
GRANT NUMBER 0447-PNG(EF)

GRANT AGREEMENT
(Externally Financed)

(Building Resilience to Climate Change in Papua New Guinea)

between

INDEPENDENT STATE OF PAPUA NEW GUINEA

and

ASIAN DEVELOPMENT BANK

DATED 15 JANUARY 2016

PNG 46495

**GRANT AGREEMENT
(Externally Financed)**

GRANT AGREEMENT dated 15 January 2016 between INDEPENDENT STATE OF PAPUA NEW GUINEA ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Recipient has, through ADB, applied to the Strategic Climate Fund ("SCF") for a grant, to be administered by ADB, for the purposes of the Project described in Schedule 1 to this Grant Agreement;

(B) ADB, acting in its capacity as an implementing entity of the SCF in accordance with the Financial Procedures Agreement dated 18 March 2010 between the International Bank for Reconstruction and Development ("IBRD") and ADB ("Financial Procedures Agreement"), has agreed to administer the grant to the Recipient from the SCF upon the terms and conditions set forth herein;

(C) the Project will be carried out by Climate Change and Development Authority ("CCDA") and for this purpose the Recipient will make available to CCDA the proceeds of the grant provided for herein upon terms and conditions satisfactory to ADB; and

(D) ADB has agreed to make the proceeds of the grant from the SCF available to the Recipient upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and CCDA;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All the 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) "CCDA" means the Recipient's Climate Change and Development Authority, or any successor thereto;

(b) "CIFDA" means the Recipient's Coastal and Inland Fisheries Development Agency or any successor thereto;

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

(d) "Consulting Services" means the services to be financed out of the proceeds of the Grant, as referred to in paragraph 2 of Schedule 1 to this Grant Agreement;

(e) "Environmental Assessment and Review Framework" or "EARF" means the environmental assessment and review framework for the Project, including any update thereto, prepared and submitted by the Recipient and cleared by ADB;

(f) "Environmental Management Plan" or "EMP" means each environmental management plan for the Project, including any update thereto, incorporated in an IEE;

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

(h) "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;

(i) "Identified Islands" means the following 21 vulnerable islands: Ahus; Andra; Ponam; Bipi; Kerawara; Utuan; Mioko; Mualim; Kwaraiwa; Ware; Budibudi; Wiakau; Malai; Aramot; Mandok; Tami; Carterets (Tulun) Island Group; Mortlock; Tasman; Fead (Nuguria) Island Group; and Teop;

(j) "Initial Environmental Examination" or "IEE" means each initial environmental examination for a Subproject, including any update thereto, prepared and submitted by the Recipient pursuant to the requirements set forth in the EARF and cleared by ADB;

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

(l) "NDC" means the Recipient's National Disaster Centre or any successor thereto;

(m) "NGOs" means non-governmental organizations;

(n) "PAM" means the project administration manual for the Project dated 10 August 2015 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;

(o) "Pilot Sites" means the following nine vulnerable islands (i) Ponam; (ii) Andra; (iii) Ahus; (iv) Kiriwina; (v) Munuwata; (vi) Kaeleuna; (vii) Mioko; (viii) Utuan; and (ix) Kerawara;

(p) "PISC" means the Project Implementation Support Consultants to be appointed under the Project;

(q) "PPCL" means the PNG Ports Corporation Limited or any successor thereto;

(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 10 August 2015 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; and

(t) "Project Executing Agency" or "EA" for the purposes, and within the meaning, of the Grant Regulations means CCDA, or any successor thereto acceptable to ADB;

(u) "Small Grants Facility" or "SGF" means the small grants facility under the Project, to be administered by CCDA, under which grants shall be made for Subprojects;

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

(w) "Subproject" means a subproject under the Project (i) which meets the selection and eligibility criteria set out in the Operational Procedures for the Small Grants Facility attached as Annex 1 to the PAM; or (ii) which is identified in the vulnerability assessments as requiring priority implementation to meet basic community needs as described in paragraph 2(a)(v) of Schedule 1 to this Grant Agreement;

(x) "Subsidiary Grant Agreement" means the agreement between the Recipient and CCDA referred to in Section 3.01 of this Grant Agreement;

(y) "Voluntary Land Use/Negotiated Settlement Framework" means the voluntary land and negotiated settlement framework for the Project, including any update thereto, prepared and submitted by the Recipient and cleared by ADB; and

(z) "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 the SCF in the amount of twenty four million two hundred fifty thousand Dollars (\$24,250,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. (a) The Recipient shall make the proceeds of the Grant available to CCDA under a Subsidiary Grant Agreement upon terms and conditions satisfactory to ADB.

(b) 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 and the Project 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 30 April 2022 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. ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

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 shall take all actions which shall be necessary on its part to enable CCDA to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.05. (a) The Recipient shall exercise its rights under the Subsidiary Grant Agreement in such a manner as to protect the interests of the Recipient and ADB and to accomplish the purposes of the Grant.

(b) No rights or obligations under the Subsidiary Grant Agreement shall be assigned, amended, or waived without the prior concurrence of ADB.

Section 4.06. The Recipient acknowledges and agrees that this Grant Agreement is entered into by ADB, not in its individual capacity, but as a grant administrator for the SCF. Accordingly, the Recipient agrees that (i) it may only withdraw Grant proceeds to the extent that ADB has received proceeds for the Grant from the SCF, and (ii) that ADB does not assume any obligations or responsibilities of the SCF 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. The Secretary of the Recipient's Department of Treasury is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

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

For the Recipient

Secretary, Department of Treasury
The Treasury, Waigani Drive
P.O. Box 542
Waigani 131, National Capital District
Papua New Guinea

Facsimile Number:

(675) 312 8844

For ADB

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

Facsimile Numbers:


(632) 636-2444
(632) 636-2446.

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.

INDEPENDENT STATE OF PAPUA
NEW GUINEA

By 
PATRICK PRUITCH
Minister for Treasury

ASIAN DEVELOPMENT BANK

By 
MARCELO MINC
Country Director
Papua New Guinea Resident Mission

SCHEDULE 1**Description of the Project**

1. The objective of the Project is to improve the capacity of government agencies, communities and civil society to plan and respond to the impacts of climate change.

2. The Project shall comprise of the following components:

(a) Climate change and vulnerability assessments carried out and adaptation plans developed for target communities:

The project shall, in respect of the Identified Islands: (i) prepare local climate projections; (ii) undertake climate vulnerability assessments; (iii) develop climate change vulnerability adaption plans and emergency response strategies in the event of extreme climate events; (iv) provide training in actions and procedures to be followed after extreme climatic events; (v) install around 190 water supply and storage facilities and around 100 ventilation-improved pit latrines; (vi) assist communities in preparing climate change adaptation subprojects and incorporating these subprojects in local government, district, and provincial development plans; (vii) support communities in preparing financing applications for Subprojects; and (viii) provide small grants for Subprojects under the SGF.

(b) Sustainable fishery ecosystems and food security investments piloted in nine vulnerable islands and atoll communities:

The project shall (i) assist local communities in the Pilot Sites by piloting techniques used in the rehabilitation of protective coral reefs and degraded mangrove forests; develop and implement management plans and mapping and environmental monitoring systems; pilot income-generating activities in the marine environment; pilot the stabilization of watershed catchment areas in island hinterlands through tree planting and other slope stabilization measures; (ii) assess the extent of food insecurity anticipated from climate change and variability; (iii) identify options and priorities to address food insecurities and demonstrate implementation of selected options; and (iv) increase the production and distribution of planting material on selected agricultural stations.

(c) Enabling the establishment of a framework for climate resilient infrastructure and the extension of the communications network:

The project shall (i) develop an enabling framework to mitigate the impacts of climate change on coastal infrastructure (ports, wharves, and jetties) by developing policy documents; upgrading engineering design standards; incorporating benefits from climate protection in feasibility studies; and recommending sustainable financing

alternatives for operations and maintenance; (ii) provide support to enhance the capacity of national agencies, PPCL, CIFDA and provincial administrations to incorporate climate change considerations into design, construction, operation, and maintenance of coastal infrastructure; and (iii) extend the radio communications network to improve communications and early warning of natural disasters and extreme climate events by installation of a very high frequency network linked to NDC.

3. The Project includes Consulting Services under paragraph 2 of this Schedule 1.
4. The Project is expected to be completed by 31 October 2021.

SCHEDULE 2

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items 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, in consultation with 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, in consultation with 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.

Retroactive Financing

5. Withdrawals from the Grant Account may be made for reimbursement of eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Grant Agreement in connection with the recruitment of a project implementation specialist, subject to a maximum amount equivalent to 10% of the Grant amount.

Condition for Withdrawals from Grant Account

6. Notwithstanding any other provision of this Grant Agreement, no withdrawals shall be made from the Grant Account for the Project until CCDA has:
- (a) appointed for the PMU, a full-time financial management officer with qualifications and experience acceptable to ADB;
 - (b) appointed the PISC financial management specialists with qualifications and experience acceptable to ADB and such specialists have commenced their work at CCDA; and
 - (c) the Subsidiary Grant Agreement, in form and substance satisfactory to ADB, shall have been duly executed and delivered on behalf of the Recipient and CCDA and shall have become legally binding upon the Recipient and CCDA in accordance with its terms.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Building Resilience to Climate Change in Papua New Guinea)				
Number	Item	Total Amount Allocated for Strategic Climate Fund Financing (\$)		Basis for Withdrawal from the Grant Account
		Category	Subcategory	
1	Civil Works**	1,853,700		100% of total expenditure*
2	Equipment	1,244,700		
2A	Specialized Equipment**		1,204,200	100% of total expenditure*
2B	Office Equipment**		40,500	100% of total expenditure*
3	Vehicles**	200,000		100% of total expenditure*
4	Consulting Services	6,816,900		
4A	International Specialists**		2,680,000	100% of total expenditure
4B	National Specialists**		647,500	100% of total expenditure*
4C	Consultant Support Costs**		1,659,400	100% of total expenditure
4D	NGOs Facilitation Contracts**		1,830,000	100% of total expenditure
5	Capacity Building	4,240,000		
5A	Communities**		3,690,000	100% of total expenditure
5B	Agency Personnel**		275,000	100% of total expenditure
5C	Local government and NGOs**		275,000	100% of total expenditure
6	Operating Costs	2,705,900		
6A	Vehicle Operating Costs**		480,000	100% of total expenditure
6B	Office Operating Costs**		330,000	100% of total expenditure
6C	Personnel**		1,895,900	100% of total expenditure*
7	Small Grants Facility**	5,000,000		100% of total expenditure

8	Unallocated	2,188,800		
	Total	24,250,000		

* Exclusive of taxes and duties imposed within the territories of the Recipient.

** Subject to the condition for withdrawal described in paragraph 6 of Schedule 2.

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 methods of procurement set forth below:
 - (a) National Competitive Bidding; and
 - (b) Community Participation.
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.

Community Participation in Procurement

6. The Recipient may use community participation in procurement for Works contracts for water and sanitation installations in accordance with the agreed procedures set out in the Procurement Plan.

Conditions for Award of Contract

7. The Recipient shall ensure that CCDA does not award any Works contracts for a Subproject which involves environmental impacts until CCDA has:
 - (a) obtained the final approval of the IEE from the Recipient's Conservation and Environmental Protection Authority; and
 - (b) incorporated the relevant provisions from the EMP into the Works contract.

Consulting Services

8. 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.

9. The Recipient shall apply the following methods for selecting and engaging the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan:

- (a) Least-Cost Selection for appointment of annual auditors;
- (b) Consultants' Qualifications Selection for the Project baseline study;
and
- (c) Single Source Selection for the downscaled climate projections.

10. The Recipient shall recruit individual consultants for the PISC in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

11. (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.

12. 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 4**Execution of Project; Financial Matters**Implementation Arrangements

1. The Recipient shall ensure or cause CCDA to 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.

Counterpart Support

2. The Recipient shall provide counterpart funds for Project implementation on a timely basis, and make budgetary allocation for the purpose, as necessary.

Environment

3. The Recipient shall ensure or cause CCDA to ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project, 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 Environmental Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the respective IEE and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Land Acquisition and Resettlement

4. The Recipient shall ensure or cause CCDA to ensure that the Project does not have any involuntary resettlement impacts within the meaning of Safeguard Policy Statement. If due to unforeseen circumstances, the Project has involuntary resettlement impacts, the Recipient shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Recipient and with the Safeguard Policy Statement.

5. The Recipient shall ensure or cause CCDA to ensure that any voluntary land acquisition and resettlement under the Project and each Subproject is carried out in accordance with Voluntary Land Use/Negotiated Settlement Framework and that no physical or economic displacement takes place in connection with the Project or any Subprojects until compensation and other entitlements, if any, have been provided to affected people in accordance with the Voluntary Land Use/Negotiated Settlement Framework.

Indigenous Peoples

6. The Recipient shall ensure or cause CCDA to ensure that the Project does not impact indigenous peoples within the meaning of the Safeguard Policy Statement. If due to unforeseen circumstances, the Project impacts indigenous peoples, the Recipient shall take all steps necessary or desirable to ensure that the Project complies with all applicable laws and regulations of the Borrower and with the Safeguard Policy Statement.

Labor Standards, Health and Safety

7. The Recipient shall ensure or cause CCDA to 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) 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.

8. The Recipient shall strictly monitor compliance with the requirements set forth in paragraph 8 above and provide ADB with regular reports.

Gender and Development

9. The Recipient shall ensure or cause CCDA 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.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

10. The Recipient shall ensure or cause CCDA to ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) comply with the measures and requirements relevant to the contractor set forth in the IEE and the EMP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out 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 IEE.

Safeguards Monitoring and Reporting

11. The Recipient shall do the following or shall cause CCDA 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 IEE or the EMP, 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 in the EMP promptly after becoming aware of the breach.

Prohibited List of Investments

12. The Recipient shall ensure or cause CCDA 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.

Governance and Anticorruption

13. The Recipient shall, and shall ensure that CCDA (a) complies 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) cooperates with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

14. The Recipient shall or cause CCDA 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.

15. The Recipient shall ensure that CCDA complies with applicable laws and regulations of the Recipient on combating money laundering and financing of terrorism; and (b) 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.