

### Grant Covenants (Product: Grant No.0534-LAO)

#### (1) Project Specific Covenants: Financial

No.	Description	Reference in Grant Agreement	Status as of 30 June 2023
1	Except as ADB may otherwise agree, the proceeds of the Grant shall be allocated to items of expenditure and disbursed on the basis of the withdrawal percentage for each item of expenditure, as set forth in the Table.	Schedule 2, para 2	<b>Being Complied.</b> The project expenditures were disbursed on the basis the withdrawal percentage in accordance with the grant agreement
2	Notwithstanding the allocation of Grant proceeds and the withdrawal percentages set forth in the Table, (a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, in consultation with Recipient, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and (b) if the amount of the Grant allocate to any Category appears to exceed all agreed expenditures in the Category, ADB may, in consultation with the Recipient, reallocate such excess amount to any other Category.	Schedule 2, para. 3	<b>Being Complied.</b>  (a) & (b) Reallocation of funds was discussed during review missions and officially requested ADB's approval through MOF <u>Memo for reallocation was prepared in consultation with CTL, OGC and PPF</u>
3	Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook	Schedule 2, para. 4	<b>Complied.</b> All expenditures are disbursed in accordance with the Loan Disbursement Handbook
4	The Recipient shall ensure or cause the Project provinces to ensure that no proceeds of the Grant are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS	Schedule 4, para. 13	<b>Complied.</b> The grant is used to finance the project's activities which indicated in DMF and PAM.

#### (2) Project Specific Covenants: Others

No	Description	Date Due	Status as of 30 June 2023
5	The procurement of Goods, Works and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.	Schedule 3, para. 1	<b>Complied</b> All civil works, goods and consulting services have been procured in accordance with ADB and Government's Procurement and consulting service guidelines and requirements.
6	The Recipient shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Recipient and ADB. In the event of any discrepancy between the PAM and this Grant Agreement, the provisions of this Grant Agreement shall prevail.	Schedule 4, para.1	<b>Complied.</b> The EA has implemented the project activities as indicated in the PAM and Grant Agreement. Memo for minor change in implementation arrangement was prepared to use the grant to finance the resettlement cost in consultation with OGC, CTL and PPF, which signed by the Country Director.

No	Description	Date Due	Status as of 30 June 2023
7	Except as ADB may otherwise agree, Goods and Works shall be procured and Consulting Services shall be selected and engaged only on the basis of the procurement methods and the selection methods set forth below. These methods are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Recipient may only modify the procurement methods and the selection methods or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.	Schedule 3, para. 2	<b>Complied.</b> All civil work packages, goods and consulting services have been procured through methods indicated in the PAM, procurement plan which was updated on yearly basis.
8	All terms used in this Schedule and not otherwise defined in this Grant Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.	Schedule 3, para. 3	<b>Complied.</b> The EA has recognized all items indicated in Schedule 3 and Grant agreement have the same meanings provided in the procurement Guidelines and Consulting Service Guidelines and Requirements.
9	Goods and Works shall be procured on the basis of procurement methods set forth below: (a) National Competitive Bidding; and (b) Shopping	Schedule 3, para. 4	<b>Complied.</b> Most of civil work packages over \$100,000 have been procured through NCB. All good packages is at \$100,000 have been procured through NCB and less than \$100,000 by shipping method,
10	The Recipient and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Recipient's national competitive bidding procedures are consistent with the Procurement Guidelines. any modifications or clarifications to such procedures agreed between the Recipient and ADB shall be set out in the Procurement Plan. Any subsequent changed to the agreed modifications and clarifications shall become effective only after approval of such change by the Recipient and ADB.	Schedule 3, para. 5	<b>Complied.</b> <ul style="list-style-type: none"> <li>• 22 Civil work packages was procured by NCB.</li> <li>• Procurement of office equipment are procured through NCB, while office supplied are procured by Shopping.</li> </ul> All the procurement processes have been properly carried out following the Procurement Plan and ADB Procurement Guideline.
11	Except as set forth in the paragraph below, the Recipient shall apply Quality-and Cost-Based Selection for Consulting Services	Schedule 3, para. 8	<b>Complied.</b> The project signed a contract variation with the consulting firm who was engaged under the NRI project. The contract variation was approved and signed on 8 August 2017.
12	The Recipient shall apply the following selection methods for the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan: (a) Consultants' Qualifications Selection for engineering, social impact assessment, external safeguard monitoring and external audit; and (b) Fixed Budget Selection for irrigation subsector review	Schedule 3, para. 9	<b>Complied.</b> (a) The EA recruited the engineer design firm, external safeguard monitoring, social impact assessment through CQS. State Audit Organization was engaged as External audit throughout the Lao portfolio through single source selection (b) Irrigation subsector review consultant was recruited Fixe Budget Selection. <ul style="list-style-type: none"> <li>• Completed 3 CQS (CQS-1: SIA for Phase II subprojects, CQS-2: SV for Phase I subprojects, and CQS-3 for External Safeguards Monitor)</li> <li>• Completed (FBS-1 for Irrigation subsector review)</li> </ul>

No	Description	Date Due	Status as of 30 June 2023
13	<p>(a) The Recipient shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.</p> <p>(b) The Recipient shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractors or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.</p>	Schedule 3, para. 10	<p><b>Complied.</b></p> <p>(a) The EA has procured goods and works (including computer hardware, software and system and office equipment and supplies) with license in accordance with Procurement Guidelines.</p> <p>(b) The EA has strictly followed the government and ADB procurement guidelines when procurement of both goods and civil works. All contracts for goods and civil works include one year warranties.</p>
14	The Recipient shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.	Schedule 3, para. 11	<p><b>Complied.</b></p> <p>All the procurement processes strictly followed ADB guideline</p>
15	Contracts for Consulting Services shall be subject to prior review by ADB, unless otherwise agreed between the Recipient and ADB and set forth in the Procurement Plan.	Schedule 3, para. 12	<p><b>Complied.</b></p> <p>All the contracts for consulting services so far have been done subject to prior review by ADB indicated in the Procurement Plan.</p>
16	The Recipient shall ensure the Subproject specific gender action plans, to be prepared in accordance with the Project-wide Gender Action Plan, are fully implemented in a timely manner.	Schedule 4, para.14	<p><b>Completed.</b></p> <ul style="list-style-type: none"> <li>• <u>Phase I:</u> GAPS for 2 PRI subprojects for Phase I were approved by ADB on 12-Sep-'16.</li> <li>• <u>Phase II:</u> 1<sup>st</sup> draft of GAPS for 7 PRI subprojects for Phase II were submitted to ADB on 23-Jan-'18. 1<sup>st</sup> draft Full FS including 1<sup>st</sup> draft CAPs for 7 PRI subprojects for Phase II were submitted to ADB on 11-Jun-'18.</li> <li>• <u>Phase III:</u> 1<sup>st</sup> draft of GAPS for 7 PRI subprojects for Phase III were submitted to ADB on 18-Jun-'19. 1<sup>st</sup> draft Full FS including 1<sup>st</sup> draft CAPs for 7 PRI subprojects for Phase III were submitted to ADB on 09-Jul-'19.</li> <li>• <u>Phase IV:</u> GAP has been approved by ADB on 25-Feb-'21 as part of FS, final clean copy has been submitted on 26-Feb-'21</li> </ul>
17	<p>The Recipient (a) acknowledges ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the Project; and (b) agrees to cooperate, and shall cause MAF, and all other Recipient's offices, organizations and entities involving in implementing the Project to cooperate, fully with any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation.</p> <p>In particular, the Recipient shall ensure that (a) periodic inspections of the Project contractor's activities related to fund withdrawals and settlements are carried out; (b) relevant provisions of ADB's</p>	Schedule 4, para. 16	<p><b>Complied.</b></p> <p>(a) The EA and project team noted and is happy to cooperate if ADB conducts any investigation.</p> <p>(b) The EA and project team will invite all the relevant parties participate in any investigation if required.</p>

No	Description	Date Due	Status as of 30 June 2023
	Anticorruption Policy (1998, as amended to date) are included in all bidding documents for the Project; and (c) contracts, financed under the Project, include provisions specifying the right of ADB to audit and examine the records and accounts of MAF and Project provinces, contractors, suppliers, consultants, and other service providers as the relate to the Project.		
18	Except as provided in paragraph 20 below, the Recipient shall ensure that only candidate subprojects listed in the List of Eligible Subprojects are considered for financing under the Project.	Schedule 4, para. 17	<p><b>Complied.</b></p> <p>The EA and project team has strictly followed the list of eligible and activities indicated in the PAM and Procurement Plan.</p> <ul style="list-style-type: none"> <li>• <u>Phase I</u>: Selected 2 PRI subprojects for Phase I are in the list of eligible subprojects.</li> <li>• <u>Phase II</u>: Selected 7 PRI subprojects for Phase II are in the list of eligible subprojects.</li> <li>• <u>Phase III</u>: Selected 7 PRI subprojects for Phase III are in the list of eligible subprojects.</li> <li>• <u>Phase IV</u>: FS report has been approved by ADB in April 2021. Selected 6 PRI subprojects for Phase IV are in the list of eligible subprojects.</li> </ul>
19	The Recipient shall ensure that candidate subprojects in each Project province are taken up in the order of priority indicated in the List of Eligible Subprojects, and shall carry out feasibility studies and detailed design for such candidate subprojects.	Schedule 4, para.18	<p><b>Complied.</b></p> <p>The candidate subprojects in the four provinces are recognized as a priority list.</p> <ul style="list-style-type: none"> <li>• <u>Phase I</u>: 2 PRI subprojects were selected from the list of eligible subprojects.</li> <li>• <u>Phase II</u>: 7 PRI subprojects were selected from the list of eligible subprojects.</li> <li>• <u>Phase III</u>: 7 PRI subprojects were selected from the list of eligible subprojects.</li> <li>• <u>Phase IV</u>: 6 PRI subprojects were selected from the list of eligible subprojects.</li> </ul>

**(3) Project Specific Covenants: Safeguards**

No	Description	Reference in Grant Agreement	Status as of 30 June 2023
20	The Recipient shall ensure or cause the Project provinces to ensure that the preparation, design, construction, implementation, operation and decommissioning of each Subproject and all Project facilities comply with (a) all applicable laws and regulations of the Recipient relating to environment, health, and safety; (b) the Environment Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the respective IEE and SEMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Schedule 4, para. 2	<p><b>Complied.</b></p> <p>(a) The EA and project ensures that contractors strictly follow the laws and regulations related environment, health and safety. This requirement indicated in the bidding document.</p> <p>(b) The project engages an environmental consultant to monitor the civil works to mitigate all environmental impact.</p> <p>(c) EARF</p> <p>(d) All measures and requirements set in the IEEs and ESMP are monitored regularly, corrective action set up and report in the safeguards monitoring.</p> <p>All the necessary implementation processes and documents regarding environment so far have been strictly done following ADB and government guideline.</p>
21	The Recipient shall ensure that no Subproject which meets the ADB's Category A environmental criteria as defined under the Safeguard Policy Statement, is included in the list of Eligible Subprojects, and that no Subproject with Category A environmental criteria is financed under the Project.	Schedule 4, para. 3	<p><b>Complied.</b></p> <p>The EA confirmed that there was no subproject to be categorized A environmental criteria.</p>
22	The Recipient shall ensure or cause the Project provinces to ensure that all land and all rights-of-way required for each Subproject and all Project facilities are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Recipient relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the respective RP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Schedule 4, para.4	<p><b>Complied.</b></p> <p>(a)- (d) complied. The project engaged international and national safeguard consultants to prepare land acquisition and resettlement plan and compensation to ensure they comply with ADB social safeguard policy and requirements, Involuntary Resettlement, Resettlement Framework, and measurement set forth in the resettlement plan. Social safeguard activities have been reported in the Safeguard Monitoring Report.</p>
23	The Recipient shall ensure that no Subproject which meets the Involuntary Resettlement Category A, is included in the List of Eligible Subprojects, and that no Subproject with the Involuntary Resettlement Category A is financed under the Project.	Schedule 4, para. 5	<p><b>Complied.</b></p> <p>No subprojects are categorized A for Involuntary Resettlement</p>
24	The Recipient shall not award any Works contract for a Subproject which involves environmental impacts until MAF has: (a) obtained the final approval of the IEE from the Recipient's Ministry of Natural Resources and Environment; and (b) incorporated the relevant provisions from the SEMP into the Works contract.	Schedule 3, para. 6	<p><b>Complied.</b></p> <p>(a) The project obtained a certify letter of IEE from Provincial Natural Resources and Environmental offices for all subprojects prior allowing the contractors' mobilization.</p> <p>(b) All relevant provision under civil work contracts are incorporated in the SEMP and cleared by</p>

No	Description	Reference in Grant Agreement	Status as of 30 June 2023
			<p>ADB environmental officer prior posted on ADB website.</p> <p><u>Phase I (2 subprojects)</u></p> <p>(c) The IEE for 2 subprojects for Phase I was approved on 16-Jan-'18 by PONRE Oudomxay province. The kick-off meetings for the 2 subprojects (NCB-001 and 002) were held on 24-Jan-'18 for NCB-001, and on 25-Jan-'18 for NCB-002, respectively.</p> <p>(d) The works contract incorporated the relevant provisions from the SEMP.</p> <p><u>Phase II (7 subprojects):</u></p> <p>(a) The IEE for 7 subprojects for Phase II was approved on 23 Dec'18 by LNT PONRE, 11 Jan.'19 by Bokeo PONRE, 08 Feb'19 by PSL PONRE and 11 Feb'19 by ODX PONRE, respectively.</p> <p>The civil works contract were awarded in 14<sup>th</sup> and 15<sup>th</sup> November 2019. Two packages out of 7 packages were terminated in April 2020 due to poor performance of contract management by the contractors.</p> <p><u>Phase III (7 subprojects):</u></p> <p>(a) The IEE for 7 subprojects for Phase III was approved already by LNT PONRE, Bokeo PONRE, ODX PONRE and PSL PONRE respectively.</p> <p>The civil works contract for 5 packages were awarded for NCB-010, 013, 014, 015 &amp; 016. CEMP has been submitted by the contractors and construction will commence from end of March 2021.</p> <p><u>Phase IV (6 subprojects)</u></p> <p>(a) FS report (Annex 8 IEE) have been approved by ADB in April 2021.</p>
25	<p>Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the RP, the Recipient shall ensure or cause the Project provinces to ensure that no physical or economic displacement takes place in connection with the Subprojects until:</p> <p>(a) compensation and other entitlements have been provided to affected people in accordance with the RP; and</p> <p>(b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.</p>	Schedule 4, para.6	<p><b>Complied.</b></p> <p>The Project confirmed that there was no physical or economic displacement takes place in all 22 subprojects. Land acquisition and compensation is prepared when acquired land in and around the irrigation systems.</p>
26	<p>The Recipient shall also ensure that a grievance mechanism acceptable to ADB is established for affected people in the districts where the resettlement activities under the Project are carried out.</p>	Schedule 4, para. 7	<p><b>Complied.</b></p>

No	Description	Reference in Grant Agreement	Status as of 30 June 2023
			Grievance mechanism is established at Department of Irrigation, provincial, district and village authorities. The Project ensures that a grievance mechanism acceptable to ADB is established for affected people in the district.
27	The Recipient shall not award any Works contract involving involuntary resettlement impacts for a Subproject until the Recipient has prepared and submitted to ADB the final RP for such Subproject Based on the Subproject's detailed design, and obtained ADB's clearance of such RP.	Schedule 3, para.7	<p><b>Complied:</b></p> <p>Land Acquisition and Compensation Plans (LACP) and Completion of Compensation Reports (CCRs) ACPs and CCRs are prepared and cleared by ADB and posted on ADB website prior contractors' mobilization.</p> <p><u>Phase I (2 subprojects).</u></p> <ul style="list-style-type: none"> <li>• Updated resettlement documents for Subprojects Nam Oun and Nam Beng in Oudomxay province were approved by ADB on 15-Jan-'18.</li> <li>• The kick-off meetings for NCB-001 and 002 were held on 24-Jan-'18 for NCB-001, and on 25-Jan-'18 for NCB-002, respectively.</li> </ul> <p><u>Phase II (7 subproject).</u></p> <ul style="list-style-type: none"> <li>• LACPs of FS stage for 7 subprojects were approved by ADB on 27 Feb 2019.</li> <li>• Updated LACPs for 7 subprojects based on DD submitted to ADB by 30 September 2019 for getting approval before commencement of construction in January 2020. However, as ADB comment during the ADB mission the updated LACR was updated and re-submit to ADB on the 13 March 2020. In May to June 2020, the Project and ADB had organized technical meeting and agreed to prepare Due Diligence Report (DDR) for LAC for phase II subprojects to justify sustainable compensation package (land titling and agriculture extension).</li> <li>• LACDDRs has been approved by ADB on November 2020 and the construction has commenced already.</li> </ul> <p><u>Phase III (7 subproject).</u></p> <ul style="list-style-type: none"> <li>• Detail design has been completed, and updated LACP preparation is now ongoing.</li> <li>• The civil works contract for 5 packages were awarded for NCB-010, 013, 014, 015 &amp; 016 on 2<sup>nd</sup> February 2021. Notice to proceed has been issued on 25 March 2021. The Contractor has started mobilization.</li> </ul> <p><u>Phase IV (6 subproject).</u></p>

No	Description	Reference in Grant Agreement	Status as of 30 June 2023
			<ul style="list-style-type: none"> <li>As agreed with ADB during the Review Mission in August 2020, the Project will prepare LACP based on DED (planned in Q4 2021).</li> </ul>
28	<p>The Recipient shall ensure that Subprojects do not adversely affect ethnic groups, households headed by women, disabled, elderly or other similarly vulnerable groups, and that rights and needs of ethnic groups are fully addressed in accordance with ADB's Policy on Gender and Development (1998) and Safeguard Policy Statement. In particular, the Project shall be carried out in accordance with the Indigenous Peoples Planning Framework.</p>	Schedule 3, para. 4	<p><b>Complied.</b></p> <p>The site engineers and provincial staff visited the projects' sites to observe and analyze whether there were any adverse impact on ethnic groups and to prepare ethnic group development plan as part of Feasibility Study for each subproject. The ethnic group in and surrounding subprojects benefits from the project's intervention which directly contribute to improvement of household income.</p> <ul style="list-style-type: none"> <li><b>Phase I:</b> FS reports including Ethnic Group Development Plan for Subprojects Nam Oun and Nam Beng in Oudomxay province were approved by ADB on 12-Sep-'16.</li> <li><b>Phase II:</b> FS report including Ethnic Group Development Plan for 7 PRI subprojects were approved by ADB in Oct.'18.</li> <li><b>Phase III:</b> FS report including Ethnic Group Development Plan for 7 PRI subprojects were approved by ADB in Nov.'21.</li> <li><b>Phase IV:</b> FS report including Ethnic Group Development Plan for 6 PRI subprojects were approved by ADB in April '21.</li> </ul>
29	<p>The Recipient shall ensure that no Subprojects which have significant impacts on ethnic groups, is included in the List of Eligible Subprojects, and that no Subproject with such impacts is financed under the Project. For Subprojects in which ethnic groups are present and affected, an indigenous peoples plan shall be prepared in accordance with the Indigenous Peoples Planning Framework.</p>	Schedule 4, para 9	<p><b>Complied.</b></p> <p>Some irrigation systems were constructed in ethnic group communities, the ethnic groups benefited the project's intervention, especially irrigation water and trainings. Ethnic Group Development Plan was prepared during the Feasibility studies.</p> <ul style="list-style-type: none"> <li><b>Phase I:</b> FS reports including Ethnic Group Development Plan for Subprojects Nam Oun and Nam Beng in Oudomxay province were approved by ADB on 12-Sep-'16.</li> <li><b>Phase II:</b> FS report including Ethnic Group Development Plan for 7 PRI subprojects were approved by ADB in Oct.'18.</li> <li><b>Phase III:</b> FS report including Ethnic Group Development Plan for 7 PRI subprojects were approved by ADB in Nov.'21.</li> </ul>



No	Description	Reference in Grant Agreement	Status as of 30 June 2023
			<ul style="list-style-type: none"> <li>Phase IV: FS report including Ethnic Group Development Plan for 6 PRI subprojects were approved by ADB in April '21.</li> </ul>
30	<p>The Recipient shall ensure that, (a) measures to improve the welfare of ethnic groups are built into the overall Subproject design where the ethnic group population exceeds 60%; and (b) no negative impact on such ethnic groups is expected.</p>	<p>Schedule 4, para. 10 IP</p>	<p><b>Complied.</b></p> <ul style="list-style-type: none"> <li>Phase I: FS reports including Ethnic Group Development Plan for Subprojects Nam Oun and Nam Beng in Oudomxay province were approved by ADB on 12-Sep-'16.</li> <li>Phase II: FS report including Ethnic Group Development Plan for 7 PRI subprojects were approved by ADB in Oct.'18.</li> <li>Phase III: FS report including Ethnic Group Development Plan for 7 PRI subprojects were approved by ADB in Nov.'21.</li> <li>Phase IV: FS report including Ethnic Group Development Plan for 6 PRI subprojects were approved by ADB in April '21.</li> </ul>
31	<p>The Recipient shall ensure or cause the Project provinces to ensure that all bidding documents and contracts for Works contain provisions that require contractors to:</p> <p>(a) comply with the measures and requirements relevant to the contractor set forth in the IEE, the SEMP, and the RP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out in a Safeguards Monitoring Report;</p> <p>(b) make available a budget for all such environmental and social measures; and</p> <p>(c) provide the Recipient with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE, the SEMP or the RP.</p>	<p>Schedule 4, para. 11</p>	<p><b>Complied.</b></p> <p>(a) All the requirements related environment compliance includes in the bidding document.</p> <ul style="list-style-type: none"> <li>General Conditions of Contract for NCB-001 and 002 include Clause 63. 1 (a) The Contractor shall comply with all applicable national, provincial, and local environmental laws and regulation; and 63.1 (b) The Contractor shall (i) establish an operational system for managing environmental impacts, (ii) carry out all of the monitoring mitigation measures set forth in the Environmental Management Plan attached hereto.</li> <li>Particular Condition of Contract includes Clause 63.1 (b) The Contractor shall assign environment supervising/monitoring staff. The Contractor shall prepare the contractor's (site-specific) environmental management plan (SSEMP) and submit to the EA/IA through DCO/PPO for approval before commencement of the contracted construction works.</li> </ul>

No	Description	Reference in Grant Agreement	Status as of 30 June 2023
			<p>The Contractor shall submit the monthly environmental monitoring report (EMR) to the EA/IA attached hereto.</p> <p>(b) Budget has allocated to recruit environmental consultants and site monitoring to ensure that contractors strictly implement the EMP.</p> <p>(c) So far, there are no unanticipated environment, resettlement or ethnic groups risks or impacts arise during construction, implementation or operation of the project's activities.</p> <p>(d) The EA and project team noted that they will submit an official notice if there are any</p>
32	<p>The Recipient shall do the following or shall cause the Project provinces to do the following:</p> <p>(a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</p> <p>(b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE, the SEMP or the RP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and</p> <p>(c) report any actual or potential breach of compliance with the measures and requirements set forth in the SEMP or the RP promptly after becoming aware of the breach.</p>	Schedule 4, para. 12	<p><b><u>Complied.</u></b></p> <p>(a) The project submitted the Semi-annual Safeguards Monitoring reports as follows:</p> <ul style="list-style-type: none"> <li>• 31 Jul. 2018: 1<sup>st</sup> Semi-annual Safeguard Monitoring Report (SSMR) 2018 was submitted to ADB.</li> <li>• 17 Oct. 2018: Revised 1<sup>st</sup> SSMR was submitted to ADB</li> <li>• 31 Jan. 2019: 2<sup>nd</sup> SSMR was submitted to ADB.</li> <li>• 2 Aug. 2019: 3<sup>rd</sup> SSMR was submitted to ADB.</li> <li>• 03 Feb. 2020: 4<sup>th</sup> SSMR was submitted to ADB.</li> <li>• 28 Aug. 2020: Comments from ADB</li> <li>• 11 Nov.2020: clearance by ADB</li> <li>• 8 Jan. 2021: 5<sup>th</sup> SSMR was cleared by ADB.</li> <li>• 15 Jun. 2021: 6<sup>th</sup> SSMR was cleared by ADB</li> <li>• 8 Mar. 2022: 8<sup>h</sup> SSMR was cleared by ADB</li> <li>• <u>17 Oct. 2022: 9<sup>th</sup> SSMR was submitted to ADB</u></li> </ul> <p>(b) The EA noted that they need to inform ADB if there are any unanticipated issues on environment risks and negative impacts arise during construction, implementation and operation.</p> <p>(c) So far, there are no breach of compliance set forth in the SEMP and RP.</p>

No	Description	Reference in Grant Agreement	Status as of 30 June 2023
33	In case that a candidate subproject does not meet the criteria provided in paragraph 19 above, it shall be replaced by the next priority candidate subproject for the respective Project province under the List of Eligible Subprojects. If candidate subprojects not listed in the List of Eligible Subprojects are to be considered for financing under the Project, they shall be examined and screened by MAF with the support from an independent consultant acceptable to both ADB and the Recipient, and submitted to ADB for approval.	Schedule 4, para. 20 Environment	<b>Complied</b> The EA conducted feasibility study of Phases I-4 subprojects and found that they met the List of Eligible Subprojects. eligible FS reports for phase I to phase IV have been completed. Recruitment of consultants including independent consultant for monitor the safeguards implementation were endorsed by MAF and ADB.

**(4) Project Specific Covenants: Social**

No.	Description	Date Due	Status as of 30 June 2023
34	The Recipient, through MAF, shall ensure that the gender mainstreaming activities are (a) incorporated into the Project design and undertaken during Project implementation; and (b) monitored by the Division Advancement of Women within MAF. Such activities shall include (a) women's participation in the consultation and participatory process through the inclusion of representatives of the provincial and district levels for the Advancement of Women or Lao Women's Union, and having at least 20% of female staff in NPMO and PPOs of each level of their administrative structures; (b) equal opportunity to access employment with equal pay for equal type of work; (c) the opportunity for women to participate in post-construction Subproject operation and maintenance activities on the basis of equal pay for work of equal value, and at least 30% of women's participation in the respective water user groups and their management, and all the subproject management committees; (d) pro-poor activities specifically focused on women's needs; (e) equal opportunity for men and women to attend training courses and sessions under Component 3; (f) the inclusion of a social specialist in the Project implementation consulting team to address gender issues; and (g) the use of gender-disaggregated data in the benefit monitoring aspects of Project monitoring and evaluation.	Schedule 4, para. 15	<b>Complied.</b> <ul style="list-style-type: none"> <li>(a) The project involved of MAF's DAW, representatives of provincial and districts of advancement of Women and Lao Women's Union NPMO and PPOs female staff, and female beneficiaries participate in the planning and implementation process of project interventions;</li> <li>(b) The project ensures that the contractors offer equal opportunities for male and female villages be employed in the constructions at equal pay for equal type or works. In fact, female are interested working as administrative, cooking and cleaning in the construction camps rather than working as construction workers.</li> <li>(c) Maintenance of irrigation requires technical skills and experience, while female technical officers and beneficiaries is limited.</li> <li>(d) The project initiated a few pro poor activities focused on women needs such as clean agriculture, female focus extension services to support</li> <li>(e) The project has offered equal opportunities for male and female staff beneficiaries to attend any training. Less female staff attended technical training on using GPS and GIS tool for survey and data collection.</li> <li>(f) The project engaged social development (gender) consultant to implement several activities as part of community development.</li> <li>(g) Project data includes gender disaggregated data.</li> </ul> <p>Monitoring of GAP performance is being done by PPOs, and reported to NPMO monthly basis, and then NPMO reports to ADB in quarterly basis.</p>

No.	Description	Date Due	Status as of 30 June 2023
			<p><u>Involvement of MAF's DAW in GAP implementation and reporting:</u></p> <p>This includes i) to discuss with DAW in the PAFO and DAFO levels to identify appropriate female-focused activity (GAP activity 8); ii) to assign DAW staff at PAFO and DAFO to be project gender focal (GAP activity 12); and iii) to invite a representative from MAF's DAW to participate in the project mid-term review.</p> <ul style="list-style-type: none"> <li>• MAF (DAW) appointed a coordination staff to the Project (Ms. Sisompheth Souvantharith, Head of Division);</li> <li>• PAFO and DAFO: All gender coordination staff appointed at PPOs and DCOs are member PAFO's and DAFO's DAW;</li> <li>• Gender related targets were integrated into project M&amp;E system and introduced to PPO and DCO during the inception workshop training in November 2017, which include:             <ul style="list-style-type: none"> <li>- Data collection forms designed to be collected sex-disaggregated/ethnic group basis;</li> <li>- Monitoring report of GAP implementation in every Project Quarterly Report submitted to ADB with a copy to MAF's DAW.</li> </ul> </li> </ul>
35	<p>After completion of the feasibility studies as mentioned in paragraph 18 above, candidate subprojects shall be received by NPMO, and shall be taken up for physical implementation only if they met the following criteria:</p> <p>(a) a 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%, a significant level of unquantifiable benefits will have been documented;</p> <p>(b) procurement packages as well as the methods of procurement and cost estimates have been clearly identified and recorded, and all sources of funding have been identified and agreed/confirmed;</p> <p>(c) the relevant Subproject investment report contains a detailed financing plan for operation and maintenance, including: the operations entity 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;</p> <p>(d) public hearings on the Subproject proposal have been held in concerned kumbans, and measures for future public consultation and supervision;</p> <p>(e) a Subproject is shown to have no significant negative environmental or social impacts, and mitigation measures have been defined for minor impacts;</p> <p>(f) 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 the Recipient's laws and regulations, and ADB's Safeguard Policy Statement; and</p>	Schedule 4, para.19	<p><b>Complied.</b></p> <p>All FS reports and SIR for phase I to phase IV included the required criteria (a) to (g).</p> <p>All phase I-IV subprojects procurement and contract award completed.</p>

No.	Description	Date Due	Status as of 30 June 2023
	(g) where necessary, a Resettlement Plan and an Indigenous People's Development Plan have been prepared.		
36	<p>The Recipient shall ensure that the core labor standards and the Recipient's applicable laws and regulations are complied with during Project implementation. The Recipient shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Recipient's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) do not restrict the workers from developing a legally permissible means of expressing their grievances and protecting their rights regarding working conditions and terms of employment; and (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women. The Recipient shall strictly monitor compliance with the requirements set forth in this paragraph and provide ADB with regular reports.</p>	Schedule 4, para. 21	<p><b>Complied.</b></p> <p><b><u>Phase I (2 subprojects) : completed</u></b></p> <ul style="list-style-type: none"> <li>• <u>The contracts for 2 packages of NCB-001 and 002 Clause GCC 65.1 to 4 and 67.1 mention that:</u></li> <li>• 65.1 The Contractor shall comply with all relevant (a) labour laws and regulations applicable to the Contractors personnel, including staff, consultants, contractors and agents; and (b) workplace health and safety laws.</li> <li>• 65.2 The Contractor shall not make employment decisions based upon personal characteristics unrelated to job requirements. The Contractor shall base the employment relationship upon equal opportunity and fair treatment, and shall not discriminate with respect to aspects of the (employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment or retirement and discipline.</li> <li>• 65.3 The Contractor shall provide equal wages and benefits to men and women for work of equal value or type.</li> <li>• 65.4 In case the subproject/sub-scheme would have Affected Households (loss of land), they shall be given priority for temporary or permanent opportunities for skilled, semi-skilled or non-skilled jobs by the Contractor. This has to be applied by the Contractor in cooperation with the Employer.</li> <li>• 67.1 The Contractor shall not employ any child to perform any work, including work that is economically exploitative, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development. "Child" means a child below the statutory minimum age of 15.</li> </ul> <p><b><u>Phase II (7 subprojects): 7 subproject construction completed.</u></b></p> <ul style="list-style-type: none"> <li>• NCB-003, 004, 005 &amp; 007 Contract signing on 14 November 2019</li> <li>• NCB-008 &amp; 009 Contract signing on 15 November 2019</li> </ul>

No.	Description	Date Due	Status as of 30 June 2023
			<ul style="list-style-type: none"> <li>• NCB-008&amp;009 is under re-bidding process since original contract has been terminated due to poor performance of contract management by the contractors.</li> <li>• NCB-008.1&amp;009.1 were awarded through re-bidding on 11 Nov 2020.</li> <li>• The contracts include the same <u>Clauses GCC 65.1 to 4 and 67.1</u> as those contracts for Phase I subprojects.</li> </ul> <p><b><u>Phase III (7 subprojects): 7 subprojects construction completed.</u></b></p> <ul style="list-style-type: none"> <li>• NCB-10, 13, 14, 15 &amp; 16 Contract signing on 2 February 2021</li> <li>• NCB-12 Contract signing on 2 April 2021</li> <li>• NCB-11 Revised BER submitted to ADB on 1 April 2021</li> <li>• The contracts include the same <u>Clauses GCC 65.1 to 4 and 67.1</u> as those contracts for Phase I subprojects.</li> </ul> <p><b><u>Phase IV (6 subprojects): 6 subprojects construction completed.</u></b></p> <ul style="list-style-type: none"> <li>• Bid launched 13 September 2021</li> <li>• Bid open planned on 25-26 October 2021</li> <li>• All contracts were signed include the same <u>Clauses GCC 65.1 to 4 and 67.1</u> as those contracts for Phase I subprojects.</li> </ul>
37	The Recipient, through MAF, shall ensure that Project provinces promote active community awareness and stakeholder participation in the design, implementation and performance monitoring of Subprojects. Those shall include (a) disseminating the nature of the proposed Works in open public forums, and (b) establishing a mechanism for public consultation. Bidding documents financed under the Project shall include provisions to ensure contractors' preferential hiring of local labor and to comply with the Recipient's Labor Law and labor regulations including guaranteeing equal opportunities for female workers to work with the principle of equal pay for work of equal value.	Schedule 2, para. 22	<p><b><u>Complied.</u></b></p> <p><b><u>Phase I (2 subprojects) : completed</u></b></p> <ul style="list-style-type: none"> <li>• During the contract negotiation for Package NCB-001 and NCB-002, the EA explained and the contractors agreed on "men and women of job opportunities", and signed in the minutes of the meeting, <i>para. 10 of which indicates that "As described in GCC 65.3, the Contractor shall provide equal wages and benefits to men and women for work of equal value or type. The Contractor shall submit the actual paysheets monthly to the EA/IA showing the equal wages and benefits to men and women for work of equal value or type."</i></li> <li>• During the construction period, the contractor explained to the local people about equal opportunity to access employment with equal pay for equal type of work, and keep records of this matter.</li> </ul>

No.	Description	Date Due	Status as of 30 June 2023
			<p><b><u>Phase II (7 subprojects):</u></b></p> <ul style="list-style-type: none"> <li>• NCB-003, 004, 005 &amp; 007 Contract signing on 14 November 2019</li> <li>• NCB-008 &amp; 009 Contract signing on 15 November 2019</li> <li>• NCB-008&amp;009 is under re-bidding process since original contract has been terminated due to poor performance of contract management by the contractors.</li> <li>• NCB-008.1&amp;009.1 were awarded through re-bidding on 11 Nov 2020.</li> <li>• The contracts include the same <u>Clauses GCC 65.1 to 4 and 67.1</u> as those contracts for Phase I subprojects.</li> </ul> <p><b><u>Phase III (7 subprojects):</u></b></p> <ul style="list-style-type: none"> <li>• NCB-10, 13, 14, 15 &amp; 16 Contract signing on 2 February 2021</li> <li>• NCB-12 Contract signing on 2 April 2021</li> <li>• NCB-11 Revised BER submitted to ADB on 1 April 2021</li> <li>• The contracts include the same <u>Clauses GCC 65.1 to 4 and 67.1</u> as those contracts for Phase I subprojects.</li> </ul> <p><b><u>Phase IV (6 subprojects):</u></b></p> <ul style="list-style-type: none"> <li>• NCB-17, 18, 19, 20, 21 &amp; 22 bid open completed on 25-26 October 2021</li> <li>• NCB-17, 18, 19, 20, 21 &amp; 22 contract awarded on 14-15 February 2022.</li> <li>• The contracts include the same <u>Clauses GCC 65.1 to 4 and 67.1</u> as those contracts for Phase I subprojects</li> </ul>