
CPMU	–	central project management unit
CQS	–	consultants' qualifications selection
DARD	–	Department of Agriculture and Rural Development
DONRE	–	Department of Natural Resources and Environment
DPIU	–	district project management unit
DMF	–	design and monitoring framework
EA	–	Executing Agency
EMDP	–	Ethnic minorities development plan
EMP	–	environmental management plan
FGIA	–	first generation imprest account
GAP	–	gender action plan
GMS	–	Greater Mekong Subregion
IA	–	implementing agency
IARS	–	Imprest account reconciliation statement
ICB	–	international competitive bidding
LIC	–	Loan implementation consultants
MONRE	–	Ministry of Natural Resources and Environment
MOF	–	Ministry of Finance
MPI	–	Ministry of Planning and Investment
NCB	–	national competitive bidding
NRM	–	Natural Resource Management
O&M	–	Operation and Maintenance
PPC	–	Provincial Peoples' Committee
PAM	–	project administration manual
PBME	–	Project benefit monitoring and evaluation
PPMU	–	provincial project management unit
PPTA	–	project preparation technical assistance
PSC	–	Provincial Steering Committee
QCBS	–	quality- and cost- based selection
RP	–	resettlement plan
SGIA	–	second generation imprest account
SIR	–	subproject investment reports
SOE	–	statement of expenditure
SPS	–	Safeguard Policy Statement
TOR	–	terms of reference
VEA	–	Viet Nam Environment Administration
WU	–	Women's Union

I. PROJECT DESCRIPTION

A. Project Rationale, Location and Beneficiaries

1. The Project¹ will enhance transboundary cooperation and management of forest ecosystems between countries of the Greater Mekong Subregion (GMS). The GMS Governments, with support from ADB have identified the most important biodiversity conservation landscapes in the subregion that are vulnerable to increased development pressures and environmental degradation (Map 1). In Viet Nam, the project will address the fragmentation of the biodiversity rich forest landscape of central Viet Nam, impairing its ability to provide critical ecosystem services necessary for sustaining local livelihoods and investments in hydropower, transport, water and food-security enhancing sectors. The Project will promote sustainable resource use, and restore and enhance these productive landscapes. It will do so through conservation and development activities.

2. The Project represents Phase II of the GMS Biodiversity Conservation Corridors Initiative (BCI) pilot phase endorsed by the GMS Summit of Leaders in 2005 in Kunming and implemented between 2006-2009 in Quang Nam and Quang Tri Provinces under the ADB regional technical assistance (RETA 6289). The Project will maintain and consolidate forest ecosystem connectivity between Quang Nam, Thua Thien Hue and Quang Tri in central Viet Nam.

3. The Project will establish a system of biodiversity corridors in the provinces of Quang Nam, Quang Tri and Thua Thien Hue to restore and maintain the connection of the regional ecosystem (connection of Regions for Vietnam, Lao, Cambodia); guarantee the sustainable service of forest ecosystems and adaptation to climate change in the Central Truong Son; create livelihood benefits to local communities in order to develop regional economic growth; construction management plan and implement the policy framework of state and local in order to achieve long-term influence of ecosystem services and sustainability; biodiversity corridors and management plans are expected to be established and fully operated by 2018.

4. The design of the biodiversity corridor² is embedded within a multipurpose, sustainable, biodiversity landscapes approach. The Project will cover 34 communes in 6 districts located across the 3 provinces; the total population of the three provinces in 2009 is estimated at approximately 3.1 million; the 34 communes have a population of about 72,881. The Project is predominantly in a mountainous area covered with protection forests and SUFs. Ethnic minorities dominate within all provinces from a low of 77% in Quang Tri to a high of 92% in Quang Nam and 91% in TT Hue. All ethnic minority groups within the Project area belong to the Mon Khmer language group. They trace their productive activities to swidden agriculture with the Gie Trieng mostly shifting to wet rice cultivation. Of the five ethnic minorities, the most persistent in shifting cultivation is the Van Kieu of Quang Tri. An estimated 15,500 households will directly benefit from the Project, of which about 50% are women and approximately 85% are ethnic minorities.

5. The Project will (i) provide forest tenurial security to poor households and ethnic minority groups for collective management of forest resources; (ii) restore habitat on degraded forest

¹ The Project was first published in ADB website on xx xxxxxx 200X.

² Biodiversity corridors are geographic areas within or cutting across GMS economic corridors that need to be placed under sustainable management regimes to secure local livelihoods, address habitat fragmentation and maintain ecosystem services. Biodiversity corridors are designed to ensure the continuity of ecological processes – between two or more natural protected areas.

lands with tree planting of natives species and agroforestry models with improved sources of non-timber forest products; (iii) improve livelihoods and income enhancing small scale infrastructure; and (iv) generate over 1 million cash-based labor days through project activities. Delineation and demarcation of these corridors will be in consultation with primary beneficiaries based on a participatory land use planning approach. Protecting people and their assets (land, livelihood and community social structures) from natural calamities/impacts of climate change like flooding are key benefits. Other positive aspects are capacity building towards greater participation for ensured sustainability.

6. In 2010, Viet Nam's guiding poverty reduction strategy paper sets out its strategy to reach its goal of becoming an industrialized nation by 2020, with poverty alleviation as an underlying condition for achieving this result. An important part of Viet Nam's strategy is economic diversification, including reducing the percentage of the population dependent on agriculture for their livelihood from 85% to 50% while at the same time increasing the productivity of agriculture. The Program on Implementing Sustainable Agroforestry on Swidden Cultivation Land from 2008-2012 has two main objectives: (a) converting farmland in sensitive upstream and watershed areas to protected forest (about 1.2 millions ha) in order to minimize soil erosion and land degradation; and (b) encouragement of sustainable upland and sloping-land cultivation and management to reduce the loss of forestland and the remaining natural forest. Since most of the owners of swidden cultivation land are the communities in the remote and poor areas of the uplands this program can be good in terms of meeting dual goals of poverty reduction and reforestation and to mitigate impacts of climate change.

7. The Viet Nam Forestry Development Strategy 2006-2020 proposes (i) focusing on *sustainable forest management* to manage, develop and use forest sustainably and effectively to meet the basic demands for forest products for domestic consumption and export, to contribute to national economic growth, stabilization of society, particularly for mountainous ethnic minorities areas, while ensuring the protection functions, biodiversity conservation and providing environmental services contributing to sustainable national development. The second on *forest protection, biodiversity conservation and environmental services development* is aimed to protect forests and conserve biodiversity in an effective manner with active participation of local community people and enhance the contribution of environmental services from forests.

8. In line with the targets of the Viet Nam Forestry Development Strategy 2006-2020, and also in line with Viet Nam's Socio-Economic Development Strategy – SEDS 2011-2020, the proposed Project will restore and maintain forest cover to contribute to the national targets and contribute to achieving social sector targets such as reducing poverty in mountainous areas and improving access of population to clean water and use of latrines.

B. Impact and Outcome

9. The intended impact of the project is climate resilient sustainable forest ecosystems in the Central Annamites benefiting local livelihoods and downstream users while the intended outcome is sustainably managed biodiversity corridors in Quang Nam, Quang Tri and Thua Thien Hue.

C. Outputs

10. The outputs include (i) institutions and communities are strengthened in biodiversity corridor management, (ii) biodiversity corridors restored, ecosystem services protected, and maintained, (iii) livelihoods improved and small-scale infrastructure support provided in target

communes, and (iv) project management and support services are operational. The four outputs are detailed in the descriptions below.

1. Output 1: Institutional and Community Strengthening

11. Under output 1, investments will be geared towards strengthening the capacity of the national, provincial, district and commune levels in corridor planning, corridor management, and providing protection and sustainable use policies, guidelines, and local regulations for enforcing the biodiversity corridor management plan. In particular, activities under output 1 will contribute to: (i) management plans and Biodiversity Corridor policy and legal framework is in place by 2013 covering at least 530,000 ha of forest and non-forest land in 34 communes spread across Quang Nam, Quang Tri and Thua Thien Hue provinces in central Viet Nam; (ii) participatory land use maps and commune investment plans are ready in 34 communes by 2013 covering 6 districts in 3 provinces; (iii) by 2015, 340 km of demarcation completed; (iv) by 2016, at least 13,700 ha receive new landuse certificates, of which 1,500 ha cover individual households and 12,200 ha are collective forest management certificates (village forest groups; and by end of project, 1,500 provincial, 1,350 district, 5,100 commune level persons are trained in project activities; from trained personnel, 40% are female with large portion from ethnic minorities.

12. Particular emphasis will be placed on GIS-based training for mapping of the biodiversity corridor, developing a management plan for segments of the corridor that are outside the NPAs and protection forests. The delineated corridor maps together with a draft management plan will be submitted to the provincial government for approval in each province and to MONRE/VEA for endorsement. After approval, the biodiversity corridor area will be demarcated at critical points along major road arteries and in communes/villages where population pressure is expected to grow and there is risk of forest area encroachment. Special corridor guidelines and rules will be issued and these will be made public by prominently displaying the same in public places and along main roads inside the biodiversity corridor. The Project will promote GMS transboundary cooperation between Viet Nam, Lao PDR and Cambodia and will support exchange visits and sharing of information regarding scientific research, biodiversity database, forest cover, and management of transboundary forest ecosystems.

13. The rural households involved in forest management are being provided with forest land for livelihood purposes and/or productivity enhancement; they will be provided with land use certificates. The collective forest management certificate or registration at district level will be provided to a group or collective number of households who enter into a co-management contract with the state owners/managers of the forest land. This contract will enable the group to protect and manage the natural forest designated and registered in the name of the group. The land use certificate or registration of forest management will enable the group to have tenurial security on the designated land. In addition, individual households will be given land use certificates for forestry, agricultural and homestead land that result from a participatory land use planning exercise.

14. Provincial, district and commune level target groups will be specifically trained in skills of biodiversity corridor management, patrolling, conservation, water and forest protection and raising awareness concerning disaster preparedness and climate change hazards. It is expected that by project completion, provincial levels will have acquired GIS based mapping skills enabling its staff to integrate different layers of information and data into composite maps integrating conservation, climate change and development.

2. Output 2: Biodiversity Corridor Restoration and Protection

15. The second output deals with commune-based forest protection and forest restoration. The bulk of the investments under output 2 will go to forest restoration, which will cover about 10,000 ha in the form of enrichment planting, NTFP planting and agroforestry. Restoration activities include labor input provided by women on a cash basis, thus improving household incomes. Moreover, work on identifying viable reduced emissions from deforestation and forest degradation (REDD+) pilot sites will enable the Project to leverage additional funding for forest protection and restoration from funds specifically set up for promoting REDD. The Commune Development Fund (CDF) mechanism will be used as a decentralized local level instrument to receive REDD funding for carbon sequestration. The Project intends to aim at a total forest restoration of at least 20,000 ha, 50% of which will be funded through the Project. The proposed Project will assist the 6 selected districts in three provinces to establish inventory sample plots, conduct biodiversity survey/reportss, and draft commune/cluster forest management plans to move towards sustainable forest management. This will also enhance the ability of the Project to attract REDD funding.

16. About 20% or approximately 112,000 ha of the biodiversity corridor from a larger landscape area of 530,000 ha will covered through patrolling by commune patrols/guards. These patrols will be carried out strategically at critical and weak points of entry that are known to forest guards for their vulnerability. At the same time, the participating communes in the Project will have a contract of co-management and forest maintenance based on which they will be paid a fee for commune based forest protection and management. These activities are expected to be taken over gradually by the Commune Development Fund (CDF) after the CDFs have started receiving revenue from various investments and livelihood activities.

3. Livelihoods Improvement and Small-Scale Infrastructure Support

17. Under Output 3, on demand livelihood and small scale infrastructure subprojects prioritized in participatory consultations at start of Project will be identified and will undergo a rigorous screening process. Each selected commune has a block allocation for livelihood improvements. Some of these livelihood options can also be pursued through the mechanism of the CDF, which will provide micro credit facilities to households to borrow for their projects of choice. The micro credit repayment will go back into the CDF with interest to generate a revolving mechanism.

18. The Commune Development Fund (CDF) is a decentralized financial instrument, managed by the commune and comuners who elect a CDF Management Board or Committee. It operates on the basis of guidelines issued by the Provincial Project Management Unit (PPMU) in the three provinces. During pilot phase, guidelines were issued by PPC in Quang Nam and Quang Tri for establishment and operation of 20 CDFs in communes covered between 2006-2009. The establishment and sustainability of the revolving fund concept requires capacity development and technical support and the Project has made provision for this. One of the lessons from pilot phase is that the CDF can become a good, workable mechanism if the establishment and maintenance of the operations receives technical and financial advisory services. Strong leadership at the commune level enabled sound management of the CDF. Under the Project, the CDF is linked to incentive payments for maintaining forest cover under REDD. The CDF account can also be used to promote business development opportunities such as ecotourism ventures, NTFP processing, and agro product marketing. The consultations during R-PPTA show that local people wish to have agroforestry support, carry out forest restoration and request support for improving and marketing their traditional handicraft products.




19. In addition to livelihood interventions, the selected communes will receive small scale infrastructure support at \$235,000 per commune. However, the selection of infrastructure will be finalized at start of Project in close consultations with the communes. Small scale infrastructure support will primarily focus on (i) commune based potable water schemes, (ii) provision of rural toilet and sanitation facilities, (iii) improvement/ upgrading of rural access road from commune to main road or market, and (iv) any other infrastructure item of prioritization. Special attention will be given to ensure that the poor and ethnic minority groups participate equitably in subproject benefits. The selection criteria for the choice of subprojects at commune and cluster levels are as follows: (i) it must be one of the three priorities of the beneficiaries in the commune documented through participatory, multistakeholder consultations conducted by the Project; (ii) is affordable within the block allocation set aside for the commune; (iii) fulfills all social safeguard criteria as laid out in subproject eligibility section (see PAM section II C below); (iv) is complying with all environmental safeguard issues as described in safeguards section in the PAM, Section II C; (v) is in conformity with land use plans in the commune and the biodiversity corridor; (vi) brings benefits in the form of income generation or cost savings in terms of money, time, and effort and benefits households in the target communes (men, women, or both, and/or families/hh); (vii) is technically feasible (engineering wise) and satisfies criteria of mountainous area community based small scale rural infrastructure; (viii) arrangements satisfactory to the Project have been made for undertaking operations & maintenance (O&M) if applicable; and (ix) is not covered under any other on-going programs or projects (duplication avoidance). The sub-projects will avoid resettlement, land acquisition, and physical displacement or denial of access to resources currently under use by the beneficiaries without prior and informed consent. Small-scale infrastructure investments will only be undertaken on the basis of demand and agreement of the beneficiaries to in-kind contribution (e.g. labor, land, right of way, and willingness to undertake O&M etc.). The selection criteria for sample subprojects are further detailed out in PAM section III F below.

4. Output 4: Project Management and Support Services

20. Under Output 4, support services will be provided for project management. Capacity building for Central Project Management Unit (CPMU), PPMU and district staff is needed for project administration, procurement, financial management, progress reporting, impact monitoring, social and environmental safeguards and contract management. With some project staff being recruited from existing staff in the provinces and districts, considerable capacity building is considered necessary to facilitate the smooth implementation of the Project. This is often overlooked and invariably leads to implementation delays and consequently, slow disbursements because of their lack of familiarity with ADB procedures. The fourth output will also resource the management structures for a sector-like project that is supervised from a CPMU in MONRE in Hanoi but implemented from provincially based PPMUs. These include refurbishment of premises, equipping of offices, provision of vehicles, as well as provisions for implementing the Project including travel allowances, per diems and office operational budgets. In addition, the proposed project will finance the recruitment of Loan implementation consultants to provide implementation support and access to technical expertise needed in implementing subprojects. This recognizes the current implementation capacity and the general lack of familiarity with ADB procedures particularly among provincial and lower level staff.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Indicative Activities	2010			2011					Who responsible*
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Advance contracting actions				████████████████████					CPMU
Establish project implementation arrangements			████████████████████						MONRE/CPMU/ PPMUs
ADB Board approval (10 Dec 2010)									SEAE
Loan signing (28 Feb 2011)									SEAE/OGC/MOF
Government legal opinion provided				████████████████					MONRE/MOF
Government budget inclusion				████████████████					MONRE/MOF
Loan effectiveness (28 May 2011)									SEAE/OGC

CPMU = Central Project Management Unit, MOF = Ministry of Finance of Viet Nam, MONRE = Ministry of Natural Resources and Environment of Viet Nam, OGC = Office of the General Counsel (ADB), SEAE = Agriculture, Environment and Natural Resources Division of the Southeast Asia Department (ADB).

C. Technical Considerations

1. Project Technical Framework

21. Overall, the Project will improve natural resource management by establishing GMS Biodiversity Conservation Corridors, a transboundary, forest ecosystem based landscape approach for maintaining sustainably critical ecosystem services that benefit local livelihoods and downstream users. In this context, beneficiaries, most of whom are living in remote, mountainous, high poverty areas, and are from ethnic minority groups, will be provided with demand driven, and stakeholder prioritized livelihood improvement and small-scale infrastructure support in 34 selected communes. Preliminary consultations in sample communes resulted in prioritizing (i) livelihood improvements, and (ii) infrastructure assets that are seen by the beneficiaries as essential needs. Livelihood improvements include: agroforestry, non timber forest product enhancement with reforestation, fish ponds, and domestic livestock; infrastructure assets include: water wells / potable water systems, improved latrines and sanitation, connections to power grid, rural access roads, and small scale irrigation. At start of Project, participatory, multistakeholder consultations will be held to reconfirm beneficiary priorities and their in-kind contribution and commitment (labor, local materials, land, rights of way where applicable). Specific subprojects will be screened for technical, financial and economic feasibility. General considerations for the detailed design of the assets include:

- i. Technically feasible and appropriate for mountainous areas;
- ii. Affordable within the block allocation provided per commune and meeting specific needs of the beneficiaries;
- iii. Optimizing the inputs of local resources including: labor; materials; enterprises; and, knowledge;
- iv. Being within the realistic envelope of the existing maintenance capacities. The assets will be demonstrated not to impose additional maintenance burdens that will be impossible to meet;
- v. Performing the intended purpose for the entire duration of their design life; and,
- vi. Complying with social and environmental safeguards.

22. At the outset, the Project will establish a detailed quality assurance and monitoring framework. Particular attention will be paid to safeguards and quality controls during implementation process to ensure adherence to design specifications. Some examples are given below.

2. Reforestation Subproject

23. The objectives of the reforestation are to:

- a. improve biodiversity conservation through the expansion of the effective area of habitats by connecting fragmented forest areas,
- b. improve water quantity and quality for hydro-power generation, irrigation and human domestic and industrial consumption by re-establishing forest cover on steep sloping land in the upper reaches of river basins.
- c. sequester carbon through tree growth to offset emissions of CO₂ from human activities in Viet Nam or elsewhere.

24. The Project intends to identify the rich and medium forests and integrate these in links of stepping-stone forests or a mosaic connecting the corridor parts with the protected areas. In each of the communes that fall within the Biodiversity Corridor, areas of former forest land will be identified during the participatory land use planning and zoning process for restoration in consultation with the users of the forest land in order to avoid any displacement or restriction of access. Where the land has been deforested as a result of shifting cultivation and where this is still practised by the local communities, an agroforestry system will be adopted that will restore forest cover and sequester carbon in the longer-term and will provide useful products and some cash income in the short-term. Since harvesting will be restricted to NTFPs, it will have no impact on the environmental values of the forest as the tree canopy will not be affected, but the supply of useful products in the early years will help to improve livelihoods and income for the communities involved.

25. The land will be planted with a mixture of locally indigenous tree species that form the upper canopy of nearby areas of intact or lightly disturbed natural forest at a density of 100 trees per ha (10 x 10 m spacing). Because one selection criterion is that the land slopes more than 20%, these trees will not be harvested, and so will not bring cash income, but they will have a value through carbon sequestration and a contribution to biodiversity. In between these trees, perennial fruit trees, NTFPs and multi-purpose trees that can provide fuelwood, fodder, resins and other useful products will be established. These latter trees will include locally indigenous pioneer leguminous species that will provide additional nitrogen for the soil. The use of *Acacia mangium* or *A. auriculiformis* should be avoided as these are exotic species and are likely to dominate the site and exclude many ground flora that are important for biodiversity. The trees will be planted at an overall density of about 1,100 trees per ha and will be weeded regularly during the first, second and third growing season to ensure good survival and growth. Where it is the local custom to allow livestock to graze free range, the planted area will need to be fenced to a specification appropriate for the type of livestock. Live fences (green hedges) may be established around the area for the longer-term to demarcate the area clearly. These hedges will provide useful habitats for a range of species. The advantage of this approach is that a revenue stream can be generated from the NTFPs in the early years.

26. In the design of the sub-project, attention must be paid to: (i) risk of possible mix of indigenous with alien or invasive species; (ii) associated disturbance of natural forest, (iii) any potential of habitat loss and fragmentation or damage to environment; and (iv) any pollution. Risks need to be assessed. In this case, however, the risks seem to be low and impact can readily be avoided through proper design measures and prevention through proper planning, location (site) selection and monitoring of activities.

3. Community-based Potable Water System Subproject

27. The community water supply for supplying a target of 50 households will be established using the stream as a source of water intake and constructing a water storage tank with a capacity to cover 30-50 households. Usually a check dam is built upstream to enable preliminary filtration. A sand filtration system will be built in and water points established in the commune. In areas, where water wells are the most appropriate and feasible solution, technical designs will be checked and water wells will be promoted. The Project will:

- i. adhere to the approved standards of GOV;
- ii. incorporate the experience gained from Pilot phase; and,
- iii. be consistent with international good practice.

28. The designs of the water systems will take place in an environment with three key uncertainties in relation to estimating stream flow, including:

- i. changing land use patterns in the upper watershed areas;
- ii. limited rainfall and stream flow hydraulic information; and,
- iii. climate change altering traditional climate and rainfall patterns and consequently stream flow characteristics.

29. Engineering design will need to address this uncertain environment. In the design of the subproject, attention must be paid to: (i) possible modifications to local drainage patterns; (ii) associated changes in water quality (iii) any potential of habitat loss and fragmentation or damage to environment. These could lead to the creation of specific risks to human habitation through flooding and landslides at a later stage. Risks need to be assessed. In this case, however, the risks seem to be low and impact can readily be avoided through proper design measures and prevention through proper planning and location (site) selection. The successful operation and maintenance of the water systems will be directly dependent upon the effectiveness of commune O&M management committee.

4. Rural Access Road Subproject

30. Rural access road improvement has been identified as a beneficiary priority to enable commune access to goods and services all year round. The road improvements will follow existing alignments using road design classes as appropriate. Special attention will be focused on the design of sustainable road drainage (surface, side and cross) and the use of appropriate surfacing and paving options.

31. Drainage design will consider the impact of climate change, which may result in rainfall and surface water movement that differs from traditional experience. To counter these effects cross drainage structures will be increased in size and structures such as vented and unvented causeways will be constructed. Side drains will be concrete lined where necessary due to steep gradients. The input of the knowledge from the local population in the drainage design is critical. Road surfacing and pavement design will be based upon the measured strength of the existing subgrade and longitudinal gradient in comparison with current and projected traffic loading. Pavement design will consider a variety of sub-base, base and surfacing options.

32. The periodic maintenance will be the responsibility of the Provincial Public Works Department. The local communities will be responsible for carrying out routine maintenance including drainage, embankment shape and other related tasks. Wherever possible, structures will be constructed to restrict traffic loading to legal limits. The surfacing and paving proposals and future maintenance liabilities will be discussed with the provincial authorities, districts and communes to gain acceptance and responsibility for these future commitments.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations – Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
Executing agency (EA) <ul style="list-style-type: none"> • Ministry of Natural Resources and Environment 	MONRE will be responsible for overall project coordination through CPMU. CPMU will be responsible for environmental safeguards, policy guidance, climate change support, and reporting on project implementation to the GMS Working Group on Environment (WGE). In particular, MONRE will be responsible for: <ul style="list-style-type: none"> ➤ overall monitoring of the Project; ➤ environmental safeguards; ➤ liaising with the WGE; ➤ coordinating GMS regional exchanges with the neighboring countries; and ➤ providing policy guidance on climate change.
<ul style="list-style-type: none"> • Central Project Management Unit (CPMU) 	MONRE will establish a CPMU responsible for the day to day implementation of project activities at national level. Among others, the CPMU will be responsible for: <ul style="list-style-type: none"> ➤ overall coordination and management of the Project; ➤ establishment and management of first generation imprest account (FGIA); ➤ recruitment of LIC; ➤ recruitment of national consultants for preparation of feasibility studies, detailed design; bid documents, and construction supervision; ➤ recruitment of safeguard monitoring entities; ➤ procurement of civil works contracts for subproject construction; ➤ procurement of training services; and ➤ procurement at national level of office equipment, and vehicles.
<ul style="list-style-type: none"> • Provincial Peoples' Committees (PPCs) 	The PPCs of Quang Nam, Quang Tri and Thua Thien Hue will be in-charge of implementing, managing, and monitoring all activities in their provinces. The Vice-Chairperson in charge of Agriculture and Forestry will (i) review work plans and approve budgets of the PPMU; (ii) approve Feasibility Studies and Subproject Investment Reports (SIRs); and (iii) preside over inter-agency coordination meetings.
<ul style="list-style-type: none"> • Provincial Project Management Unit (PPMU) 	PPMUs will be established within the Departments of Natural Resources and Environment (DONRE) in Quang Nam, and Thua Thien Hue respectively and within the Department of Agriculture and Rural Development (DARD) in Quang Tri to be responsible for day to day implementation and management of subprojects. Among others, the PPMUs will be responsible for:

	<ul style="list-style-type: none"> ➤ establishment and management of FGIA; ➤ procurement of office equipment; ➤ coordination of project activities at provincial level; and ➤ liaison with the district coordination offices. <p>The PPMU will also provide secretariat services to the Inter-Provincial Steering Committee.</p>
Implementing Agencies (IAs)	
<ul style="list-style-type: none"> • District Project Implementation Unit (DPIU) 	<p>DPIUs will be established by the DPC. The DPIU will assist in implementation at the district level, and will be responsible for:</p> <ul style="list-style-type: none"> ➤ open and manage second generation imprest accounts; ➤ assistance with all commune consultation and development activities; ➤ assistance with survey/reportss; ➤ approve commune land use plans and district biodiversity corridor demarcation and delineation; ➤ approve and issue land use certificates (individual and collective); ➤ securing agreement in-kind contribution (labor, right of way, any land required etc) for priorities demand driven subprojects relating to livelihoods and small scale infrastructure as requested by beneficiaries ➤ ensuring no physical displacement, denial of access to resources, or involuntary resettlement activities through subprojects; ➤ coordination of environment management activities; ➤ coordination of all other safeguard and gender activities; ➤ assistance in the identification of business development and enterprise activities or initiatives; ➤ assistance in identifying reduced emissions from deforestation and forest degradation (REDD) pilot sites, establishing reference emission levels (RELs), monitoring, reporting and verification (MRV) for securing REDD funding; ➤ monitoring of implementation of subprojects; and ➤ report on progress of implementation.
<ul style="list-style-type: none"> • Commune Project Implementation Unit (CPIU) 	<p>CPIUs will be established in each participating commune and will be active in implementation of project activities; in particular, the CPIUs will report on CDF and block grant activities.</p>
Financiers	
<ul style="list-style-type: none"> • Asian Development Bank 	<ul style="list-style-type: none"> ➤ provide financing for 88.0% of the Project cost through an ADF Loan; ➤ monitor project implementation arrangements, disbursement, procurement, consultant selection, and reporting; ➤ monitor schedules of activities, including funds flow; ➤ review compliance with agreed procurement procedures; ➤ review compliance with Loan Covenants;

- monitor effectiveness of safeguard procedures.
 - monitor project conformity with ADB anti-corruption policies;
 - undertake a periodic review mission; and
 - undertake midterm project review jointly with the Government
-

B. Key Persons Involved in Implementation

Executing Agency
MONRE

Name:
Designation:
Telephone: +84 xx xxxxxxx
Email address:

Office Address:

PPC

1. PPC Quang Nam
Mr
Designation
Telephone: +84 xx xxxxxx xxxxx
Email address:
Office Address:

2. PPC Quang Tri
Mr
Designation
Telephone: +84 xx xxxxxx xxxxx
Email address:
Office Address:

3. PPC Thua Thien Hue
Mr
Designation
Telephone: +84 xx xxxxxx xxxxx
Email address:
Office Address:

CPMU / MONRE

Name:
National Project Director, MONRE
Telephone: +84 xxx xx xxxxxxx
Email address:

Office Address: Central Project Management Unit
C/O MONRE
Hanoi, Viet Nam

ADB

Agriculture, Environment and
Natural Resources Division

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Mission Leader

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C. Project Management Structure

33. The Executing Agency (EA) for the proposed Project will be MONRE. MONRE will delegate responsibility for overall coordination and will establish a CPMU responsible for day to day activities at national level. Consistent with the Government's desire to decentralize project implementation to the provinces, the PPCs in Quang Nam, Quang Tri, and Thua Thien Hue will be responsible for the overall monitoring and implementation of the subprojects. Each PPC shall establish a PPMU and delegate responsibility for subproject implementation.

34. The CPMU in MONRE will play the role of general coordination, providing policy guidance, technical support and advisory services at central level, monitoring implementation of the provisions of the Biodiversity Law, and reporting progress of project implementation to the Government of Viet Nam as well as to the WGE. The CPMU in MONRE will be responsible for environmental safeguards and will coordinate activities of the loan project at national level with other implementing agencies (such as MARD, responsible for REDD) and facilitate integration of inputs into the workplans of the three provinces. DONRE in each of the provinces will be in-charge of environmental safeguards and oversight on land use planning under component 1.

35. **Terms of reference of CPMU:** CPMU will: (i) have 1 Project Coordinator, 1 Accountant, 1 Administrator; (ii) procure goods and services (consultants) for the specific use of the CPMU and coordinate / organize fielding of international and national consultants attached to the CPMU; (iii) provide overall policy guidance and technical support to project provinces on implementing Biodiversity Law in general, and establishment of biodiversity corridors in particular, with securing of a national decree on biodiversity corridor establishment and management; (iv) provide guidance and support to provinces on queries regarding implementation of loan projects as and when needed; (v) request PPMUs through PPC to submit annual budgets and workplans that are endorsed / approved by PPC; (vi) consolidate all budget requests and workplans and submit loan proceed withdrawal applications to Ministry of Finance for separate disbursements to imprest accounts with CPMU and PPMUs; (vii) receive from PPMUs six monthly progress reports and financial liquidation reports in Vietnamese and English, consolidate these and submit to Ministry of Finance and ADB; (viii) conduct environmental safeguard activities through DONRE in each province and submit safeguard reports from national and international consultants to MOF, MPI and ADB; (ix) conduct six monthly project site visits and prepare and submit a detailed project monitoring report based on the Design and Monitoring Framework (DMF) and the PAM; (x) follow up on reports of the Social Safeguards Consultants (national and international) and consolidate reports on subproject implementation for submission to MOF, MPI and ADB; (xi) attend GMS meetings of the WGE; prepare and provide technical reports and presentations to the WGE in English on a

six monthly basis; (xii) organize / conduct transboundary meetings with neighboring countries (Lao PDR and Cambodia) and enter into a Memorandum of Understanding (MoU) on joint activities and transboundary management and protection of biodiversity corridors; (xiii) arrange for national level policy and sharing of lessons learned on implementation of biodiversity corridors with other relevant provinces, which have common border with GMS countries; and (xiv) arrange for regular MOF, MPI, and ADB supervision visits to the project area.

36. The CPMU will report regularly to the WGE through the GMS Environment Operations Center (EOC). In particular, the CPMU will assist the GMS EOC in preparing reports on investment and status of implementation to the GMS Meeting of Environment Ministers (EMM) in 2011, 2014, and 2017 as well as to the GMS Senior Official's Meetings (SOM), the GMS Ministerial Conference and the GMS Summits. The CPMU under MONRE will open a first generation imprest account and will submit its financial reports and withdrawal applications to MOF and ADB.

37. DARD, which has the most relevant mandate to implement major loan project components (forest restoration, livelihoods improvement, small-scale infrastructure) will be responsible for implementing day-to-day responsibilities of the subprojects. The PPC will appoint Project Directors at provincial and district levels. The PPMUs will be responsible for implementing the proposed loan project, keeping financial records and writing technical progress reports for submission to MOF and ADB.

38. **Terms of reference of PPMU:** PPMUs will: (i) have 1 Project Director, 1 Coordinator, 1 Accountant, 1 Accountant Assistant, and 1 Administrator; (ii) procure goods and services (national and international consultants and firms) for the specific activities under the mandate of the PPMU and coordinate / organize fielding of international and national consultants attached to the PPMU; (iii) conduct information and awareness meetings to inform about project at all levels; (iv) conduct multistakeholder, participatory consultations in the selected communes and districts to revisit priorities identified by the beneficiaries; (v) prepare detailed subprojects by component covering province or district or a group of communes on (a) forest restoration, non timber forest products, and agroforestry; (b) livelihoods improvement; and (c) small scale infrastructure support; (vi) based on information from districts and communes, prepare detailed annual workplans and budgets and fund withdrawal applications (six monthly basis) to draw down loan proceeds and submit these to CPMU; (vii) receive funds in imprest account, prepare bank statements and liquidation/ Statements of Expenditure (SoE) reports for submission to MOF and ADB; (viii) establish project socio-economic baselines including GIS based maps and update these at regular intervals; (ix) undertake preparations for implementing project activities, including disbursement of funds to district (DPIU) and communes (CDF and block grants) to start activities; (x) receive field reports and consolidate these into technical and financial reports for submission to CPMU on a six monthly basis; (xi) undertake selective and random field checks on work design and implementation; (xii) conduct monitoring of project activities and establish a project monitoring system and database (xiii) support / organize field visits and supervision visits by MOF, MPI and ADB to project sites; and (xiv) prepare and support mid term and final evaluations and submit project closing reports.

39. The PPMUs in each Province will open a first generation imprest account to receive funds disbursed by ADB. The DPIUs of the three provinces will open second generation imprest accounts to receive disbursements as per approved financial plans from the PPMU.

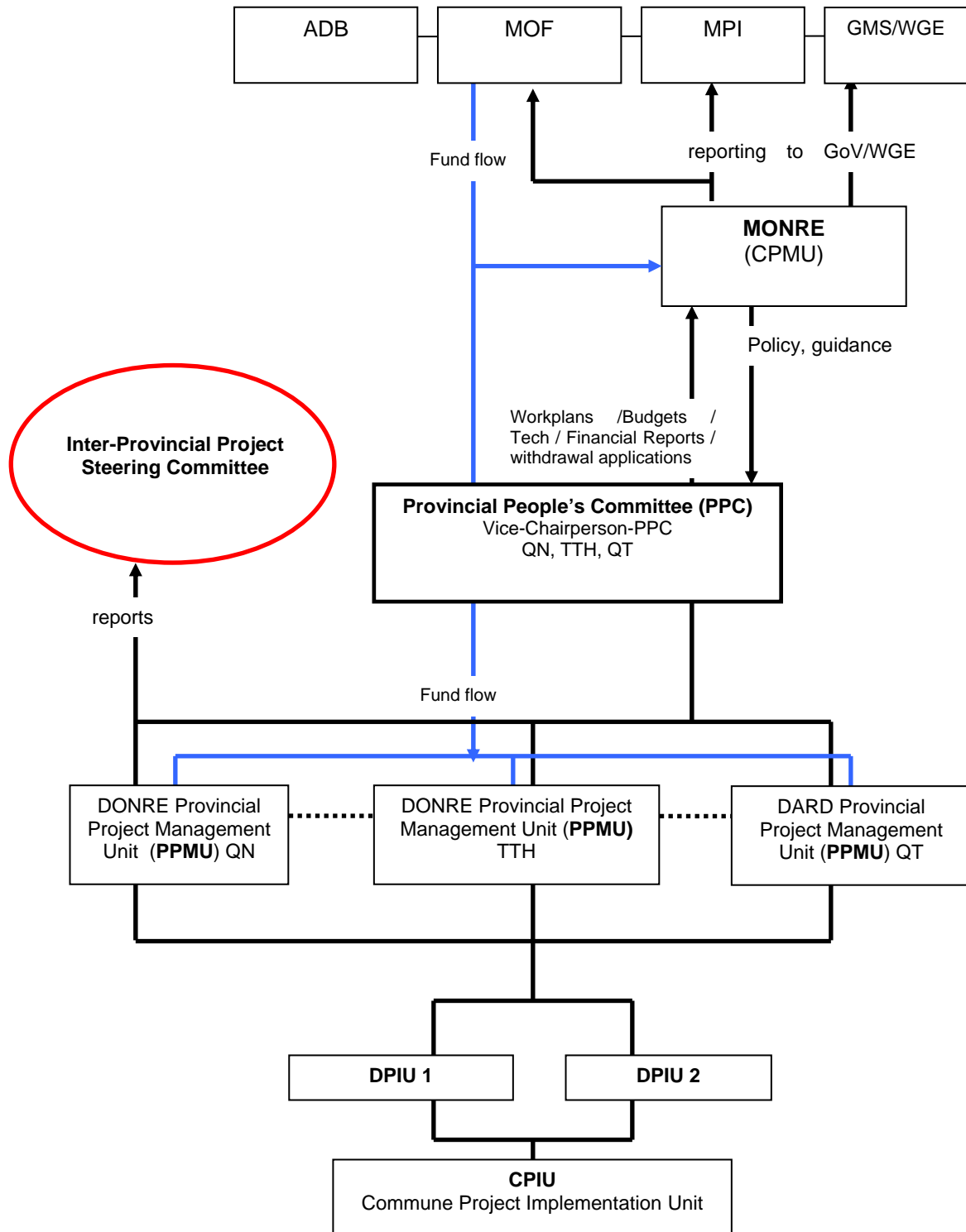
40. The **District level (DPIU):** The District People's Committee will establish a District Project Implementation Unit (DPIU). In particular, they will be responsible to assist with:

identification of associated initiatives during subproject feasibility; community development activities; coordination of participatory consultation activities, securing and documenting agreement relating to on-demand subprojects relating to livelihoods and small scale infrastructure prioritized by the beneficiaries, ensuring that no physical displacement, denial of access, or resettlement activities are being promoted by any subproject; conduct environment management activities; ethnic minority development activities; gender action activities; and monitoring and reporting on physical progress of implementation.

41. **Commune level (CPIU):** The DPC will also establish a Commune Project Implementation Unit (CPIU) in each of the selected 34 Project communes. Funds from the PPMU first generation imprest accounts will be channeled to DPIU on the basis of approved workplans. The Commune Project Units will operate on the basis of block grants provided to the commune accounts after approval of workplans and budgets by the DPIU. Funds provided to the CPIU account as a block grant may be withdrawn by the CPIU for payment of labor and other project expenditures on the basis of verified checks (acceptance check) conducted by DPIU. The minutes of verified/acceptance check will be sufficient for the CPIU bank to release funds. The CPIU will be responsible for making all payments at commune level to the beneficiaries. The structures and staffing of each level are presented below.

42. An Inter Provincial Steering Committee (IPSC), chaired on a rotation basis by the PPC Vice Chairpersons in charge of Agriculture and Forestry from each of the provinces of Quang Nam, Quang Tri, and Thua Thien Hue will review implementation progress and standardize implementation approaches and reports.

D. Project Organization Structure



E. Implementation Arrangements

1. Subprojects Identification and Selection

43. All subprojects eligible for financing under the Project will be screened to ensure consistency with ADB and Viet Nam social and environmental safeguards. The following eligibility criteria, agreed between the Government and the ADB are used during the subproject identification and screening phase; the subproject is:

- (i) one of the top three priorities of the beneficiaries in the commune documented through participatory, multistakeholder consultations conducted by the project;
- (ii) affordable within the block allocation set aside for the commune;
- (iii) technically feasible (engineering wise) and satisfies criteria of mountainous area community based conditions;
- (iv) in conformity with land use plans in the Commune and the biodiversity corridor;
- (v) directly or indirectly benefiting ethnic minorities and poor households and bringing benefits in the form of income generation and/or other benefits (nutritional intake, protein etc.) to households in the target commune (men, women, or both, and/or families/hh);
- (vi) not negatively impacting ethnic minorities' traditional socio-cultural and belief practices (e.g. child-rearing, health, education, arts, and governance);
- (vii) enhancing livelihood systems of ethnic minorities (e.g., food production system, natural resource management, crafts and trade, employment status);
- (viii) avoiding areas (land or territory) that will result in physical displacement from traditional or customary lands occupied, owned, or used by ethnic minorities by reviewing alternatives to the project design. Where involuntary resettlement is unavoidable, affected people particularly those identified as vulnerable and marginalized should be assisted to restore/ improve their quality of life with reference to pre-project conditions;
- (ix) having demonstrated local commitment to the subproject with confirmation by beneficiaries (inclusive of women and ethnic groups), participating communes, and district authorities to that effect;
- (x) is complying with all environmental safeguard issues as described in section VI below;
- (xi) ensuring that only activities that have a minimal negative impact on the environment (given the location of the project in the immediate vicinity of protected areas), are selected, and that the requirement for impact assessment, monitoring and management are met in a cost-effective way;
- (xii) complying with ADB's environmental safeguarding requirements and with the national law on environmental protection must be achieved in an efficient and pragmatic manner, as reflected in the present procedures to be used for subprojects under the Loan. Subprojects conform with Category B subprojects of ADB's environmental classification system and also with category as outlined in Viet Nam's regulations / decrees on environmental impact assessment;
- (xiii) having arrangements satisfactory to the project have been made for undertaking operations & maintenance (O&M); and
- (xiv) not covered under any other on-going programs or projects (duplication avoidance).
- (xv) not located in any area where a major development, such as a new hydropower scheme, a mine, or a Special Economic Zone, is planned.

F. Subproject Preparation and Approval

44. Careful planning of project activities requires consideration to the timing of the rainy season, which lasts from May to October every year. Recruitment of national consultants for carrying out community-based consultations, preparation of detailed design, bidding documents and supervision of construction, will begin shortly after Loan effectiveness. Implementation of subprojects is planned to begin end of 2011 or beginning of 2012 after the rainy season. Subprojects will undergo the following preparation steps:

- (i) Undertake consultations in each of the selected communes and update the prioritization and selection of livelihood interventions;
- (ii) After confirmation of the subproject selection as one of priorities, the Social Safeguards specialist will conduct an assessment of the impacts and benefits of the subproject on ethnic minorities and gender and will clearly document these;
- (iii) Preparation of SIRs;
- (iv) The CPMU will request services of the contracted design team / firm (enterprise) or from department of provincial to carry out field survey/reportss and propose technical design;
- (v) Preparation of bidding documentation;
- (vi) Tendering for construction works; and
- (vii) Construction of subproject infrastructures
- (viii) The Social Safeguards Specialist and the Environmental Safeguards Specialist will check if the designs are going to have any significant adverse impact (involuntary resettlement or environmental damage) and hold consultations with the beneficiary groups to receive consensus or document any objections;
- (ix) Once all necessary approvals from commune and district level have been received, the subproject plan will be submitted by District to the PPMU for endorsement and securing approval from the PSC.
- (x) After approval, PPMU will submit subproject proposal to PPC for approval.
- (xi) After approval by PPC, PPMU will submit subprojects for information to CPMU and NSC; NSC will endorse subprojects approved by PPCs;
- (xii) Subproject details will be documented and made public and CPMU will begin procurement of technical department / firm(s);
- (xiii) During construction phase, the Social Safeguards and Environmental safeguards Specialists/ National Consultants will make site visits to document any significant adverse impacts from construction and seek to address these through proposed mitigation measures;
- (xiv) The commune level beneficiaries will receive training on technical maintenance and its repair. The households will be given orientation by the appropriate department responsible;
- (xv) The DPC will be requested to provide a written environmental protection commitment, which concludes the GOV compliance; monitoring is the responsibility of DONRE. Compliance with ADB environmental safeguards will be assessed through the regular ADB monitoring and reporting;
- (xvi) The benefiting households will draw up a plan for operations and maintenance that will include provision of voluntary labor inputs for maintenance work.
- (xvii) Project M&E will be conducted for project duration. Guidance is provided under the EMDF and RF.
- (xviii) The PPMU will report on the successful completion of the subproject to the CPMU and provide a beneficiary feedback form showing level of satisfaction. This will be accompanied by reports from the Social and Environmental Safeguards Specialists on

the due diligence and orderly implementation of the subproject as per guiding principles and safeguard criteria of the ADB and GOV.

45. The preparation of feasibility studies, detailed design, and preparation of bidding documents will be carried out by national consultants to be recruited by the CPMU following Consultants' Qualifications Selection (CQS) and/or Individual Consultant Selection (ICS) procedures. The CPMU will recruit three national firms or choose from shortlist of consultants, likely one per province, to prepare feasibility studies, detailed design, bidding documents, and to carry out supervision of construction. Feasibility studies including social and environmental safeguard studies will be prepared.

46. The LIC, also to be recruited by the CPMU, will provide support to the national consultants particularly in the areas of preparation of social and environmental safeguard studies and economic analysis. The LIC will also assist the CPMU in the review of feasibility studies and social and economic safeguards studies, and will be responsible for the preparation of SIRs. The review must confirm the eligibility of each subprojects based on the original eligibility criteria as well as the threshold economic internal rate of return (EIRR) of 12%. In cases where the estimated EIRRs are below the 12% threshold, EIRRs of 10% are acceptable in the presence of substantial level of benefits that cannot be readily quantified. Such unquantified benefits must be documented to justify the eligibility of the subproject for financing. In particular, the review will ensure that the subprojects meet the following criteria:

- (i) subproject is shown to be technically feasible and the expected benefits have been clearly identified. If the estimated economic rate of return is below 12%, an EIRR of 10% is acceptable in the presence of substantial level of benefits that cannot be readily quantified;
- (ii) procurement packages have been clearly identified as well as the methods of procurement, cost estimates have been clearly identified and recorded and all sources of funding have been identified and agreed/confirmed;
- (iii) the relevant subproject investment report contains a detailed financing plan for operation and maintenance, including: the operations company is specified, and both a sufficient budget amount and corresponding source of funding are specified and agreed upon by the relevant Project province and other concerned parties;
- (iv) public hearings on the subproject proposal have been held in concerned communes, and measures for future public consultation and supervision;
- (v) a subproject is shown to have no major negative environmental or social impacts, and mitigation measures have been defined for minor impacts;
- (vi) a subproject is shown to have no significant resettlement impacts, and if such Subproject is categorized as Category B, a resettlement plan has been prepared in accordance with the Resettlement Framework, and Recipient's laws and regulations, and ADB's Safeguard Policy Statement; and
- (vii) where necessary, a Resettlement Plan and an Ethnic Minorities Development Plan have been prepared.

47. In case that a candidate subproject does not meet the criteria provided in paragraph 10 above, it will be replaced by the next priority candidate subproject for the respective commune.

48. After the review of the feasibility studies by the LIC and necessary adjustment as required, the LIC will prepare the SIR for the subproject. All safeguard studies will be submitted to ADB for no-objection, and the SIR and related feasibility study will be submitted to each PPMU for approval of the PPC/PSC. Following ratification by the PPC/PSC, and no objection

from ADB on the safeguard studies, the feasibility study and SIR will be submitted to the NSC to authorize the allocation of project funds for the preparation of the next stage of preparation. The NSC may delegate its authorization powers to the PPC.

1. Detailed Design of Subprojects

49. Once the feasibility studies have been endorsed by the PPCs, the CPMU will give the order to proceed to the national consultants to carry out survey/reportss and detailed engineering designs for civil works component. The DPIU will assist in carrying out the survey/reportss as necessary and the relevant line agencies will provide support to the national consultants as required. The detailed designs will be reviewed by the Loan Implementation Consultant (LIC) and when satisfactory will be submitted to the relevant technical line agencies for review and approval to ensure that the project design meets the required Vietnamese standards and specifications for its type of infrastructure.

2. Preparation of Bidding Document

50. Once the detailed designs of infrastructure subprojects are approved, the CPMU will give the order to proceed to the national consultants to prepare bid documents following National Competitive Bidding (NCB) procedures. The bid documents will be prepared based on ADB standard format documents. The draft English language version of the procurement documents for the first two contracts will be submitted for ADB review and prior approval regardless of the estimated contract amount. ADB-approved procurement documents will be used as a model for all subsequent NCB procurement and will only require post approval of ADB. The LIC will review the bidding documents before they are submitted to the NSC for approval. The diagram below shows a summary workflow for the preparation and approval of bidding documents for subprojects.

3. Procurement of Works Contracts

51. Procurement of civil works contract for the subprojects will be carried out by the CPMU following NCB procedures in accordance with ADB's Procurement Guidelines (2010, as amended from time to time). PPMU will procure works contracts for provincial activities following ADB's Procurement Guidelines (2010, as amended from time to time). The first two contracts, following ADB standard documents, will require prior approval of ADB regardless of the value of the contracts. Subsequent contracts will only be submitted to ADB for post approval. The NSC will endorse all contracts which have been approved by PPC/PSC before works can start. The LIC will assist the CPMU in the opening and evaluation of tenders.

4. Construction Supervision

52. Upon mobilization of the contractors, the CPMU will issue an order to proceed to the contracted consulting firm/individual to carry out supervision of construction works. The CPMU will also recruit safeguard monitoring entities to monitor the implementation of social and environmental safeguard measures identified in the Resettlement Plan (RP), the Environmental Management Plan (EMP), the Gender Action Plan (GAP) and the Ethnic Minorities Development Plan. The monitoring entities will be recruited following CQS/ICS procedures. The DPIU will provide assistance and support to both the national consultants and the safeguard monitoring entities in supervision and monitoring of the implementation of the subprojects.

IV. COSTS AND FINANCING

53. The total project cost is estimated at \$34.083 million. The Government has requested a Loan not exceeding \$30 million from the ADF resources to help finance the Project. This will be directed at corridor planning, forest restoration and protection, livelihoods improvement, and small scale infrastructure subprojects, capacity building, project management and consulting services, inclusive of taxes and duties, which will be financed from the Loan. The Government will finance the equivalent of \$2.853 million for recurrent costs. Beneficiaries will contribute their labor to agroforestry, NTFP planting, and in-kind contribution to routine maintenance of small-scale infrastructure (estimated at \$1.229 million).

A. Detailed Cost Estimates by Expenditure Category

	(Dong Billion)			% Foreign Exchange	% Total Base Costs	(US\$ '000)			% Total Base Costs
	Foreign	Local	Total			Foreign	Local	Total	
A. Investment Costs									
1. Civil Works									
a. Small Scale Infrastructure	15.2	125.1	140.3	11.0	22.0	799.0	6,583.8	7,382.8	22.0
b. Resettlement	0.5	4.4	4.9	10.0	1.0	25.0	231.8	256.8	1.0
Subtotal	15.7	129.5	145.2	11.0	23.0	824.0	6,815.5	7,639.5	23.0
2. Vehicles and Equipment									
Vehicles	1.1	4.4	5.6	20.0	1.0	60.2	234.1	294.3	1.0
Equipment	1.5	11.7	13.2	11.0	2.0	77.2	617.5	694.7	2.0
Subtotal	2.6	16.2	18.8	14.0	3.0	137.4	851.6	989.0	3.0
3. Goods and Services	4.3	222.3	226.6	2.0	36.0	226.7	11,698.2	11,924.9	36.0
4. Livelihood Inputs	0.0	11.6	11.6	0.0	2.0	0.0	612.0	612.0	2.0
5. Consultancy Services									
Locally Contracted Services	4.7	23.3	28.0	17.0	4.0	246.3	1,224.9	1,471.1	4.0
International Consultants	9.0	8.7	17.7	51.0	3.0	473.0	456.1	929.1	3.0
Subtotal	13.7	31.9	45.6	30.0	7.0	719.3	1,681.0	2,400.3	7.0
6. Capacity Building, Training, Workshops	5.7	11.3	17.0	33.0	3.0	298.4	594.4	892.8	3.0
7. Project Implementation Management	26.0	9.4	35.4	74.0	6.0	1,370.3	493.7	1,864.0	6.0
8. Duties & Taxes	0.0	49.3	49.3	0.0	8.0	0.0	2,596.5	2,596.5	8.0
Total Investment Costs	67.9	481.5	549.5	12.0	88.0	3,576.1	25,343.0	28,919.0	88.0
B. Recurrent Costs									
1. Central Government Expenses	0.0	27.3	27.3	0.0	4.0	0.0	1,436.6	1,436.6	4.0
2. Provincial Government Expenses	0.0	23.4	23.4	0.0	4.0	0.0	1,230.7	1,230.7	4.0
3. O & M Commune Infrastructure	0.0	24.2	24.2	0.0	4.0	0.0	1,275.0	1,275.0	4.0
4. Duties & Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Recurrent Costs	0.0	74.9	74.9	0.0	12.0	0.0	3,942.3	3,942.3	12.0
Total BASELINE COSTS	67.9	556.4	624.4	11.0	100.0	3,576.1	29,285.3	32,861.4	100.0
Physical Contingencies	0.7	1.8	2.5	28.0	0.0	36.0	93.4	129.3	0.0
Price Contingencies	2.8	22.6	25.4	11.0	4.0	72.9	351.1	424.0	1.0
Total PROJECT COSTS	71.4	580.8	652.3	11.0	104.0	3,684.9	29,729.8	33,414.7	102.0
Interest During Implementation	13.0	0.0	13.0	100.0	2.0	668.4	0.0	668.4	2.0
Total Costs to be Financed	84.4	580.8	665.2	13.0	107.0	4,353.3	29,729.8	34,083.1	104.0

Source: Asian Development Bank estimates.

B. Allocation and Withdrawal of Loan Proceeds

GMS BIODIVERSITY CONSERVATION CORRIDORS IN QUANG NAM, QUANG TRI, AND THUA THIEN HUE PROVINCES				
CATEGORY				ADB FINANCING
Number	Item	Amount Allocated [\$]		Percentage and Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Civil Works (small scale infrastructure)	8,992,850		100 percent of total expenditure
2	Vehicles and Equipment	1,098,850		100 percent of total expenditure
2A	Vehicles		327,000	100 percent of total expenditure
2B	Equipment		771,850	100 percent of total expenditure
3	Goods and Services	12,640,000		100 percent of total expenditure
4	Livelihoods improvement	672,500		100 percent of total expenditure
6	Consulting Services	2,933,900		100 percent of total expenditure
7	Capacity building	980,900		100 percent of total expenditure
8	Project Management	2,012,600		100 percent of total expenditure
9	Interest During Implementation	668,400		100 of amount due
	Total	30,000,000		

NB: All taxes and duties are financed from in the Loan.

C. Detailed Cost Estimates by Financier

	ADB		Government		Provinces		Beneficiaries		Total		Duties & Taxes
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
I. Investment Costs											
A. Civil Works											
1. Small Scale Infrastructure	8,992.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	8,992.9	26.4	899.3
2. Resettlement	0.0	0.0	0.0	0.0	265.6	100.0	0.0	0.0	265.6	0.8	0.0
Subtotal	8,992.9	97.1	0.0	0.0	265.6	2.9	0.0	0.0	9,258.5	27.2	899.3
B. Vehicles and Equipment											
Vehicles	327.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	327.0	1.0	32.7
Equipment	771.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	771.9	2.3	77.2
Subtotal	1,098.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,098.9	3.2	109.9
C. Goods and Services	12,640.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	12,640.0	37.1	1,110.7
D. Livelihood Inputs	672.5	100.0	0.0	0.0	0.0	0.0	0.0	0.0	672.5	2.0	67.3
E. Consultancy Services											
Locally Contracted Services	1,882.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,882.9	5.5	181.8
International Consultants	1,051.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,051.0	3.1	31.2
Subtotal	2,933.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	2,933.9	8.6	213.0
F. Capacity Building, Training, Workshops	980.9	100.0	0.0	0.0	0.0	0.0	0.0	0.0	980.9	2.9	98.1
G. Project Implementation Management	2,012.6	100.0	0.0	0.0	0.0	0.0	0.0	0.0	2,012.6	5.9	162.5
Total Investment Costs	29,331.6	99.1	0.0	0.0	265.6	0.9	0.0	0.0	29,597.2	86.8	2,660.8
II. Recurrent Costs											
A. Central Government Expenses	0.0	0.0	1,393.2	100.0	0.0	0.0	0.0	0.0	1,393.2	4.1	0.0
B. Provincial Government Expenses	0.0	0.0	0.0	0.0	1,194.8	100.0	0.0	0.0	1,194.8	3.5	0.0
C. O & M Commune Infrastructure	0.0	0.0	0.0	0.0	0.0	0.0	1,229.4	100.0	1,229.4	3.6	0.0
Total Recurrent Costs	0.0	0.0	1,393.2	36.5	1,194.8	31.3	1,229.4	32.2	3,817.5	11.2	0.0
Total PROJECT COSTS	29,331.6	87.8	1,393.2	4.2	1,460.5	4.4	1,229.4	3.7	33,414.7	98.0	2,660.8
Interest During Implementation	668.4	100.0	0.0	0.0	0.0	0.0	0.0	0.0	668.4	2.0	0.0
Total Disbursement	30,000.0	88.0	1,393.2	4.1	1,460.5	4.3	1,229.4	3.6	34,083.1	100.0	2,660.8

Source: Asian Development Bank estimates.

D. Detailed Cost Estimates by Outputs/Components

	Institutional & Community Strengthening	Biodiversity Corridors, Restoration, Protection	Livelihood and Small Scale Infrastructure	Project Management and Support	Total
I. Investment Costs					
A. Civil Works					
1. Small Scale Infrastructure	0.0	0.0	8,203.1	0.0	8,203.1
2. Resettlement	0.0	0.0	256.8	0.0	256.8
Subtotal	0.0	0.0	8,459.8	0.0	8,459.8
B. Vehicles and Equipment					
Vehicles	0.0	0.0	0.0	327.0	327.0
Equipment	0.0	0.0	0.0	771.9	771.9
Subtotal	0.0	0.0	0.0	1,098.9	1,098.9
C. Goods and Services	0.0	10,808.1	1,493.5	773.5	13,075.1
D. Livelihood Inputs	0.0	0.0	680.0	0.0	680.0
E. Consultancy Services					
Locally Contracted Services	108.0	55.5	324.0	1,141.0	1,628.4
International Consultants	0.0	669.9	132.0	156.1	958.0
Subtotal	108.0	725.4	456.0	1,297.0	2,586.4
F. Capacity Building, Training, Workshops	249.0	0.0	470.0	273.0	992.0
G. Project Implementation Management	1,489.5	203.0	0.0	334.4	2,026.9
Total Investment Costs	1,846.5	11,736.4	11,559.3	3,776.8	28,919.0
II. Recurrent Costs					
A. Central Government Expenses	0.0	128.8	0.0	1,307.8	1,436.6
B. Provincial Government Expenses	337.3	275.3	618.1	0.0	1,230.7
C. O & M Commune Infrastructure	0.0	0.0	1,275.0	0.0	1,275.0
Total Recurrent Costs	337.3	404.1	1,893.1	1,307.8	3,942.3
Total BASELINE COSTS	2,183.8	12,140.5	13,452.4	5,084.6	32,861.4
Physical Contingencies	5.4	36.3	22.8	64.9	129.3
Price Contingencies					
Inflation					
Local	0.5	34.9	938.9	209.3	1,183.6
Foreign	4.2	13.0	43.7	12.0	72.9
Subtotal Inflation	4.7	48.0	982.6	221.2	1,256.5
Devaluation	-8.7	-398.8	-308.5	-116.5	-832.5
Subtotal Price Contingencies	-4.0	-350.8	674.1	104.7	424.0
Total PROJECT COSTS	2,185.2	11,826.0	14,149.3	5,254.2	33,414.7
Taxes	185.7	965.2	1,205.5	304.4	2,660.8
Foreign Exchange	1,671.0	365.2	1,167.3	481.4	3,684.9

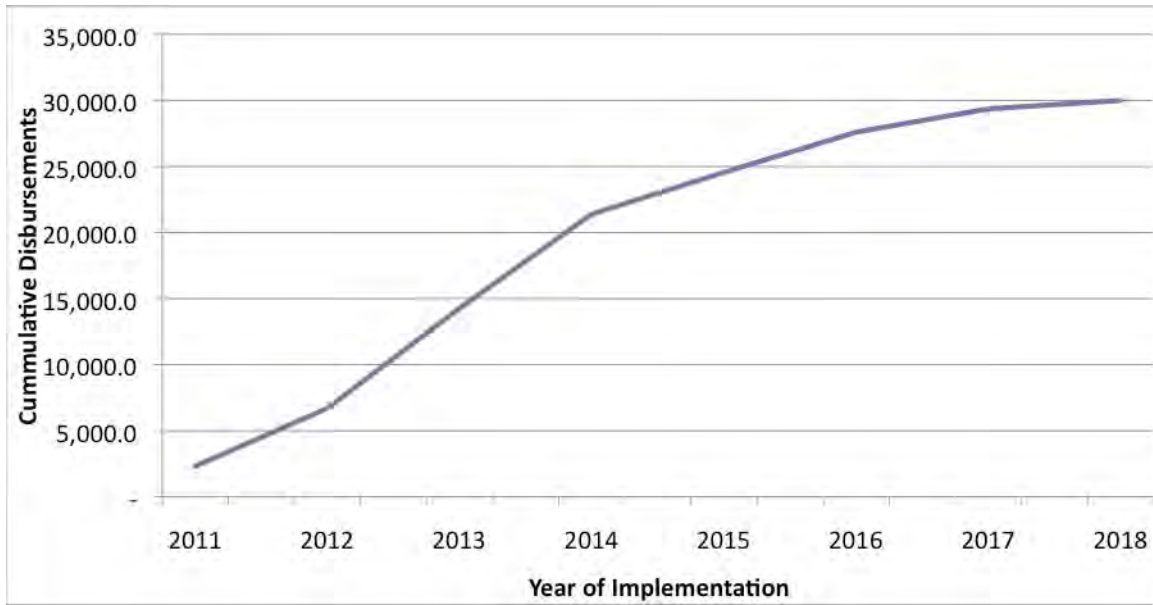
Source: Asian Development Bank estimates.

E. Detailed Cost Estimates by Year

	Base Cost								Total
	2011	2012	2013	2014	2015	2016	2017	2018	
I. Investment Costs									
A. Civil Works									
1. Small Scale Infrastructure	0.0	1,447.6	3,377.7	3,377.7	0.0	0.0	0.0	0.0	8,203.1
2. Resettlement	154.1	102.7	0.0	0.0	0.0	0.0	0.0	0.0	256.8
Subtotal	154.1	1,550.3	3,377.7	3,377.7	0.0	0.0	0.0	0.0	8,459.8
B. Vehicles and Equipment									
Vehicles	327.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	327.0
Equipment	771.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	771.9
Subtotal	1,098.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,098.9
C. Goods and Services	393.0	1,143.0	1,988.0	2,419.0	2,673.5	2,726.5	1,443.0	289.5	13,075.1
D. Livelihood Inputs	200.0	200.0	280.0	0.0	0.0	0.0	0.0	0.0	680.0
E. Consultancy Services									
Locally Contracted Services	155.6	295.8	277.4	259.4	205.4	158.4	147.5	129.0	1,628.4
International Consultants	200.3	356.5	356.5	44.6	0.0	0.0	0.0	0.0	958.0
Subtotal	355.9	652.4	633.9	304.0	205.4	158.4	147.5	129.0	2,586.4
F. Capacity Building, Training, Workshops	128.5	345.0	245.0	196.5	77.0	0.0	0.0	0.0	992.0
G. Project Implementation Management	104.8	469.3	682.3	375.3	162.3	129.3	61.8	41.8	2,026.9
Total Investment Costs	2,435.0	4,359.9	7,206.9	6,672.4	3,118.1	3,014.2	1,652.2	460.2	28,919.0
II. Recurrent Costs									
A. Central Government Expenses	182.1	182.1	182.1	182.1	182.1	182.1	172.0	172.0	1,436.6
B. Provincial Government Expenses	166.5	166.5	166.5	166.5	141.2	141.2	141.2	141.2	1,230.7
C. O & M Commune Infrastructure	0.0	0.0	425.0	0.0	425.0	0.0	425.0	0.0	1,275.0
Total Recurrent Costs	348.6	348.6	773.6	348.6	748.3	323.3	738.2	313.2	3,942.3
Total BASELINE COSTS	2,783.6	4,708.5	7,980.5	7,021.0	3,866.4	3,337.5	2,390.4	773.5	32,861.4
Physical Contingencies	17.8	32.6	31.7	15.2	10.3	7.9	7.4	6.4	129.3
Price Contingencies									
Inflation									
Local	7.2	115.7	382.1	522.9	30.9	37.2	43.2	44.4	1,183.6
Foreign	1.7	12.6	27.1	25.4	1.3	1.5	1.7	1.7	72.9
Subtotal Inflation	8.9	128.4	409.3	548.2	32.2	38.7	44.9	46.0	1,256.5
Devaluation	0.0	-38.7	-139.2	-197.0	-144.5	-157.9	-116.5	-38.6	-832.5
Subtotal Price Contingencies	8.9	89.6	270.1	351.3	-112.3	-119.2	-71.6	7.4	424.0
Total PROJECT COSTS	2,810.3	4,830.8	8,282.2	7,387.5	3,764.4	3,226.2	2,326.2	787.3	33,414.7
Taxes	202.2	370.5	683.3	670.5	270.3	277.7	148.9	37.4	2,660.8
Foreign Exchange	396.9	878.2	1,238.7	802.2	184.1	118.3	38.4	28.3	3,684.9

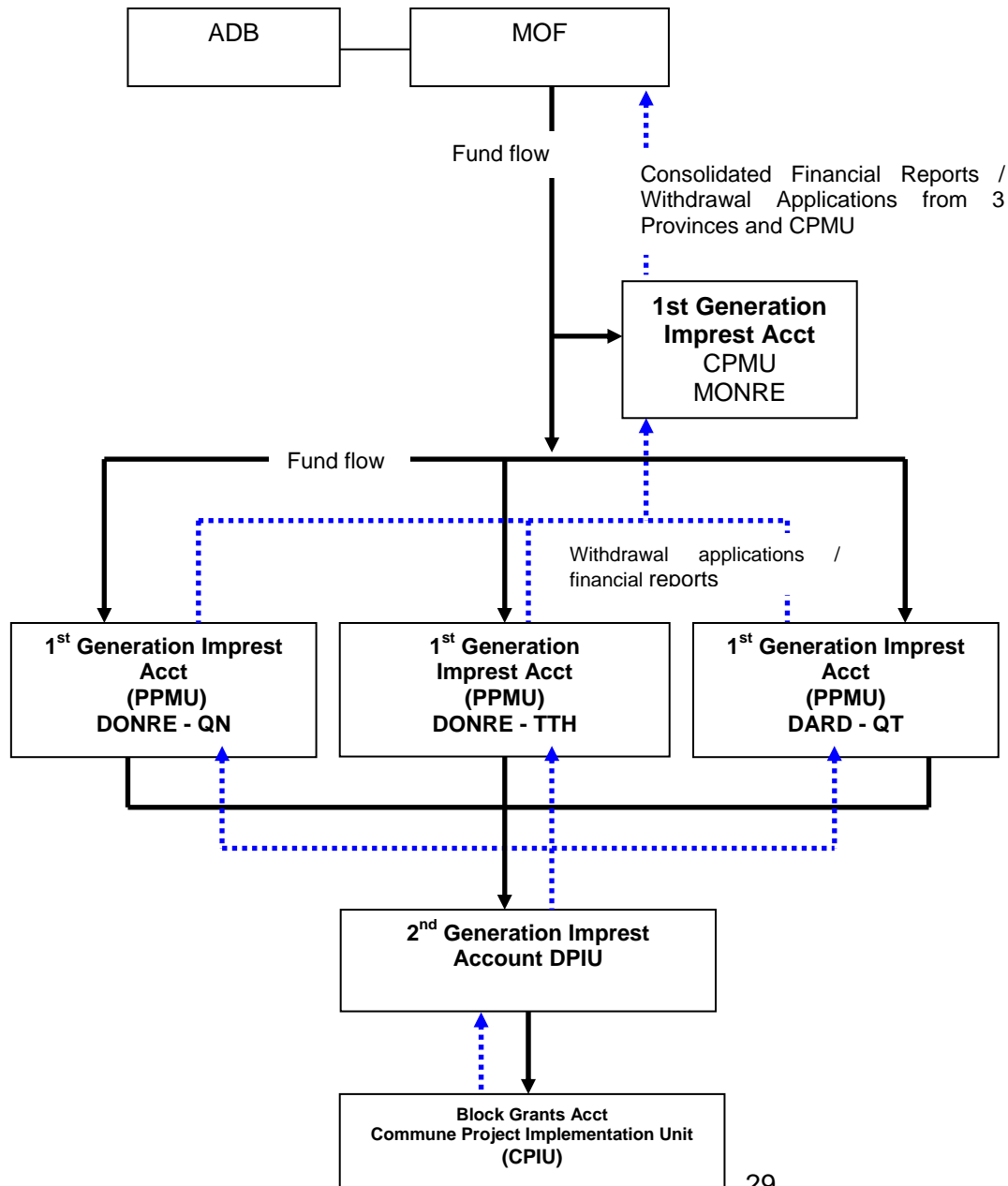
Source: Asian Development Bank estimates.

F. Contract and Disbursement S-curve



Source: Asian Development Bank estimates.

G. Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

54. A risk assessment was carried out for the Project and a risk management plan was prepared (web-linked document 13). The main findings of the risk assessment regarding financial management are summarized below.

55. There is a significant risk associated with shortfall in counterpart fund allocations with donor-assisted projects particularly in the provinces. For this reason, financial obligations of the participating provinces have been minimized by financing all taxes and duties associated with subproject investments from Loan funds. This will ensure that there are no unrealistic demands on provincial or lower level budget resources.

56. There is a medium risk associated with lack of accountability with respect to utilization of public and donor funds. To reduce this risk, financial management training will be provided to accounting and financial management personnel appointed to the CPMU, as well as to PPMUs immediately upon project effectiveness. In addition financial management at province and district level will be monitored closely, and corrective actions such as incremental training and/or commendation will be implemented if needed. Cash payments will also be minimized through the use of project bank accounts to ensure that Loan funds (and counterpart funds) are used properly and in accordance with the requirements of the Project.

57. The potential of leakage of project funds is considered low. Nevertheless, to further reduce the risk associated with this a number of measures have been built into the project design, including (i) the use of complete legal documents and project procedures on investment management and proper procurement/bidding; (ii) the introduction of investment monitoring from subproject preparation to implementation through a project website and other public monitoring mechanisms; (iii) strengthening inspection and control through the appointment of internationally qualified auditors to conduct independent audits which would identify opportunities for potential leakage; and (iv) introduction of international accounting software for the CPMU using double entry accounting procedures that allow a trace of transactions to be followed during audit and other reviews.

B. Disbursement

58. The Loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2007, as amended from time to time),³ and detailed arrangements agreed upon between the Government and ADB.

59. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),⁴ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list (Appendix 5) to all subprojects.

³ Available at: http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf

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

1. Imprest Accounts

60. After Loan Effectiveness, the CPMU at MONRE and the three PPMUs (DONRE in Quang Nam and Thu Thien Hue, DARD in Quang Tri) will establish a first generation imprest account (FGIA) in a commercial bank acceptable to MOF and the ADB to receive ADF Loan funds for the Project. In addition, SGIA's will be established and managed by the DPIUs in the six districts (Tay Giang, Nam Giang, Huong Hoa, Dakrong, A Luoi and Nam Dong). The FGIA will be used to meet national and provincial level project costs including CPMU operations cost, and consulting services contracts and subproject costs. The SGIA will be used to meet district and commune cost items. The imprest accounts will be replenished in accordance with standard procedures outlined in the ADB's Loan Disbursement Handbook. All accounts will be audited annually by an independent auditor.

61. Each FGIA will receive an advance amounting to an estimated 6 months of project expenditure or a maximum of \$750,000 each, whichever is lower. This account will be replenished on a monthly basis to assure liquidity of funds or when the account is drawn down by 20% of the initial deposit. The FGIA will be audited annually by an independent auditor acceptable to ADB. Funds in the national imprest account will be used to establish advances in the respective SGIA's. The maximum ceiling of each SGIA will be equivalent to 6 months estimated expenditures to be funded from each SGIA or \$300,000 whichever is lower. SGIA are intended to provide cash resources for the operations of the DPIU and other field activities at commune level, which are substantial. District-located SGIA's will be replenished upon presentation of documented liquidation of expenditures as outlined in ADB's Loan Disbursement Handbook.

62. The request for initial advance to the imprest account should be accompanied by an Estimate of Expenditure Sheet⁵ setting out the estimated expenditures for the first six (6) months of project implementation, and submission of evidence satisfactory to ADB that the imprest account has been duly opened. For every liquidation and replenishment request of the imprest account, the recipient will furnish to ADB (i) Statement of Account (Bank Statement) where the imprest account is maintained, and (ii) the Imprest Account Reconciliation Statement reconciling the above mentioned bank statement against the executing agency's records.⁶

2. Direct Payment and Statement of Expenditures

63. If required, loan proceeds may be disbursed directly to contractors and consultants by ADB in accordance with the approved contracts between the executing agency and the contractors, using direct payment procedures. For payments up to \$100,000 from the FGIA or SGIA's, ADB's Statement of Expenditures (SOE) procedure may be used to reimburse eligible expenditures and to liquidate advances. Sample forms for withdrawal of Loan proceeds, replenishment of imprest accounts, and SOE can be downloaded from the ADB website.⁷ SOE records should be maintained and made readily available for review by ADB's disbursement and review missions or upon ADB's request for submission of supporting documents on a sampling basis, as well as for independent audit.⁸ CPMU will be responsible for ensuring that SOE's are operated in accordance with ADB's requirement.

⁵ Available in Appendix 29 of the *Loan Disbursement Handbook*.

⁶ Follow the format provided in Appendix 30 of the *Loan Disbursement Handbook*.

⁷ Available at: http://www.adb.org/documents/handbooks/loan_disbursement/default.asp

⁸ Checklist for SOE procedures and formats are available at:
http://www.adb.org/documents/handbooks/loan_disbursement/chap-09.pdf
http://www.adb.org/documents/handbooks/loan_disbursement/SOE-Contracts-100-Below.xls

64. Before the submission of the first withdrawal application, the recipient shall submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the recipient, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is US\$100,000, unless otherwise approved by ADB. The recipient is to consolidate claims to meet this limit for reimbursement and imprest account claims. Withdrawal applications and supporting documents will demonstrate, among other things that the goods, and/or services were produced in or from ADB members, and are eligible for ADB financing.

3. Disbursement and Liquidation Procedures for Counterpart Funds

65. Only one item is to be financed from Government counterpart funds: Government recurrent costs covering salaries of staff seconded to the Project which will be financed through the regular payroll mechanism for Government employees and any bonus adjustments as per Government rules and regulations.

C. Accounting

66. The EA, PPMUs and PIUs will maintain separate project accounts and records by funding source for all expenditures incurred in connection with the Project. Project accounts will follow international accounting principles.

D. Auditing

67. The CPMU will cause the detailed consolidated project accounts to be audited in accordance with international standards on auditing by an auditor acceptable to ADB. The audited accounts will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency. The annual audit report will include a separate audit opinion on the use of the imprest accounts, SGIA, and the SOE procedures. 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.

68. The Government and the CPMU have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited accounts (covering failure of submitting audited accounts and financial statements by the due dates). In case of delays in submission of audited account and financial statements, a formal warning will be issued, and disbursements may be suspended, for accounts more than 6 months overdue.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Assessment of Procurement Capacity

69. Assessment of procurement capacity of MONRE at central level shows that capacity in procurement needs strengthening. Hence, a procurement specialist has been included in the LIC team. In addition, advance contracting will enable preparation of bid documents and preparation for RFPs including prequalification / shortlisting of potential suppliers.

70. The provincial DARDs have adequate capacity and experience with procurement under large multilateral assistance programs (including ADB). The procurement specialist in the LIC team can review the current procedures and provide guidance on harmonizing, if applicable, ADB and Government procedures, in order to speed up procurement processes.

B. Advance Contracting

71. All advance contracting will be undertaken in conformity with ADB's *Procurement Guidelines* (2010, as amended from time to time)⁹ and ADB's *Guidelines on the Use of Consultants* (2010, as amended from time to time).¹⁰ The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The recipient, CPMU and PPMUs have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the Project.

72. The CPMU will conduct advance action for the recruitment of LIC. Consulting services are necessary for smooth implementation of the Project and to strengthen community participation in subproject design and subsequent operations and maintenance. Prompt appointment of consultants for implementation support is critical to ensure efficient implementation. Late recruitment of consultants is a significant factor in delayed project implementation and is also likely to have a negative impact on achievement of project benefits. The CPMU will initiate recruitment of LIC consultants including issuing invitation for expressions of interests, short-listing of potential firms, invitation to submit proposals and evaluation of proposal. ADB support of advance contracting does not commit ADB to approve the Loan project or to finance the recruitment cost.

C. Procurement of Goods, Works and Consulting Services

73. All procurement of goods and works to be financed under the ADB Loan will be undertaken in accordance with ADB's *Procurement Guidelines* (2010, as amended from time to time). Civil work packages will comprise a number of small works scattered in remote areas of the three provinces, and are not likely to attract international bidders. Packages for works valued at less than \$1 million but more than \$100,000 or equivalent shall be procured following NCB procedures described in Section C below. For works below \$100,000 equivalent, shopping procedures may be followed. Packages for goods costing less than \$500,000 equivalent but more than \$100,000 shall be procured through NCB procedures. Smaller packages for goods valued at less than \$100,000 may be procured using shopping procedures. Smaller packages for goods valued at less than \$10,000 may be procured using direct contracting procedures. Most of the reforestation activities, forest protection payment (patrolling), livelihood improvement block Loans, and CDF seed capital are community based services; and hence, community

⁹ Available at: <http://www.adb.org/Documents/Guidelines/Procurement/Guidelines-Procurement.pdf>

¹⁰ Available at: <http://www.adb.org/Documents/Guidelines/Consulting/Guidelines-Consultants.pdf>

participation works and services valued at less than \$30,000 per contract or per transaction (e.g. transfer of seed capital into eligible CDF accounts) will be procured using direct contracting procedures.

74. Before the start of any procurement, ADB and the Government will review the public procurement laws of the Government to ensure consistency with ADB's *Procurement Guidelines*.

75. 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 D below.

76. All consultants will be recruited according to ADB's *Guidelines on the Use of Consultants* (2010 as amended from time to time).¹¹ The proposed Project will require two types of consulting services to assist and support the CPMU and PPMUs with: (i) project implementation support including policy development at national level; and (ii) preparation of subprojects and safeguards monitoring during implementation. The outputs and deliverables from all consulting services shall be in accordance with the Government policies, and in support of the provincial development strategies and the needs of the beneficiaries.

77. LICs will be recruited by the CPMU through a firm using Quality- and Cost- Based Selection (QCBS) procedures using a ratio of 80:20 in accordance with ADB's *Guidelines on the Use of Consultants* (2010 as amended from time to time). The CPMU will also recruit national consultants to assist in the preparation of feasibility studies, detailed design, preparation of bidding documents, and supervision of construction of subprojects from national firms or individual consultants using CQS or ICS procedures. CQS/ICS procedures are justified because: (i) the quality of the output is critical for the assessment of the subprojects' environmental and social impacts, as well as the design of necessary mitigation measures; and (ii) recruitment time will be critical to ensure expeditious and efficient project implementation. The CPMU will also be responsible for recruitment of national institutes such as NGO, universities to monitor implementation of social and environmental safeguard measures. These institutes will also be recruited using CQS/ICS procedures. The packages for these entities are considered small and would not justify the preparation of detailed technical proposals. Furthermore, CQS/ICS procedures will reduce recruitment time to ensure timely implementation of these critical inputs. The detailed terms of reference (TOR) for all consulting services are in Section D below.

D. Procurement Plan

1. Basic Data

Country	Socialist Republic of Viet Nam
Project Name	GMS Biodiversity Conservation Corridors Project
Loan Amount (\$)	ADF - \$30 million
Loan Number	To Be Determined
Executing Agency	Ministry of Natural Resources and Environment (MONRE)
Date of this Procurement Plan	16 November 2010

¹¹ 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/>

2. Process Thresholds, Review and 18-month Procurement Plan

a. Project Procurement Thresholds

78. Except where ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works:

Method	Threshold
NCB works ^a	Below \$1,000,000 but ≥ \$100,000
NCB goods ^a	Below \$500,000 but ≥ \$100,000
Shopping works	Below \$100,000
Shopping goods	Below \$100,000
Direct Contracting	≤ \$10,000
Community Participation for works, services, and transactions (seed capital, block funds) ^b	≤ \$30,000 per contract

NCB = national competitive bidding.

^a NCB procedures are described in Section D of this procurement plan.

^b In accordance with ADB's *Procurement Guidelines* (2010 as amended from time to time) and subject to the approval of the Government of Viet Nam.

3. ADB Post and Prior Review

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

Procurement Method	Prior or Post	Comments
For Goods and Works		
NCB works	Prior / Post The draft English language version of the procurement documents should be submitted for ADB review and approval regardless of the estimated contract amount. ADB-approved procurement documents should be used as a model for all subsequent NCB procurement financed by ADB, and need not be subjected to further prior review. ADB will review the bid evaluation report and award of contract on a post-review basis.	CPMU/PPMU to procure all NCB packages. Prior review for the first 2 contracts subsequently post review.
NCB goods	Prior / Post Same as NCB works above	CPMU and PPMUs to procure all NCB packages. Prior review for the first 2 contracts subsequently post review.
Shopping works	Post	The draft English language version of the procurement documents should be submitted for ADB review and

Procurement Method	Prior or Post	Comments
		approval regardless of the estimated contract amount.
Shopping goods	Post	
Community Participation for works	Post	
Consultant Recruitment		
QCBS (80:20)	Prior	The CPMU will recruit implementation consultants from a firm, using full technical proposals.
CQS	Post	Involves small contracts with specialist organizations or individuals for time critical work.

CPMU = Central Project Management Unit; CQS = Consultants' Qualifications Selection; NCB = National Competitive Bidding; PPMU = Provincial Project Management Unit; QCBS = Quality- and Cost-Based Selection.

4. Consulting Service Contracts Estimated to Cost More than \$100,000

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

General Description	Contract Value (\$ million)	Recruitment Method	Advertisement Date	International or National Assignment	Comments
LIC	\$2.472	QCBS (80:20)	Jan 2011	43 pm International and 486 pm National	To be recruited by CPMU
Design, Feasibility, Supervision, Safeguards Consultants	\$0.462	CQS	Apr 2011	National	7 packages to be recruited by CPMU
Design and capacity of Commune Development Fund (CDF)	\$0.168	CQS	Apr 2011	National	1 package to be recruited by CPMU

CPMU = Central Project Management Unit; CQS = Consultants Qualifications Selection; CS = Construction Supervision; DD = Detailed Design; FS = Feasibility Study; LIC = Loan Implementation Consultants; PBD = Preparation of bidding documents; QCBS = Quality- and Cost- Based Selection.

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

General Description	Value of Contracts (cumulative) (million)	Number of Contracts	Procurement/Re-cruitment Method	Comments
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General Description	Value of Contracts (cumulative) (million)	Number of Contracts	Procurement/Re- cruitment Method	Comments
Office Equipment including office refurbishment	\$0.440	5	Shopping/Direct Contracting	By CPMU PPMUs
Motor Vehicles	\$0.327	Multiple	Shopping	By CPMU
Equipment for resource mapping	\$0.197	2	Shopping/Direct Contracting	By CPMU
Field Equipment	\$0.246	4	Shopping/Direct Contracting	By CPMU

CPMU = Central Project Management Unit; PPMU = provincial project management unit.

6. Indicative List of Packages Required under the Project

81. The following table provides an indicative list of all procurement (goods works and consulting services) over the life of the proposed Project. Contracts financed by the recipient and others are included with appropriate notation in the 'Comments' section.

General Description	Est. Value (\$ million)	Est. No. of Contracts	Procurement Method	Proposal Type	Comments
Goods					
Office Equipment including refurbishment (Desk sets, cabinets, computers, communication equipment, etc.)	\$0.440	5	Shopping/Direct Contracting	n.a.	By CPMU -PPMUs
Motor Vehicles and motorcycles	\$0.327	Multiple	Shopping	n.a.	By CPMU
Equipment for resource mapping	\$0.197	2	Shopping/Direct Contracting	n.a.	By CPMU
Field equipment	\$0.246	4	Shopping/Direct Contracting	n.a.	By CPMU
Works					
Multiple, demand driven, small scale infrastructure Subproject works with design (over the next 36 months)	\$8.993	Multiple	NCB	n.a.	By PPMU / CPMU
Reforestation Subproject design & materials	\$2.985	Multiple	Shopping/Direct Contracting	n.a.	By CPMU/PPMU

General Description	Est. Value (\$ million)	Est. No. of Contracts	Procurement Method	Proposal Type	Comments
(multiple sites over the next 60 months)					
Community ¹² Participation for forest restoration works	\$5.952	Multiple	Community/Direct Contracting	n.a.	By PPMU/DPIU
Community ¹² Participation for livelihood improvement subprojects	\$1.306	Multiple	Community/Direct Contracting	n.a.	By PPMU/DPIU
Livelihood Improvement Business Development	\$0.295	Multiple	Shopping/Direct Contracting	n.a.	By CPMU
Commune Development Funds (CDF) seed capital	\$0.673	Multiple	Direct Contracting / transfer of seed capital on eligibility	n.a.	By PPMU/DPIU
Community service contracts for Biodiversity Corridor Patrolling over 8 years in 34 communes	\$1.495	Multiple	Community/Direct Contracting	n.a.	By PPMU/DPIU
Consulting Services					
Loan Implementation Consultants	\$2.472	1	QCBS (80:20)	FTP	By CPMU
FS, DD, supervision, Safeguards, Consultants	\$0.462	7	CQS	BTP	By CPMU
Design and capacity of Commune Development Fund (CDF)	\$0.168	1	CQS	BTP	By CPMU
Others					

BTP = Biodata Technical Proposal; CPMU = Central Project Management Unit; CQS = Consultants' Qualifications Selection; CS = construction supervision; DD = detailed design; FTP = Full Technical Proposal; FS = feasibility study; PBD = preparation of bidding documents; PPMU = provincial project management unit; QCBS = Quality- and Cost-Based Selection.

¹² Not to exceed \$30,000 per contract

7. National Competitive Bidding

The laws to be followed for national competitive bidding shall be those set forth in the Law on Procurement No. 61/2005/QH11 of 29 November 2005, the Construction Law no. 16/2003/QH11 of 26 November 2003 and the Law no. 3H/2009/QH12 of 19 June 2009 with the processes described in Decree No. 85/2009/NŞ-CP dated 15/10/2009 and the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the Procurement Guidelines.

a. Registration

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

b. Eligibility

- (i) National sanction lists may only be applied with approval of ADB¹³.
- (ii) A firm declared ineligible by ADB cannot participate in bidding for an ADB financed contract during the period of time determined by ADB.

c. Prequalification and Post qualification

- (i) Post qualification shall be used unless prequalification is explicitly provided for in the loan agreement/procurement plan. Irrespective of whether post qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.
- (ii) When pre-qualification is required, the evaluation methodology shall be based on pass/ fail criteria relating to the firm's experience, technical and financial capacities.
- (iii) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine

¹³ Section 52 of the Integrity Principles and Guidelines allows ADB to sanction parties who fail to meet ADB's high ethical standards based on the decisions of third parties, such a decision can only be made by the Integrity Oversight Committee on the basis of ADB's own independent examination of the evidence. As such, the process should follow the normal assessment and investigative processes prescribed by the Integrity Principles and Guidelines. <http://www.adb.org/Documents/Guidelines/Integrity-Guidelines-Procedures/integrity-guidelines-procedures-2006.pdf>

whether a bidder is qualified. The evaluation of the bidder's qualifications should be conducted separately from the technical and commercial evaluation of the bid.

- (iv) In carrying out the post-qualification assessment, the Employer/ Purchaser shall exercise reasonable judgment in requesting, in writing, from a bidder missing factual or historical supporting information related to the bidder's qualifications and shall provide reasonable time period (a minimum of 7 days) to the bidder to provide response.

d. Preferences

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

e. Advertising

- (i) Invitations to bid (or prequalify, where prequalification is used) shall be advertised in Viet Nam Public Procurement Review. In addition, the procuring agency should publish the advertisement in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids and allowing potential bidders to purchase bidding documents up to at least twenty-four (24) hours prior the deadline for the submission of bids. Bidding of NCB contracts estimated at \$500,000 or more for goods and related services or \$1,000,000 or more for civil works shall be advertised on ADB's website via the posting of the Procurement Plan.
- (ii) Bidding documents shall be made available by mail, or in person, to all who are willing to pay the required fee, if any.
- (iii) The fee for the bidding documents should be reasonable and consist only of the cost of printing (or photocopying) the documents and their delivery to the bidder. (Currently set at 1 million VND, increase subject to approval of ADB)

f. Standard bidding documents

- (i) The Borrower's standard bidding documents, acceptable to ADB, shall be used. The bidding documents shall provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission and opening of bids.

- (ii) Bidders shall be allowed to submit bids by hand or by mail/ courier.

g. Bid Opening

81. A copy of the bid opening record shall be promptly provided to all bidders who submitted bids.

h. Bid Evaluation

- (i) Merit points shall not be used in bid evaluation.
- (ii) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.¹⁴
- (iii) Except with the prior approval of ADB, no negotiations shall take place with any bidder prior to the award, even when all bids exceed the cost estimates.
- (iv) A bidder shall not be required, as a condition for award of contract, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.
- (v) Bids shall not be rejected on account of arithmetic corrections of any amount. However, if the Bidder that submitted the lowest evaluated bid does not accept the arithmetical corrections made by the evaluating committee during the evaluation stage, its bid shall be disqualified and its bid security shall be forfeited.

i. Rejection of All Bids and Rebidding

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

j. Participation by Government-owned enterprises

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

k. Non-eligibility of military or security units

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

¹⁴ 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.

I. Participation by Foreign contractors and suppliers. Joint Ventures and Associations

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

m. Publication of the Award of Contract

- (i) For contracts subject to prior review, within 2 weeks of receiving ADB's "No-objection" to the recommendation of contract award, the borrower shall publish in the Government Public Procurement Bulletin, or well-known and freely-accessible website the results of the bid evaluation, identifying the bid and lot numbers, and providing information on: i) name of each bidder who submitted a bid; ii) bid prices as read out at bid opening; iii) name and evaluated prices of each bid that was evaluated; iv) name of bidders whose bids were rejected and the reasons for their rejection; and v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.
- (ii) For contracts subject to post review, the procuring entity shall publish the bid evaluation results no later than the date of contract award.
- (iii) In the publication of the bid evaluation results, the borrower shall specify that any bidder who wishes to ascertain the grounds on which its bid was not selected, should request an explanation from the procuring entity. The procuring entity shall promptly provide an explanation of why such bid was not selected, either in writing and / or in a debriefing meeting, at the option of the borrower. The requesting bidder shall bear all the costs of attending such as debriefing. In this discussion, only the bidder's bid can be discussed and not the bids of competitors.

n. Handling of Complaints

84. The national competitive bidding documents shall contain provisions acceptable to ADB describing the handling of complaints in accordance with Decree No. 85/2009/ND-CP read with Articles 72 and 73 of Law on Procurement No. 61/2005/QH11 and Chapter X of Decree 85/2009/ND-CP dated 15/10/2009.

o. ADB Member Country Restrictions

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

p. Fraud and Corruption

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

q. Right to Inspect/ Audit

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

E. Consultant's Terms of Reference

1. Background

88. Consultants to be financed from ADB resources include the LICs; national consultants to assist in the preparation and supervision of subproject works; and entities to monitor the implementation of social and environmental safeguard measures. All consultants and institutes will be selected and engaged in accordance with the *ADB's Guidelines on the Use of Consultants*. The CPMU will recruit the LICs from a consulting firm following QCBS (80:20) procedures. National consultants for preparation of feasibility studies, detailed design, preparation of bidding documents, supervision of construction, safeguard monitoring entities and CDF technical support will be recruited by the CPMU following CQS/ICS procedures. The TOR outlined herein relate to the LICs and CQS/ICS. Any additional detailed TORs will be incorporated in the PAM at a later date. The outputs and deliverables from all consulting services shall be in accordance with the Government policies, and in support of the provincial development strategies and the needs of the beneficiaries.

89. The LICs comprise a total of 529 person-months including 43 person-months of international specialists and 486 person-months of national specialists. Advance action for recruitment of LIC has been approved by ADB to facilitate the timely mobilization of consultants and the advertisement for their recruitment was posted on ADB's website on 24 September 2010.

90. To assist in the implementation of the Project, the CPMU will engage a qualified international consulting firm (including national consultants) to provide consulting services in a range of specialties including: (i) Forestry / Biodiversity (ii) GIS / Land use planning, (iii), gender/ community, social safeguards (iv) environmental safeguards (v) agroprocessing / NTFP, (vi) accounting and other unidentified areas. The consulting services contract is expected to commence in June 2011 and will continue for approximately 94 months until completion of the Project. The estimated cost of consulting services contract is US\$2.472 million.

91. Advance action will be initiated to ensure that the team is fielded shortly after Loan effectiveness to provide continuous support and advice to the CPMU and the PPMUs throughout the project, with a greater concentration in the first 4 years of implementation. Approximately 80% of the person-months are planned to be utilized by 2015.

2. Rationale for the Level of Consultancy Support

92. The relatively high level of support proposed for the CPMU and PPMUs is based on recent experience with pilot phase between 2006-2009. The early selection and fielding of consultants is considered critical in view of the different approach followed for this project which features sample subprojects that have already been discussed / pre-screened and is based on beneficiary choice or prioritization. The level of support is also justified given that the designs are likely to be more challenging in the mountainous terrain as well as the fact that the designs will attempt to minimize any potential impact from climate change.

3. Recent Experiences

93. The complex government procedures and approval processes for the selection of consultants together with the process of ratification by ADB often leads to extensive delays in the recruitment of consulting services. This process is particularly more complex for QCBS procedures there is a risk that LICs may not be mobilized on a timely basis and will not be available in the early period of implementation when they are most needed. Such delays will have repercussions in the preparation of subprojects and subsequently on Loan disbursement. National staff appointed to project management structures may lack familiarity with ADB procedures and LICs are needed to perform a very necessary function filling this capacity deficit in the early implementation of the Project.

4. Subproject Pre-selection and Preparation

94. During project preparation, a number of sample subprojects were pre-screened (community water supply, reforestation, rattan planting, fish ponds) against a set of selection criteria. Pre-screening was carried out to provide samples that could be used to accelerate the start-up phase so that subproject preparation could commence shortly after Loan effectiveness. National consultants to be recruited by the CPMU will be responsible to prepare detailed feasibility studies comprising social and environmental safeguard studies as well as economic analysis of each subproject. Previous experience suggests that local companies lack the social safeguards experience to prepare such studies to a standard acceptable to ADB. The LICs are expected to play an important role in guiding and reviewing the studies prepared by the national consultants to ensure that their work meet the ADB requirements. Furthermore, the LICs will be required to prepare SIRs summarizing the outcome of the feasibility studies. The SIRs will be a key document for the approval of the subprojects by the PPC/PSC. It is therefore necessary for specialists experienced in ADB social and environmental safeguards to be recruited to ensure that ADB's specific areas of interest are accommodated. By providing external technical assistance in these critical areas, there are less likely to be delays in approvals needed from ADB.

5. Terrain and Quality Factors

95. As the proposed Project is to be implemented in the challenging environment of remote and mountainous areas of central Viet Nam, the application of standard designs to reforestation, livelihood improvement, biodiversity corridor establishment, and small-scale rural infrastructure will require technical support and intensive extension work.

Loan Implementation Consultant Inputs by Duty Station

Consultant Support

International	Unit	2011	2012	2013	2014	2015	2016	2017	2018	Total
Int. Consultant (Team Leader - Forestry/Biodiversity Corridor)	month	6	12	12	0					30
Int. Consultant Social Safeguards	month	1	1	1						3
Int. Environment Specialist	month	1	1	1						3
Int. Unallocated Short term Consultant	month	1	2	2	2					7
Total International Consultants	month	9	16	16	2	0	0	0	0	43
National										
Deputy Team Leader (Forestry Biodiversity Specialist)	month	6	12	12	12	12	12	12	12	90
Nat. Consultant (GIS & Land Use)	month	6	12	12	6	-				36
Forest Plantation& Nursery Assistant	month	18	36	36	36	36	18			180
Agriculture Extension Assistant	month	18	36	36	36	36	18			180
Nat. Social Safeguards Specialist ^a	month	3	12	12	12	6	-			45
Nat. Env Safeguard Specialist ^a	month	3	12	12	12	6	-			45
National Procurement Specialist ^a	month	6	6							12
Nat. Short term consultants (technical) ^a	month	3	6	6	6	6	6	6		39
National Total		63	132	126	120	102	54	18	12	627

^a These positions will be procured by CPMU using CQS and/or ICS; the remaining consultants will be procured by QCBS method.

6. Terms of Reference

a. Forestry / Biodiversity: Team Leader - (30 pm International and 90 pm National – Deputy Team Leader)

96. The International Team Leader (Forestry and Biodiversity Specialist) will in close co-operation with the National Project Director and the ADB project Officer:

- (i) Assume overall responsibility for implementing the technical support, including preparation and implementation of work plans, and provide team leadership, coordination, financial management and administrative input, and ensure timely deployment of consultants and guidance on following ADB requirements on Statement of Expenditure (SOE) guidelines
- (ii) Ensure that all consultants are fully briefed on local situation and their tasks. Review, and modify when necessary all consultant terms of reference in consultation with the National Director and the ADB Project Officer and oversee international and national consultants and provincial level teams in planning, preparation and completion of the sub-projects (commune investment plans – CIPs) and follow up on forest resource management plans in all provinces
- (iii) Develop a comprehensive capacity development plan and oversee its implementation
- (iv) Monitor progress against project implementation schedule and collate and coordinate preparation and submission of periodic progress reports and technical reports on project findings and experience.
- (v) Support Forest Development Plans for the provinces that identify areas where forest restoration should be prioritized to improve connectivity between different management units and provide guidance on demarcation and delineation of the provincial forest estate

- (vi) Assess any existing technical guidelines for the design of management plans for Protected and Commune/Community Forests and refine as appropriate and advise on the collection and analysis of all data relevant to forest management, including operational costs, prices, labor productivity, wage rates, and recommend improvements to working practices to reduce costs and improve labor health and safety
- (vii) Advise on the design of forest and biodiversity inventories and assessments of natural forest management units, including sampling procedures, determination of sampling intensity, data recording and analysis and the establishment of a network of permanent and temporary sample plots in the major forest types
- (viii) Oversee the development of a program for growth and yield monitoring both for key indigenous tree species and for the major mixed species natural forest types that includes assessment of the net sequestration of carbon stocks, and provide guidelines for techniques for assessing timber and carbon growing stock and yield estimation suitable for application by local communities in the project communes/villages
- (ix) Advise on the preparation of detailed management plans for territorial forest management units that do not yet have comprehensive plans, covering silvicultural and harvesting operations, and including an investment plan that includes access and roads, staff development, and identification of any potential for public use of the forest for recreation and tourism. The plans should be sensitive to environmental and landscape considerations.
- (x) Prepare guidelines for environmental protection and biodiversity conservation and for the defining areas within Protected forest areas that require special protection due to their importance as unique habitats, feeding sources (e.g. salt licks and water) nesting sites etc. to ensure that the protection value is maximized and ensure their incorporation into management plans and advise provincial staff on conservation, reforestation, ecosystem restoration and review current management plans and proposed ecotourism plans.
- (xi) Advise on the principles to be adopted for practical Commune Forest Management Plans for inventory, monitoring, silvicultural treatments and the development of a simple harvesting plan that ensures long-term sustainability of the resource and safeguards locally important species such as resin trees and trees of spiritual importance.
- (xii) Oversee the work of the national plantations and nursery consultants, preparing technical guidelines for site and species selection for community restoration of denuded and degraded former forest areas, reviewing current site preparation, establishment, silvicultural and nursery practices and vet recommendations on the most effective disposition of nurseries within the project area to ensure timely supply of best possible quality of planting stock of indigenous tree species and NTFPs for restoration, enrichment planting and livelihood plantations.
- (xiii) Support the Business Development activities for potential new livelihood enterprises or developments of existing enterprises that should be supported by the project.
- (xiv) Make recommendations for market based instruments to capture some of the environmental values from protected lands and forest areas.
- (xv) Promote the monitoring of prices for major forest products including timber, NTFPs, Carbon/CO₂ and energy to assess the competitiveness of wood for energy and the feasibility of carbon sequestration through forest management and plantations.

97. The **National Deputy Team Leader (Forestry and Biodiversity Specialist 90 pm)** will in close co-operation with the International Team Leader, National Project Director and the ADB project Officer assist the TL with:

- (i) Technical support, including preparation and implementation of work plans, coordination, financial management and administrative input, and ensure timely deployment of national consultants
- (ii) Briefing to consultants and project visitors on local situation and tasks. Support national consultants and provincial level teams in planning, preparation and completion of the sub-projects (commune investment plans – CIPs) and follow up on forest resource management plans in all provinces
- (iii) Develop a comprehensive capacity development plan and oversee its implementation
- (iv) Monitor progress against project implementation schedule and collate and coordinate preparation and submission of periodic progress reports and technical reports on project findings and experience.
- (v) Support Forest Development Plans for the provinces that identify areas where forest restoration should be prioritized to improve connectivity between different management units and provide guidance on demarcation and delineation of the provincial forest estate
- (vi) Assess any existing technical guidelines for the design of management plans for Protected and Commune/Community Forests and refine as appropriate and advise on the collection and analysis of all data relevant to forest management, including operational costs, prices, labor productivity, wage rates, and recommend improvements to working practices to reduce costs and improve labor health and safety
- (vii) Design of forest and biodiversity inventories and assessments of natural forest management units, including sampling procedures, determination of sampling intensity, data recording and analysis and the establishment of a network of permanent and temporary sample plots in the major forest types
- (viii) Oversee the development of a program for growth and yield monitoring both for key indigenous tree species and for the major mixed species natural forest types that includes assessment of the net sequestration of carbon stocks, and provide guidelines for techniques for assessing timber and carbon growing stock and yield estimation suitable for application by local communities in the project communes/villages
- (ix) Preparation of detailed management plans for territorial forest management units that do not yet have comprehensive plans, covering silvicultural and harvesting operations, and including an investment plan that includes access and roads, staff development, and identification of any potential for public use of the forest for recreation and tourism. The plans should be sensitive to environmental and landscape considerations.
- (x) Prepare guidelines for environmental protection and biodiversity conservation and for the defining areas within Protected forest areas that require special protection due to their importance as unique habitats, feeding sources (e.g. salt licks and water) nesting sites etc. to ensure that the protection value is maximized and ensure their incorporation into management plans and advise provincial staff on conservation, reforestation, ecosystem restoration and review current management plans and proposed ecotourism plans.

- (xi) Commune/Community Forest Management Plans for inventory, monitoring, silvicultural treatments and the development of a simple harvesting plan that ensures long-term sustainability of the resource and safeguards locally important species such as resin trees and trees of spiritual importance.
- (xii) Oversee the work of the national plantations and nursery consultants, preparing technical guidelines for site and species selection for community restoration of denuded and degraded former forest areas, reviewing current site preparation, establishment, silvicultural and nursery practices and vet recommendations on the most effective disposition of nurseries within the project area to ensure timely supply of best possible quality of planting stock of indigenous tree species and NTFPs for restoration, enrichment planting and livelihood plantations.
- (xiii) Support the Business Development activities for potential new livelihood enterprises or developments of existing enterprises that should be supported by the project
- (xiv) Take over international team leader duties in his/her absence or leave.

b. Business development Specialist(s) - (9 pm national from short term unallocated)

98. To improve livelihood options and add value to local products, the implementation consulting team will include business development / value chain specialists to assist in improving market linkages between primary producers of NTFPs and buyers / processors / factories / exporters. Under the guidance of the Team Leader and Project Director, the business development / value chain specialists will, in particular, provide assistance to local producers / beneficiaries to:

- (i) identify local products and review community level commodity production plans and priorities for NTFP planting and other livelihood options;
- (ii) review value chains and market linkages of various products that are locally produced or have potential for production;
- (iii) establish contact between major commodity buyers and community/producer group representatives to explore market opportunities;
- (iv) identify opportunities for improving value addition and village/commune-based processing of primary products to gain a better market value for primary producers;
- (v) support the Provincial and District level project offices in identifying appropriate producer groups, processor groups, farmer group enterprises, that have potential in the longer term of formalized collaborative structures with commercial registration;
- (vi) actively explore establishment of market opportunities between primary producers/groups and end processors to improve farmgate value of products and materials sold by beneficiaries to end processors (NTFPs, agro processed products, wood products);
- (vii) Assist in the identification of more post-harvest processing technologies appropriate to specific products;
- (viii) Collaborate with private sector organizations and the market research institutes in identifying and documenting: (a) successful models of public-private partnerships b) village level production / processing / marketing groups, and (c) other potential areas of interest for improving livelihoods and adding value to primary products from the biodiversity corridor areas.

c. Social Safeguards - Gender, Indigenous Peoples / Ethnic Minorities, and Resettlement Specialists - (3 pm International, 45 pm national)

99. The consultant will review the Project related documentation, including the Feasibility Study and consultants' reports produced during project preparation, to better understand the sociocultural and economic context of the Project. The consultant will be responsible for assessment of the sociocultural dimensions (to include ethnic minorities, resettlement, gender and development, and stakeholder participation and consultation). Specifically, the international social safeguards consultant will:

- (i) Oversee the technical preparation of a socio-economic database at the beneficiary and commune/commune level in a participatory manner that will serve as the benchmark information for the input, output, and outcome monitoring and evaluation indicators for assessing poverty, social, and gender impacts of Project components and for the Project as a whole. Information to be collected through a combination of primary and secondary data gathering as well as quantitative and qualitative approaches; will include but will not be limited to, demographic information of the poor disaggregated by gender and minority/social groupings, poverty in Project sites, relationship of human populations and environment/ natural resources, non-economic features of poverty, and institutional bottlenecks to poverty reduction;
- (ii) Using the data gathered, prepare socio-economic and poverty profiles of the prospective stakeholders and beneficiaries to be impacted by the component and/or subproject, using both quantitative and qualitative and participatory techniques.
- (iii) Prepare methodological procedures and targets and through National Social Safeguards/Gender Specialists, oversee the conduct of social impact assessment and other required survey/census requirements in the Project sites as guided by the Project Social Safeguards frameworks (EMDF and RF) and the GAP;
- (iv) Formulate recommendations to bring about greater accountability and transparency in the development process in order to qualify broad community support for the Project sites;
- (v) In consultation with relevant members of the team, carry out an analysis of policy adjustments related to social dimensions such as (but not limited to): land tenure, vulnerability of human settlements and rural livelihoods to climate impacts, micro credit, and institutions for inclusion into a policy dialogue with the government;
- (vi) Prepare appropriate recommendations that enable profitability of conservation and protection for upstream communities, who are most often ethnic minorities, and measures to ensure that such environmental service costs actually reach the communities in the manner and forms they require and benefit them;
- (vii) Based on the social assessment and where ethnic minorities are concerned, recommend culturally appropriate strategies and options to mitigate impacts as a result of new schemes to be introduced and which will potentially change livelihoods and/or demand for socio economic services
- (viii) Oversee and assess preparation of EMDPs and RPs in accordance with ADB Policies and Guidelines, EMDF, and RF;
- (ix) In consultation with relevant members of the team, propose options for capacity building of various local community groups/organizations that may be involved with implementation of the Project, identifying the means and institutions for such capacity building measures. This can include community-based public education

and outreach activities related to climate risk reduction and adaptive water management practices;

- (x) Prepare framework and oversee implementation of Project capacity building/IEC and in particular, that these are in line with results of the SIA and objectives of Social Safeguards documents, as well as the GAP; and
- (xi) Assist the central project implementation unit in any other tasks relevant to the expertise of the Consultant including preparing various reports and other documents required by ADB and concerned government institutions.

100. **National Social Development / Safeguards Specialist:** The consultant shall work closely with the International Social Development/Safeguards Specialist and will review the Project related documentation specifically all social safeguards documents (EMDF, RF, & GAP), including the Feasibility Study and consultants reports produced during project preparation, to better understand context and directions of proposed investments under the Project. The consultant will be responsible for providing the directions of project implementation as regards the social dimensions (to include indigenous people, resettlement, risk reduction, gender and development, rural institutions, and stakeholder participation). Specifically, the national consultant will:

- (i) Prepare localized consultation and participation plans through Stakeholder workshops to orient them on the project and seek agreement on land use planning;
- (ii) Generate project standard to document broad community support;
- (iii) In accordance with social safeguards framework documents, work closely with implementers in finalizing and applying screening criteria for subproject selection;
- (iv) In partnership with the communications/community development specialist, ensure that IEC protocols and procedures are appropriate for specific beneficiary groups, produced and/or implemented in culturally acceptable and gender sensitive manner;
- (v) Conduct a needs assessment in the communes in a participatory manner and prepare socio-economic/poverty profiles socio-economic database to serve as benchmark information for the input, output, and outcome monitoring and evaluation indicators for assessing the poverty, social, and gender impacts of the Project components and for the Project as a whole with strict reference to the DMF. Said output will serve as the format for ensuing poverty profiling and assessments;
- (vi) Ensure appropriate selection criteria for assisting organizations/professionals contracted to conduct SIA and other required census/surveys, whenever applicable, and capacitate selected assisting organizations/professionals;
- (vii) Oversee the conduct of social impact assessment as well as all other necessary census/surveys for commune-proposed subprojects using the EMDF, RF and GAP as key references. Where applicable, that the necessary planning documents are prepared in cooperation/coordination of relevant partner institutions;
- (viii) Ensure that the necessary social safeguards plans are generated in a consultative and participatory manner and that these plans incorporate effective participatory approaches that are culturally and gender sensitive, ensuring inclusion of vulnerable stakeholders/ beneficiaries to project benefits flows;
- (ix) With reference to the GAP, ensure gender concerns are incorporated in the EMDP/RP as applicable;

- (x) Ensure that redress mechanisms are in place prior to subproject implementation and that disclosure procedures as stipulated in the social safeguards framework and pertinent ADB Communications Policy are observed;
- (xi) Oversee Internal and External Monitoring for all social safeguards as well as for the GAP and validate findings;
- (xii) Whenever unanticipated impacts on project beneficiaries become apparent during project implementation, ensure that a SIA will be conducted in order to update the EMDP/RP or that a new EMDP/RP shall be formulated to reflect updates;
- (xiii) In consultation with relevant members of the team, carry out an analysis of policy adjustments related to social dimensions such as: land and tree tenure, vulnerability of human settlements and rural livelihoods to climate impacts, micro credit, institutions, etc for inclusion into a policy dialogue with the government;
- (xiv) In consultation with relevant members of the team, propose options for capacity building of various local community groups/organizations that may be involved with implementation of the Project, identifying the means and institutions for such capacity building measures. This can include community-based public education and outreach activities related to climate risk reduction and commune development fund management

d. Environment Safeguards Specialists - (3 pm International and 45 pm National)

101. The **International Environmental Safeguarding Specialist (IESS)** will be engaged at the start of Project implementation. The IESS will develop a number of critical tools that will be used during Project implementation to ensure its compliance with the environmental safeguarding requirements of ADB and Government. Concurrently with the International Environmental Safeguarding Specialist, a National Environmental Safeguarding Specialist - Infrastructure (NESS-I) will be engaged for one person-month to provide support with the development of the environmental safeguarding guidelines and to facilitate consultations. The IESS will have secondary qualifications and/or experience in forestry. Specifically, the IESS, in collaboration with the NESS-I, the National Environmental Safeguarding Specialist (NESS), other Project staff, implementing partners and stakeholders, will undertake: (i) Update the EARF as required; (ii) Develop detailed environmental safeguarding guidelines for project implementation and the identification and design of subprojects tailored to the different implementing partners. Particular focus will be given to the technical aspects of the forestry activities, activities located inside protected areas, and small-scale infrastructure subprojects (the latter with specific inputs from the NESS-I); (iii) Develop screening checklists for subprojects and guidance material on their use; (iv) Develop an appropriate monitoring schedule in function of the subprojects identified; (v) Train the NESS in applying the EARF and familiarise the NESS with ADB environmental safeguarding procedures and requirements, including reporting.

102. The **National Environmental Safeguarding Specialist - Infrastructure (NESS-I)** will be engaged at the start of Project implementation. The NESS-I will work closely with the International Environmental Safeguarding Specialist (IESS) to develop a number of critical tools that will be used during Project implementation to ensure its compliance with the environmental safeguarding requirements of ADB and Government. The NESS-I will have secondary qualifications and/or experience in small-scale rural infrastructure development and design. Specifically, the NESS-I, in collaboration with the IESS, the National Environmental

Safeguarding Specialist (NESS), other Project staff, implementing partners and stakeholders, will undertake: (i) Collaborate with the IESS to update the EARF as required; (ii) Support the IESS to develop detailed environmental safeguarding guidelines for project implementation and the identification and design of subprojects tailored to the different implementing partners. Particular focus will be given to the technical aspects of the forestry activities, activities located inside protected areas, and small-scale infrastructure subprojects; (iii) Provide specific inputs with respect to small-scale infrastructure subprojects for detailed environmental safeguarding guidelines as mentioned in (ii); (iv) Support the IESS to develop screening checklists for subprojects and guidance material on their use; (v) Support the IESS to develop an appropriate monitoring schedule in function of the subprojects identified;

103. The **National Environmental Safeguarding Specialist (NESS)** will ensure that the Project is implemented in accordance with the environmental safeguarding requirements of ADB and the Government. The NESS will be attached to the office for coordination among provinces (based at the PPMU levels) The NESS will coordinate and facilitate all related monitoring and reporting activities. Specifically, the NESS, in collaboration with other the International Environmental Safeguarding Specialist (IESS), the National Environmental Safeguarding Specialist - Infrastructure, Project staff, implementing partners and stakeholders, will undertake:

- (i) Assist the Provincial Project Management Units (PPMU) to comply with the ADB and Government environmental safeguarding requirements;
- (ii) Coordinate and facilitate all environmental safeguarding monitoring and reporting activities for the Project; prepare detailed monitoring schedules as well as the final monitoring reports for submission to ADB;
- (iii) Support villages, communes and district-level involved in Project implementation, in particular in the management of the CDF, with meeting the environmental safeguarding requirements for the Project;
- (iv) Assist villages and communes with the integration of the environmental safeguarding guidelines into the CDF operating regulations;
- (v) Liaise on environmental matters with other technical agencies that will provide support services to the provinces;
- (vi) Contribute to developing a detailed monitoring and reporting schedule for the Project in consultation with ADB to ensure that the environmental safeguarding requirements associated with the selected subprojects are effectively met;
- (vii) Be trained by the IESS in applying the EARF and the ADB environmental safeguarding procedures and requirements;
- (viii) Prepare a screening checklist based on the relevant ADB Rapid Environmental Assessment (REA) checklists¹⁵ and the screening list of the Government.
- (ix) Assist the PPMUs with completing the environmental screening lists for all of their subprojects, as well as the CDF managers for their subprojects.
- (x) Carry out a formal screening of the subprojects for environmental impact, both according to ADB environmental safeguarding standards and according to those of the Govt, based on the completed screening checklists
- (xi) Apply the set of environmental safeguarding guidelines that will be developed to all subprojects to ensure that the subprojects are designed in a way that does not alter the environmental classification of the Project in accordance with ADB's environmental safeguarding policy and procedures;

¹⁵ Appendix 1, ADB. 2003. *Environmental Assessment Guidelines*. Manila. pp. 109-143.

- (xii) Review Project work plans and CDF investment plans for the environmental assessment of the subprojects as they will be finalized during project implementation;
- (xiii) Categorize subprojects as belonging to one of the three environmental categories for ADB projects;
- (xiv) Provide guidance to the PPMU or CDF managers involved for the preparation of Initial Environmental Examinations (IEE) for subprojects requiring an IEE;
- (xv) Prepare the required documentation to report to ADB the outcome of the screening and categorization process, as well as any IEE documentation;
- (xvi) In the case of category C subprojects, notify ADB of the screening findings and the categorization of the subproject;
- (xvii) Provide guidance and support to the PPMU or the CDF managers to prepare the Environmental Impact Assessment (EIA) for subprojects according to GoV requirements;
- (xviii) Provide guidance and support to the PPMU or the CDF managers to prepare and register the written environment protection commitment for subprojects that are required to do so;
- (xix) Keep a detailed record of the public consultation activities and ensure that the public has access to public documents related to the environmental safeguarding process.

e. Agriculture Extension Assistant (180 pm National)

104. Under the overall supervision of the Project Director, Project Team Leader (Forestry / Biodiversity), and Provincial Agriculture Officers, the Agriculture Extension Assistant(s) will provide technical advice to district and commune agricultural staff aimed at improving the productivity and quality of current agricultural crops and diversifying farming systems in ways that improve livelihoods for the farmers but reduce environmental damage, especially through reducing soil erosion and the need to clear forest. The Assistant will have particular experience of upland farming systems in the GMS and will undertake:

- (i) Undertake a review of current farming practices in the target Communes/villages within the Corridor area, and identify those that are appropriate to the aims and purpose of the project and the local situation in terms of supporting biodiversity and soil and water conservation, and those that are environmentally undesirable through contributing to forest degradation and soil erosion;
- (ii) Advise local agricultural staff and farmers on ways to modify environmentally damaging practices that will reduce or avoid environmental damage while improving, or maintaining farmers' income;
- (iii) Assess agroforestry systems suited to the local conditions that are acceptable to local farmers and which will provide sustainable livelihoods in the future;
- (iv) Advise on the establishment of demonstration plots on farmers' land of a range of agroforestry systems that combine multi-purpose trees (fuel, fodder, fruit and other useful products) and NTFPs with annual and perennial crops that will provide sustainable and diversified income;
- (v) Liaise with the business development consultant(s) on the production-market value added chain for existing and potential new agricultural crops that will increase revenues for local farmers.
- (vi) Train Commune/village extension staff in the agricultural and agroforestry systems recommended to ensure that they are fully conversant with all the knowledge and requirements for supporting the farmers.

- (vii) Together with the business development consultant (s) and the Forest plantation and nursery Assistant(s) advise on the micro level income generating projects based on the cultivation of agricultural crops and NTFPs, and advise on, securing funds from CDF and monitoring performance.

f. Forest Plantation and Nursery Assistant (180 pm National)

105. Under the overall supervision of the Project Director and the Forestry / Biodiversity Specialist (Team Leader), the Forest Plantation and Nursery Assistant(s) will provide technical assistance for establishment and operation of nurseries, and on site preparation, establishment and silviculture of forest plantations. The Assistant should have previous experience in seed and seedling production, and plantation establishment of broadleaf and coniferous species indigenous to the eco-regions within the corridor. In particular, the Assistants will undertake:

- (i) Undertake a review of current nursery practices used for production seedlings of locally indigenous species in the Districts within the Corridor and assess the quality of the seedlings produced;
- (ii) Assist the provincial and district foresters and potential local entrepreneurs in the target Communes/Villages, without nurseries to identify suitable sites, taking account of the location where the seedlings will be planted, to establish new small nurseries (output 150,000-200,000 seedlings annually) for production of good quality indigenous species;
- (iii) Advise the province and district foresters and entrepreneurs with the establishment of the nurseries, including selection and procurement of equipment (water pumps, hand tools etc.) and materials (seed, fertiliser, polybags, compost etc.) and training of staff and labour;
- (iv) Advise the provincial and district forestry staff on the selection of appropriate locally indigenous species and identification of suitable seed sources;
- (v) If appropriate, advise on the identification and management of seed stands for collection of high quality seed or a range of locally indigenous species.
- (vi) Prepare guidelines for identification of priority sites for forest restoration at Commune/village level, taking account of the need to improve connectivity and improve biodiversity and soil and water conservation;
- (vii) Conduct training sessions for communities and their forestry supervisors in site selection and plantation establishment and maintenance;
- (viii) Review local practice for site preparation, establishment and silvicultural practices and recommend operational prescriptions for all indigenous species;
- (ix) Provide the districts with prescriptions for reviewing and improving existing nursery manuals;
- (x) Prepare guidelines for nursery operations and prescriptions for both commune/village level and district level nurseries;
- (xi) Prepare guidelines for establishment and maintenance of plantations especially on heavily degraded forest for commune/village forestry supervisors;
- (xii) Undertake random sampling of seedling quality from various nurseries and assist in quality improvement if required.

g. Land-use Planner and GIS Specialist - (4 pm International from short term unallocated, 8 pm National from short term unallocated)

106. Under the supervision of the international Team Leader and in cooperation with the other team members, the **Land use / GIS Specialist (international)** sets up the BCI spatial decision

support system, and performs spatial analysis and modeling task to support site design, establishment, and monitoring & evaluation of project achievements and impacts. Specifically, the Land use planner's / GIS specialist's work will include, but is not limited to: (i) Establish working relationships with national government and non-governmental organizations producing and/or administering spatial datasets relevant to the successful establishment and monitoring of Biodiversity Corridor sites; (ii) Supervise the national GIS consultants to collect, process and integrate spatial and statistical data into site-specific, consolidated GIS databases; (iii) Perform data needs and quality assessments (geographic datasets, statistical datasets), identify gaps and quality issues, and propose options to fill gaps or improve deficient datasets; (iv) Set up a satellite image archive for each site, process the images, and conduct forest cover classifications and change detection analyses that provide project management (districts, provinces and center) with information on a) site integrity (state) and b) land conversion trajectories (trend); (v) Supervise the national GIS consultants in conducting field survey/reportss to refine / verify accuracy of satellite image interpretation; (vi) Develop aggregated vulnerability and land conversion threat maps to support project in geographically prioritizing individual site interventions (short to medium term responses); (vii) Develop land demand scenarios from past trends and future development strategies and directives, and translate them into a future land conversion model to support programming of appropriate long term responses; (viii) Perform GIS skills assessments and design corresponding GIS conceptual and technical trainings (on-the-job training) for relevant local and national level focal points; (ix) Produce 2D and 3D geo-visual materials from the GIS baseline database and the GIS analysis / modelling (usable in the context of land use mapping and landscape planning); (x) Develop GIS based land use and landscape presentations and other knowledge products (e.g. fact sheets, posters) to strengthen communication and progress reporting.

107. **National Land Use / GIS Consultant**: Under the supervision of the international Land use / GIS Specialist, the national GIS consultant maintains the land use / GIS databases, prepares information for spatial analyses and modeling applications, and delivers RS/GIS training courses in the local language. Specifically, the national land use / GIS Consultant will: (i) Review national land use planning frameworks and identify relevant plug in points (institutional, planning tools, etc.) for Biodiversity Corridor interventions; (ii) identify and document national GIS data sources and discuss / coordinate with national focal points on how to secure copies of relevant datasets; (iii) Collect GIS datasets required for the development of baseline (thematic) maps and configuration of spatial analyses (e.g. threat maps) and modeling tools (e.g. future land conversion); (iv) Review spatial and thematic quality of collected datasets and suggest processing steps (or alternative better data sources) to improve overall accuracy; (v) Process GIS datasets (conversion, translation, cleanup, documentation) and integrate them into one common BCI GIS database (one for each BCI site); (vi) Conduct (GPS-based) field survey/reportss as required to refine / verify accuracy of satellite image interpretations and GIS datasets; (vii) Facilitate the collection of expert knowledge (legal documents, reports, research papers, expert interviews and questionnaires) and consolidate the findings into a knowledge database that supports the development / configuration of suitability and vulnerability / threat maps and land allocation models; (viii) Develop and translate RS/GIS training materials and conduct trainings for national BCI focal authorities; (ix) Produce 2D and 3D geo-visual materials as advised by the GIS Specialist; (x) Support the GIS Specialist in other tasks that might be required.

h. Procurement Specialist - (12 pm National)

108. Under the guidance of the National Project Director and the ADB Project Officer, the national procurement specialist will:

- (i) Setup the procurement system following the guidelines of the ADB and relevant government provisions for the procurement of goods and services.
- (ii) Assist the project for the preparation of detailed specifications and tender documents for the procurement of goods and services including local shopping, National Competitive Bidding or International Competitive Bidding, community services contracts;
- (iii) Set up a procurement and contract management system for the project to handle all local competitive bidding and local shopping procurements of goods and civil works undertaken by the implementing authorities and for provinces and districts to handle service contracts with communities;
- (iv) Establish a system of block grants and service contracts or seed capital disbursement to communities for services and investments;
- (v) Assist Project Director in recruiting prequalified institutions, commercial organizations, NGOs or private individuals to provide services for developing proposed subprojects into feasibility studies for consideration for project funding.
- (vi) Assist the Project Director in all procedures relating to procurement of equipment and vehicles in accordance with the methods to be used for the purchase of supplies for the Project, ensuring that both Asian Development Bank (ADB) and Government requirements are followed.
- (vii) Provide on the job training in procurement and contract management to the procurement officer at national and provincial levels and other concerned staff.

i. Unallocated Specialists short term (3 pm International and 22 pm National)

109. This item is intended to provide resources for as yet unidentified areas of technical expertise or to procure services of Environmental safeguards specialist and international GIS specialist as and when needed for the implementation of the proposed Project. Detailed TORs are to be developed by the CPCU with the support of the grant implementation consultants.

VII. SAFEGUARDS

A. Resettlement

110. **Project Description.** The Project aims to result in climate resilient transboundary biodiversity conservation corridors sustaining livelihoods and investments in Cambodia, Lao PDR, and Viet Nam. It is envisaged that by 2017, the GMS Biodiversity Conservation Corridors are established with supportive policy and regulatory framework in the three countries that maintain ecosystem connectivity and services. The project has five components, (i) Institutional and community strengthening, (ii) Biodiversity corridors restoration, ecosystem services protection, and sustainable management by local resource managers, (iii) Livelihood improvement and small scale infrastructure support in target communes and communes/ clusters, and (iv) Project management and support services.

111. The Project investments are geared towards institutionalization of provincial and local instruments that will rationalize and minimize land use conflicts by (i) reducing dependence on forests through generation of alternative livelihood opportunities; (ii) enhancing ecosystem

service flows and benefits (e.g. water discharge, climate regulation, NTFPs); and (iii) harmonizing land use regimes and communities use rights over natural resources by strengthening access and tenurial rights. It promotes livelihood support interventions (i.e., access to secure land tenure, community forestry, plantations, local primary processing of wood and nonwood products, ecological farming and ecotourism). The Project aims at providing incentives, funding, and technical assistance enabling local people to grow trees of their choice in their homestead plantations and community forests for subsistence needs as well as for fuelwood consumption and construction. Small loan schemes for micro and small enterprises are to be encouraged for local (wood and nonwood) primary processing to emerge or existing ones to become vibrant. The establishment of management regimes in the corridors shall create jobs for local people.

112. Anticipated Involuntary Resettlement and RF Rationale. Three provinces, six districts, and 34 communes are covered by the Project in the Socialist Republic of Viet Nam. Social assessment was conducted in two sample communes per province in June 2010, which resulted in the identification of two activities that trigger Involuntary Resettlement under the Safeguards Policy Statement of ADB (2009), on rural infrastructure. The construction of rural infrastructure will not require land/Right-of-Way (ROW) acquisition as in the case of roads, but will be built on existing alignments and are mere rehabilitation nor will temporary loss be anticipated as this is part of the screening process.

113. However, subprojects will be screened based on the following: (i) it must be one of the three priorities of the beneficiaries in the commune documented through participatory, multistakeholder consultations conducted by the Project; (ii) is affordable within the block allocation set aside for the commune; (iii) fulfills all social safeguard criteria as laid out in subproject eligibility section; (iv) is complying with all environmental safeguard issues as described in safeguards section; (v) is in conformity with land use plans in the commune and the biodiversity corridor; (vi) brings benefits in the form of income generation or cost savings in terms of money, time, and effort and benefits households in the target communes (men, women, or both, and/or families/households); (vii) is technically feasible (engineering wise) and satisfies criteria of mountainous area community based small scale rural infrastructure; (viii) arrangements satisfactory to the project have been made for undertaking operations & maintenance (O&M) if applicable; and (ix) is not covered under any other on-going programs or projects (duplication avoidance). The sub-projects will avoid resettlement, land acquisition, and physical displacement or denial of access to resources currently under use by the beneficiaries without prior and informed consent. Small-scale infrastructure investments will only be undertaken on the basis of demand and agreement of the beneficiaries to in-kind contribution (e.g. labor, land, right of way, and willingness to undertake O&M etc.).

114. The ADB-SPS on Involuntary Resettlement does not apply to negotiated settlements even if among the stakeholders, unless expropriation would result upon the failure of negotiations. Thus, consultation processes, policies, and laws that are applicable to such transactions; third-party validation; mechanisms for calculating the replacement costs of land and other assets affected; and record-keeping requirements will be in line with the Project Resettlement Framework (RF). Based on the above set of criteria, the RF shall ensure asymmetry of information and bargaining power of the parties involved as the set of criteria classifies subprojects to follow government negotiated land acquisition.

115. Should households require compensation for the temporary loss of assets and disturbance, assistance will be made available, according to ADB and the Government requirements.

116. To avoid or minimize the potential resettlement impacts from the project activities, the implementing agencies will:

- (i) Consider design alternatives, favoring those which meet technical and final requirements as well as other criteria,
- (ii) Where resettlement impacts are unavoidable, provide the financial and technical assistance to households as prescribed in the RF, and
- (iii) Ensure adequate monitoring of construction activities to ensure adherence to approved designs, and the Environmental Management Plan for each subproject.

117. **Objectives and Principles.** The basic principles of this RF are as follows: (i) Avoid involuntary resettlement by reviewing alternatives to the project design. Where involuntary resettlement is unavoidable, affected people particularly those identified as vulnerable and marginalized should be assisted to restore/ improve their quality of life with reference to pre-project conditions; (ii) Ensure meaningful consultations with affected persons, host communities, and concerned nongovernment organizations across project cycle. A grievance redress mechanism shall be crafted and observed; (iii) Appropriate and culturally sensitive procedures shall be upheld for Indigenous Peoples affected by the project; (iv) Observe gender equality and equity throughout policy application; (v) Compensation for loss of land, structures, other assets and income should be based on full replacement cost and paid promptly to include for transaction costs. Replacement of land and cash compensation should be options for compensation in the case of loss of land for displaced persons; (vi) Resettlement should be planned and implemented with full participation of affected people and appropriate local government units pertinent to those considered as displaced and as host communities. Participatory measures have to be designed and implemented; (vii) Displaced persons who do not have documented title to land should receive fair and just compensation and assistance; and (viii) the Project shall bear the full costs of preparing RPs, income restoration, and when applicable, compensation and resettlement.

118. **Legal Framework.** The project resettlement policy harmonizes relevant Government laws and procedures with those of the ADB-SPS of 2009.

119. Other policies that impinge on resettlement issues are those that govern ethnic minorities inasmuch as Viet Nam upholds non-discrimination of ethnic minorities, as well as the 2006 Gender Equality Law.

120. Aside from the ADB-SPS of 2009, other ADB policies observed in the framing of this RF are the ADB Policy on Gender and Development and the ADB Public Communications Policy.

121. Further, the following ADB safeguards policy principles will also apply to the Project: (i) develop procedures in a transparent, consistent, and equitable manner, if land acquisition is through negotiated settlement in order to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status; (ii) prepare a RP elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule; (iii) disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders; and (iv) monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into

account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

122. **Affected Persons, Eligibility and Entitlements.** Affected persons (AP) eligible for compensation and/or assistance include: (i) those with formal legal rights to land or other assets; (ii) those who do not initially have formal legal rights to land or other assets but have claims to legal rights based on national laws, possession of documents like land tax receipts and residence certificates, or upon permission of local authorities to occupy or use project-affected areas; and (iii) those who have no recognizable legal right or claim to lands they occupy.

123. Based on existing Government laws, decrees, and circulars, as harmonized with the ADB-SPS of 2009, APs will be entitled to the following types of rehabilitation and assistance measures: (i) loss of productive land (agricultural, aquaculture, forest, garden), (ii) loss of residential land and house and other structures, (iii) temporary loss of income, and (iv) loss of community infrastructure.

124. Aside from direct compensation for losses, APs will be assisted with the provision of (i) transportation allowance, (ii) subsistence Allowance, (iii) production disruption allowance, (iv) support to employment creation, and (vi) other relocation allowances. An entitlement matrix has been prepared and summarizes the main types of losses and the corresponding nature and scope of entitlements.

125. **Survey/Appraisal Methods.** The methodologies to be used in fine-tuning assessment for IR concerns in the preparation of RPs are (i) census of APs, (ii) socioeconomic survey, (iii) inventory of loss/detailed measurement survey, and (iv) replacement cost study.

126. **Consultation, Participation, and Disclosure.** Key activities prescribed for social preparation are: (i) identification of subproject APs and other vulnerable people, (ii) mobilization of community organizers to engage local groups for heightened awareness to the Project subprojects and other developmental activities, and (iii) capacity building for eventual institutionalization of local informal structures that will be involved in eventual RP activities. It is also during this stage where stakeholder groups input into the RP preparation of the RP, thereby establishing ownership over its plans, programs, conditionalities and implementation.

127. IEC modalities will be developed to enhance social preparation activities in particular, to convey the following to APs: (i) objectives of the Project and the activities to be carried under a specific subproject; (ii) explain probable adverse impacts; (iii) solicit ideas and suggestions on how to avoid and/or mitigate adverse project impacts; (iv) discuss the project resettlement policy; (v) explain the participatory process, including grievance redress procedures; (vi) explain the tentative schedule of project preparation and implementation; and (vii) provide names and contacts for stakeholders to get in touch with for any queries.

128. Special Considerations for Ethnic Minorities. The process of consultation for ethnic minorities begins with consultations with the Provincial Ethnic Minorities Office, also represented in the provincial project working group. The consultation should include a presentation of the project concept to determine the presence of ethnic minorities in the area, or the existence of collective attachment of ethnic minorities to the area affected. Public consultation at the commune/commune level to explore and obtain the affected ethnic minorities' endorsement of the project is ascertained at the provincial level. Project proponents will provide documentation that the projects have indeed been voluntarily and initiated or solicited by affected ethnic

minorities. The documentation as validated by the province will reflect that the activity was indeed free from coercion or manipulation, gender and inter generationally inclusive, and conducted with proper disclosure of information and in a manner appropriate to the social and cultural values of the affected ethnic minorities and their condition.

129. Disclosure of the following documents is strongly indicated in the new ADB SPS: (i) draft resettlement plan and/or resettlement framework endorsed by the borrower/client before project appraisal; (ii) final resettlement plan endorsed by the borrower/client after the census of affected persons has been completed; (iii) new resettlement plan or an updated resettlement plan, and a corrective action plan prepared during project implementation, if any; and (iv) resettlement monitoring reports. IEC materials will be produced in popularized form for all APs across implementation levels. The ADB SPS requirements (SR 2 & 3) as well as the ADB Public Communication Policy will serve as guide. The documents listed above will be uploaded in the Project management information system for interconnectivity as well as the ADB website.

130. **Relocation, Compensation, and Income Restoration.** Should relocation be unavoidable, mitigative activities are in order. Strategies will respond to the AP's immediate need for work and economic opportunities after relocation and in the long term, a sustainable livelihood restoration program that will ensure improved socioeconomic conditions of the APs in project sites. A Resettlement Implementation Committee (RIC) will calculate the compensation for each affected asset in the subproject using the unit costs set in the replacement cost study (RCS).

131. Relocation and Ethnic Minorities. In the event land is to be acquired from ethnic minorities, the Central Project Management Unit (CPMU) and partner implementing units at the province and district shall observe agreements made during consultation with ethnic minorities with due respect to protocols with the Ethnic Minorities Office of the Peoples' Party (Province and District). Acquisition must ensure that non-replicable cultural property will not be damaged in the process. If passage through, and hence damage to and/or partial or total relocation of religious and cultural properties is unavoidable, this should be presented to the Ethnic Minorities Office and obtain approval from the province level. If consent is obtained, modes of compensation will be guided by the RF. Ethnic minorities may opt to receive entitlements in culturally appropriate form consistent with their customary law.

132. The proponent shall disclose temporary restrictions on ethnic minorities' access to natural resources and religious and cultural sites during project implementation plus the measures to minimize them. Measures to mitigate these temporary restrictions will also be contained in the EMDP.

133. By policy, involuntary resettlement and relocation of ethnic minorities should be avoided where feasible. If resettlement is unavoidable, the project affected families will be resettled as much as possible within proximity to their original property so as not to disrupt the exercise of traditional resource use rights and livelihood activities.

134. This RF will govern compensation for those to be removed and resettled. Entitlements agreed upon by ethnic minorities and the proponent other than those provided in this RF shall be contained in the EMDP. Affected ethnic minorities may choose to receive the compensation and assistance in culturally appropriate form consistent with their customary law.

135. In the event relocation as a result of a subproject is necessary, this RF categorically upholds support for host communities. Support to host communities could be in the form of

social preparation, sharing of infrastructure and support services at the relocation sites, participation to economic development and social integration programs and access to training, employment, and other benefits generated by the project. As such, the RF promotes the following: (i) participation of APs and host communities in decisions concerning site selection, layout and design, and site development, and (ii) develop programs that can benefit both APs and the host population jointly to foster prospects for social integration.

136. **Compensation.** Entitlement policies will have been fine-tuned at social preparation stage and must therefore be reflected in an updated entitlement matrix. The entitlement matrix will be enhanced, as needed, during project implementation and following the conduct of detailed measurement survey for each subproject that entails involuntary resettlement.

137. **Measures for Restoring Incomes and Livelihood.** The objectives of income/livelihood restoration is to ensure the improvement of the socioeconomic conditions of APs or at least to bring back the pre-project income and living standards of affected families at the project sites. This RF provides a menu of package intended to develop sustainable income restoration and rehabilitation strategies that are appropriate for the cultural background and practices of the APs (ethnic minorities and Kinh/Viet) within the Project sites. Strategies for income and livelihood restoration are consistent with the overall Project design.

138. **Grievance Redress Mechanisms.** Grievances related to any aspect of the project or subproject, including issues on the quantity and price of the lost assets, will be handled through negotiations and are aimed at achieving consensus following the procedures: (i) if any person, ethnic minorities included, is aggrieved by any aspect of the resettlement and rehabilitation program, the grievance shall be filed (oral or written) by the AP with commune authorities, specifically the Commune People's Committee (CPC) who will act within 15 days upon receipt thereof; (ii) if any aggrieved person is not satisfied with the decision from the CPC, they can bring the complaint to the District People's Committee (DPC) within 15 days from the date of the receipt of the decision from the CPC; (iii) if the AP is still not satisfied with the decision at district level, the AP can appeal to the PPC within 15 days of receiving the decision of the DPC. The PPC will reach a decision on the complaint within 15 days upon receipt of the decision from the DPC; and (iv) if the AP is not satisfied with the decision of the PPC, the case may be submitted for consideration to the District Court within 15 days of receiving the decision of the PPC.

139. APs shall be exempted from all administrative and legal fees incurred pursuant to the grievance redress procedures. All complaints received in writing from APs will be documented and shall be acted upon immediately according to the procedures detailed above.

140. **Institutional Arrangements.** The overall responsibility for enforcement of this RF as well as planning and implementing the RP is with the CPMU specifically through the Province and District units. Aside from one international and three National Safeguards Specialists, the CPMU will arrange for adequate and experienced staff assigned to the project at the provincial level to ensure that the RP will be efficiently and effectively implemented. The People's Committees at different levels will see to the meaningful participation of APs in the preparation and implementation of the RP. Qualified social safeguards staff, to be capacitated using ADB-SPS standards, shall undertake implementation and oversight functions.

141. Implementation details of activities to be undertaken will be included in the RP, with the resettlement implementation schedule clearly linked to civil works.

142. **Budget and Financing.** An itemized budget in the RP is required for all resettlement activities, including compensation for land acquisition. An annual resettlement budget is prepared, showing the budget- scheduled expenditure for key items. Land acquisition and resettlement costs are reflected in the project costs. Income restoration and resettlement costs may be through the project entity. Local contributions to the development of income restoration schemes and resettlement sites and services may be valued and reflected as part of the cost. Fund source will be through the Project and downloaded through the executing agency on to the implementing unit. The PPC will ensure payments are made to APs.

143. **Monitoring and Reporting.** Implementation of the RP will be periodically supervised and monitored by the implementing unit in close coordination with the respective Peoples' Committees at different administrative units and external monitoring agencies. Results will be recorded in half-yearly reports as furnished to the executing agency and ADB.

144. Project staff will conduct internal monitoring while external monitoring is a function of an independent organization or individual consultant retained by the Project to periodically perform external monitoring and evaluation of the preparation and implementation of the RP. Monitoring reports will be made available to all implementing units, including APs and copies submitted to ADB. Suggested internal and external monitoring indicators are provided.

B. Environmental Impact

145. The Project will generate overwhelmingly positive environmental impacts. Biodiversity conservation in the Project area is of global significance and will support several critically endangered species through the conservation and restoration of habitats essential to their survival.

146. Some of the Project activities have a potential for generating localized, manageable negative environmental impacts. These have been identified, as well as the measures to prevent or mitigate such impacts. The Project takes a sector-like approach to a number of its activities, whereby exact locations and type of activity will be determined during Project implementation by the local implementation partners within the geographical boundaries and according to the Project objectives. The Project has been designed to take environmental considerations into account for subprojects as and when they are being formulated. A framework for environmental safeguarding of subprojects has been developed and will be applied.

147. The Project activities that have the potential of causing negative environmental impacts include the forestry activities, the support to livelihoods development and improvement, the small-scale infrastructure development, and the activities supported by the commune development funds. Identification and design of all of these activities will be finalized during Project implementation. All Project activities that will be defined during implementation will be subject to review for environmental impact during the planning stage, and further if and as required during detailed design, construction and operation. The design, location and other characteristics of the subprojects will be amended to minimize any negative environmental impact. The activities will cover the costs for required environmental monitoring and mitigation measures. Proposed subprojects with significant environmental impacts that might alter the environmental classification of the Project are not admissible. In addition to subproject-specific monitoring, there will be regular monitoring of the overall environmental performance of the Project as a whole, in line with the ADB environmental safeguarding requirements. Subprojects will comply with the prevailing environmental safeguarding regulations of Viet Nam.

148. The Project is classified as an Environmental Safeguard Category B project in accordance with the ADB Safeguard Policy and Environmental Assessment Guidelines¹⁶. Significant environmental impacts warranting an Environmental Impact Assessment are unlikely.

C. Ethnic Minority Development Framework

149. The objective of this EMDF is to design and implement projects/subprojects in a way that fosters full respect for ethnic minorities' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the ethnic minorities themselves so that they (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse impacts as a result of projects, and (iii) can participate actively in projects that affect them (as taken from ADB-SPS Appendix 3). This Ethnic Minority Development Framework (EMDF) safeguards the rights of ethnic minorities to participate and equitably receive culturally appropriate benefits from the Project. For this purpose, an Ethnic Minority Development Plan (EMDP) will be prepared in participating areas subject to results of a social impact assessment.

150. In pursuit of the abovementioned objectives, the Project and its subprojects will be governed by the following principles: (i) early screening, (ii) conduct of culturally appropriate, gender-sensitive and technically backed-up social impact assessment, (iii) undertake meaningful consultations, (iv) ensure consent of affected ethnic minority communities, (v) avoid restricted access to and physical displacement from protected areas and natural resources but when not possible, ensure that affected ethnic minorities participate in all aspects of the project cycle and that their benefits are equitably shared.

151. Viet Nam upholds non-discrimination of ethnic minorities as reflected in the GoV Constitution. The ADB Policies on involuntary resettlement and ethnic minorities have been integrated under the new ADB SPS. The ADB Policy on Gender and Development adopts gender mainstreaming as a key strategy. The ADB Public Communications Policy seeks to encourage the participation and understanding of people and other stakeholders affected by ADB-assisted activities.

152. **Benefits and impacts.** The Project investments are geared towards institutionalization of provincial and local instruments that will rationalize and minimize land use conflicts by (i) reducing dependence on forests through generation of alternative livelihood opportunities; (ii) enhancing ecosystem service flows and benefits (e.g. water discharge, climate regulation, NTFPs); and (iii) harmonizing land use regimes and communities use rights over natural resources by strengthening access and tenurial rights. It promotes livelihood support interventions (i.e., access to secure land tenure, community forestry, plantations, local primary processing of wood and nonwood products, ecological farming and ecotourism). The Project aims at providing incentives, funding, and technical assistance enabling local people to grow trees of their choice in their homestead plantations and community forests for subsistence needs as well as for fuelwood consumption and construction. Small loan schemes for micro and small enterprises are to be encouraged for local (wood and nonwood) primary processing to emerge or existing ones to become vibrant. The establishment of management regimes in the corridors shall create jobs for local people.

¹⁶ ADB. 2009. *Safeguard Policy Statement*. Manila. ADB. 2003. *Environmental Assessment Guidelines*. Manila.

153. An estimated 85% of the Project beneficiaries in Viet Nam are ethnic minorities. The Project protects the rights and interests of ethnic minorities over natural resources by strengthening access and tenurial rights as well as provision of capacity building to uphold such rights, livelihood and community development funds.

154. Potential benefits of the Project to ethnic minorities in the project area are (i) increase the capacity of local institutions that enable/ensure community participation in resource planning and management; (ii) improved quality of life and food security among ethnic minorities through (a) provision of nondestructive livelihood opportunities, (b) improved availability of resources: water, timber, and other forest products, (c) improved soil fertility, decreased soil movement and reduced vulnerability to risks of climate change, and (d) enhanced biodiversity; (iii) empowering ethnic minorities to legitimately utilize their natural resources, the framework for which will be spelled out by commune land use/development plans that the affected ethnic minorities themselves will design and agree on; (iv) improved access to market and social and community services. Rehabilitation of farm-to-market roads will improve the local people's access to social services, like education and health; (v) rehabilitation of farm-to-market roads and communal irrigation systems as well as technical assistance extended for appropriate nondestructive livelihood will improve farm productivity; and (vi) downloading of commune development funds further allow for ethnic minority community empowerment in project activities as they address organizational, community and household needs. This will be most significant if the women's union at the commune level is further capacitated in fund and associated technology management.

155. There are however foreseen adverse impacts notwithstanding the aforementioned benefits, such as the ones outlined below.

- (i) Encroachment due to improved access. With the rehabilitation of rural infrastructure, there is potential for increasing access to conservation sites especially by outsiders or those not belonging to the same ethnic minority group within a Project-assisted area aggravating current resource use competition.
- (ii) Social exclusion/elite capture. Protocols in a number of ethnic minority communities require that project entry requires prior approval of the district heads and the People's Party. This includes how benefits are distributed, which have to be coursed through these entities. While such protocols are imperative for project acceptability these can pose a challenge to ensuring that there is broad community support for the project and that members of the ethnic minority communities benefit from it, regardless of social status.
- (iii) Increase in value of land in project sites. Investments introduced through the project increases the likelihood of land speculation, which may increase selling of ethnic minority land rights to the likes of tree plantation investors.
- (iv) Increase developmental dependency. Commune development grant arrangements may further encourage ethnic minority dependency to donors and government institutions. Such grants if not handled sensitively may result in corruption. Capacity building in financial management by the women's union at the commune level is imperative.

156. The project promotes the legal recognition of rights to lands and territories that ethnic minorities have customarily used or occupied. An action plan for the legal recognition of customary rights to such lands, shall therefore be integrated in the EMDP, prior to actual implementation. Such action plans will be in concurrence with the Ethnic Minorities Office as represented in the Peoples' Party across levels (province, district, and commune).

157. The consent of affected ethnic minorities communities will be necessary as documented accordingly; validated and endorsed by the Ethnic Minorities Office representation within the Peoples' Party across levels (province, district, and commune).

158. The Project will provide financial assistance to project and subproject activities that largely impact on ethnic minorities to ensure meaningful participation by them.

159. **Social Impact Assessment.** Qualified and experienced experts will be contracted to conduct a full social impact assessment (SIA) in a gender-sensitive manner in consultation with ethnic minorities. The SIA will (i) establish the baseline socioeconomic profile of ethnic minorities in the project area and the project impact zone; (ii) assess access and opportunities to avail of basic social and economic services, (iii) determine the short- and long-term, direct and indirect, and positive and negative impacts of the project on each group's social, cultural, and economic status, (iv) assess and validate which ethnic minorities will trigger the SPS principles, and (v) assess subsequent approaches and resource requirements for addressing the various concerns and issues of projects that affect them. An EMDP in conjunction with the subproject feasibility study will be prepared if impacts on ethnic minorities are established.

160. **Ethnic Minority Planning.** Qualified and experienced experts will similarly prepare the EMDP through meaningful consultation with affected ethnic minorities to ensure that affected ethnic minorities will receive culturally appropriate social and economic benefits and that when potential adverse impacts on them are identified, these will be avoided to the maximum extent possible. When avoidance is deemed impossible, the EMDP will identify measures to minimize, mitigate, and compensate for adverse impacts. If ethnic minorities will be the majority of direct project beneficiaries, and when only positive impacts are identified, elements of an EMDP may be included in the overall project design in lieu of preparing a separate EMDP. The EMDP will establish requirements for meaningful consultation and how benefit sharing are fulfilled and integrated into the project design.

161. An updated EMDF may be necessary to reflect mitigating measures to avoid adverse impacts on ethnic minorities as well as measures to enhance culturally appropriate development benefits following the completion of detailed engineering design and detailed measurement survey/reportss. These may be adjusted, but agreed outcomes as specified in this EMDF will not be lowered or minimized. If new groups of ethnic minorities are identified prior to submission of the final EMDP to ADB, meaningful consultation will likewise be undertaken with them.

162. **Consultation and Participation.** Meaningful consultation with ethnic minorities will be ensured through harnessing of culturally appropriate communication strategies and use of local language. Table 9 (Consultation and Participation Plan (C&P)) presents the definitive points for stakeholder participation across within the project cycle under the Project, specific to subproject preparation and implementation. The Plan will be undertaken to ensure informed participation in all facets of the project cycle such that project benefits that accrue to them shall be in a culturally appropriate manner. Timely disclosure of relevant and adequate information will be made that is understandable and readily accessible to affected people/gender, in an atmosphere free of intimidation or coercion.

163. Process documentation will serve as the Project documentation for broad community support. It will focus on dimensions that are most likely to affect or influence the decision making and consensus building among ethnic minorities and their perceptions, roles and relationships, decisions and trade-offs, strategies, priorities, activities and events, investments and

accomplishments, factors that shape the context in which any focus of the project/subproject is operating including factors that help explain outcomes, implications, and lessons.

164. Results of process documentation should provide information sufficient enough to support decisions about the project/subproject C&P process and capture broad community support. The report per commune/ethnic minority group will be validated and endorsed by the Ethnic Minorities Office observing inherent institutional protocols across levels (commune to district and province).

165. **Disclosure.** The following documents will be disclosed in a timely manner in an accessible place and in a form and language(s) understandable to the affected ethnic minorities and other stakeholders as well as on the ADB website: (i) draft EMDF and/or EMDP, including the social impact assessment, endorsed by the Executing Agency, before appraisal; (ii) final EMDF and/or EMDP upon completion; (iii) a new or EMDF and/or EMDP and a corrective action plan prepared during implementation, if any; and (iv) monitoring reports.

166. **Grievance Redress.** The mechanism to receive and facilitate resolution of the affected ethnic minorities' concerns, complaints, and grievances is provided and ethnic minority communities will be appropriately informed about such mechanism. A culturally appropriate, gender responsive, and accessible mechanism is formulated but shall not impede access to the country's judicial or administrative remedies. This EMDF shares the grievance redress mechanism developed for the RF.

167. **Institutional and Implementation Arrangements.** The responsibility for preparing and implementing the EMDPs will be the Executing/Implementing agency. Qualified social safeguards consultants, under terms of reference acceptable to ADB, will be contracted. The EMDP will have an implementation schedule that is coordinated with project/subproject implementation.

168. **Monitoring and Reporting Arrangements.** There will be two monitoring mechanisms: internal monitoring and external monitoring that will determine if the EMDP is being carried out in accordance with this EMDF. The Executing/Implementing agency shall conduct the supervision and in-house monitoring of EMDP implementation. An external monitoring organization will verify internal monitoring reports. External Monitoring will be commissioned by the Executing/ Implementing agency to undertake independent external monitoring and evaluation. The EMO for the Project will be either a qualified individual or a consultancy firm with qualified and experienced staff.

169. **Budget and Financing.** The Executing/Implementing agencies are responsible in the provision of necessary financing of all EMDP activities. The EMDP will specify funding requirements for each of the actions in the plan. Cost estimates provided in the plans must be as detailed as possible, linked to specific activities. The EMDP will focus on costs involved in mitigating adverse sociocultural impacts.

170. This EMDF provides the line item costs that will be subject to detailed planning and budgeting during implementation at the project and subproject levels.

VIII. GENDER AND SOCIAL DIMENSIONS

171. Despite the Project being a biodiversity and conservation project, opportunities abound and are built into the project design that ensure delivery of tangible benefits to women by

improving their access to social services, and/or economic and financial resources and opportunities, and/or basic rural and urban infrastructure, and/or enhancing voices and rights, which contribute to gender equality and women's empowerment. It is thus deemed that the Project is categorized as an Effective Gender Mainstreaming Project.

172. With reference to the ADB Gender Guidelines of March 2010, a Gender Action Plan (GAP) is prepared based on findings from the Social Assessment using the ADB Handbook for Social Assessment, in close consultation with stakeholders that significantly include women and women leaders of Viet Nam.

173. These gender inclusive design features respond to constraints faced by women across all project infrastructure types as well as to issues that are specific to a particular improvement. They have been prepared in consultation with stakeholders, particularly local women, and work to offset disadvantages for women revealed through the gender analysis described above:

- (i) A Social Impact Assessment (SIA), including a Gender Analysis (GA) resulting in a Gender Action Plan (GAP), will be prepared for each commune;
- (ii) A National Gender Specialist will be contracted to oversee all gender related activities.
- (iii) Each provincial implementing unit to appoint a safeguards officer who will ensure the collection and analysis of gender disaggregated baseline data, including extension and training needs of women;
- (iv) Representation/participation of the Women's Union and Ethnic Minority Office in the project implementation units;
- (v) At least 30% female representation within community working groups, consultation, planning, and decision-making.;
- (vi) Use of popular modes of information, education and communication (IEC) for the promotion of climate change adaptation, biodiversity conservation and health/sanitation education to ensure their meaningful participation in project decision making;
- (vii) Collection of gender-disaggregated data for monitoring of project benefits and impacts.
- (viii) Gender mainstreaming training for the implementing agencies at national, provincial and local levels;
- (ix) Preference given to livelihood project proposals/feasibility studies prepared and submitted by community womenfolk; where animal production is paramount, full technical support in animal production will be extended.
- (x) Equal opportunities for land certification as well as compensation and allowances to female heads of households.

174. The project is in line with the stipulations of the 2007 Law of Gender Equality. Subprojects lined up by the Project will largely benefit women mostly by addressing release time and/or reduction of time spent on other household reproductive activities, i.e., water collection and marketing. Time saved can be spent on other priorities women have for themselves as well as their families. Women, as nurturers of families, will further benefit as health, hygiene, and reduced scale of calamities (climate change and REDD) that affect families/households are directly and indirectly attended to by Project implementation.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact Climate resilient sustainable forest ecosystems in the <i>Central Annamites</i> benefiting local livelihoods and downstream users</p>	<ul style="list-style-type: none"> • By 2022, approx 10,000 ha restored and additional 10,000 ha leveraged under REDD+ for climate change mitigation compared to baseline 2007, updated 2011; • By 2022, approximately 900 hh with diversified livelihood assets and/or income generating opportunities • By 2022, over 1 million labor days worth of employment generated through project related conservation work and cash transfers for participatory restoration activities • By 2018, evidence from forest sample plots and biodiversity assessments is available to establish baseline of climate change impacts on key flora in the biodiversity corridor and assessment of species change and resilience 	<ul style="list-style-type: none"> • MONRE/MARD updates on forest cover, carbon emissions and biodiversity trends • Provincial cadastral survey/reportss • Household and commune socio-economic survey/reportss • National Statistical office reports; • Reports by GoV to GMS Summits and Environment Ministers' Meetings • Government circulars and implementation guidelines • Corridor Impact Assessment Reports on social, natural, physical and financial asset building compared with baseline at start of project (2011) 	<p>Assumptions</p> <ul style="list-style-type: none"> • Climate change adaptation and mitigation activities receive additional / incremental funding • Biodiversity Corridor regulatory framework is adhered to by planning and decision-makers at central and provincial levels • Population growth is stable and in-migration into biodiversity corridor areas can be regulated <p>Risks</p> <ul style="list-style-type: none"> • Sudden influx of climate change refugees • Ad hoc development investment decisions override long term environmental / biodiversity corridor plans and programs
<p>Outcome Biodiversity Conservation Corridors established in Quang Nam, Quang Tri, and Thua Thien Hue with enabling policy, regulatory framework and management regimes</p>	<ul style="list-style-type: none"> • By 2018, management plans and Biodiversity Corridor policy with legal framework in place covering at least 530,000 ha of forest and non-forest land in 34 communes of Quang Nam, Quang Tri and Thua Thien Hue provinces in Central Viet Nam; • By 2018, Biodiversity Conservation Corridors (BC) mapped and demarcated with cross-border arrangements entered into for maintenance and protection; • By 2018, BC regulatory framework and management regime with financing in place for maintaining ecosystem services • By 2018, increase in income and/or assets for target households by 50% in VIE compared to 2011; by 2018, at least 30% of the commune/village level corridor 	<ul style="list-style-type: none"> • National Databases of MONRE/MARD; • Reports to GMS Environment Ministers Meeting (EMM) 2014; • MoU between Viet Nam & Lao PDR, and VIE & CAM regarding management of Biodiversity Corridor zones in cross border areas • Text of Biodiversity Corridor Decree or regulatory instrument • Household and commune Socio-economic 	<p>Assumptions</p> <ul style="list-style-type: none"> • PPCs of three provinces and Central GoV commit to declaring & establishing a GMS Biodiversity Corridor area & enforce regulations • Timely approval of management plans and funds by PPC <p>Risk</p> <ul style="list-style-type: none"> • Other external DFIs negatively affect current and planned Project activities in the corridors

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
	management committee members are women	survey/reportss • Performance monitoring survey/reportss; • Project MIS	
<p>Outputs</p> <p>1. Institutions and communities strengthened in biodiversity corridor management</p> <p>2. Biodiversity corridors restored, ecosystem services protected, and maintained</p> <p>3. Livelihoods improved and small-scale infrastructure support provided in target communes</p>	<ul style="list-style-type: none"> • By 2012, zoning of 530,000 ha of Biodiversity Corridor; • By 2013, Participatory Landuse Plans (PLUP) and Commune Investment Plans (CIP) ready in 34 communes by 2013 covering 6 districts in 3 provinces; • By 2015, 340km of demarcation completed • By 2016, at least 13,700 ha receive new landuse certificates, of which 1500 ha cover individual households and 12,200 ha are collective forest management certificates (village forest groups; • 1500 provincial, 1350 district, 5100 commune level person trained in project activities; from trained personnel, 40% are female with large portion from ethnic minorities • By end 2011, a system of effectively patrolling at least 12,200 ha of forest by village based patrolling units in place protecting over 112,000 ha of core zones of the biodiversity corridor; • By 2016, over 10,000 ha of natural forest land rehabilitated through forest restoration, enrichment planting, non-timber forest product and agroforestry planting using mainly native species and maintained over and beyond the project period; • Restoration activities include labor input provided by women on cash basis, improving household income • By 2014, at least 900hh and over 2,500 rural farmers receive cash and technical support to improve agricultural productivity and income from home gardens, agriculture/animal production; At least 1200 ha of forest based livelihood plantations (production forest); • By 2015, 34 communes receive financial resources through Commune Development Funds and small scale infrastructure support to enhance accessibility to 	<ul style="list-style-type: none"> • Corridor maps approved by PPC • LUPs with maps for 34 communes • Revised CIPs of 34 communes • Demarcation maps • Land Use Certificates (LUCs) • CPMU Reports • Government statistics • Provincial and district economic survey/reports statistics • Area planted and maintained in watershed areas • Reports of Forest protection department on illegal activities • Performance monitoring survey/reportss • CPMU reports • Government statistics • Provincial and district economic survey/reports reports • Provincial revenue reports • Provincial business and enterprise statistics • Performance monitoring survey/reportss 	<p>Assumptions</p> <ul style="list-style-type: none"> • Sector development plans in Viet Nam remain conducive to promotion and consolidation of biodiversity corridor / landscape approaches • Sufficiently qualified national consultants can be identified and engaged <p>Risks</p> <ul style="list-style-type: none"> • Other developmental activities (commercial plantations, mining, settlements, roads etc) create further fragmentation of forest ecosystem and hamper landscape approaches • Political security and peace in border is disturbed

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>4. Project management and support services</p>	<p>water, production, markets, and services with capacity building in O&M and business models (ecotourism, NTFP, and agro-processing);</p> <ul style="list-style-type: none"> • At least 30% of CDF management committee comprises female members; • By 2015, investments in livelihood improvements and small-scale infrastructure completed • By March 2011, CPMU in MONRE and PPMU in Quang Nam, Quang Tri and Thua Thien Hue operational; • By June 2011, all advance actions re procurement of vehicles, equipment and consultants completed; • By August, first tranche of loan received in imprest accounts • By 2012, around 1,000 officials and project staff will be trained on procurement, management, financial controls, monitoring and report • Timely half yearly (June/Dec) technical and financial reports produced in VN and EN by PPMUs and consolidated by CPMU • Project Performance and Monitoring System established by early 2012 • Timely submission of financial liquidation and withdrawal applications • ADB Disbursement at 45% by 2012 and 80% by 2016 	<ul style="list-style-type: none"> • CPMU/PPMU Reports • CPMU Reports • Mid term evaluation • Performance monitoring survey/reportss • Loan disbursement reports 	
<p>Activities</p> <p>1.1. Strengthen policy framework for biodiversity corridor establishment and implementation</p> <p>1.2. Raise awareness and build technical capacity to replicate model of biodiversity corridors in Viet Nam</p> <p>1.3. Participate in GMS transboundary and Subregional Biodiversity Corridor activities and establish cross-border cooperation framework on forest ecosystem and biodiversity corridor management</p> <p>1.4. Strengthen capacity on landuse planning, zoning, demarcation across landscapes</p> <p>1.5. Strengthen the capacity of district officials and key provincial level staff involved in corridor and protected areas management</p> <p>1.6. Update database on forest resources, landuse and integrating with other information on agriculture, water, mining etc.</p> <p>1.7. Strengthen village/commune level capacity for managing commune development funds (CDF)</p> <p>1.8. Strengthen the capacity of villagers to manage and protect forest and natural resources in the corridors and move toward effective community-based natural resource management (with co-management of some parts of the PAs/protection forests)</p> <p>1.9. Zone and map at provincial level biodiversity corridor delineation and demarcation</p> <p>1.10. Secure recognition of biodiversity corridors through provincial level policy and</p>		<p>Inputs (in '000)</p> <p>A. ADB</p> <p>1. Civil Works: \$8,992.9</p> <p>2. Vehicles & Equipment \$327.0</p> <p>3. Goods & Services: \$12,640.0</p> <p>4. Project mgmt \$2,012.6</p> <p>5. Consultant Support</p> <p style="padding-left: 20px;">a. National: \$1,882.9</p> <p style="padding-left: 20px;">b. International: \$1,051.0</p> <p>6. Capacity Building \$980.0</p> <p>7. Livelihood Inputs \$672.5</p> <p>8. Interest during Implementation \$668.4</p> <p>Subtotal - A \$30,000.0</p> <p>B. Government Contribution</p> <p>1. Central Govt \$1,393.2</p> <p>2. Provincial Govt \$1,460.5</p> <p style="text-align: right;">\$2,853.7</p>	

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>regulations/decisions/decrees and implement management plans</p> <p>2.1. Undertake participatory demarcation and delineation of forest/conservation corridor areas from village areas</p> <p>2.2. Identify and undertake landscape connectivity in key fragmentation points through targeted reforestation/ enrichment planting, gap filing or natural regeneration</p> <p>2.3. Identify benefit sharing schemes for forest and watershed protection using payment for ecosystem services schemes (PES)</p> <p>2.4. Identify bare/scrub land available close to communes/clusters for forest plantations, NTFP domestication and supply of timber for value addition</p> <p>2.5 Conduct sustainable forest management planning in collaboration with on-going government plans/programs</p> <p>3.1 Update village/commune level data on socio-economic status and poverty mapping/monitoring</p> <p>3.2 Provide support to promoting agriculture/agroforestry based livelihood improvements</p> <p>3.3 Explore possibilities of improving market information services using mobile IT technology and private sector services in the clusters/communes of communes or through local associations in the biodiversity corridor area</p> <p>3.4 Provide seed capital for Commune Development Funds</p> <p>3.5 Provide investment support to prioritized small scale infrastructure</p> <p>3.6 Build/improve O&M capacity for maintaining infrastructure</p> <p>4.1 Establish Central and Provincial Project Management Unit</p> <p>4.2 Establish financial accounts and internal audit controls</p> <p>4.3 Open project accounts, secure monthly statements</p> <p>4.4 Recruit support staff and consultants</p> <p>4.5 Draw up annual and six monthly workplans, personnel scheduling, budgets and procurement plans and seek approvals</p> <p>4.6 Procure goods and services applying procurement rules as laid out in PAM</p> <p>4.7 Guide and oversee implementation</p> <p>4.9 Conduct survey/reportss and studies to enhance and support project implementation</p> <p>4.10 Monitor project implementation</p> <p>4.11 Prepare statement of Expenditure and liquidation documents and</p> <p>4.12 Submit six monthly financial and technical reports.</p>			<p>C. Beneficiary Contribution (In-kind and O&M) <u>\$1,229.4</u></p> <p>Total A+B+C \$34,083.1</p>

ADB = Asian Development Bank; CPMU = Central Project Management Unit; MONRE = Ministry of Natural Resources and Environment; O&M = operations and maintenance; and PPMU = Provincial Project Management Unit. Source: ADB estimates.

B. Monitoring

1. Project performance monitoring

175. A PBME system will be developed and implemented by the CPMU with assistance from the LIC. The PBME will collect information at subproject level to identify the current socio-economic conditions of target beneficiaries and to assess the impact of the subprojects. The PBME will be based on measurable inputs, outputs and outcomes to be collected during baseline survey/reportss and throughout project implementation.

176. The Project will provide data inputs towards development and operationalization of the National Biodiversity Database in the VEA under MONRE. This will be in the context of technical support to design project monitoring and information system, equipment and networking facilities to link with the participating provinces and districts and training in planning and performance monitoring. It will also include resources to operate a project impact monitoring system.

2. Compliance monitoring:

177. The Government and MONRE have agreed with ADB on certain covenants for the proposed Project, which are set forth in the Loan and project agreements including the following:

- (i) Only subprojects that have been pre-screened either during preparation or by an approved specialist and subsequently approved by ADB shall be financed by ADB Loan funds;
- (ii) The Government will ensure that adequate funds are allocated for the periodic maintenance of infrastructure developed under the Project through provincial budgets to maintain the infrastructure in functional order; and
- (iii) The Government will also ensure that a grievance mechanism is established for affected people in the participating communes/districts.

178. ADB will monitor compliance with those covenants throughout project effectiveness and implementation via regular review missions, half-yearly progress reports submitted by the CPMU, and review of project accounts and procurement procedures.

3. Safeguards monitoring:

179. There will be two monitoring mechanisms: internal monitoring and external monitoring that will determine if the EMDP is being carried out in accordance with the EMDF. The implementing agency shall conduct the supervision and in-house monitoring of implementation of the EMDP. The procedure for monitoring will be guided by the monitoring, evaluation, and reporting arrangements set forth in the EMDP. An external monitoring organization (EMO) will verify internal monitoring reports. Prescribed indicators for internal and external monitoring are presented in Appendix 2.

180. External monitoring will be commissioned by the Implementing agency to undertake independent external monitoring and evaluation. The EMO for the Project will be either a qualified individual or a consultancy firm with qualified and experienced staff.

181. The Terms of Reference for the EMO shall be prepared by the Implementing Agency and shall be acceptable to ADB prior to engagement. The Implementing Agency is responsible for the engagement of the EMO and ensures that funds are available for monitoring activities, and submits monitoring reports to the ADB.

182. Specifically, the activities of the EMO are as follows:

- (i) verify results of internal monitoring;
- (ii) coordinate with the Ethnic Minorities Office and People's Party regarding the monitoring and evaluation of the situation of affected ethnic minorities;
- (iii) verify and assess the results of the Project IEC for ethnic minorities;
- (iv) assess efficiency, effectiveness, impact and sustainability of EMDP implementation;
- (v) suggest modification in the implementation procedures of the EMDP, if necessary, to achieve the principles and objectives of this EMDF;
- (vi) review of the handling of compliance and grievances cases.

183. Schedule of Monitoring and Reporting. The Implementing Agency shall establish a schedule for the implementation of the EMDP taking into account the project's implementation schedule. It is expected that one month prior to the start of subproject implementation, internal and external monitoring key actors shall have determined all EMDP activities.

184. Compliance Monitoring. This is the first activity that both internal and external monitoring people shall undertake to determine whether or not the EMDP is implemented out as planned and according to this policy. The EMO will submit an Inception Report and Compliance Monitoring Report one month after receipt of Notice to Proceed for the engagement. The engagement of the EMO is scheduled to meet this Policy's requirement of concluding EMDP implementation activities at least one (1) month prior to the start of zoning and/or civil works.

185. Monitoring. The EMO will be required to conduct half yearly monitoring of EMDP implementation activities.

186. Final Evaluation. Final evaluation of the implementation of the EMDP will be three months after its completion. The EMO shall coordinate with the Implementing agency, Ethnic Minorities Office and People's Party as well as the affected ethnic minorities on the dates of the final evaluation of the EMDP.

187. Post-Evaluation. This activity will be undertaken one year after the completion of the project/subproject in order to determine whether the social and economic conditions of affected ethnic minorities have improved or have been restored to pre-project levels.

188. Internal and external monitoring reports will be made available to all implementing units, including the ethnic minority communities. The EMO is accountable to the Implementing agency as they submit copies of internal and external monitoring reports to ADB. Costs of monitoring requirements will be reflected in project budgets.

189. RF Monitoring. Implementation of the RP will be periodically supervised and monitored by the implementing unit in close coordination with the respective Peoples' Committees at different administrative units and external monitoring agencies. Results will be recorded in half-yearly reports as furnished to the executing agency and ADB.

190. Project staff will conduct internal monitoring. To differentiate internal monitoring from external monitoring, the following are stipulated distinctly for internal monitoring:

- (i) verify that the baseline information of all APs has been carried out and that the valuation of assets lost or damaged, and the provision of compensation, resettlement and other rehabilitation entitlements has been carried out in accordance with the provisions of this Policy Framework and the respective RP.
- (ii) oversee that the RPs are implemented as designed and approved.
- (iii) verify that funds for implementing the RP are provided in a timely manner and in amounts sufficient for their purposes, and that such funds are used in accordance with the provisions of the RP and policy framework.
- (iv) record all grievances and their resolution and ensure that complaints are dealt with in a timely manner.

191. External monitoring is a function of an independent organization or individual consultant retained by Project to periodically perform external monitoring and evaluation of the preparation and implementation of the RP. Contracting of independent agencies as external monitors will require concurrence from ADB. External monitoring consultants or agencies are tasked to:

- (i) verify results of internal monitoring;
- (ii) review of the handling of compliance and grievances cases;
- (iii) determine whether the procedures for AP participation and delivery of compensation and other rehabilitation entitlements is implemented in accordance with this RF;
- (iv) assess if the RF objective of enhancing or restoring living standards and income levels of APs are realized.
- (v) generate data on the socioeconomic impact of Project implementation on APs.

- (vi) recommend improvements as regards project or subproject implementation procedures in upholding the principles and objectives of this RF.

192. External monitoring reports will be made available to all implementing units, including APs. The EM contractor is accountable to the project and thus reports to the project-implementing unit. Project management submits copies of external monitoring reports to ADB.

193. Compliance Monitoring. This is the first activity that both internal and external monitoring shall undertake to determine whether or not RPs and EMDPs were implemented as planned and according to this policy. The external monitor will submit an Inception Report and Compliance Monitoring Report one month after receipt of Notice to Proceed for the engagement. The engagement of the external monitor is scheduled to meet the Policy's requirement of concluding RP and EMDP implementation activities at least one (1) month prior to the start of civil works.

194. Monitoring. The external monitor will conduct half yearly monitoring of RP, and EMDP implementation activities.

195. Final Evaluation. Final evaluation of the implementation of RPs will be conducted three months after the completion of payments of compensation to APs and three months after the completion of the EMDP. The external monitor shall coordinate with the Ethnic Minorities Office (whatever level is applicable) and the affected ethnic minority community on the dates of the final evaluation for the EMDP.

196. Post-Evaluation. This activity will be undertaken a year after the completion of resettlement in a particular subproject to determine whether the social and economic conditions of APs and affected ethnic minorities have improved or have been restored to their pre-project levels.

4. Gender and social dimensions monitoring¹⁷

197. All data, in accordance with Prime Minister's Decree No.140/PM dated 20 August 2002 and guideline paper No. 018/PMO of 10 January 2005, will be disaggregated by sex and age, urban and rural women, and women of ethnic groups. Routine monitoring by the safeguard monitoring entities to be recruited under the Project will focus on assessing progress and compliance with GAPs, identifying constraints and developing remedial actions to effectively address these. Monitoring results will be part of the six monthly progress reports and assessment / evaluations of the GAP will be an essential element of all reviews.

Specific to the GAP, the table below prescribes the areas for monitoring:

Project Component	Gender Action Plan Targets
<p>COMPONENT 1: Institutional and community strengthening</p> <p>COMPONENT 2: Biodiversity corridors restoration, ecosystem services protection, and sustainable management by local resource managers</p>	<ul style="list-style-type: none"> • Women's representation during consultations, planning, capacity building, and assessment (30%). • Working groups/committees to be established to at least be 30% women. • The local Women's Union shall lead management of the V/CDF and the project will ensure access to availability of technical staff from the District. • Gender Specialist included in production of training modules and establishing trainers' pool. • Gender sensitive training/IEC materials will be produced in local dialects to be prepared in close consultation with beneficiaries specifically, but not limited to land rights, credit, and access to resources and opportunities provided by the project. • Equal opportunities for land certification, compensation and allowances provided to all female-headed households and equal.

¹⁷ADB's *Handbook on Social Analysis: A Working Document*, is available at: <http://www.adb.org/Documents/Handbooks/social-analysis/default.asp>, *Staff Guide to Consultation and Participation*: <http://www.adb.org/participation/toolkit-staff-guide.asp>, and, *CSO Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*: <http://www.adb.org/Documents/Books/CSO-Staff-Guide/default.asp>

Project Component	Gender Action Plan Targets
	<ul style="list-style-type: none"> • The establishment of early warning systems with local information on seasonal variations/ weather forecasting shall include women in managing the system. • The establishment of gender responsive designs for water storage/ water harvesting systems to combat drought and water stress
<p>COMPONENT 3: Livelihood improvement and small scale infrastructure support in target communes and communes/clusters</p>	<ul style="list-style-type: none"> • Participation of the Women's Union and Ethnic Minority Office in the project implementation units. • At least 30% female representation within community working groups, consultation, planning, and decision-making. • Priority/preference given to livelihood project proposals/feasibility studies prepared and submitted by community womenfolk; where animal production is paramount, full technical support in animal production will be extended. • Use of popular modes of information, education and communication (IEC) preferably in the local language for the promotion of health/ sanitation education, climate change adaptation, and biodiversity conservation. • Collection of gender-disaggregated data for monitoring of project benefits and impacts. • National gender specialist to ensure preparation of gender sensitive procedures/processes in prioritization of self and household needs and training materials in local dialects to be prepared in close consultation with beneficiaries. Specifically, the specialist shall oversee the following: <ul style="list-style-type: none"> ✓ Conduct of workshop for local women on results of mapping household vulnerability and livelihood options impacted by climate change and train them to prepare for managing disasters and improving coping strategies ✓ Train women to manage Commune/Commune Development Funds and provide them with gender responsive menu of options for alternative livelihood.
<p>COMPONENT 4: Project management and support services</p>	<ul style="list-style-type: none"> • Gender and Safeguard Specialists included in the national implementation teams. • SIA, Gender Analysis and a GAP will be prepared for each commune. • Project Implementing Unit to appoint project staff as gender focal point responsible for monitoring GAP implementation and report gender related achievements and constraints. • TOR of ALL consultants will include responsibilities to ensure GAP implementation as related to their work. • Gender-sensitization training carried out as part of project orientation, for all levels of staff, consultants, contractors, and facilitators. • Both female and male staff given equal opportunity to participate in non-gender related training and capacity development programs. • A national social development/gender consultant recruited to (i) build capacity of project management units across levels, project staff and facilitators in gender responsive design and analysis; (ii) preparation of gender sensitive indicators; and (iii) preparation of checklists for evaluation of gender responsiveness of proposed subprojects. • Sex-disaggregated indicators established for project performance M&E system; monitoring will be on-going to ensure activities are effectively carried out and targets reached; progress reports to include gender-related achievements and constraints. <p>Mid-term review Mission to assess gender related achievements and constraints to GAP implementation and propose adjustments for better project performance.</p>

C. Evaluation

198. ADB will conduct regular (at least twice per year) reviews throughout project implementation to assess implementation performance and achievement of project outcomes and objectives, examine financial progress, and identify issues and constraints affecting the Project and work out time-bound action plans for their resolution.

199. A Midterm Review will also be undertaken within 30 months of loan effectiveness. 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 PBME, performance of consultants, capacity building progress, and possible reallocation of loan proceeds. During this more significant review, the impact from the pro-poor initiatives linked to infrastructure development will be assessed as will the allocation by local administrations for the maintenance of the infrastructure developed under the Project. Remedial action will be instituted as required.

200. Within 6 months of physical completion of the Project, ADB will conduct a project completion mission to carry out a preliminary assessment of the success of the Project to achieve its physical, and socio-economic developmental objectives, as well as to review compliance with ADB requirements and loan covenants.

D. Reporting

201. The CPMU will provide ADB with (i) half-yearly 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 and (d) updated implementation plan for next 12 months; and (iii) a project completion report within 6 months of physical completion of the Project. To ensure projects continue to be both viable and sustainable, project accounts and the executing agency AFSs, together with the associated auditor's report, should be adequately reviewed.

E. Consultation and Participation Plan

202. The table below provides the consultation and participation strategies by participating entities at prescribed stages of the project cycle.

Consultation and Participation Plan: Summary Chart

ITEM	Stakeholder Group				
	Executing/Implementing Agency	Ethnic Minorities Office and Peoples' Party	Ministries: Planning & Investments	Vulnerables: Ethnic Minorities, Farmers & Women (Commune Level)	Civil Society (i.e., Academe, & NGOs)
A. Project Cycle: Task/Objective of Stakeholder Participation					
1. Project identification	Prepare sectoral development framework plans and guidelines/strategies for programming & prioritization of subprojects requiring assistance			Prepare and prioritize community needs/pans/programs/projects	Participate in consultations within mandated areas
	Subproject screening			Participation to free & prior informed consultations	
2. Project Preparation	Identify subproject proposals for possible foreign and local assistance in close coordination with implementing units and other appropriate government agencies	Coordinate and oversee all consultations to project preparation in areas with ethnic minorities.	Provide technical staff support to subproject coordination & review	Participation to free & prior informed consultations (resulting in EMDP & RP)	Consultation and participation
	Recommends criteria and system for evaluating projects; and	Coordinate preparation of appropriate social safeguards			Preparation of Social Assessment
	Information disclosure				Preparation of Ethnic Minority Development Plan (if applicable)
					Preparation of Resettlement Plan (if applicable)
3. Appraisal	Coordinate the conduct of subproject appraisal;	Ensure preparation of appropriate social safeguards;	Monitor status of proposed subprojects for possible funding assistance by Project;	Participation to free & prior informed consultations (resulting in issuance of consent document)	Participate in validation of safeguards documents
		Verify adequacy of the policy and legal framework; adequacy of allocated technical, financial, & human resources.			
		Examines whether ethnic minorities have participated in EMDP formulation			
4. Project Implementation (including inception, detailed engineering, monitoring, & review)	Provide basic policies, systems and procedures for the effective & efficient implementation of subproject;			Spearhead preparation of detailed engineering design of subprojects	Conduct external M&E and performance/impact assessment
	Provides technical assistance in detailed design, project monitoring and assessment;			Implement & manage subproject	Develop & implement IEC plan (to include disclosure measures), materials and/or training
	Monitor performance and impact of project in coordination with donor and oversight government agencies;			Involvement in participatory monitoring	
	Coordinate with funding/donor/ oversight agencies in project programming and monitoring;			Attend to capacity building activities	
	Oversee & coordinate subproject, EMDP & RP implementation;		Ensure project compliance to loan agreements/commitments;		
	Prepare, conduct and attend (depending on nature of capacity building) subproject capacity building initiatives				
5. Completion & post evaluation	Evaluate project performance and impact in coordination with donors and oversight government agencies;			Participate in project & subproject impact assessment/post project completion	Conduct impact assessment/post project completion

ITEM	Stakeholder Group				
	Executing/Implementing Agency	Ethnic Minorities Office and Peoples' Party	Ministries: Planning & Investments	Vulnerables: Ethnic Minorities, Farmers & Women (Commune Level)	Civil Society (i.e., Academe, & NGOs)
	Document, disseminate lessons learned, & when applicable mainstream experiences gained and technologies generated from the subproject, and provide policy recommendations with reference to development initiatives and implications to future projects;			Ensure operation and maintenance/sustainability of subproject	
	Coordinate with funding/donor/ oversight agencies in project evaluation;				
	Conducts post project evaluation and impact analyses.				
		Coordinate project evaluation in ethnic minority project areas.			

X. ANTICORRUPTION POLICY

203. ADB's *Anticorruption Policy* (1998, as amended to date) was explained to and discussed with MONRE. Consistent with its commitment to good governance, accountability, and transparency ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.¹⁸ 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/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.¹⁹

204. To support these efforts, relevant provisions of ADB's *Anticorruption Policy* are included in the loan regulations and the bidding documents for the Project. In particular, all contracts financed by ADB in connection with the Project shall include provisions specifying the right of ADB to audit and examine the records and accounts of MONRE/CPMU, PPMU, and DPIU, 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.²⁰ The project design and implementation arrangements provide for mitigation of corruption risks. Risks associated with project management, including procurement and disbursement, will be mitigated by the engagement of LIC to advise and assist in the procurement of goods and services, and the engagement of other consultants. The Government will disclose through MONRE website accessible by the general public, information about various matters concerning the Project, including general project information, procurement, project progress, and contact details in the English and in Vietnamese. The website will also provide a link to ADB's Integrity Unit (<http://www.adb.org/Integrity/complaint.asp>) for reporting to ADB any grievances or allegations of corrupt practices arising out of the Project and Project activities. With regard to procurement, the website will include information on the list of participating bidders, name of the winning bidder, basic details on bidding procedures adopted, amount of contract awarded, and the list of Goods, Works and Consulting Services procured.

¹⁸ Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

¹⁹ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

²⁰ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

XI. ACCOUNTABILITY MECHANISM

205. People who are, or may in the future be, adversely affected by the Project may address complaints to ADB, or request the review of ADB's compliance under the Accountability Mechanism.²¹

²¹ For further information see: <http://compliance.adb.org/>.

XII. RECORD OF PAM CHANGES

206. All revisions/updates during course of implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.

Project Readiness Filter
As of Fact-finding Stage (September 2010)

	Key Project Preparation Elements	Stage of Project Preparation			Within 1 month of effectiveness
		Identification/ preparation/fact-finding	Negotiations	Effectiveness Condition	
1.	Project is within GOV's highest development priority (Viet Nam's Socio-Economic Development Strategy – SEDS 2011-2020; Biodiversity Law; Viet Nam Forestry Development Strategy 2006-2020)	Confirmed			
2.	Project Administration Manual (PAM)	Draft prepared and shared during Fact Finding Mission	Completed and agreed		
3.	Environment Impact Assessment, Social Impact Assessment, Land Acquisition & Resettlement Plan and Indigenous People Action Plan (where applicable)	Project is classified as B for Environment, Resettlement and Indigenous People. Framework for Environment, Resettlement, and Indigenous People prepared. IEE, RP and IPP prepared for representative subprojects and will be prepared for all subprojects	Action Plans initiated and GOV budgets approved		Action plans ongoing.
4.	Procurement Capacity Assessment	Completed	Start up actions initiated		Start up actions implemented
5.	Procurement Plan for first 18 months	Completed and included in the PAM	Confirmed		
6.	Financial Management Capacity Assessment	Completed	Start up actions initiated		Start up actions implemented
7.	Auditing arrangements including TOR	Agreed	Confirmed		

	Key Project Preparation Elements	Stage of Project Preparation			Within 1 month of effectiveness
		Identification/ preparation/fact-finding	Negotiations	Effectiveness Condition	
8.	Monitoring and evaluation requirements	M&E arrangements agreed, baseline data of 34 communes have been presented in commune profiles and sample subprojects provided	Confirmed		Baseline data updated within 9 months if not possible to collect before
9.	Project Implementation Arrangements	Implementation arrangements and proposed staffing structure included in the PAM	Key staffing (including procurement and FM staff) approved.		Full Project Implementation Team in place
10.	TOR and RFPs for consultants for critical consultant packages required during first year of implementation	TOR for Loan implementation consultants included in PAM that was shared; the TOR will be revised in PAM version to be submitted prior to Loan negotiations	TOR for recruitment of procurement consultant to prepare for loan consultant packages agreed		Bidding documents ready 1 month before effectiveness
11.	First year bidding documents for goods and works (where design and specification can be prepared through earlier project or project preparation facility)	Draft English language version of the bidding documents shall be submitted for ADB review and approval regardless of the estimated contract amount. ADB-approved procurement documents shall be used as a model for all subsequent NCB procurement financed by ADB.	Bidding document preparation as advance action agreed		First contracts ready for signing 1 month after effectiveness
12.	GOV counterpart funds (if required)	Agreed	First year funds confirmed available		
13.	Subsidiary agreements (where applicable)	Not applicable	Principle content of agreements agreed		

	Key Project Preparation Elements	Stage of Project Preparation			Within 1 month of effectiveness
		Identification/ preparation/fact-finding	Negotiations	Effectiveness Condition	
			(ADB)		
14.				Legal Opinion	

Gender Action Plan

Gender Action Plan
Document Stage: Draft for Comments
Project Number: 40253
September 2010

GMS: Biodiversity Conservation Corridors

The Gender Action Plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

GENDER ACTION PLAN

1. The GMS Biodiversity Conservation Corridor Project (The Project) aims to result in climate resilient transboundary biodiversity conservation corridors sustaining livelihoods and investments in Cambodia, Lao PDR, and Viet Nam. It is envisaged that by 2017, the GMS Biodiversity Conservation Corridors are established with supportive policy and regulatory framework in the three countries that maintain ecosystem connectivity and services. It has four components with corresponding indicative activities²², (i) Institutional and community strengthening for biodiversity conservation management, (ii) Biodiversity corridors restoration, ecosystem services protection, and sustainable management by local resource managers, (iii) Livelihood improvement and small scale infrastructure support in target villages and communes/ clusters, and (iv) Project management and support services.

2. The approach is a response to the increasing developmental threats (construction of hydroelectric dams, mining and economic concessions for rubber plantations and logging) that abound within the region that result in fragmentation. The fragmentation of ecosystems decreases its capacities to provide services to both upstream and downstream users. The Project aims to show that livelihood activities, agriculture, and some selected development activities could co-exist and be integrated in a conservation landscape as it encompasses conservation and development, protection and livelihoods for sustainable use and management. It fosters links between protected areas and connecting corridors consisting of linear or stepping stone forest blocks that allow for restoration of ecosystem connectivity. The proposed Project promotes zoning with the intention of safeguarding forest access and tenurial rights of the poor and ethnic groups living in remote mountain villages and clusters considered to be the stewards of the ecosystem. All subprojects for investment therefore are community driven, rooted on active stakeholder participation otherwise, conservation and sustainable use cannot be possible.

3. The Project targets an estimated 15,500 beneficiary households in the 34 target communes found in three provinces (Qung Nam, Quang Tri, and Thua Thien Hue) of the Socialist Republic of Viet Nam.

A. Gender Status and Issues for Proposed Project

1. At the National Level

4. Viet Nam is advanced as regards concerns on gender issues compared to its neighboring regional countries. As early as 1946, a resolution on equal rights of men and women in all fields was issued soon after the declaration of the socialist government in Hanoi (1945). In 1967, Resolution 153 declared that women were to fill at least 35 percent of all jobs and 50-70 percent in the education, medical, and light industry sectors. At the turn of the century, the country emerged impressive in its economic growth, rapid poverty reduction, and improved living standards. The changing status of Vietnamese women in terms of educational attainment, income, occupational status, job mobility, and political representation (Bussarawan, T., et. al. 2008) was noted.

5. Viet Nam has one of the world's highest rates of female economic participation: 84% of Vietnamese women ages 25-54 are economically active (ILO, 2006) without interruption for childbearing and childrearing.²³ Significant improvement was observed for educational enrollment at all levels (Nguyen 2004) in the mid 1990s. Gender gaps in schooling have been continually narrowing throughout Viet Nam²⁴ --- women presently are not perceived to be at a disadvantage. ADB documented that gender-earning gaps seemingly declined after

²² See Appendix 1 on Project DMF.

²³ Haub, Carl and Phuong Thi Thu Huong. 2003. An overview of population and development in Viet Nam. Washington, DC: Population Reference Bureau.

²⁴ Knodel, John and Gavin Jones. 1996. "Post-Cairo population policy: Does promoting girls' schooling miss the mark?" Population and Development Review 22(4): 683-702.

the reform; women's income was 69 percent of men's in 1992-3 but narrowed to 22 percent by 1998 and 15 percent in 2002²⁵. Available literature on gender domestic roles however, highlight the fact that Vietnamese women continue to perform majority of housework and little has changed over time in terms of husbands' contributions to household labor.²⁶

6. Viet Nam Women's Union (VWU) promotes gender equality initiatives. The National Plan for the Advancement of Women targets for the increase of women's representation in elective positions. Under the Convention on the Elimination of Discrimination Against Women (CEDAW), program activities envisage strengthening of the government's capacity to implement guarantees for women's equality including equality guarantees in relation to employment and the need to end trafficking.²⁷

7. In 2007, the government enacted the 2007 Law of Gender Equality (ADB, 2007) to further promote gender equality. In recent years, non-governmental organizations, as well as the United Nations Development Fund for Women, and international donor agencies have made their presence felt to promote gender equality and women empowerment. In response, the GoV have mainstreamed gender issues in most development projects (Viet Nam National Committee for Advancement of Women 2004).

8. Pertinent to Project design, key facets on gender issues in Viet Nam are noted as documented by the Food and Agriculture Organization (FAO)²⁸, to wit:

- (i) 32% of the households are headed by women
- (ii) Women make up 53% of farming population
- (iii) Women hold dual responsibility for farm and household management
- (iv) Women above 25 have a 15% lower literacy rate than men in rice farming women have a substantial role, which is enlarging
- (v) Women are actively involved in aquaculture, artisanal fisheries and manage small livestock production
- (vi) Marketing of agricultural products is mainly done by women
- (vii) Women contribute actively to household income through marketing, petty trade, food processing and handicrafts
- (viii) Women's contribution as family labor is undervalued and rarely included in accounting as work

2. Gender Issues in Project Sites

9. The GAP is based on (i) six sample communes (Appendix 1) that have been assessed for feasibility through commune level consultations; (ii) national, provincial, district and village consultations with women of different ages and ethnic groups, government officials, and mass organizations, and (iii) available secondary data on gender related issues. Aside from stakeholder perceptions to Project-related issues, measures on daily household activity schedule, allocation of labor, access and control over resources was determined through key informant interviews (KII) and focus group discussions (FGD) conducted in the local language by local assistants (Appendix 2).

10. The Project's gender analysis revealed that the total ethnic minority population in Project sites is about 92.2% of the total population. Hence, gender issues will be largely deal with poor, rural, and ethnic minority women.

²⁵ Bussarawan, T., et. al. 2008.

²⁶ Bussarawan, T., et. al. 2008. Gender Division of Household Labot in Viet Nam: Cohort Trends and Regional Variations. Population Studies Center, Institute for Social Research, University of Michigan. October 23008.

²⁷ UN Development Fund for Women. http://unifem-eseasia.org/projects/Cedaw/countryprogramme_Viet_Nam.html

²⁸ SD Dimensions: Asia's women in agriculture, environment and rural production - Viet Nam. <http://www.fao.org/sd/WPdirect/WPre0113.htm>

11. **Provincial level.** Interviews conducted among officials of the Women's Union in Quang Nam Province revealed the following issues as grave concerns for women of the Project sites²⁹:

- (i) Disease incidence in women - Osteoporosis occurs in over 60% in Viet Nam as a reflection of malnutrition (calcium deficiency). The second main medical concern is water-borne and sanitation-related diseases affecting 47% of women because of lack of clean water. At present, rivers and streams in Quang Nam are severely polluted due to mining activities. The rise of sexually transmitted diseases due to the increase of construction workers for hydropower facilities and mining firms. In Tay Giang, 31% of the total of women who came to check their health in 2008 had venereal diseases³⁰.
- (ii) Lack of health service in remote areas – There is a shortage of health facilities, equipment, and more importantly, absence of doctors. Long distances to health stations limit access. A further compounding factor limiting access for women, specifically ethnic minorities, is diagnosis by a medical worker of the opposite sex.
- (iii) Literacy and living conditions - Living conditions of ethnic groups in Quang Nam province though improved at current times still show marked illiteracy among women especially from ethnic minorities. Further, while women now participate in planning and decision-making, participation is limited by responsibility for more household reproductive functions than men.
- (iv) Limited credit performance - Household credit arrangements are typically assigned to women. Low literacy rates limit their ability to manage credit. According to the data³¹ of the Social Policy Bank of District and Women Unions at all levels, 69% of women have received the low-interest loans from the Bank and from Women Union's credit programs. However, the effectiveness of the loan investment in cattle, pigs and poultry rearing were affected by animal diseases. In addition to low literacy rates, limited veterinary service delivery resulted in high risk loans. As a result, the animals died and women are in debt.

12. **District Level.** At the district level, officials and staff of the Women's Union cite the following key concerns³²:

- (i) Limited awareness – high illiteracy rate for women and limited access to community decision-making forums results in lower awareness, than men, to external issues impacting on the community.
- (ii) Language barrier - Difficulties in comprehending issues affecting women and households since meetings and propaganda dissemination are not conducted in local languages.
- (iii) Absence or lack of rural infrastructure - Inter-village roads are far and difficult to access. With no means of transportation, women walk, taking up much of their time for household reproductive activities.
- (iv) Limited income opportunities and gender-based violence – The main source of income is upland farming. The shortage of alternative employment opportunities has led to marked poverty but also increased incidence of domestic violence, women working more than men, and men keeping the money in their family.

13. **Commune Level.** Household size in Project sites is generally higher by 1 person compared to the District average. The main crop is rice, with two croppings per year in paddy rice fields and rainfed areas. Other crops are cassava, banana and the typical

²⁹ Key informant interviews with Quang Nam Provincial Women's Union. 15 June 2010.

³⁰ ADB. Central Region Rural Water Supply and Sanitation Sector Project – EMDP for A Tieng Commune. EMDP for Viet Nam. 2009.

³¹ *Ibid.*

³² Key informant interviews with Dakrong District and A Luoi District Women's Union. June 2010.

homegardens for herbs and other local vegetable crops for home consumption. Some households would have enough surplus to sell in local markets, which on the average across the six sample communes is about 32.5 km away --- the closest is 3 km (Thuong Long), the farthest 100 km (La De) and all others not more than 25 km. The 4th quarter of the year is the ideal time to conduct intensive training activities for male and female, as well as introduction of alternative livelihood as this is the slack period in the Project communes.

14. Assessment of power relations and household labor allocation in Project sites reflect the invisibility of women's domestic work with the invisibility of women's work in other income generating activities. Unpaid work in the Project sites is regarded mainly as women's domestic work and distinctive from other types of work. Access to and control over resources is reportedly for males in Dakrong and also for males as regards animal production in Huong Linh.

15. The 24-hour male-female household schedules in sample Project sites (Appendix 3) shows that women's work hours exceed those of males by about 3 hours and that these are largely unpaid tasks. In La De of Quang Nam province, there appears to be more egalitarian responses. La De Project beneficiaries belong to the Gie Trieng ethnic minority group characterized to be matrilineal compared to other ethnic groups thus there is no such sharp distinctions. By and large, women dominate in almost all aspects of household activities, being more male-dominated (though minimally) only in commercial crop production and community-related activities.

16. Huong Linh has less working hours inasmuch as other sources of income are extremely limited within the area and most productive activities are generally subsistence in nature. Huong Linh is a resettled (hydropower) community mostly Van Kiew. Thuong Long in TT Hue mostly belong to the Co Tu ethnic minority group. Productive activities are more accessible to both males and females with the advent of tree plantation establishment specifically acacia and rubber thus the workload of women increased.

17. In a study by Bussarawan, et.al (2008)³³, noted the husband's increased involvement in reproductive activities, but that it does not appear to be accompanied by any significant decline in the wife's contribution. Pronounced gender segregation in domestic roles is still pervasive in Project sites and Viet Nam in general.

B. The Project GAP

18. A Gender Action Plan (GAP) is prepared based on findings from the Social Assessment using the ADB Handbook for Social Assessment, and in close consultation with stakeholders that significantly include women and women leaders of Viet Nam. The GAP takes into account Viet Nam regulations significantly the 2007 Law of Gender Equality, and the ADB Policy on Gender and Development in particular, the Gender Guidelines of March 2010.

19. This GAP ensures (i) equal opportunities to access project benefits; (ii) active consultation and participation of women and minority ethnic groups; (iii) collection of gender disaggregated data including benefit monitoring and evaluation; and (iv) increased representation of women in decision-making bodies at all levels. The gender inclusive design elements presented in Table 1 are in response to constraints faced by women as presented in the social and gender analysis and prepared in consultation with stakeholders, particularly local women.

³³ *Op. cit.*

Table 1. Project Gender Action Plan Overview

Project Component	Gender Action Plan Targets
COMPONENT 1: Institutional and community strengthening for biodiversity conservation management	<ul style="list-style-type: none"> • 30% participation of women during consultations; training in participatory land use planning, commune/village investment planning, GIS-based mapping, and functional literacy; capacity building in biodiversity corridor management, O&M, small enterprise development, assessment, and in working groups/committees to be established by the Project. • Gender sensitive training/IEC materials will be produced in local languages, (where applicable) to be prepared in close consultation with beneficiaries specifically, on land rights, credit, and access to resources and opportunities provided by the Project, linking up with on-going government and development partner programs on health/sanitation and HIV education, and climate change adaptation. • At least 50% of female heads of households receive forestland and land use certificates (LUC) collectively and/or individually where applicable, for livelihood purposes and productivity enhancement.
COMPONENT 2: Biodiversity corridors restoration, ecosystem services protection, and sustainable management by local resource managers	<ul style="list-style-type: none"> • Forest restoration activities (enrichment planning, NTFP planting, agro forestry) include at least 30% of women's labor input participation on cash basis; • National gender specialist to oversee preparation of community disaster risk and response plan, and conduct gender-responsive workshops ensuring access to information by women on mapping household vulnerability and livelihood options
COMPONENT 3: Livelihood improvement and small scale infrastructure support in target villages and communes/clusters	<ul style="list-style-type: none"> • Documented evidence of consultation with local women and women's groups (including women from ethnic groups) prior to subproject approval. • At least 30% of Commune Development Fund (CDF) investments targeted at livelihood activities (micro-credit borrowings) prepared and submitted by community womenfolk; • At least 30% of extension training directed at women producers (animal production, agriculture productivity) • At least 30% of CDF Management Board members are women. • Preparation of gender responsive designs for water storage/water harvesting systems to combat drought and water stress • Equal pay for men and women for work of equal type. • Training on Commune Development Funds is gender responsive and gender sensitive
COMPONENT 4: Project management and support services	<ul style="list-style-type: none"> • Gender mainstreaming training for Project Management Units across all levels at Project start. • At least 20% of staff is women at each level (senior management, technical and administrative / support staff). • Project Implementing Unit responsible for overseeing GAP implementation and reporting must include progress against the GAP in annual / semi-annual progress reports to ADB. • Participation of national institutions addressing concerns on women and women ethnic minorities across Project implementation units, especially in monitoring and grievance redress (Grievance redress mechanism disaggregated feedback and response by sex) • Both female and male staff given equal opportunity to participate in non-gender related training and capacity development programs. • A national social development/gender consultant recruited to (i) build capacity of Project management units across levels, Project staff and facilitators in gender responsive design and analysis; (ii) preparation of gender sensitive indicators; (iii) preparation of checklists for evaluation of gender responsiveness of proposed subprojects; and (iv) coordination of relevant consultancies as appropriate. • Sex-disaggregated indicators established for Project performance M&E system; monitoring will be on-going to ensure activities are effectively carried out and targets reached; progress reports to include gender-related achievements and constraints. • Mid-term review Mission to assess gender related achievements and constraints to GAP implementation and propose, if required, adjustments for better Project performance.

20. **Implementation Mechanisms for the Gender Action Plan.** The Executing Agency (EA) for the proposed Project will be MONRE. MONRE will delegate responsibility for overall coordination and establish a Central Project Coordination Unit (CPCU) responsible for day-to-day activities at the national level. Consistent with the Government's desire to decentralize project implementation to the provinces, the Provincial People's Committees in Quang Nam, Quang Tri, and Thua Thien Hue will be the implementing units for subprojects. Each PPC shall establish a PPMU and delegate responsibility for subproject implementation to the PPMU.

21. The CPCU will recruit a National Gender Specialist to oversee and assist in the GAP implementation for each participating province through social safeguards officers appointed within the provincial PMU. The provincial PMUs will work with the relevant provincial, district and commune agencies (Viet Nam Women's Union and Ethnic Minorities' Office) to implement and coordinate training and capacity building. The Project will coordinate and complement gender programs/activities with the Gender Working Group in MARD.

22. The estimated costs of the gender strategy are incorporated in the overall arrangements and total budget of the project. There is no need for separate budget allocation inasmuch as the percentage distribution of participants to capacity building and participation to the consultation and participation processes across levels (national, province, district, and communes) is built in.

APPENDIX 1

Table 1. Summary Matrix of Socio-demographic Characteristics within Viet Nam Project Sample Sites

Province/ District	Commune/ Village	Area (Sqm)	Total Population	Population Density	No. Of HHs	No Of Females	% Females	Poor HHs	% Poor HHs	No Of EMs	% From Total	No Of EM Females	% Females
VIET NAM		734.6	16,072	21.9	3,104	8,012	50%	1,287	41%	13,746	86%	6,965	51%
QUANG NAM		406.3	3,113	7.7	776	1,514	49%	487	63%	2,825	91%	1,438	51%
1. Tay Giang	Lãng	223.4	1,058	4.7	329	487	46%	183	56%	1,033	98%	517	50%
2. Nam Giang	La Đê	182.9	2,055	11.2	447	1,028	50%	304	68%	1,792	87%	921	51%
QUANG TRI		226.1	8,693	38.4	1,380	4,349	50%	518	38%	6,998	81%	3,515	50%
1. Huong Hoa	Huong Linh	116.6	2,891	24.8	413	1,506	52%	181	44%	2,870	99%	1,492	52%
2. Dakrong	Dakrong	109.5	5,802	53.0	967	2,843	49%	337	35%	4,128	71%	2,023	49%
TT HUE		102.2	4,266	41.7	948	2,148	50%	282	30%	3,923	92%	2,012	51%
1. A Luoi	Huong Lam	50.9	1,928	37.9	438	979	51%	162	37%	1,674	87%	865	52%
2. Nam Dong	Thuong Long	51.3	2,338	45.6	510	1,169	50%	120	24%	2,249	96%	1,147	51%

APPENDIX 2
Attendance to FGDs and KIs

Date	Province	Activities in Province, District, and Commune	Time	Focal Person Present at FGDs / KIs	KII / FGD Participants	Agency
9-Jun	TT Hue	Provincial Officials interviews	Afternoon	Le Thi Hanh: Thua Thien Hue DONRE	Mr. Vu	Ethnic Minorities
10-Jun		Provincial Officials interviews	Morning		Vo Thi Tuyet Hong	DARD
11-Jun		Nam Dong District Officials interviews	Morning		Mr. Tran Quoc Phung – Head of DPC Office Mr. Pham Tuan Son – Head of DARD Mr. Le Minh Hoa - EM	EM, DARD, & DPC
		FDG in Thuong Long commune	Afternoon	Tran Cong Thanh: DARD in Nam Dong District	Le Minh Khanh, Ho Tan Thanh, Pham Van Cuong, Le Trung Hieu, Tran Thi Xinh, Tran Thi Lut, Ho Thuong Mien, Tran Van Tri, Pham Thi Niep, Nguyen Thi Lan, Le Thanh Quynh, Ho Dang Xa, Pham Van Nuy	CPC (commune People Committee) and community District WU
12-Jun		A Luoi District Officials interviews	Morning		Ms Hoang Thi Mai Loan Ms Le Thi Quynh Tuong	District WU
		FDG in Huong Lam commune	Morning		Nguyen Thi Luc, Ho Thi Tam, Ho Thi Diep, Ho Thi Phai, Ra Pat Thi Nhung, Ho Thi Nho, Nguyen Thi Lien, Nguyen Thi Suong, Tran Van Thia, Nguyen Van Le, Ho Xuan Nhanh, Nguyen Van Nang, Ho Sy Buot	FDG in Huong Lam commune
14-Jun	Quang Tri	Quang Tri Province interviews	Morning	Van Ngoc Thang: Quang Tri FPD	Mr. Khong Trung: Vice head of Quang Tri DARD	Quang Tri DARD
			Morning	Van Ngoc Thang:	Mr. Le Huu Tien: Quang Tri Ethnic Minorities	Quang Tri EM
			Afternoon	Van Ngoc Thang:	Mr. Vo Van Hiep: Quang Tri DONRE	Quang Tri DONRE
15-Jun		Dakrong District Officials interviews	Morning	Mai Thanh Khuong: Quang Tri FPD	Mr. Tran Hiep Mr. Khanh, Mr. Tung: Darkrong FPD Ms. Luonh, Ms. Mai, Ms. Huyen: Darkrong WU ; Ho Van Dang, Nguyen Van Dat: Darkrong DARD	Darkrong District
		FDG in Dakrong commune	Afternoon	Mai Thanh Khuong Bui Van Duan: Dakrong FPD	Ho Van Linh, Ho Enot, Pa Nguyen, Ho Van Thao, Ho Van Do, Ho Van Thanh, Pham Thi Hue, Ho Van Chung, Ho Van Bien, Ho Hien	FDG in Darkrong commune
16-Jun		Huong Hoa District Officials interviews	Morning	Mai Thanh Khuong Ngo Viet Huy: Huong Hoa FPD	Mr. Thanh, Mr. Huy: Huong Hoa FPD	Huong Hoa District
		Huong Linh commune	Afternoon	Mai Thanh Khuong Nguyen Anh: Huong Hoa FPD	Ho Thi Roi, Ho Thi Van, Ho Py Noan, Ho Thi Dan, Ho Thi Xoa, Ho Thi Nguyet, Ho Thi Trung, Ho Thi Be, Ho Py Diep, Ho Py Dung, Ho Py Nieng, Ho Pa Rang, Ho Oi Ta, Tran Trong Kim, Dinh Quoc Te, Vo Khanh Ngoc	FDG in Huong Linh commune
18-Jun	Quang Nam	Quang Nam Provincial Officials interviews	Morning	Nguyen Van An - 0975360929 bciquangnam@gmail.com	Ms. Nguyet, Ms Thuy, Ms Phuong: Quang Nam WU Mr. Nguyen Tri Hung: Quang Nam EM	Quang Nam WU Quang Nam EM Quang nam FPD
			Afternoon		Mr. Dang Dinh Nguyen: Quang nam FPD	
19-Jun		Tay Giang District Officials interviews	Morning	Mr. Tu Van Khanh: Quang Nam FPD Mr. Ha Phuoc Phu: Tay Giang FPD	Mr. Nguyen Van Phu, Ms. Briu Thi Sen, Ms. Pham Thi Ngoc	Tay Giang District
		Lang commune Consultation/FDG	Afternoon	Mr. Tu Van Khanh: Quang Nam FPD Mr. Ha Phuoc Phu: Tay Giang FPD	Alang Reng, Briu Hung, Ha Huu Thang, Alang Natasa, Alang Rat, Bhriu Thi Nghiem, Bhling Thi Xat	FDG in Lang commune
20-Jun		Nam Giang District Officials interviews	Morning	Mr. Tu Van Khanh: Quang Nam FPD Mr. Nguyen Van Tanh: Nam Giang FPD	Nguyen Phan Truong, Briu Guonh	Nam Giang District
		La Dee commune consultation/FDG	Afternoon	Mr. Tu Van Khanh: Quang Nam FPD Mr. Pham Huu Nghia: Nam Giang FPD	Blup Vot, Zo Ram Dung, Blip Vi, Coor Quang, Po Loong Hai, Zo Rum Nhum, Blup Vo, Zo Ram Hieu, Alang Lan, Hien Danh, Blup Du, Bo Rum Dien, Broo Thuong, Alang Nhia	FDG in La Dee commune

APPENDIX 3

Male and Female Household Schedules in Select Project Sites

Table 2. 24-Hour male and female schedules in select Project sites

TIME	La De (Quang Nam)		Huong Linh (Quang Tri)		Thuong Long (TT Hue)	
	Male	Female	Male	Female	Male	Female
4:00 am						
4:30 am						
5:00 am	Prepare breakfast/feed Animals				Men harvest rubber – seasonal	Prepare breakfast, eat & feed animals
5:30 am				Cook breakfast, eat, & feed pigs		
6:00 am	Wash children/eat breakfast		Eat breakfast			
6:30 am						
7:00 am						
7:30 am						
8:00 am						
8:30 am	Work on the field		Work on the field		Work on the field	
9:00 am						
9:30 am						
10:00 am						
10:30 am						
11:00 am						
11:30 am		Rest/play with kids	Cook lunch			
12:00 pm						
12:30 pm	Cook/eat lunch		Lunch		Rest	Cook lunch
1:00 pm					Lunch	
1:30 pm						
2:00 pm						
2:30 pm						
3:00 pm						
3:30 pm	Work on the farm		Work on the farm		Work on the farm	
4:00 pm						
4:30 pm						
5:00 pm						
5:30 pm	Cook/eat dinner		Rest or drink with friends	Cook dinner	Drink with friends/watch TV, then dinner	Prepare dinner
6:00 pm	Clean house/feed animals		Eat dinner			Dinner then clean house & feed animals
6:30 pm			Drink with friends	Feed pigs/wash		
7:00 pm						
7:30 pm						
8:00 pm						
8:30 pm	Watch TV		Watch TV		Watch TV	
9:00 pm						
9:30 pm						
10:00 pm						
10:30 pm	Sleep		Sleep		Sleep	
TOTAL HOURS	11.5 hrs equally		7 hrs	10 hrs	10 hrs	12 hrs
DIFFERENCE	EQUAL		-	3 HRS MORE	-	2 – 3.5 HRS MORE

* As phrased during FGDs in the presence of both males and females.

COMMUNE DEVELOPMENT FUND

I. Purpose of establishing CDF

1. The commune development fund (CDF) is a financial modality that aims to provide financial services for villagers which they can utilize for livelihood improvement, social development, environmental protection and conservation under small grant and loan forms. Through the modality, it also builds up capacity and ownership of commune level in managing and providing microfinance and public services in accordance with needs of community. This also contributes and supports for decentralization policies that pursuing by Government and National programs. In addition the modality is a tool for strengthening grass root democracy through increasing participation of villagers in accessing CDF services.

II. Experience with CDF establishment under pilot phase

2. The CDF modality has been launched since Jun 2008, there are 20 CDF that were established in two Project provinces in which 10 CDF in Quang Tri and 10 CDF in Quang Nam. Until March 2010, 20 CDF has received seed capital with amount of 72,000 usd. There are 555 households in 18 Project communes that has benefited from CDF services through small loan and grant forms. There are lesson learnt from pilot phase such as:

- (i) Structure of Project and participation of district level: According to the designed Project pilot phase, there is no involvement of district level in Project implementation, the project is implemented directly from provincial to commune level. When the CDF modality was introduced it's was recognized an important roles of district level in facilitating CDF's operation. In reality it's really difficult for PPIU to provide regular capacity building and technical supports CDF as they do not have sufficient human resource and time. In addition, it's too far from centre province to CDF communes. The district level is more appropriate actors for these roles however they did not involve yet so far. In Quang Tri, PPIU did not agree with a model of district support group while PPIU Quang Nam realized that they could not cover those roles. However the Project structure do not allow district participate yet.
- (ii) Seed capital: It took almost 6 months for transferring seed capital to CDF after CDF were eligible for receiving seed capital. As initial designed, each CDF supposes to receive 10,000 usd of seed capital however for the first transfer an average seed capital/CDF is 3,000 usd in Quang Tri and 4,000 usd in Quang Nam. With insufficient and long process of transferring seed capital that cause very low process in respond to request of villagers in Project communes
- (iii) Ownership of commune level to their CDF: According to CDF management guideline, the CDF board will responsible for whole process from planning to disbursement and M&E as they are owner of CDF. PPIU and other district sectors suppose to providing technical support and quality control. In reality, management process depends too much on PPIU. PPIU even not only control finance but also control what villagers should spend for their loan while they do not have sufficient human resources or time for supporting basic steps such as attending approval meeting. In most of CDF it took almost a year for approval a plan or loans. CDF ownership issue really needs to clarify and be aware by related actors in functioning CDF.

- (iv) Follow up activities: After receiving initial training and seed capital, it's important to continue facilitating CDF's operation. These activities include facilitating village meeting for making plans, organizing approving meeting, implementing, coaching in bookkeeping and management. In the pilot phase there were many CDF could not process or took a lot of time without facilitation activities.

III. Policy and legal instruments governing CDFs under other microfinance mechanisms

3. Vietnam does not have a microfinance law or a microfinance legal framework until Decree 28/2005/NĐ-CP issued in 2005 and replaced by Decree 165/2007/NĐ-CP in 2008 it was supposed to "launch" microfinance formalization and professionalization process in Vietnam. Under this Decree, all microfinance institutes' operation is approved and supervised by the Government bank. However there are still many micro-credit programs that are operating informal and do not transform to formalization yet. This is cause mainly by long history of the sector. Most of these programs are managed by mass organizations or under supervision of local government of provincial to commune level. These micro credit programs still allow functioning within its "boundary" programs that agreed with local government.

4. Beside micro-finance sector, in Vietnam there are many funds are set up for different purposes of livelihood, social, environment, development or charity by private, NGO or public sectors. Its operation is under supervision of local government in accordance with National and local government regulation or circulars. Even there is no legal instrument on development fund at commune level, there are many CDF that initiated in different programs of NGO, government, bilateral or multilateral programs. The CDF modality in the Project can become a professional public institute for integrating other microfinance programs or other funds for purpose of development in Project areas.

IV. Expected Outcomes / major performance indicators of "good", "functioning" CDFs

5. With roles of micro-financial providers and other public services under the project, CDF modality should be able to provide services according to needs of community and able to self-reliance. Its performance results can be measured through four main areas of financial viability, individual capacity, internal management system and effectiveness.

- (i) Financial viability includes indicators of seed capital, principle repayment ratio, interest collection ratio. These indicators are verified through monthly and quarterly financial reports that built in the bookkeeping and micro-credit management system.
- (ii) During beginning of investment period, there will be many capacity building activities for CDF boards. The individual capacity of the boards is measured through knowledge, attitude and skills such as participatory methods, planning, M&E, micro-credit and project assessment feasibility.
- (iii) Internal management system that contains on finance management and service provision management. Finance management is measure through indicators of accounting software, account management, bookkeeping and financial reporting. The service provision management is to look at ability of respond of CDF to needs of communities.

- (iv) The fourth area of effectiveness of services to evaluate outcome of investment of CDF services to individual or group or community level. This can be measured through indicators such as improvement of livelihood results, effectiveness of social, environment or infrastructure investment that funded from CDF.

V. Responsibility for supervising and operationalizing CDFs at Provincial and District level

6. The CDF modality is authorized and managed by commune level but its operation associated with a supportive system that include provincial, district and village level. Each level has different roles and responsibilities in supporting operation of the modality.

7. At the village level, key persons such as village head, representative mass organization will arrange into a group. Their main functions are to bridge between villagers and CDF through organizing villager meetings, representing villagers in approval meetings, facilitating disbursement and M&E.

8. The district level plays an important role in facilitating operation of CDF. It is organized as a district support group (DSG) that includes staff of district government and professional agencies. It includes around five members from different agencies of District People's committee, District Agricultural and Rural Development Dept, District Natural Recourse and Environment Dept, District Women's Union and District Forest Protection Department.

9. The DSG play a role of providing technical supports and quality control in CDF operation such as: Facilitating CDF boards in CDF management, Building capacity for CDF boards through coaching activities or training/workshop; Providing consultant on grant and loan plans for villagers; Carrying out M&E of CDF operation and Reporting to provincial level.

10. Provincial project implementation unit (PPIU) is in charged of the Project at provincial level. Under CDF operation, PPIU is expected to play roles of:

- (i) Providing administrative and technical supports that include seeking for approval from provincial people's committee for CDF guideline, provide technical supports in CDF management, introducing models to Project communities
- (ii) Seeking for other resource to increase seed capital CDF and facilitating disbursement Project activities through CDF channel.
- (iii) Auditing: PPIU can carry out auditing mission with external auditors in order to improve quality of operation and

VI. Activities / Interventions required for operationalizing CDFs under investment project

11. In order to make sure functioning of the modality as designed, it requests an investment period. Under the pilot phase, there are 20 CDF that have established and functioned. However these CDF still need continuous investment in both financial and technical capacity. For the new CDF of the Project, it need whole set of financial and technical investment. The following are set of activities for investment period.

- Reviewing CDF from pilot phase
- Assessing for establishing new CDF
- Orientation/Re-orientation & guidelines fo existing and new CDF
- Developing management package of CDF and training curriculum
- Providing CDF kits & Software Customization

- Coaching and building for existing CDFs, new CDF, provincial and district actors (training, on-site field application, reporting, book keeping)
- Facilitate operation (planning, approvals for disbursements,)
- Monitoring & Evaluation (reviews, supervision, revisions) of CDFs
- Audits of CDFs

VII. Cost estimates by activity and year

12. Total cost of 6 year period investment is estimated about 136,000 us\$ for 34 CDF in which 20 existing and 14 new in the Project. Cost of the first three years of the investment period consumes more than 80% of total investment. The below table indicates investment cost per set of activities by year.

Table 1. CDF Technical Support – Cost Estimates

No	Items	Unit	Cost	Existing CDFs		All CDFs	Total cost (us\$)						
				QN	QT	34	1st yr	2nd yr	3rd yr	4th yr	5th yr	6th yr	Total of 6 years
1	Provincial supervision	Visits	70			34	2,380	2,380	2,380	1,190	1,190	1,190	10,710
2	District supervision	Visits	150			34	5,100	5,100	5,100	2,550	2,550	2,550	22,950
3	Review CDF from Pilot Phase	Visits	170	5	5		1,700						1,700
4	Assessment	Team	170			14	2,380						2,380
5	Orientation/Re-orientation & guidelines	Meeting	650	1	1	2	2,600						2,600
6	Paper work: Developing management package of CDF, training curriculum	Package	2,000			0	2,000	1,000					3,000
7	CDF kits & Software Customization	Kits	80			34	2,720	3,000	1,000				6,720
8	Capacity Building for Province and districts	Set of activities	440	1	1	1	1,320	660	660				2,640
9	Coaching Skills refresher for existing CDFs (training, on-site field application, reporting, book keeping) for communes	Set of activities	531	10	10		10,620	5,400	2,000	2,000			20,020
10	Coaching and Capacity Building (training, on-site field application, reporting, book keeping) for communes	Set of activities	1,242			14	17,388	8,694	2,000	2,000			30,082
11	Facilitate planning, approvals for disbursements	Set of activities	205	10	10	14	3,485	3,485					6,970
12	Monitoring & Evaluation (reviews, supervision, revisions) of CDFs	Set of activities	2,075	1	1	1	6,225		6,225		6,225		18,675
13	Audits of CDFs	Visits	170	5	5	5		2,550		2,550		2,550	7,650
	Total budget						57,918	32,269	19,365	10,290	9,965	6,290	136,097

VIII. Implementation schedule

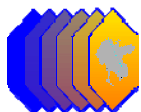
13. The implementation schedule is divided in the investment period of 6 years in accordance with the Project. For the first year, Most of planned activities are to strengthen existing CDF and functioning new CDF. The second and third years focuses on building capacity and quality of CDF management. For last years, activities mainly focus on supervision of provincial and district level, regular M&E of CDF boards and external auditing. Implementation schedule by year is described in below table.

Table 2. Tentative CDF Implementation Schedule

No	Set of activities	Time					
		1st yr	2nd yr	3rd yr	4th yr	5 th yr	6th yr
1	Provincial supervision	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue
2	District supervision	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue
3	Review CDF from BCI pilot phase	QT & QN					
4	Assessment	TT- Hue					
5	Orientation/Re-orientation & guidelines	QT, QT & TT-Hue					
6	Paper work: Developing management package of CDF, training curriculum	QT, QT & TT-Hue	QT, QT & TT-Hue				
7	CDF kits & Software Customization	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue			
8	Capacity Building for Province and districts	QT, QT & TT-Hue	QT, QT & TT-Hue	QT, QT & TT-Hue			
9	Coaching Skills refresher for existing CDFs (training, on-site field application, reporting, book keeping) for communes	QT & QN	QT & QN	QT & QN	QT & QN		
10	Coaching and Capacity Building (training, on-site field application, reporting, book keeping) for communes	TT- Hue	TT- Hue	TT- Hue	TT- Hue		
11	Facilitate planning, approvals for disbursements	QT, QT & TT-Hue	QT, QT & TT-Hue				
12	Monitoring & Evaluation (reviews, supervision, revisions) of CDFs	QT, QT & TT-Hue		QT, QT & TT-Hue		QT, QT & TT-Hue	
13	Audits of CDFs		QT, QT & TT-Hue		QT, QT & TT-Hue		QT, QT & TT-Hue

CDF MANAGEMENT GUIDELINE

14. The CDF Management Guideline from pilot phase will be reviewed and improved / adjusted for implementation in pilot phase.



BIODIVERSITY CONSERVATION CORRIDORS INITIATIVE (BCI)

COMMUNE DEVELOPMENT FUND (CDF) MANAGEMENT GUIDELINE

Quang Nam, September 2008

TABLE OF CONTENTS

TABLE OF CONTENTS	101
ABBREVIATIONS	102
INTRODUCTION	103
PART I: INSTRUCTIONS ON FUND MANAGEMENT	104
1. CDF policy	104
1.1 Types and mechanism of funds	104
1.2 Principles of fund allocation.....	104
1.3 Clauses on loan.....	104
2. CDF management system	105
2.1 System structure	105
2.2 Roles of the stakeholders.....	105
3. CDF activity management.....	106
3.1 Process and procedure of fund allocation.....	106
3.2 Management of interests and compulsory savings.....	108
3.3 Dealing with risks	108
3.4 Dealing with delinquency cases	108
3.4 Using contingency	108
4. Financial management.....	109
4.1 Financial management process	109
4.2 Financial reporting.....	109
5. General terms	110
5.1 Monitoring and evaluation	110
5.2 Implementation and modification	110
PART II: ANNEXES	111
1. General management	111
1.1 System structure	111
1.2 Functions and tasks of the CDF management system	111
1.3 Process and duration of plan approval.....	115
1.4 Financial management process	115
2. Credit management	116
2.1 Micro-credit.....	116
2.2 The role of saving.....	116
2.3 Types of saving	116
2.4 Returning principals and interests.....	116
2.5 C&S groups	117
2.6 Members:.....	118
3. Financial management.....	118
3.1 Accounting principles	118
3.2 Guidance on purchasing	120
3.3 Regulations on spending.....	121
3.4 Assets management.....	121
4. Forms.....	122
4.1 Management system and forms	122
4.2 General management system	122
4.3 Credit management system	122
4.4 Bank account management system	123

ABBREVIATIONS

CDF: Commune Development Fund

BCI: Biodiversity Conservation Corridors Initiative

CEP: Core Environment Program

GMS: Greater Mekong Sub-region

ADB: Asian Development Bank

EOC: Environment Operations Center

NSU: National Support Unit under the Ministry of Natural Resources and Environment

PPIU: Provincial Project Implementation Unit

C&S: credit and savings

WU: Women's Union

INTRODUCTION

1. Biodiversity Conservation Corridors Initiative (BCI) project is one of many components of the Core Environment Program (CEP) has been implemented in six countries of the Greater Mekong Sub-region (GMS). The BCI project is implemented with the coordination and partnership between governmental and non-governmental organizations and aims at five objectives: (i) poverty reduction, (ii) harmonized land management regimes, (iii) restoration and maintenance of ecosystem connectivity, (iv) capacity building in local communities and government staff, and (v) sustainable financing mechanism. In Quang Nam province, the project is currently implemented in seven districts of Dong Giang, Tay Giang, Nam Giang, Phuoc Son, Nam Tra My, Bac Tra May and Nong Son.

2. In October 2007, the GMS Environment Operations Center (EOC), a project management unit belonging to ADB, in coordination with the BCI-CEP national steering board and Provincial Project Implementation Unit (PPIU) of Quang Nam and Quang Tri, proposed to apply the modality of Commune Development Funds (CDF) in BCI. This modality aims to create a funding source managed by the commune level in order to provide funds to villagers to implement plans/projects on livelihoods development, social development and environment protection. By providing funds as loans to villagers, this modality ensures the financial sustainability and contributes to sustainable development objectives. Furthermore, this is also a strategy for the improvement of the role and management capacity of the commune level by decentralizing to the communes. The success in applying the CDF modality will contribute to achieving BCI project objectives as mentioned above.

3. On December 26th 2007, the Provincial People's Committee of Quang Nam issued Decision numbered 4243-QD/UBND allowing to pilot the CDF modality in the BCI project. The regulations on CDF establishment and use were attached to this Decision. The Decision and regulations are regarded as the legal framework for the functioning of CDF.

4. In order to support the process of CDF implementation, the PPIU have coordinated with external consultants to develop a guideline on the CDF management. This guideline aims to clarify details of management for the stakeholders from the provincial level to the village level.

5. This guideline is divided into two parts. Part I focuses on main management contents, while Part II includes annexes with form/tools and other detailed instructions for the CDF management activities.

PART I: INSTRUCTIONS ON FUND MANAGEMENT

1. CDF policy

1.1 Types and mechanism of funds

CDF provides two basic types funds, including grants and loans.

- Grants:
 - Grants are provided to individuals, households, groups of villagers and the community based on their plans on social development and environment protection.
 - Grants are provided in cash or materials depending on plans of the beneficiaries and the quality of plans.
 - Grants are not given to support economic development plans.
- Loans:
 - Loans are provided to poor and disadvantaged individual, households or groups of households based on their plans which must meet the criteria of the BCI project.
 - Loans are provided in cash with interest rates.

1.2 Principles of accessing fund

- Anyone that wants to get access to CDF must comply with the following principles:
 - Participation in plan making with instructions of the project.
 - Organized by groups, such as credit and savings groups, interests group, club, association or community in village
- Loans are given without any mortgages or guarantees, but there must be commitments made by groups/associations.
- Saving is compulsory to all individuals, households and groups of households who access loans.
- If a member of the group cannot pay a loan, other members of the group have to pay that loan. If other members of the group cannot pay, the whole group will not be allowed to continue getting funds until they finish the loan payment.
- Priority in loan allocation is given to the ones who have not yet got access to other credit sources and who owe not more than 10,000,000 VND from other credit sources.

1.3 Clauses on loan

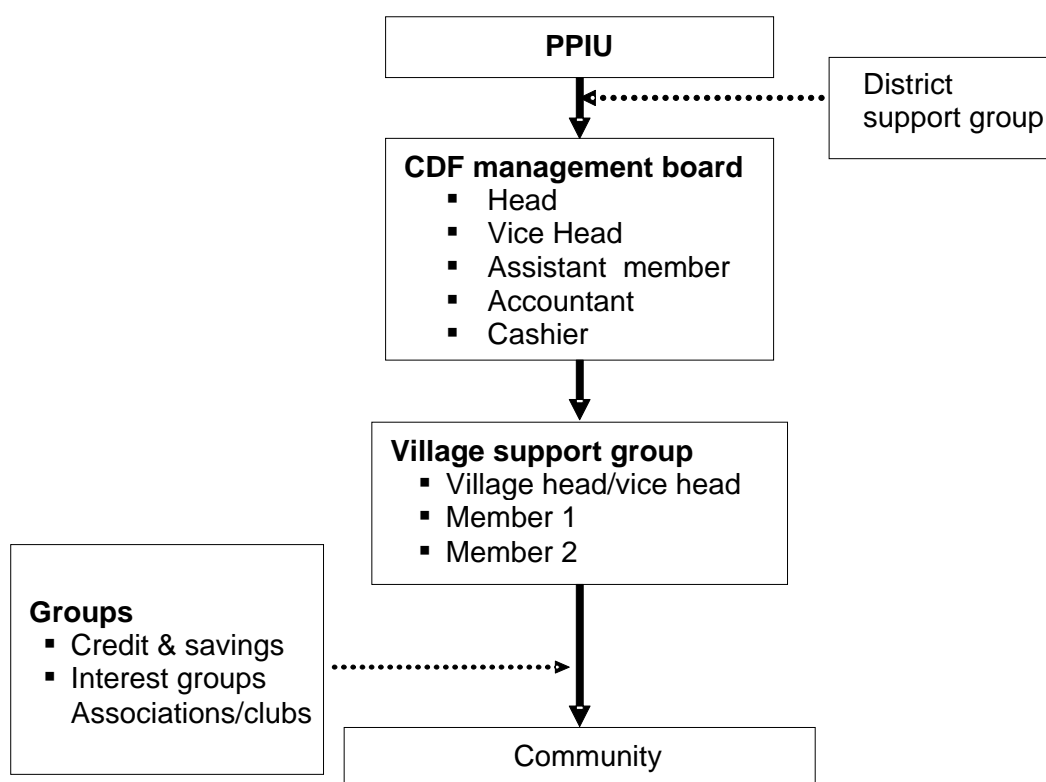
- Loan size:
 - For credit plans/projects, the maximum amount of a loan is 5,000,000 VND per household and 50,000,000 VND per group (consisting of at least 5 members) per loan making cycle.
 - No maximum limit of funds is required with the grants. The approval of grants is made depending on the CDF and plans of groups or the community.
 - Compulsory saving deposit is equivalent to 2-4% of the initial amount of loan from the CDF.
- Maturity of loans:
 - The maturity of loans does not exceed 5 years for all the plans of individuals or groups.
 - In order to increase the effectiveness and accessibility of the CDF, the project recommends people to make short-term economic development plans.
- Interest rate:
 - The interest rate of loans is equal to the interest rate promulgated by the Vietnam Bank for Social Policies (currently 0.65% per month).
 - The interest rate is valid in the entire duration of loans. The interest rate of subsequent loans will be adjusted at the time of approval by the CDF management board.
- Returns/payment:

- Compulsory saving deposits are:
 - o Deposit in once after receiving loans;
 - o Returned after the loan maker finishes the payment of loan and loan interest.
- Interests can be sent in once, monthly or quarterly at the latest.
- Loan return: Depending on conditions, loan makers can return the loans on the monthly, quarterly, 6-month and yearly basis or once by the deadline of loan return. To ensure the sociality and the sustainability and effectiveness of the CDF, the gradual return of loans is encouraged to loan makers.

2. CDF management system

2.1 System structure

The management of CDF is organized from the provincial level down to the village level. The establishment of a management system aims to ensure the process of implementation, provide effective and quality services and meet the criteria of the BCI project.



2.2 Roles of the stakeholders

- **PPIU**
 - The PPIU provides the CDF budget, give technical support, co-financial management and monitors to ensure the quality of the CDF activities.
- **District support group**
 - The district support group consists of expertise officials from different sectors and organizations such as the Agriculture and Rural Development Department, Women's Union (WU), Natural Resources and Environment Department, etc. The district support group is

established under the decision of the District People's Committee and involved in technical support for the CDF activities. The district department of agriculture and rural development is responsible for coordinating the group's activities.

▪ **CDF management board**

- The head of the board is responsible for the general management of the CDF.
- The vice head of the Board gives support in financial management and economic development plans.
- The technical member participates in plan making, reporting, meeting organizing and monitoring the process of implementation.
- The accountant and cashier of CDF have the responsibility of doing bank transactions, book-keeping and making financial reports for the board.

One of the 5 members of the CDF management board is responsible for credit management. Usually, this person should be staff of the commune WU.

▪ **Village support group**

Each village establishes one village support group of three members:

- The head of the group is village head or village vice head who is responsible for organizing the community in plan making, implementing, monitoring and reporting to the management board.
- Member 1 is a person in the village whose responsibility is to be charge of village development activities, for instance culture, preservation, production development, poultry promotion, etc.
- Member 2 is in charge of credit activities and is called village credit staff. This person is responsible for collecting principal, interests, compulsory savings, monitoring and reporting credit activities.
- Village support groups are established under the decision of the commune people's committee.

▪ **Groups/association of community/village:**

- These include C&S groups, interest groups, associations, clubs, villages and other disadvantaged groups in the community.
- The groups and association support their members in making plans, implementing plans/projects and assisting the credit official to collect loans, interests and compulsory savings.

(Details of the roles and responsibilities of the stakeholders are described in the annexes).

3. CDF activity management

3.1 Process and procedure of fund allocation

- At the start, through the village support groups the CDF management board keeps the target groups in the community informed of the CDF policies and services.
- Then the management board supports villages to establish C&S groups, interest groups, etc to ensure the process of service provision.

Step 1: Plan making

- The village support groups guide the community to make plans with the consulting support of the CDF management board and the district support group.
- The village support groups help individuals, households and the community to write down their plans (applications for loan making according to the form QL02A-CDF, loan making plans of interest groups according to the form QL02B-CDF, and applications for grants for groups/community according to the form QL02C-CDF) and submit to the management

board. The duration from the completion of the plans to the submission to the management board must not exceed one week.

Step 2: Plan approval

- The CDF management board starts preliminary verifications of the plans and makes adaptations if needed.
 - For plans which do not exceed 3 million VND, the management board will hold an approval meeting with the participation of the involved village support groups. This meeting is organized within two weeks after receiving plans from the community.
 - For plans which exceed 3 million VND, the management board will make sure that the plans meet the project criteria and send them to the district support group. The management board also sends a letter to invite the district support group to participate in the approval meeting. This meeting is organized within four weeks after receiving plans from the community.
- After receiving plans from the management board, the district support group has the responsibility to give consultancy and delegate members of the group to participate in the approval meeting. In case the district support group does not attend the approval meeting, they should reply the management board in writing so that the board can go on with the approval meeting.

Step 3: Bank transactions

- After having results of approval, the management board makes the minutes of the approval meeting (form QL03-CDF), prepares a disbursement plan (form QL 04A-CDF) and send them to the PPIU. At the same time, the management board also informs the approval results and disbursement plan to the village support groups and representatives of participating households.
- Based on the disbursement plan from the management board, the PPIU sign an endorsement letter (form QL 04B-CDF) to the board as a prove for bank transactions. The duration from receiving the disbursement plan to sending the letter of certification to the management board does not exceed one week.
- After receiving the endorsement letter from the PPIU, the management board will write cheque for the cashier to withdraw money or do bank transfers for the implementation of the project activities.

Step 4: Implementation

- Within one week after cash withdrawal from the bank account, the management board coordinates with the villages for disbursement, including the following activities:
 - Making loan contracts (Form QL-05A)
 - Making commitment contract (Form QL-05B)
 - Implementing other related activities depending on the contents of the plans
- The accountant, credit official and staff in charge use the related forms to keep track of the loans and grants.

Step 5: Monitoring and reporting

- The village support groups monitor the process of activity implementation and give timely reporting to the management board.
- The management board organizes monthly meetings to update and grasp the process of CDF activity implementation.
- The management board collaborates with the support groups of the village and district levels and the PPIU in the monitoring activities.
- The management board sends quarterly financial and activity reports (Form QL06-CDF) to the district support group before the 10th of the first month of the next quarter.

3.2 Management of interests and compulsory savings

- The amount of money mobilized from the obligatory savings is put in the CDF account so that other people can make loans when needed.
- Obligatory savings do not generate interests and are returned in the end of the term when people pay back their loans.
- All the interests collected from loans, bank deposits and other incomes (if any) are used to compensate for the CDF running costs, including management fees and contingency with the following rates:
- Management fees: 90%, in which:
 - Allowances: 70% for members of the management board and village credit officials. The specific rates of allowances are decided by the management board depending on their work.
 - Stationery and other expenses: 30%.
- Contingency: 10%
 - It is put in the bank account on a monthly or quarterly basis and can be add in the loan capital if not used.

3.3 Dealing with risks

- Households should inform to their credit groups or the credit official in case they cannot return their loans due to objective causes, such as natural calamities, fires, epidemics, changed policies of the government, market fluctuations, died or missing loan makers, etc.
- Related members have the responsibility to keep the CDF management board informed to participate in making decisions: extending loan duration, offering a new loan, using contingency budget for compensation or quittance.
- The ones that cannot return their loans without objective causes as above will be treated according to Item 3.4 about “delinquency cases”.

3.4 Dealing with delinquency cases

- The amount of money which is not returned by a loan maker at the end of the loaning term is called delinquency.
- In case of delinquency, the CDF management board meets to come up with one of the following decisions:
 - + Allowing the loan maker to extend the loan duration.
 - + Allowing the loan maker to extend the loan duration with penalty interest (at the rate of 1% per month).
Penalty interest is calculated by multiplying its rate with the delinquent loan amount and the extended duration.
 - + Applying legal regulations.

3.4 Using contingency

- The contingency budget is used to compensate for losses in case the loan makers are dead, missing or unexpectedly unable to work while their families cannot return the loans in replacement.
- The rate of contingency use is dependent on the real circumstance. The maximum rate is 100% of the remaining amount in debt after deducting the savings of the loan maker.
- Minutes of risk verification are the base for approval.
- The management board is responsible for managing and using the contingency budget.

4. Financial management

4.1 Financial management process

- Annually, the PPIU organizes a meeting to inform the CDF management boards of different communes about the planned budget to be allocated to CDF or disbursed through the CDF channel.
- The CDF management boards make their requests for budget transfer. Based on these requests, the PPIU will transfer budget to the CDF bank accounts of different communes.
- Through groups, associations or villages, the management boards support the community to make plans.
- After approving plans of the community, the CDF management boards make their disbursement plans and submit them to the PPIU.
- The PPIU signs letters of certification for the CDF management boards to make transactions through their bank accounts when one of the two following conditions is satisfied:
 - After receiving minutes of plan approval meetings and disbursement plans from the CDF management boards;
 - When the PPIU requests the management boards to use the CDF to disburse for BCI project activities, for example payments for forestation labor or allowances for village protection patrol groups.
- The management boards sign cheques for the cashiers to do bank transactions (letters of certification signed by the PPIU are needed for bank transactions).
- CDF cashiers withdraw or transfer money to target households or to bank accounts of providers (in case of purchasing commodities and services) at the request of the management boards.
- The management boards disburse for the plans in cash, materials or by organizing activities depending on specific plans.
- For credit loan making plans, the staff in charge and the accountant collect obligatory savings equivalent to 2-4% of the loans right after people receive their loans.
- Every month or quarter, the CDF accountant prints out a money collection sheet for the village credit official to collect loans and interests. The collected money must be handed in to the CDF cashier on the day or the day after at the latest.
- The cashier sends cash balance into the CDF bank account if the balance is more than 2 million VND and is not yet planned by the management board to be used in the month.

4.2 Financial reporting

- Quarterly, the CDF accountant coordinates with the credit staff to make an assets report, an income report and a credit report and submit them to the management board on the 3rd of the first month of the next quarter at the latest.
- The CDF management board organizes quarterly meetings to update the process and results of the CDF activities and to summarize quarterly financial and activity reports.
- The management board submits quarterly financial and activity reports to the district support group on the 5th of the first month of the next quarter at the latest.
- The district support group makes a summing-up report based on reports received from different communes and submits it to the PPIU on the 10th of the first month of the next quarter at the latest.

5. General terms

5.1 Monitoring and evaluation

- The PPIU and the district support group have the right to check, monitor and evaluate the process of CDF activity implementation, including checking vouchers, record books and meeting minutes, visiting households and checking the quality of materials and construction works.
- Monitoring and evaluation activities are done regularly or irregularly by the PPIU, external consultants and independent auditors.
- The CDF management boards have the responsibility to support and collaborate with the PPIU, external consultants and independent auditors when requested.

5.2 Implementation and modification

- This guideline goes into effect with agreement of the PPIU and involved parties.
- This guideline will be reviewed and adapted when needed with the agreement of all the involved parties.

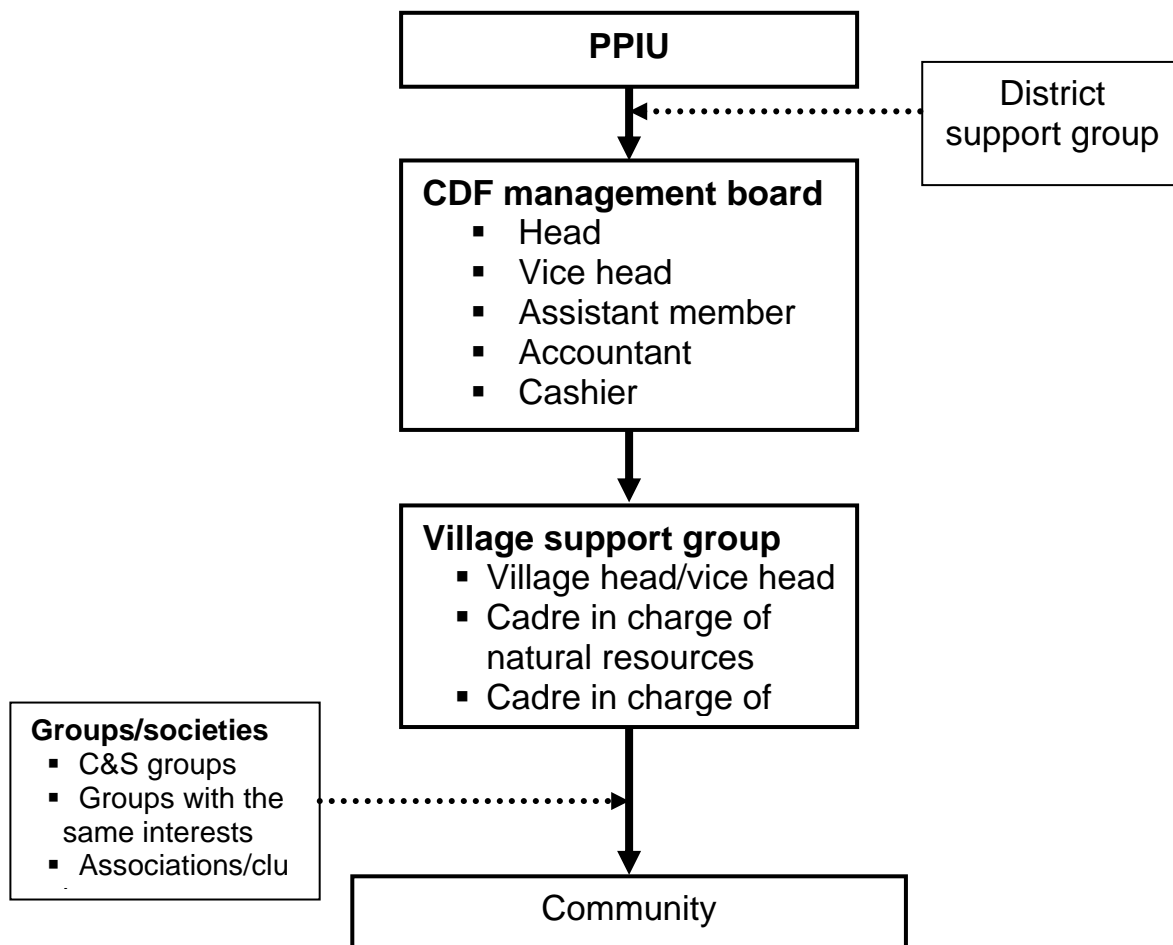
On behalf of CDF management board

On behalf of the PPIU

PART II: ANNEXES

1. General management

1.1 System structure



1.2 Functions and tasks of the CDF management system

1.2.1 Functions and tasks of the PPIU

- Give technical support (training, guiding for management, supporting the community to make plans, ...);
- Participate in consulting and approving community plans using CDF;
- Carry out internal auditing;
- Collaborate with the bank in managing the CDF bank accounts;
- Monitor CDF activities;
- Make decisions in dealing with risk cases;
- Deal with cases of violations made by the CDF management boards.

1.2.2 Functions and tasks of the district support group

The district support group consists of 3 to 5 members who are technical staff of different organizations of the district level, normally including the Department of Agriculture and Rural Development, WU, Department of Natural Resources and Environment, Health Department, ...

The district support group is established under the decision of the District People's Committee in order to support the process of CDF implementation.

- Give technical support (training, guiding for management, supporting the community to make plans, ...);
- Participate in approval meetings in relation to CDF plans in the communes;
- Monitor the implementation process of CDF activities.

1.2.3 Functions and tasks of the CDF management boards

- Share information and results of CDF implementation to people in the communes;
- Receive obligatory saving deposits from loan makers;
- Make sure that the accounting work is done in line with the accounting regulations of the CDF;
- Support villages to establish C&S groups, interest groups, etc. in the communes;
- Help groups and the community to get access to the CDF;
- Organize plan verification and approval meetings;
- Undertake and monitor the disbursement for the plan implementation of the community;
- Provide quarterly financial and activity reports to the PPIU;
- Discuss with and make recommendations to the PPIU and external consultants about necessary modifications and additions to the CDF management regulations.

1.2.3.1 Head of the CDF management board

- Be responsible for the general management of the CDF activities in the commune;
- Sign to approve bank transactions: cheques, payment vouchers;
- Chair the community plan approval meetings;
- Assign specific tasks for members of the board;
- Request for cash count;
- Provide quarterly financial and activity reports to the PPIU;
- Supervise and support other members in the management board in the process of activity implementation.

1.2.3.2 Vice head of the CDF management board

- Be responsible for the general CDF financial management;
- Function on behalf of the head of the board if authorized;
- Supervise and support the accountant in financial management: checking accounting books and vouchers, C&S loan record books;
- Assist the head of the board in general management and financial reporting;
- Support the community in finalizing the plans.

1.2.3.3 Assistant member of the CDF management board

- Support the community in making plans;
- Assist the management board to summarize plans of the community;
- Make logistic arrangements for plan approval meetings;
- Assist the management to verify plans;
- Give guidance for the establishment of C&S groups and support their activities;
- Participate in monitoring and disbursing work;
- Assist the management board in activity reporting.

1.2.3.4 Member in charge of credit of the CDF management board (this is one of the members of the management board, who can be the vice head or one of the others)

- Be responsible for C&S technical aspects;
- Support the management board in disbursement activities (allocating loans and grants, etc);
- Record and report about credit activities;

- Participate in plan approval meetings;
- Support and monitor activities of the C&S groups and other groups or villages that make loans from the CDF;
- Guide village credit cadre in recording and reporting;
- Make C&S progress and activity reports for the management board.

1.2.3.5 CDF accountant

- Keep track of incoming and outgoing fluxes of the CDF;
- Participate in disbursement activities (loan distribution, investigation of purchases,)
- Analyze and provide timely, sufficient and precise financial information for the CDF management board;
- Make receipt and payment vouchers for the CDF transactions;
- Check and compare CDF cashbooks regularly or irregularly (minutes of cash count are required);
- Keep and preserve financial documents and vouchers;
- Make quarterly financial reports.

1.2.3.6 CDF cashier

- Do transactions at the bank;
- Open the cash-book;
- Assist the management board in purchase activities;
- Make payments and receipts following to related vouchers.

1.2.4 Functions and tasks of the village support group

- Support the community to meet and make plans;
- Support the community to write down their plans and submit them to the CDF management board;
- Assist the management board in disbursement and plan implementation;
- Monitor activities and report implementation progress to the management board.

1.2.4.1 Tasks of the Head of the village support group

- Chair village planning meetings;
- Sign to confirm plans of groups or of the community;
- Participate in plan approval meetings and other meetings with the management board to deal with risk and violation cases;
- Participate in disbursement activities;
- Monitor activities and share information with the management board;
- Participate in other CDF activities when suggested or requested by the management board.

1.2.4.2 Tasks of member 1: in charge of conservation and social activities

- Assist the head of the group to organize village planning meetings;
- Assist in disbursement for plan implementation;
- Monitor activities and reporting the process of implementation to the head of the group.

1.2.4.3 Tasks of member 2: Village credit staff

- Support the community in establishing C&S groups;
- Participate in the meetings of the C&S groups;
- Keep people informed of deadlines for the return of loans and payment of interests;
- Collect loan and interest money from loan makers and hand in the CDF cashier;
- Record and report in a sufficient, precise and timely manner;
- Supervise and help loan makers in choosing loan items and using the loans in a proper and effective way.

- Assist the credit cadre of the management board in credit activities.

1.2.5 Structure of groups/associations in the community

With the principles of accessing loans or grants from the CDF, individuals or households must be gathered in groups to ensure the sustainability, shared resources and equality in the process of implementation.

- C&S groups: Each group consists of 5-12 members who are benefited from financial services and development opportunities. Through these groups, members can improve their capacity in communication, teamwork, management of micro-credit and other activities through a continued training approach.
- Interest groups: Each group consists of 5-20 members who have the same interest in production or social and health development affairs. Through these groups, people can either share their experience in production and livelihoods or cooperate with each other in production and market transactions. Members of these groups vote leaders of their groups as well as their management models.
- Associations and clubs: are economic or social organizations established by groups of people and functioned according to goals and guidelines set by the members. There are no limits to the number of members. Each association or club has two or more sub-associations or sub-clubs in villages.
- Community groups: includes households inhabited in an administrative area (village, hamlet, inhabitant group). The community groups are managed by village authorities.

All the groups mentioned above have their rights to discuss, share information, resources control and participatory management.

1.2.6 Functions of groups/associations

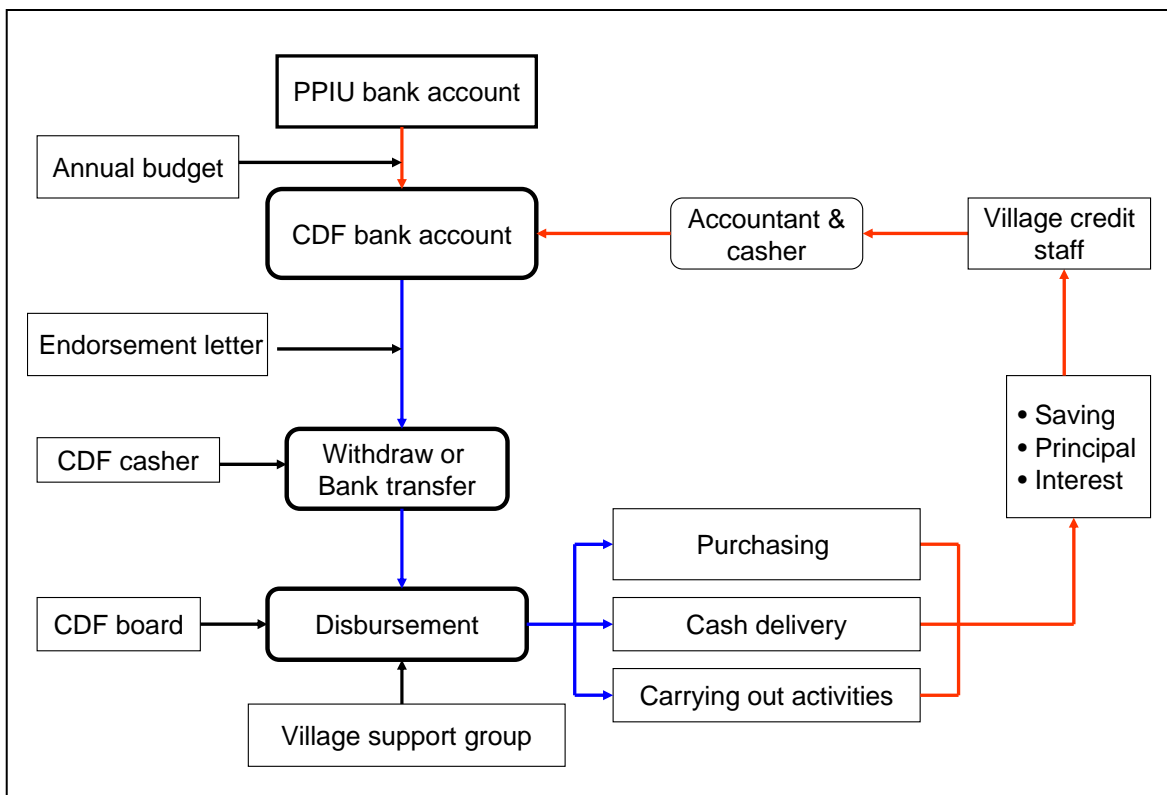
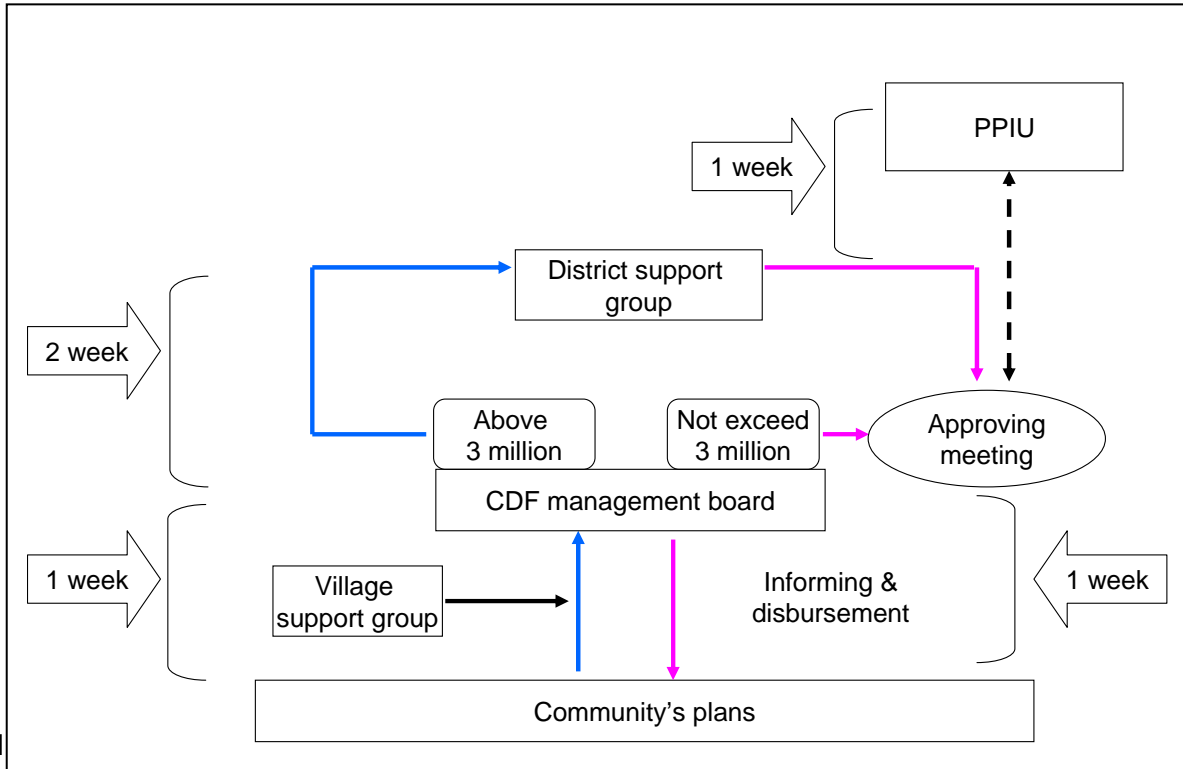
- Support their members to make plans to get access to the CDF;
- Make commitments for their members to make loans;
- Support village credit cadres and loan makers in having a timely return of loans and interests as regulated;
- Monitor and help members to use their loans and other material supports;
- Help members if they encounters difficulties in returning loans and saving;
- Organize for members to learn and share experience and knowledge with each other in loan using, production, poultry and livestock, health care, family issues, etc.
- Develop well-organized credit management and disciplined consciousness for group members.

1.2.6.1 Tasks of heads of the groups

- Have timely reporting to credit cadres or members of the management boards about risk and violation cases;
- In group meetings, the heads of groups must share with all members of the groups about monthly activity process, discuss with them about arising problems and update related information.
- Make household visits to members who are in need of making loans to assess their abilities in loan using and returning.
- Inform and explain to members about purposes of the project and how to make loans, return loans and deposit savings.
- Organize regular group meetings to collect savings deposits, principle and interest, select loan makers and integrate some project activities into group activities.
- Help and monitor group members to use loans on right purposes;

- Motivate and enable group members to support each other in loan using, environment improvement, as well as in loan return when someone has difficulties;
- Check the utilization of loans of group members;
- Inform group members about meeting places and due amounts of principals, interests and saving deposits.

1.3 Process and duration of plan approval



2. Credit management

2.1 Micro-credit

- Micro-credit for financial service provision normally includes small C&S for poor clients who cannot get access to this service from commercial banks.
- The C&S model is currently applied in Vietnam by many governmental programs and organizations, as well as international non-governmental organizations.
- Normally, micro-credit is provided to clients without mortgage of assets. However, in order to ensure the sustainability and effectiveness, clients are usually organized in C&S groups to support each other in loan making, experience sharing and loan return.
- Interest rates in the micro-credit programs can be from 0% up to equivalent percentages of commercial interest rates depending on purposes and criteria of different programs or projects. Most of micro-credit programs offer loans with preferential interest rates compared with the commercial market.

2.2 The role of saving

- Saving is one of the two components of a C&S program. Saving is a source to maintain and expand the scale of loan making. Saving has a vital role to any micro-credit organizations.
- Saving is to generate loan capital and reflects the sustainability of an organization through the mobilization of available resources without any dependency on external financial resources.
- For villagers, this is an opportunity for them to get accustomed to the habit of saving, planning for production and spending in their lives. The process of saving is a process of human development.
- For the poor, saving can contribute to creating self-confidence and improving knowledge and skills to integrate with the community in the process of social development.
- The poor can use their savings to invest in production to generate income for their families.
- Saving also symbolizes for mortgage, guarantees loans for members and motivates them to return their loans in due time.

2.3 Types of saving

- All members participating in the program must carry out saving.
- There are two types of saving: obligatory saving and voluntary saving.
- Rates of savings are often deliberated carefully and referred with loan makers to make sure that the disadvantaged households can also make loans.
- Installment savings or one-time savings are decided depending on villagers' income generation abilities.
- Obligatory savings cannot be withdrawn when the members are still on loan.

2.4 Returning principals and interests

- Principals can be returned monthly, quarterly, yearly or by production cycles. However, installment return is more encouraged as this method can reduce risks and create opportunities for other members to access the fund.
- Interests must be collected monthly or at the latest quarterly to ensure the spending on running costs.
- The places and time of interest collection are recommended by members.
- Loan making members are informed in advance about the time, places and amounts of money they have to pay.
- It is highly recommended to collect interests at one place decided by the members.

2.5 C&S groups

2.5.1 Group structure:

- Each group consists of 5 - 12 members who are benefited from getting financial services and opportunities for development.
- The group votes one person to be the head of the group.
- Through the group, its members can improve their capacity and skills in communication, collaboration and in managing micro-credit other activities by continued trainings.
- Being members of the group, people have the right to discuss, share information, participate in resources control and management.

2.5.2 Roles of C&S groups:

- Make commitments to guarantee for their members to make loans;
- Consider to allocate the fund to their group members with regards of loan rates and durations;
- Support each other in using loans and addressing difficulties in their lives;
- Support for group members when they encounter difficulties in loan return and savings contribution.
- Organize for members to learn and share experience and knowledge with each other in loan using, production, poultry and livestock, health care, family issues, etc.
- Develop well-organized credit management and disciplined consciousness for group members.

2.5.3 Group meetings

- Regular group meetings are obligatory for the quarterly reporting of C&S activities of the groups, share information and experience in production, as well as domestic, politic and social issues. Not only does this activity contribute to strengthening the credit disciplines, it also contributes to improving knowledge and skills of group members, strengthening neighborliness and enhancing social security.
- Group meetings are organized on a monthly or quarterly basis depending on the agreement made by group members.
- Time of a group meeting should not last long and the moment of the day should be proper for the full participation of group members.

2.5.6 Tasks of group head:

- Provide timely reporting to the credit cadre or head of the village support group about risk and violation cases;
- In group meetings, the heads of groups must share with all members of the groups about monthly activity process, discuss with them about arising problems and update related information.
- Make household visits to members who are in need of making loans to assess their abilities in loan using and returning.
- Inform and explain to members about purposes of the project and how to make loans, return loans and deposit savings.
- Organize regular group meetings to collect savings deposits, principle and interest, select loan makers and integrate some project activities into group activities.
- Help and monitor group members to use loans on right purposes;
- Motivate and enable group members to support each other in loan using, environment improvement, as well as in loan return when someone has difficulties;
- Check the utilization of loans of group members;

- Inform group members about meeting places and due amounts of principals, interests and saving deposits.

2.6 Members:

2.6.1 Criteria for loan making approval

- Being poor households, hungry households and disadvantaged households (each household only has one loan maker). Women are prioritized.
- Having permanent family record books;
- Having prestige and being interested in and devoted to their work;
- Having registered to be group members and being accepted by the group;
- Voluntarily joining the group and strictly complying with regulations of the group and the program;
- Being in need of making loans to invest in animal raising, production and other income generation activities;
- Using the loans effectively and on right purposes.

2.6.2 Rights and benefits of members

- Being favorable in depositing their savings;
- Having good opportunities for loan making without mortgage of assets;
- Being considered for receiving support when encountering difficulties;
- Having opportunities to participate in trainings to improve knowledge in raising, production and health care;
- Participating in the meetings and helping each other;
- Participating in other activities of the program such as exchanges, contests, etc.

2.6.3 Responsibilities of loan making members

- Using the loans on right purposes;
- Participating in obligatory saving or voluntary saving;
- Returning principal amounts sufficiently, in due time and at the regulated place;
- Participating in the regular group meetings;
- Keeping individual loan making and savings books carefully and asking the credit cadre to sign in the signature column when money is handed in to him or her;
- Encouraging other group members to use their loans on right purposes, return principals, deposit savings sufficiently and exchange knowledge in animal raising, production and health care with each other;
- Sharing responsibility on the loans of other group members by signing in the group's loan making application and helping other group members who face difficulties in returning their loans (if a group member cannot return her loan, other group members have the responsibility to do that in replacement).

3. Financial management

3.1 Accounting principles

3.1.1 The concept of accounting

- Accounting is the system of calculating and recording in numbers of monetary value of all entries in the books of account of an organization.
- Accounting is the system of calculating and recording in numbers of items and labour time mainly to reflect the control of assets.

- Accounting reflects the process and results of production and business activities using capital and expenditure of an organization.

3.1.2 Accounting vouchers

- Every data recorded in accounting books must be ensured with evidences and accepted by everyone. It means the data must be proved to be proper and valid in line with accounting regulations of the government imposed on every organization.
- Accounting vouchers must ensure the following criteria
 - Name of voucher (invoice, receipt, payment).
 - Date of making voucher.
 - Name and address of organization or individual who makes the voucher.
 - Name and address of organization or individual who receives the voucher.
 - Item or content of vouchers.
 - Quantity and value number.
 - Signatures of voucher maker and others involved (true signatures must be ensured).
- Accounting vouchers must be made according to the actual amounts of money. The writing of vouchers must be clear, honest and full of required details. Vouchers must not be erased and overwritten. If a voucher is written wrongly, it must be cancelled without tearing it out from the book.
- Managers and accountants must not sign in blank vouchers and other accounting forms.
- Accounting vouchers have a very significant meaning in financial management, as well as in economic analysis and fix assets protection of an organization. In addition to being a legal base for accounting books' data, accounting vouchers are also a base to identify responsible persons in order to prevent from violations on accounting regulations and regimes issued by the government. Accounting vouchers contribute to transmitting orders of the higher level and checking the execution of those orders. Accounting vouchers also serve as a base for the resolution of raised conflicts and denouncements.

3.1.3 Checking accounting vouchers

- All accounting vouchers made by an organization or provided from the outside must go to the accounting unit of the organization for checking and verification for book-keeping.
- Accounting vouchers are checked in terms of:
 - The transparency, honesty and sufficiency of details reflected on vouchers;
 - The legality and validity of vouchers;
 - The preciseness of data on vouchers;
 - The voucher maker's compliance with internal management regulations;
 - The consideration and approval of different financial items.
- If violations to the program regulations are found out or suspected, the accountant should refuse the transactions and immediately report to responsible person for timely actions.
- For vouchers which are made with unclear contents and numbers, the responsible person must check and return the vouchers or require the voucher making place to fix them before recording in accounting books.

3.1.4 Circulation of vouchers

- Circulation of financial vouchers is the distribution of vouchers to related units so that they can get information and collect data to put in their accounting books. However, it is needed to make sure that this process is quick and timely, without causing obstacles to the accounting work.

3.1.5 Preserving and archiving vouchers

- As original evidences with legal validity and a base for book-keeping, accounting vouchers must be preserved and archived carefully for comparisons and checking when needed.
- Before being archived, vouchers should be arranged and classified in a way that is convenient to look for information and avoid losses or missing.
- The durations of voucher preservation differ depending on the regulations of different organizations: permanently, after 5 years, after 3 years, etc.
- In short, the quality of the accounting work firstly depends on the quality of accounting vouchers. Therefore, it is very important to pay attention to making accounting vouchers in compliance with regulations and reflecting the facts. In addition, it is also necessary to pay attention to improving the archives of accounting vouchers.

3.2 Guidance on purchasing

3.2.1 Purchase of commodities

- Purchased commodities must be ensured of quality, specifications and origins with prices appropriate with approved budget plan. To meet these requirements, the purchase of commodities and services should be well controlled in ordering, buying, delivery and payment.
- Approval conditions for the order and purchase of commodities and services:
 - For commodities and services valued at 5,000,000 VND to under 50,000,000 VND, there must be 3 quotations provided by 3 different providers.
 - For commodities and services totally valued at 50,000,000 VND to under 100,000,000 VND, there must be 3 quotations provided by 3 different providers, plus a quotation provided by the local financial department.
 - For commodities and services totally valued at 100,000,000 VND or higher, tenders must be carried out according to the current regulations of the Ministry of Finance of Vietnam.
- The price checking person, after collecting enough required quotations, will make a summary of the quotations according to the regulated form (full names and addresses of the providers, types of commodities and services, and prices) and submit it to the head of the CDF management board for approval. Under the summary table is a part that points out which provider is chosen and explains the reasons.
- For commodities and services with monopoly, making it impossible to collect enough 3 quotations, there must be a brief and clear explanation report which is also considered as a voucher.
- Order and purchase: After approvals for purchasing, business contracts must be made and signed. Business contracts are required for commodities or services valued at 3,000,000 VND or higher. Forms of business contracts are provided by the Ministry of Finance of Vietnam.
- Delivery: On delivery of commodities from the providers, it is necessary to check and confirm their quantity, quality, specifications and types before storage. For commodities with specialized technical specifications such as medical equipment and devices, it is necessary to be checked by specialized persons. Minutes of check-up and handing-over should be made after checking and signed by the involved persons.

3.2.2 Payment:

- The payment is done after the following items are provided:
 - Minutes of contract termination;
 - Minutes of check-up;

- Valid invoices (VAT invoices are required for commodities valued at 200,000 VND and higher).
- In some special cases when invoices of commodities and services cannot be provided due to proper reasons, it is possible to replace required invoices with receipts (with reasons to be noted).
- The accountant in charge should check the validity of quotations and compare between provided prices, money amounts in quotations, business contracts and minutes of check-up and handing-over. Vouchers should be checked and approved by the head of the management board before payments are made to the providers.
- The payments are made based on the real situation, but payments by bank transfers are more encouraged.
- All original vouchers and quotations related to purchase spending are kept at the management board.
- In case commodities are purchased and after that handed over to the users, besides vouchers mentioned above, it is also needed to have written commitments of using from the receivers.

3.3 Regulations on spending

A CDF management board can use part of their income to spend on the following activities:

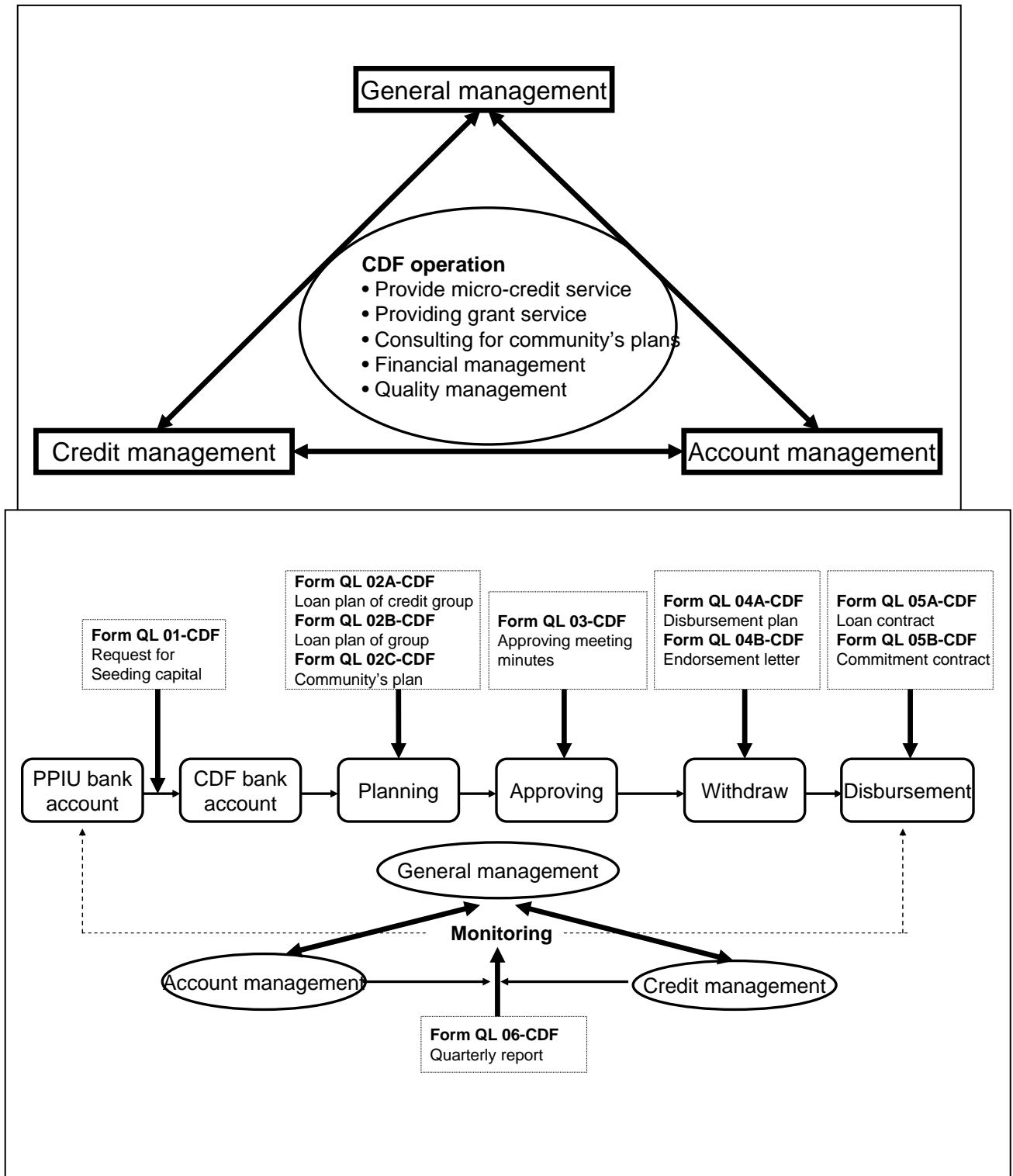
- Purchase of equipment and facilities (calculators, document cabinets, ...)
- Allowances for:
 - The head
 - The vice head
 - The assistant member
 - The CDF accountant
 - The CDF cashier
 - Village credit staff
- Organizing meetings, workshops, trainings, ... in the commune
- Expenses on traveling, communication and stationery.

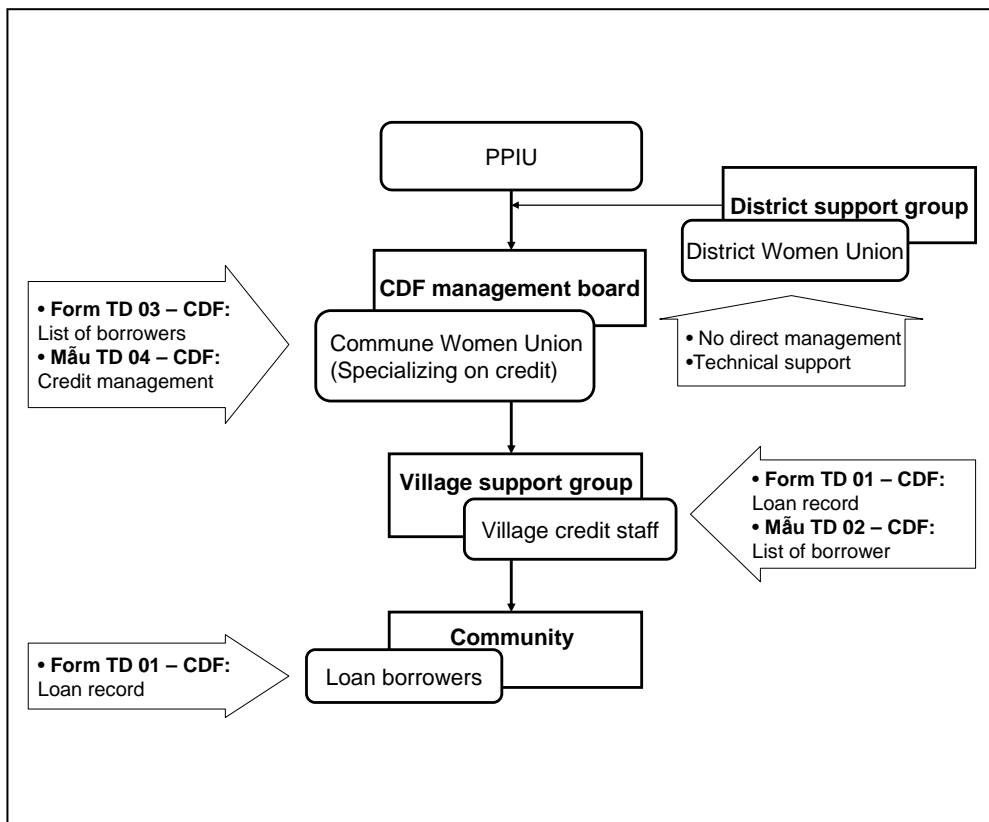
3.4 Assets management

- In most cases, assets and equipment provided by the BCI Project are considered as common property of the CDF management board and are not in possession of anyone. Therefore, all the purchased assets need to be registered under the name of the management board. The board is responsible for using and preserving the assets. The PPIU is responsible for monitoring real situation of the management and utilization of assets.
- All the assets are directly paid from the project budget and then included in the financial reports. Purchased assets must be recorded into the book of fixed assets management. The management board is responsible for checking and verifying the status of assets. The inventory of assets will help to discover differentials between recorded assets and currently used assets, find out broken-down facilities and note them down to look for solutions.

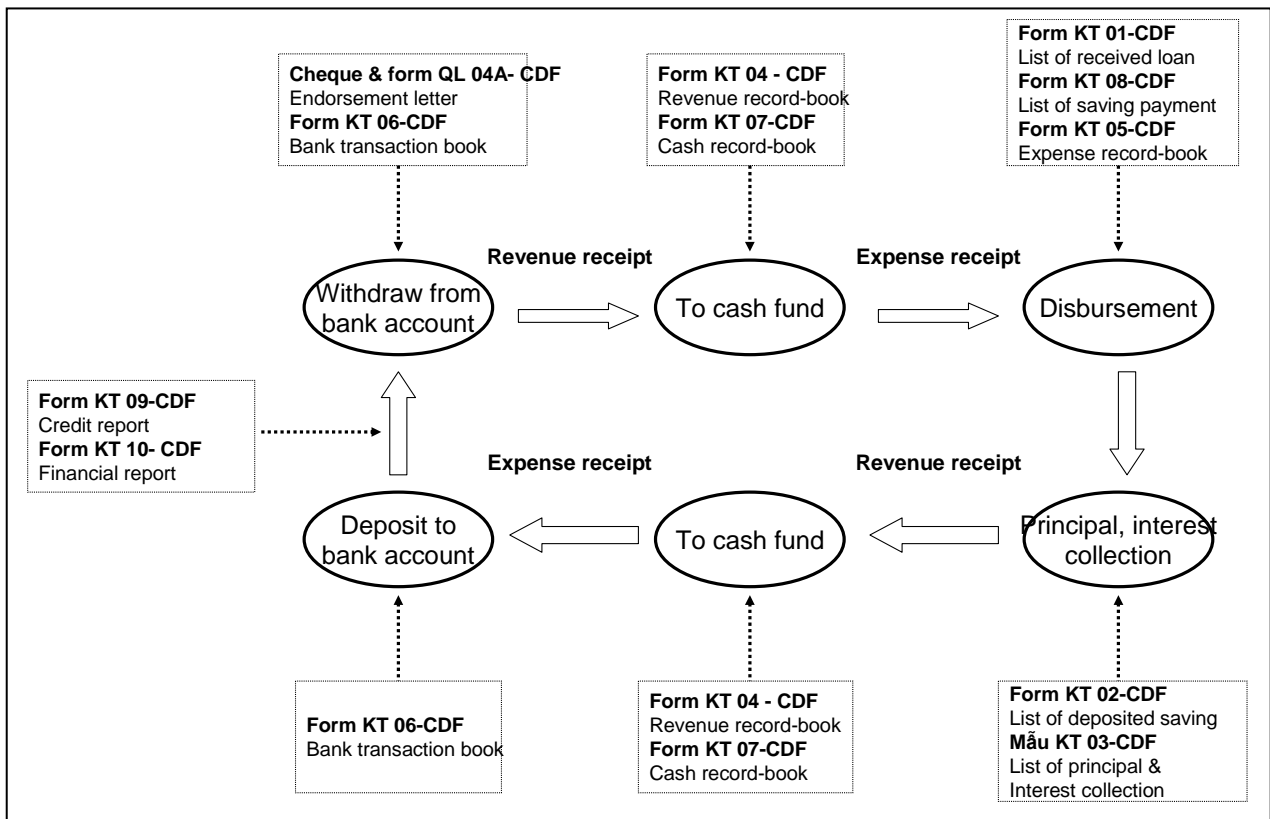
4. Forms

4.1 Management system and forms





4.4 Bank account management system



- 4.5 General management forms

No.	Names of forms	Instructions for use	Form users
1	QL 01 - CDF: Request for transfer seeding capital	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - For the commune people's committee to request for seeding capital from the PPIU on behalf of the commune as regulated. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - This request is sent to the PPIU together with the Decision on establishment of the CDF management board and the declaration of opening a CDF bank account. 	Representative of commune people's committee
2	QL 02A - CDF: Loan application for credit group	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To propose plans and needs of loan making by members of the credit groups. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Based on villagers' need of loan making, the credit staff guides to establish credit groups and instruct them to complete applications for loan making. - An application form can be used for one member of the group or more. - After receiving an application for loan making by a group, the credit cadre does necessary verifications, gives comments and sends the application to the CDF management board. - The management board organizes a plan approval meeting before making a loan making contract with the group. 	Credit groups
3	QL 02B - CDF: Loan plan of interest groups	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To propose plans and need of loan making by interest groups, associations or clubs in the community. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Management board members guide to make plans based on this form for interest groups, associations or clubs in need of loan making - The management board can require to 	Interest groups

		complete the plans before organizing an approval meeting.	
4	QL 02C - CDF: Community proposed plan	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To propose grants for the community. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - The village support group organizes planning meetings with the participation of the management board members. - The management board members guide the village support group to complete their plan following to the provided form. - The management board organizes an approval meeting. 	Village support groups
5	QL 03 - CDF: Minutes of approval meeting	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To write down results of approval for loans and grants. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Based on loan making applications submitted by villages, interests groups and community plans, the management board organizes a plan approval meeting where they confirm which plans are approved, which are not approved and explain why. Minutes of plan approval meeting will be attached with the request for budget disbursement. 	Minutes taker of meetings
6	QL 04A - CDF: Disbursement plan	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To notify to the PPIU about the contents, amounts and time of disbursement. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - The disbursement plan is submitted together with the minutes of plan approval meeting and the approved plans of loan making and grant using. - Based on the disbursement plan, the PPIU signs a letter of certification for the management aboard to withdraw money. 	Representative of the management boards
7	QL 05A - CDF: Loan contract	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - For loan makers and groups to make commitments for principal and interest return and loan using. <p><u>Instructions:</u></p>	Staff in charge of CDF credit

		<ul style="list-style-type: none"> - After withdrawing money from the bank account, the CDF management board makes loan contracts with loan making households and groups based on the minutes of plan approval meeting. - Loan making households will receive their loans right after signing contracts. 	
8	QL 05B - CDF: Commitment contract	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - For households and the community to commit to implement their plans with the CDF support. This contract is also a base for the evaluation of plan implementation by the village support groups. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Before implementing plans supported with grants, the management board makes and signs contract with grant receiving households. 	Management board members
9	QL 06 - CDF: Quarterly activity and financial report	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To help the CDF management board and the PPIU to keep track of the project activities and make the CDF function more effectively. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Once a quarter, the head of the CDF management board makes a summing-up report based on data collected and summarized from the credit cadre's quarterly report, financial balance sheet, income and expenditure report and report of the cadre in charge. - This report is sent to the district support group and the PPIU on the 10th of the first month of the next quarter at the latest. 	Management board members

People's Committee of
Commune.....
Ref no.:.....

SOCIALIST REPUBLIC OF VIETNAM
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---o0o---

..... day month year

REQUEST

Ref: Request for approval of seeding capital transfer for the Commune Development Fund

To: CEP-BCI Provincial Project Implementation Unit of Quang Nam

Pursuant to Decision numbered 4243/QĐ-UBND dated 26/12/2007 by the Provincial People's Committee of Quang Nam about the establishment of *Commune Development Fund* in the Biodiversity Conservation Corridors Initiative Project in Quang Nam Province, the People's Committee of Commune has agreed to apply the modality of *Commune Development Fund* and satisfied necessary conditions according to the CDF regulations issued by the Provincial People's Committee. Attached with this request are the following documents:

1. Decision on the establishment of the CDF management board.
2. Details of the CDF bank account at the Bank for Agriculture and Rural Development of district.
3. List of priority plans/projects of villages.

We would like to request the CEP-BCI Provincial Project Implementation Unit (PPIU) of Quang Nam to approve to transfer seed capital to the *Commune Development Fund*. We commit to comply with the regulations and the guideline for the CDF management provided by the PPIU.

**ON BEHALF OF PEOPLE COMMITTEE OF
..... COMMUNE**

Received:

- *As above*
-

**LIST OF PLANS/PROJECTS IN NEED OF FINANCIAL SUPPORT
FROM THE COMMUNE DEVELOPMENT FUND**

(Names of proposed plans/projects in order of priority)

1. Plans/projects on economic development

(For example: animal husbandry, trade, farming, production forestation, etc.)

.....
.....
.....
.....
.....

2. Plans/projects on social development

(For example: sanitation, clean water, health development, small scale infrastructure, etc.)

.....
.....
.....
.....
.....
.....
.....

3. Plans/projects on conservation

(For example: Forestation, forest protection, etc.)

.....
.....
.....
.....
.....
.....
.....

**ON BEHALF OF PEOPLE COMMITTEE OF
..... COMMUNE**

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LOAN APPLICATION FORM
 [For C&S groups]

[To be made into 2 copies - 1 copy for the CDF management board and 1 copy for the credit cadre]

To: CDF Management Board of Commune

We are members of the C&S group of village headed by Mr./Mrs.:.....

After discussion and agreement on our group’s economic development plan, we would like to ask the CDF management board to allow the following group members to make loans for the implementation of our plan.

No.	Full names	Amount of loans	Times of CDF loan making	Form of principal return	Form of interest payment	Purpose	Number of loan months
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
	Total						

In words:

We commit to:

- Use the loans on right purposes and make principal return, interest payment and savings contribution sufficiently and in due time;

- Support each other in production, animal husbandry and payment;
- Be responsible for return the loans by other group members if the loan makers cannot do that.

Applicants

Day..... month year

Full names	Signatures/Finger-prints
1
2
3
4
5
6
7
8
9
10
11.....
12.....

Day Month Year

Comments of village credit staff

-
-
-
-

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**PROPOSED PLAN ON LOAN MAKING
 FOR ECONOMIC DEVELOPMENT**

(For interest groups, clubs and associations to make loans for group's economic development)

To: CDF Management Board of Commune

We are members of group/association/club:
 village headed by Mr./Mrs..... as
 (Head of group, association or club)

After discussion and agreement on our economic development plan, we would like to ask the CDF Management Board to allow us to make loan for the implementation of our plan.

Name of the plan:

Number of participating members:

Total budget needed: in which:

+ Loan:

+ Contribution of the group and group members:

Loan duration: months; Loan interest rate:%/month

Way of interest payment: Way of principal return:

Financial analysis:

No.	Expenditure and income	Unit price	Quantity	Budget
A	Expenditure			
1				
2				
3				
4				
5				
6				
7				
8				
	Total expenditure			
B	Income			
1				
2				
3				

4				
	Total income			
C	Benefit analysis			
1	Monthly net interest: (total income B –total expenditure A)/number of months			
2	Monthly interest rate (%): (monthly net interest C1/total expenditure A)			
3	Monthly income generated for each participating member			

We commit to:

- Use the loans on right purposes and make principal return, interest payment and savings contribution sufficiently and in due time;
- Support each other in production, animal husbandry and payment;
- Be responsible for return the loans by other group members if the loan makers cannot do that.

On behalf of the group/association/club
(signature and full name)

LIST OF LOAN MAKING MEMBERS OF THE GROUP

No.	Full names	Budget		Signature
		Self-supported	Loan	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
	Total			

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PROPOSED PLAN
(For grants of groups of community or villages)

To: CDF Management Board of Commune

I. General information

Name of the plan:

Number of participating or benefited households:

Total plan budget: in which:

+ Grant:

+ Contribution from the community or local authority (calculating the cash value of labor or material contribution):

II. Objectives

4.1 General objective:

.....
.....
.....

4.2 Specific outputs:

.....
.....
.....
.....
.....

III. Planned activities

No.	Specific activities	Time of implementation	Responsible persons	Implementation participating persons	Estimated budget (in VND)		
					Self-supported	CDF support	Total
Total							

LIST OF PARTICIPATING HOUSEHOLDS

No.	Full names	Budget		Signature
		Self-supported	Grant	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				

26				
27				
28				
29				
30				
31				
	Total			

- We commit to implement the proposed plan.
- If we do not implement the proposed plan, the Management Board has the right to get back the supported budget and terminate related activities of the plan.

Village Representative
(Signature and full name)

MINUTES OF VILLAGE PLANNING MEETING

Today, day month year

The support group of village has organized this village planning meeting atwith the participation of the following parties:

- 1. Mr./Mrs. Title:
- 2. Mr./Mrs.: Title:
- 3. Mr./Mrs.: Title:
- 4. Mr./Mrs.: Title:
- 5. Mr./Mrs.: Title:

and villagers (in which are women) who are representatives of households in the village.

After discussion, all the participating persons have come up with the following agreements on the proposed plans with the CDF support:

- 1. Plans to be supported with grants: (number, names and needed budget of the plans)

.....
.....
.....

- 2. Loan making plans of interest groups, associations, clubs: (number, names and needed amount of loans)

.....
.....
.....

- 3. Loan making plans of C&S groups: (number of loan makers, number of C&S groups and needed amount of loans)

.....
.....

Village Representative

(signature and full name)

**PEOPLE'S COMMITTEE
OF COMMUNE
CDF MANAGEMENT BOARD**

**SOCIALITS REPUBLIC OF VIETNAM
Independence – Freedom - Happiness**

MINUTES

Plan approval meeting for CDF support

Today, day month year, at
The CDF Management Board of Commune has organized a meeting to approve the plans proposed by the community in the BCI Project.
The meeting is chaired by Mr./Mrs.: Title:
and the meeting minutes are taken by Mr./Mrs.: Title:
with the participation of the following representatives of the provincial and district levels and the CDF Management Board:

Mr./Mrs.: Title:

Mr./Mrs.: Title:

Mr./Mrs.: Title:

Mr./Mrs.: Title:

Mr./Mrs.: Title:

Mr./Mrs.: Title:

and members of loan making groups and villages.

The minutes of meeting include the following main contents:

I. Summary of plans/projects of the community:

The CDF Management Board presents briefly the community plans/projects proposed for CDF support:

No.	Names and number of plans	Number of benefited households	Budget			
			Self-supported	Grants	Loans	Total
1					
2					
3					
	Total					

II. Plan/project approval:

After referring to the presentation, discussion and sharing of the involved parties, the CDF Management Board has made the following decisions to the proposed plans/projects:

1. Approved plans

No.	Names and number of plans	Budget			
		Self-supported	Grants	Loans	Total
1				
2				
3				
	Total				

2. Plans not approved or not yet approved

No.	Names and number of plans	Reasons for not or not yet being approved	Notes
1
2
3

The conclusions of the CDF Management Board have been read out in front of all the participants.

The meeting was ended ath.

The minutes are made into three copies, one copy for the PPIU, one for the district support group and one for the Management Board.

Attached with this minute of meeting is a list of approved plans.

Representatives of the involved parties
(Signatures and full names)

The PPIU and/or authorized unit

CDF Management Board

Form QL 04A - CDF

**PEOPLE'S COMMITTEE
OF COMMUNE**
CDF MANAGEMENT BOARD

SOCIALIST REPUBLIC OF VIETNAM
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Ref. No.:

day month year

REQUEST

(Ref.: CDF disbursement plan)

To: BCI Provincial Project Implementation Unit (PPIU) of Quang Nam

The CDF Management Board of Commune would like to ask the PPIU to certify for us to do transactions through the bank account to disburse for the approved plans as mentioned in the minutes of meeting dated at the People's Committee of Commune.

Details of the disbursement plan:

No.	Items of disbursement	Disbursement duration (day/week)	Disbursed budget	Form of disbursement
1				
2				
3				
...				
	Total			

The total amount of money to be withdrawn through bank transactions:

In words:

Thank you for your support.

**ON BEHALF OF THE CDF MANAGEMENT
BOARD**

Received:

- As above

- Saved

Form QL 04B - CDF

DEPARTMENT OF NATURAL
RESOURCES AND ENVIRONMENT
OF QUANG NAM PROVINCE

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Ref. no.: /TT-KL

TAM KY, DAY MONTH YEAR

LETTER OF CERTIFICATION FOR BANK TRANSACTIONS

(Copy 1: For bank transactions; Copy 2: Kept at the CDF Management Board;
Copy 3: Kept at the PPIU)

To: Branch of Vietnam Bank for Agriculture and Rural Development of
.....

Pursuant to Agreement numbered signed on
(date) between the PPIU of BCI Project in Quang Nam Province and the Bank for Agriculture
and Rural Development of Quang Nam Province, we would like to request you to allow us to
withdraw or transfer money through the below bank account:

1. Bank account:

Name of account:
Account number:
At the bank:

2. Limit of transactions

Starting date of transaction:
Total amount of cash limited for transactions:
In words:

We would like you to accept this request.
Transactions over the cash limit mentioned above are not accepted.
Thank you.

**On behalf of the PPIU
of Quang Nam Province**

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LOAN CONTRACT

Today, day month year, we are:

1. Party A: CDF Management Board
 Represented by Mr./Mrs. Title.....

2. Party B:

Represented by: Mr./Mrs.

We sign this contract to get loans from the CDF to invest in economic development activities with the interest rate of %/month and the rate of compulsory savings equivalent to% of loan capital. Specific details of loan making households are as below:

No.	Full names	Identification card number/ family recod number	Amount of loan	Purpose	Loan duration		
					Number of months	Date of receiving loan	Date of completi ng loan return
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
Total							

In words:

We commit to:

- Use the loans on right purposes and make principal return, interest payment and savings contribution sufficiently and in due time;

- Support each other in production, animal husbandry and payment;
- Be responsible for return the loans by other group members if the loan makers cannot do that.

Other terms:

- If the loan makers do not use the loans on right purposes, the CDF Management Board has the right to get back the supported amount of money;
- In case the loan makers do not return the full loan amounts in due time without any decision for debt extension made by the CDF Management Board, penalties will be imposed with the rate of **1%**/amount of overdue amount of return money.

This contract is made into 3 copies with equal validity. One copy is kept by the CDF Management Board, one is kept by the credit cadre and one is kept by the loan makers.

<ul style="list-style-type: none"> • <u>Loan makers</u> 	<ul style="list-style-type: none"> • <u>Successors</u> <i>(write down the relation with the loan makers)</i>
Full names Signatures/Finger prints	Full names Signatures/Finger prints
1-----	1-----
2-----	2-----
3-----	3-----
4-----	4-----
5-----	5-----
6-----	6-----
7-----	7-----
8-----	8-----
9-----	9-----
10-----	10-----
11-----	11-----
12-----	12-----

Date of contract validity: day month year
Representative of Party B **Representative of Party A**
Signature and full name *Signature and seal*

SOCIALIST REPUBLIC OF VIETNAM
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COMMITMENT CONTRACT

Today, day month year, at the commune

We are:

1. Representatives of the CDF Management Board

Mr./Mrs.: Title:

Mr./Mrs.: Title:

2. Representative of the group of benefited households

Mr./Mrs.: Title:

Address:

The two parties agree to sign this contract with the following terms:

1. The Management Board hands over to the benefited households a grant of the CDF as mentioned in the minutes of plan approval meeting dated Contents of support and the list of benefited households are attached with this contract.
2. The households receive the grant and commit to use it on right purposes according to the approved plans/projects.
3. In the process of implementation, if there are losses and damages or changes of use purposes, the households must keep the Management Board informed so that the two sides can solve the problems.
4. The Management Board has the right to get back the grant if the benefited households use it on wrong purposes without informing to the Management Board.

Representative
of the CDF Management Board
(Signature and seal)

Representative
of benefited households
(Signature and full name)

LIST OF GRANT RECEIVING HOUSEHOLDS

No.	Full name	Address	Content of support	Form of support (in cash or in kind)	Value of support (in VND)	Signature
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						

III. Recommendation

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

CDF board
(Sign and seal)

4.6 Credit management

No.	Names of forms	Instructions for use	Users
1	TD 01 - CDF: Loan and saving record	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To keep track of the amounts of money handed in by members and their loan debits. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Data of each loan maker are written down similarly in two different registers (register with yellow cover is kept by the loan maker and register with blue cover is kept by the credit cadre) and kept track for one loan making cycle. - Whenever a loan maker returns principals and interests, the credit cadre has to write down the amount of money in the loan register, sign it and give it back to the loan maker. 	Village credit staff
2	TD 02 _ CDF: Loan maker record book	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To help village credit staff manage data of loan makers with regards of turns of loans, types of households, times of loan making, amounts of loans, dates of loan making, using purposes and history of loan returns. This book is also a base for impact assessment of the project. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - After a loan maker receives a loan, the credit cadre updates data into the book based on the application for loan making, loan contract, list of loan receivers and sheet of return. - This book is sized at A4 paper and recorded in groups. Each village credit cadre has one book. The number of pages differs depending on the number of villages and C&S groups managed by that credit cadre. 	Village credit staff
3	TD 03 _ CDF: Loan maker record book	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To help the cadre in charge of CDF credit to manage all the loan makers and enable the Project to assess the impacts of the project to the benefited households in terms of turns of 	Staff in charge of CDF credit

		<p>loans, types of households, times of loan making, amounts of loans, dates of loan making, using purposes and history of loan returns.</p> <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - After a loan maker receives a loan, the credit cadre updates data into the book based on the application for loan making, loan contract, list of loan receivers and sheet of return. - This book is sized at A4 paper and recorded following to villages. Data of each village are included in 2-3 pages. All the loan makers are kept track in one record book. 	
4	<p>TD 04 _ CDF: Quarterly credit report</p>	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To help the CDF Management Board to have basic information about the fund based on the indicators. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - This report is made by a cadre in charge of reporting and submitted to the Head of the management board on a quarterly basis. - This quarterly report is made based on loan registers and reports provided by the credit cadre and CDF accountant. 	<p>Cadre in charge of CDF credit</p>

**BIODIVERSITY CONSERVATION CORRIDORS INITIATIVE (BCI) PROJECT IN QUANG NAM
COMMUNE DEVELOPMENT FUND (CDF)**

BORROWER RECORD BOOK
[For village credit staff]

Village:

Commune:

District:

Province:

Year of registering:

**BIODIVERSITY CONSERVATION CORRIDORS INITIATIVE (BCI) PROJECT IN QUANG NAM
COMMUNE DEVELOPMENT FUND (CDF)**

LOAN MAKER RECORD BOOK
[For staff in charge of CDF staff]

Commune:

District:

Province:

Year of registering:

CREDIT QUARTERLY REPORT
QUARTER YEAR

Form TD 04 –

Commune District: Province:

[For the commune staff in charge]

No.	Contents	Unit	In the quarter	Accumulation in the year	Accumulation of all the years
I	Organizing				
1	Number of village getting loan	Village			
2	Number of established C&S groups	Group			
3	Number of C&S groups has outstanding loan	Group		<i>No fill</i>	<i>No fill</i>
II	Loan capital				
1	Number of loan	Household			
2	Total amount of loan	VND		<i>No fill</i>	<i>No fill</i>
3	Number of outstanding loan	Household		<i>No fill</i>	<i>No fill</i>
4	Total amount of outstanding loan	VND		<i>No fill</i>	<i>No fill</i>
III	Return				
1	Amount of principal that must be collected	VND			
2	Amount of principal that has been collected	VND			
3	<i>Principal collection rate</i>	%			
4	Amount of interest that must be collected	VND			
5	Amount of interest that has been collected	VND			
6	<i>Interest payment rate</i>	%			
7	Number of households in debt of overdue principals	Household		<i>No fill</i>	<i>No fill</i>
8	Amount of overdue principal debit of those households	VND		<i>No fill</i>	<i>No fill</i>
IV	Compulsory savings				
1	Number of households have handed in compulsory savings	Person		<i>No fill</i>	<i>No fill</i>
2	Compulsory savings balance	VND		<i>No fill</i>	<i>No fill</i>

4.7 Account management

1	KT 01_ CDF: List of cash receivers	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To use as evidence of the amount of CDF money received by members and as accounting vouchers. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - When a member receives a loan or a grant or when the management board members receive allowances, the accountant uses this form for them to sign and receive. - After the receivers get enough money and sign fully, the accountant makes it grand total and writes a payment voucher for one group representative. 	CDF accountants
2	KT 02_ CDF: List of deposited compulsory saving	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To confirm the amount of compulsory savings deposited by each member and to be used as an accounting voucher. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - After a member receives a loan, the credit cadre uses this form to collect compulsory savings from the member according to regulations of the program. - The accountant bases on the real amount of money deposit in the list to write a receipt voucher and keeps it as the original voucher. 	CDF accountants
3	KT 03_ CDF: Principal and interest collection sheet	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To be used to collect principals and interests from loan making members. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - 3-5 days before collecting money, the accountant calculates the amounts of principals and interests to be collected from loan makers and ask the credit cadre to inform to the groups so that their members are prepared. - Based on the calculated amounts, the credit cadre collects money from the groups. The real amount of return from the members must be written in the real collection column. - In the end of the collection day, the credit cadre 	CDF accountants

		<p>hands in the collected amounts.</p> <ul style="list-style-type: none"> - The accountant writes a receipt voucher and keeps it as an original voucher. 	
4	KT 04_ CDF: Income record book	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To keep track of all the receipts of the CDF and use it as a base for monthly financial reporting. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - To be used right after receiving collected amounts of money. - In the end of months and quarters, the accountant calculates the grand total and compares the receipts. 	CDF accountants
5	KT 05_ CDF: Expense record book	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To keep track of all the payments of the CDF and use it as a base for monthly financial reporting. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - To be used right after realizing cash payments from the CDF. - In the end of months and quarters, the accountant calculates the grand total and compares the payments. 	CDF accountants
6	KT 06_ CDF: Bank transaction book	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To keep track of cash balance in the CDF bank account. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Use for cash deposit and withdrawal and calculating interest from the bank account. - Bank book is also used when receiving a bank notification. - The accountant compares and keep balances of the bank account on monthly and quarterly basis. 	CDF accountants
7	KT 07_ CDF: Cash book	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To manage and keep track of payment and receipt amounts of the CDF. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Use cash book after receiving receipts and payments from the accountant (with valid vouchers) - Enter receipt amounts before entering the payment amounts. 	CDF accountants

		<ul style="list-style-type: none"> - Update receipt and payment vouchers in order of realization dates. - All the payments and receipts must be proved with valid vouchers. - In the end of days, weeks, months and quarters, the accountant makes grand totals, compares with the accountant's books and do cash count (with minutes of cash count to be required) 	
8	KT 08_ CDF: List of compulsory saving return	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To return the compulsory savings deposits and use as a base for book-keeping and quarterly reporting. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - To be used right after the loan makers complete their loan returns. At the same time, the accountant makes a list of money receivers to return the compulsory savings. - The amount of money returned to the loan makers is equal to the amount they have deposited. 	CDF accountants
9	KT 09_ CDF: Report on principal, interest and savings collection	<p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To keep track of details of members in loan making, loan return, loan debit and overdue loan amount. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - Every month and every quarter, the accountant bases on the cash return sheet to make the report. 	CDF accountants
10	KT 10_ CDF: Quarterly financial report (income statement and balance sheet)	<p><i>1. Income statement:</i></p> <p><u>Purpose:</u></p> <ul style="list-style-type: none"> - To help the management board to know if the CDF is resulting in profits or losses and have proper spending and business plans. <p><u>Instructions:</u></p> <ul style="list-style-type: none"> - In the end of months and quarters, the accountant makes the expenditure and income report based on the book of receipts, book of payment, bank book and cash book. <p><i>2. Balance sheet:</i></p> <p><u>Purpose:</u></p>	CDF accountants

		<ul style="list-style-type: none">- To check the preciseness of accounting books.- To help the CDF managers to have a financial overview of the fund (balance of loan capital, balance of fund's cash, balance of bank deposit, balance of compulsory savings, amount of transferred budget, debits, etc.) <p><u>Instructions:</u></p> <ul style="list-style-type: none">- Data are collected from the book of receipts, book of payments, cash book, bank book, etc.- Data are also collected from the reports on principal, interest and savings of the previous quarters. <p>Reporting time:</p> <ul style="list-style-type: none">- Once a quarter.	
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LIST OF CASH RECEIVERS

Commune.....District..... Province.....

Group.....Village.....

No.	Full name	Received amount	Signature	Note
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
	Total			

Day Month Year

Payer
Signature and full name

Accountant

Head of the CDF
Management Board
Signature and seal

LIST OF MEMBERS DEPOSITING COMPULSORY SAVINGS
 Commune.....District..... Province.....
 Group.....Village.....

No.	Full name	Amount of saving deposit	Signature	Note
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
	Total			

Day Month Year

Confirmation of the head of the group

Signature and full name

Compulsory savings collector

Accountant

**Head of the
Management Board**

CDF

Signature and full name

PRINCIPAL & INTEREST COLLECTION SHEET

Commune: District:..... Province:

Month Year.....

Head of group:

Village:

No.	Member's name	PLANNED COLLECTION				REAL COLLECTION				Member's signature	Note
		Principal	Interest	Other collection <i>(penalties,...)</i>	Total	Principal	Interest	Other collection <i>(penalties,...)</i>	Total		
1											
2											
3											
4											
5											
6											
7											
8											
	Total										

In words:

Date of return: Month Year

Credit staff
(Signature and full name)

**BIODIVERSITY CONSERVATION CORRIDORS INITIATIVE (BCI) PROJECT IN QUANG NAM PROVINCE
COMMUNE DEVELOPMENT FUND (CDF)**

INCOME RECORD BOOK

[For CDF accountants]

Commune:

District:

Province:

Year of registration:

**BIODIVERSITY CONSERVATION CORRIDORS INITIATIVE (BCI) PROJECT IN QUANG NAM PROVINCE
COMMUNE DEVELOPMENT FUND (CDF)**

EXPENSE RECORD BOOK
[For CDF accountants]

Commune:

District:

Province:

Year of registration:

**BIODIVERSITY CONSERVATION CORRIDORS INITIATIVE (BCI) PROJECT
IN QUANG NAM PROVINCE
COMMUNE DEVELOPMENT FUND (CDF)**

BANK TRANSACTION BOOK
[For CDF accountants]

Commune:

District:

Province:

Book code:

Year of registration:

**BIODIVERSITY CONSERVATION CORRIDORS INITIATIVE (BCI) PROJECT
IN QUANG NAM PROVINCE
COMMUNE DEVELOPMENT FUND (CDF)**

CASH BOOK
[For CDF cashiers]

Commune:

District:

Province:

Book code:

Year of registration:

LIST OF COMPULSORY SAVINGS RETURN

Commune District Province

Group Village.....

No.	Full name	Received amounts	Signature	Note
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
	Total			

Day Month Year

Confirmation of the head of the group*Signature and full name***Payer***Signature and full name***Accountant****Head of the
Management Board CDF**

Form KT 10 –

Commune..... District Province:

BALANCE SHEET
Quarter Year

Unit: VND

Item	DESCRIPTION	BALANCE AT THE REPORTING TIME
1	ASSETS	
1.1	Cash balance	
1.2	Bank account balance	
1.3	Advance balance (if any)	
1.4	Loan debit balance	
	TOTAL ASSETS	
2	LIABILITIES	
2.1	Balance of the project's loan fund	
2.2	Compulsory savings balance	
2.3	Loans from other funding sources (if any)	
3	EQUITY	
3.1	Grant balance	
3.2	Net expenditure and income of the loan fund [transferred from row numbered 8 of the income statement 1]	
3.3	Net expenditure and income of the grant fund [transferred from row number 13 of the income statement 2]	
	TOTAL LIABILITIES AND EQUITY (2+3)	

Day month year

Accountant
(Signature and full name)

Head of the CDF Management Board
(Signature and seal)

Commune District Province

INCOME STATEMENT
1 – Loan fund
 Quarter Year

Unit: VND

Item	DESCRIPTION	QUARTERLY ACCUMULATION	YEARLY ACCUMULATION
4	TOTAL INCOME		
4.1	Loan interest		
4.2	Bank deposit interest		
4.3	Penalty interest		
4.4	Loan service fees (if any)		
4.5	Gifts		
4.6	Other income		
5	TOTAL EXPENDITURE	-	
5.1	Meetings/workshops/trainings		
5.2	Allowances		
5.3	Traveling		
5.4	Stationery		
5.5	Purchase of facilities and equipment		
5.6	Risk costs		
5.7	Other expenses		
6	Balance of expenditure and income in the reporting quarter [= 4 - 5]		
7	Balance of expenditure and income of the previous quarter / year		
8	Balance of net expenditure and income at the end of the reporting quarter / accumulation of the year [= 6 + 7]		

Day month year

Accountant
(Signature and full name)

Head of the CDF Management Board
(Signature and seal)

Commune District Province

INCOME STATEMENT
2- Grant fund
 Quarter Year

Unit: VND

Item	DESCRIPTION	QUARTERLY ACCUMULATION	YEARLY ACCUMULATION
9	TOTAL INCOME		
9.1	Project fund source		
9.2	Funds from other sources		
9.3	Other income		
10	TOTAL EXPENDITURE		
10.1	Expenditures for conservation activities disbursed through the CDF		
10.2	Expenditures for plans/projects supported with grants		
10.3	Other expenditures		
11	Balance of expenditure and income in the reporting quarter [= 9 - 10]		
12	Balance of expenditure and income at the end of the previous quarter / year		
13	Balance of net expenditure and income at the end of the reporting quarter / accumulation of the year [= 11 + 12]		

Day month year

Accountant
 (Signature and full name)

Head of the CDF Management Board
 (Signature and seal)