
GRANT NUMBER 9185-MYA (EF)

GRANT AGREEMENT
(Japan Fund for Poverty Reduction)
(Emergency Support for Chin State Livelihood Restoration Project)

between

REPUBLIC OF THE UNION OF MYANMAR

and

ASIAN DEVELOPMENT BANK

DATED 31 August 2018

MYA 49334

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**GRANT AGREEMENT
(Externally Financed)**

GRANT AGREEMENT dated 31 August 2016 between REPUBLIC OF THE UNION OF MYANMAR ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Recipient has applied to Japan Fund for Poverty Reduction ("JFPR") for a grant, to be administered by ADB, for the purposes of the Project described in Schedule 1 to the Grant Agreement;

(B) It has been resolved that the JFPR will extend a grant, administered by ADB, for the purpose of financing expenditures under the Project; and

(C) ADB has agreed to make the proceeds of the grant from JFPR available to the Recipient upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of the Externally Financed Grant Regulations of ADB, dated 8 April 2009 ("Grant Regulations"), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Grant Agreement, the several terms defined in the Grant Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Grant Agreement have the following meanings:

(a) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2013, as amended from time to time);

(b) "Consulting Services" means the services to be financed out of the proceeds of the Grant, as described in paragraph 3 of Schedule 1 to this Grant Agreement;

(c) "DRD" means the Recipient's Department of Rural Development within MOALI or any successor thereto;

(d) "Environment Assessment and Review Framework" or "EARF" means the environment assessment and review framework detailing the environmental assessment process for the Project, including any updates thereto;



(e) "Environmental Management Plan" or "EMP" means any environmental management plan for the Project (to the extent applicable), including any update thereto, incorporated in the IEE;

(f) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;

(g) "Gender Action Plan" or "GAP" means the gender action plan prepared for the Project, including any update thereto, and agreed to between the Recipient and ADB;

(h) "GMU" means the Grant Management Unit as further described in the PAM;

(i) "Goods" means equipment and materials to be financed out of the proceeds of the Grant, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services;

(j) "Indigenous Peoples Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3, and Appendix 4 (as applicable) of the SPS;

(k) "Initial Environmental Examination" or "IEE" means any initial environmental examination for the Project (to the extent applicable), including any update thereto, prepared and submitted by the Recipient and cleared by ADB;

(l) "Involuntary Resettlement and Indigenous Peoples Safeguard Guidelines" means the involuntary resettlement and indigenous peoples safeguards guidelines setting forth the criteria and screening procedures for involuntary resettlement and indigenous peoples safeguard compliance for the Project, including any updates thereto which is attached to the PAM;

(m) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2015, as amended from time to time);

(n) "MOALI" means the Recipient's Ministry of Agriculture, Livestock and Irrigation or any successor thereto;

(o) "NGOs" means non-government organizations;

(p) "Outputs" means the outputs described in paragraph 2 of Schedule 1 to this Grant Agreement;

(q) "PAM" means the project administration manual for the Project dated 11 March 2016 and agreed between the Recipient and ADB, as updated from time to time in accordance with the respective administrative procedures of the Recipient and ADB;

(r) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);

(s) "Procurement Plan" means the procurement plan for the Project dated 11 March 2016 and agreed between the Recipient and ADB, as updated from time to time in



accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

(t) "Project Executing Agency" or "EA" for the purposes, and within the meaning, of the Grant Regulations means MOALI, or any successor thereto acceptable to ADB, which is responsible for the overall supervision and execution of the Project;

(u) "Project facilities" means any facilities to be constructed, provided, rehabilitated, operated and/or maintained under the Project;

(v) "Project Implementing Agency" means DRD or any successor thereto acceptable to ADB, which is responsible for the day-to-day implementation of the Project;

(w) "Resettlement and Ethnic Groups Development Framework" or "REGDF" means the resettlement and ethnic group development framework for the Project, including any updates thereto;

(x) "Resettlement and Ethnic Groups Development Plan" or "REGDP" means the resettlement and ethnic group development plan for the Project, including any update thereto, prepared and submitted by the Recipient and cleared by ADB;

(y) "Safeguards Monitoring Report" means each report prepared and submitted by the Recipient to ADB that describes progress with implementation of and compliance with the EARF, EMP, the REGDF, and the REGDP including any corrective and preventative actions;

(z) "Safeguard Policy Statement" or "SPS" means ADB's Safeguard Policy Statement (2009); and

(aa) "Works" means construction or civil works to be financed out of the proceeds of the Grant, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient a grant from JFPR in the amount of ten million Dollars (\$10,000,000).




ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 2 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Grant in accordance with the provisions of Schedule 3 to this Grant Agreement.

Section 3.04. Withdrawals from the Grant Account in respect of Goods, Works and Consulting Services shall be made only on account of expenditures relating to:

- (a) Goods which are produced in and supplied from and Works and Consulting Services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement; and
- (b) Goods, Works and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.05. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 31 October 2019 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Grant Agreement.

Section 4.02. (a) The Recipient shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable



to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Grant proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

(c) The Recipient shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Recipient's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Recipient, unless the Recipient shall otherwise agree.

Section 4.03. The Recipient shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.04. The Recipient acknowledges and agrees that this Grant Agreement is entered into by ADB, not in its individual capacity, but as grant administrator for JFPR. Accordingly, the Recipient agrees that (i) it may only withdraw Grant proceeds to the extent that ADB has received proceeds for the Grant from JFPR, and (ii) that ADB does not assume any obligations or responsibilities of JFPR in respect of the Project or the Grant other than those set out in this Grant Agreement.

ARTICLE V

Effectiveness

Section 5.01. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of this Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.



ARTICLE VI

Miscellaneous

Section 6.01. For the purposes of Section 11.02 of the Grant Regulations, the Recipient shall designate the relevant representative and inform ADB in writing.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

To be provided separately to ADB in writing.

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

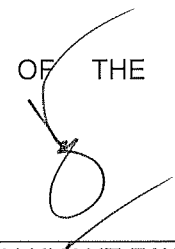
Facsimile Numbers:

(632) 636-2444.

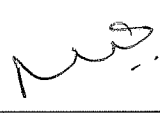


IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

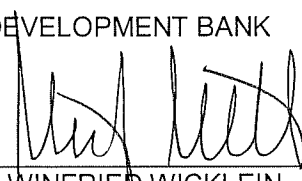
REPUBLIC OF THE UNION OF
MYANMAR

By 
U KHANT ZAW
Authorized Representative
Ministry of Agriculture, Livestock
and Irrigation

REPUBLIC OF THE UNION OF
MYANMAR

By 
DAW NWE NWE WIN
Authorized Representative
Ministry of Planning and Finance

ASIAN DEVELOPMENT BANK

By 
WINFRIED WICKLEIN
Country Director
Myanmar Resident Mission



SCHEDULE 1**Description of the Project**

1. The objective of the Project is to restore access and community infrastructure to at least pre-Cyclone Komen levels with increased resilience in 7 townships in Chin State.
2. The Project shall comprise the following outputs:
 - Output 1: Restored Village Access.** This output shall restore rural roads and bridges by promoting the concept of build-back better to at least the pre-disaster situation to ensure increased resilience to future disasters. This shall comprise (a) priority village-to-village and village-to-town roads and bridges for construction using labor-based methods, and (b) complementary sections of village-to-village and village-to-town roads and bridges using machine-based construction methods.
 - Output 2: Restored Community infrastructure.** This output shall repair: (a) power systems (micro-hydro and solar) in approximately 25 villages; (b) village water supplies in approximately 44 villages; and (c) priority community infrastructure.
 - Output 3: Community disaster risk management capacity strengthened.** This output shall support a process of capacity building for improved disaster risk management across the Chin State. This process shall include strengthening disaster risk management systems at district, township, village tract and village level through (a) using disaster risk information to prepare disaster management plans at all administrative levels and strengthening their linkages with development planning processes; and (b) capacity building of state and local government officials, civil society organizations and communities in identifying risk, prioritizing risk reduction measures and implementing non-structural measures to strengthen disaster resilience..
3. The Project shall finance the consulting services for Project management, procurement agent, technical, advisory, training and capacity building activities.
4. The Project is expected to be completed by 30 April 2019.



SCHEDULE 2**Allocation and Withdrawal of Grant Proceeds**General

1. The table attached to this Schedule sets forth the Categories of item of expenditure to be financed out of the proceeds of the Grant and the allocation of the Grant proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the Grant Account

2. Except as ADB may otherwise agree, the proceeds of the Grant shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.



Reallocation

3. 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, by notice to the 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 allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Recipient, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.



TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Emergency Support for Chin State Livelihood Restoration Project)			
Number	Item	Total Amount Allocated for JFPR Financing (\$) Category	Basis for Withdrawal from the Grant Account
1	Investment Costs	10,000,000	100 percent of total expenditures claimed
	Total	10,000,000	



SCHEDULE 3

Procurement of Goods, Works and Consulting Services

General

1. The procurement of Goods, Works and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.
2. 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.

Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the method of procurement set forth below:
 - (a) International Competitive Bidding;
 - (b) National Competitive Bidding;
 - (c) Shopping;
 - (d) Direct contracting; and
 - (e) Community participation in procurement.

4. The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Recipient may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

National Competitive Bidding

5. 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 change to the agreed modifications and clarifications shall become effective only after approval of such change by the Recipient and ADB.

Procurement Agent

6. The Recipient may appoint a Procurement Agent to assist the Project Implementing Agency to prepare and negotiate the procurement contracts in accordance with the terms and conditions set out in the Procurement Plan. The Recipient shall ensure that the Procurement Agent follows all of the requirements of this Schedule and the Procurement Plan.

Community Participation in Procurement

7. The Recipient may use community participation in procurement for Works contracts in accordance with the agreed procedures set out in the Procurement Plan.



Conditions for Award of Contract

8. The Recipient shall not award any Works contract which involves environmental impacts until (a) the Recipient has obtained ADB clearance of the relevant IEE; (b) the appropriate authority of the Recipient has granted the final approval of the relevant IEE; and (c) the Recipient has incorporated the relevant provisions from the EMP into the Works contract.

9. The Recipient shall not award any Works contract which involves involuntary resettlement impacts, until the Recipient has prepared and submitted to ADB the final REGDP based on the Project's detailed design, and obtained ADB's clearance of such REGDP.

10. The Recipient shall not award any Works contract which involves impacts on indigenous peoples until the Recipient has prepared and submitted to ADB the final REGDP, and obtained ADB's clearance of such REGDP.

Consulting Services

11. Except as ADB may otherwise agree, and except as set forth in the paragraph below, the Recipient shall apply quality- and cost-based selection for selecting and engaging Consulting Services.

12. The Recipient shall apply the following method for selecting and engaging the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan: Fixed Budget Selection for selection of NGOs.



13. The Recipient shall recruit the individual consultants for Project management, engineering and procurement, financial management, social and environmental issues in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

14. (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.

(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 contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

15. 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.



ADB's Review of Procurement Decisions

16. The contracts for community participation in procurement and 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 4**Execution of Project; Financial Matters**Implementation Arrangements

1. 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.

Safeguards

2. The Recipient shall cause the Project Executing Agency and the Project Implementing Agency to monitor the Project activities for any potential environmental, any involuntary resettlement or any adverse indigenous peoples' impact and consult ADB on appropriate mitigating measures as and when may be necessary.

Environment

3. In the event that the Project involves any environmental impacts, the Recipient shall ensure or cause the Project Executing Agency and the Project Implementing Agency to ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Recipient relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the EARF, IEEs, the EMPs, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Land Acquisition and Involuntary Resettlement

4. The Recipient shall ensure or cause the Project Executing Agency and the Project Implementing Agency to ensure that all land and all rights-of-way required for the Project 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 REGDF; and (d) all measures and requirements set forth in the REGDPs, and any corrective or preventative actions set forth in the Safeguards Monitoring Report.

5. Without limiting the application of the Involuntary Resettlement Safeguards or the REGDP, the Recipient shall ensure or cause the Project Executing Agency and the Project Implementing Agency to ensure that no physical or economic displacement takes place in connection with the Project until:

- (a) compensation and other entitlements have been provided to affected people in accordance with the REGDP; and



- (b) a comprehensive income and livelihood restoration program has been established in accordance with the REGDPs.

Rights of Way and No Land Acquisition and Involuntary Resettlement

6. The Recipient shall ensure or cause the Project Executing Agency and the Project Implementing Agency to ensure that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract.

7. The Recipient shall ensure or cause the Project Executing Agency and the Project Implementing Agency to ensure that no physical or economic displacement takes place in connection with the Project.

Indigenous Peoples

8. The Recipient shall ensure or cause the Project Executing Agency and the Project Implementing Agency to ensure that the preparation, design, construction, implementation and operation of the Project comply with (a) all applicable laws and regulations of the Recipient relating to indigenous peoples; (b) the Indigenous Peoples Safeguards; (c) the Resettlement and Ethnic Groups Development Framework; and (d) all measures and requirements set forth in the any corrective or preventative actions set forth in a Safeguards Monitoring Report.

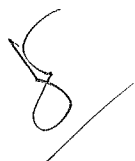
Human and Financial Resources to Implement Safeguards Requirements

9. The Recipient shall cause the Project Executing Agency and the Project Implementing Agency to make available necessary budgetary and human resources to fully implement the EARF and any EMP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

10. The Recipient shall ensure or cause the Project Executing Agency and the Project Implementing Agency to ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) comply with the measures relevant to the contractor set forth in the EMPs and REGDPs (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report;
- (b) make available a budget for all such environmental and social measures; and
- (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 EARF, REGDF, any of the IEEs, any of the EMPs, and any of the REGDPs.



Safeguards Monitoring and Reporting.

11. The Recipient shall cause the Project Executing Agency and the Project Implementing Agency to do the following:

- (a) submit semi-annual safeguards monitoring reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;
- (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 EARF, any of the IEEs, any of the EMPs, REGDF and any of the REGDPs promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and
- (c) report any actual or potential breach of compliance with the measures and requirements set forth the EARF, any of the IEEs, any of the EMPs, REGDF and any of the REGDPs promptly after becoming aware of the breach.

Prohibited List of Investment

12. The Recipient shall ensure and cause the Project Executing Agency and the Project Implementing Agency to ensure that no proceeds of the Grant is used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Labor Standards, Health and Safety

13. The Recipient shall ensure and cause the Project Executing Agency and the Project Implementing Agency to ensure that the core labor standards and the Recipient's applicable laws and regulations are complied with during Project implementation. The Recipient through the Project Executing Agency 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) allow freedom of association and effectively recognize the right to collective bargaining; 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.

14. The Recipient shall cause the Project Executing Agency and the Project Implementing Agency to strictly monitor compliance with the requirements set forth in paragraph 13 above and provide ADB with regular reports.



Gender and Development

15. The Recipient shall ensure or cause the Project Executing Agency and the Project Implementing Agency to ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB; and (e) key gender outcome and output targets include, but not limited to: (i) employment of at least 50% women of the unskilled labor force for priority village-to-village and village-to-town roads constructed through labor-based methods; (ii) employment of at least 50% women of the unskilled labor force for repair and restoration work undertaken for Output 2; and (iii) representation of at least 25% women for township and state disaster risk management committees.

Subproject Selection Criteria

16. 1 month after the Effective Date, the Recipient through the Project Executing Agency shall have developed the subproject selection criteria for Outputs 1 and 2 acceptable to ADB. The Recipient through the Project Executing Agency and ADB shall be responsible for the selection of the subprojects.



Governance and Anticorruption

17. The Recipient shall and shall ensure the Project Executing Agency and the Project Implementing Agency (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

18. The Recipient shall and shall cause the Project Executing Agency and the Project Implementing Agency to ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

Combating Money Laundering and Financing of Terrorism

19. The Recipient shall ensure that (a) the Project Executing Agency and the Project Implementing Agency comply with applicable laws and regulations of the Recipient on combating money laundering and financing of terrorism; and (b) ensure that Grant proceeds are not used, directly or indirectly, in money laundering or financing of terrorism, including payment to persons and entities that are subject to financial sanctions of United Nations Security Council resolutions on combating the financing of terrorism.



20. ADB shall inform the Government of Japan in a timely manner if, during the implementation of this Agreement, ADB becomes aware that the Grant proceeds are being used for money laundering or financing of terrorism, including any payment to persons or entities that is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

Grant Refund

21. If ADB determines that an amount of the Grant has been used in a manner inconsistent with the provisions of this Grant Agreement, the Recipient shall, upon notice by ADB to the Recipient, promptly refund such amount to ADB. Except as ADB may otherwise determine, ADB shall cancel all amounts refunded pursuant to this provision.

Donor-specific covenants

22. The Recipient shall and shall cause the Project Executing Agency to comply with the Guidelines on Japan Visibility and Coordination with Local Embassy of Japan Officials of the JFPR Policy Guidelines (a copy of which has been provided to the Recipient and the Project Executing Agency); and in particular, shall include and cause the Project Executing Agency to include a JFPR logo on all relevant Project publications and on any equipment or facility funded by this Grant and indicate, in all publications, training programs, seminars and workshops under or concerning the Project that the activities in question have received funding from the Government of Japan.

