
GRANT NUMBER 9221-MON(EF)

GRANT AGREEMENT
(Externally Financed)

(Combating Domestic Violence Against Women and Children Project – Additional Financing)

between

MONGOLIA

and

ASIAN DEVELOPMENT BANK

DATED 7 September 2021

MON 51217

GRANT AGREEMENT (Externally Financed)

GRANT AGREEMENT dated 7 September 2021 between MONGOLIA ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a grant agreement dated 20 December 2018 between the Recipient and ADB ("Initial Grant Agreement"), ADB agreed to make the proceeds of a grant from the Japan Fund for Poverty Reduction ("JFPR") in the amount of three million Dollars (\$3,000,000) available to the Recipient for the purposes of the project described in Schedule 1 to the Initial Grant Agreement ("Initial Project");

(B) the Recipient has requested ADB to apply on its behalf to the Government of Japan for a grant, to be administered by ADB, for the purpose of financing additional activities for upscaling of the Initial Project as described in Schedule 1 of this Grant Agreement ("Project");

(C) the Government of Japan, through the Japan Fund for Poverty Reduction ("JFPR"), has agreed to provide, and ADB has agreed to administer, the grant provided for herein upon the terms and conditions set out in the arrangement letter dated 7 October 2009 between ADB and the Government of Japan ("Arrangement Letter"); and

(D) 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 the provisions of ADB's Externally Financed Grant Regulations, dated 1 January 2017 ("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 and the Initial Grant Agreement 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 Services" means the services to be financed out of the proceeds of the Grant as described in the Procurement Regulations and set out in the Procurement Plan;

- (b) “Goods” means equipment and materials to be financed out of the proceeds of the Grant, including related Nonconsulting Services such as transportation, insurance, installation, commissioning, training, and initial maintenance;
- (c) “Implementing Agencies” means (i) the Secretariat of Coordination Council for Crime Prevention under MOJHA; (ii) the Ministry of Labor and Social Protection and (iii) the Authority for Family, Child and Youth Development, each as further described in the PAM, or any successors thereto acceptable to ADB, which are responsible for implementation of the Project;
- (d) “Nonconsulting Services” means nonconsulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Grant;
- (e) “OSSCs” means the one-stop service centres as described in the PAM;
- (f) “PAM” means the project administration manual for the Project dated 1 March 2021 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;
- (g) “Procurement Plan” means the procurement plan for the Project dated 1 March 2021 and agreed between the Recipient and ADB, as updated from time to time in accordance with the Procurement Policy, the Procurement Regulations, and other arrangements agreed with ADB;
- (h) “Project Executing Agency” for the purposes of, and within the meaning of the Grant Regulations, means MOJHA, or any successor thereto acceptable to ADB, which is responsible for carrying out the Project;
- (i) “Services” means Consulting and Nonconsulting Services;
- (j) “SS Grants” means the SS Grants (Others);
- (k) “SS Grants (Others)” means the small-scale grants to be provided for the existing shelters, OSSCs and multidisciplinary teams nationwide, as described in the PAM; and
- (l) “Works” means construction or civil works as set out in the Procurement Plan and to be financed out of the proceeds of the Grant, including any related Nonconsulting Services and project related services that are provided as part of a single responsibility or turnkey contract.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient a grant from the JFPR in the amount of one million Dollars (\$1,000,000) ("Grant").

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient, through the Project Executing Agency, shall cause the proceeds of the Grant to be applied to financing additional activities for upscaling of the Initial 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 1 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, through the Project Executing Agency, 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 2 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 December 2023 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, through the Project Executing Agency, shall perform, or cause to be performed, all obligations set forth in Schedule 2 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, through the Project Executing Agency, 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 the JFPR. Accordingly, the Recipient agrees that (a) it may only withdraw Grant proceeds to the extent that ADB has received proceeds for the Grant from the JFPR and such proceeds has not been suspended or cancelled in whole or in part by JFPR pursuant to the Arrangement Letter, and (b) 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

Suspension

Section 5.01. The following is specified as an additional event for suspension of the right of the Recipient to make withdrawals from the Grant Account for the purposes of Section 8.01(k) of the Grant Regulations: the Initial Grant Agreement shall have become liable for suspension or cancellation.

ARTICLE VI

Effectiveness

Section 6.01. 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 VII

Miscellaneous

Section 7.01. The Minister of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

Ministry of Finance
Government Building 2
S. Danzan Street 5/1
Ulaanbaatar 15160
Mongolia

Facsimile Number:

(976) 11-320247

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila

Philippines

Facsimile Numbers:

(632) 8636-2444

(632) 8636-2534.

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.

MONGOLIA


By _____
JAVKHLAN BOLD
Minister
Ministry of Finance

ASIAN DEVELOPMENT BANK


By _____
PAVIT RAMACHANDRAN
Country Director
Mongolia Resident Mission

SCHEDULE 1

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 of the Table.)

Basis for Withdrawal from the Grant Account

2. 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.

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.

Condition for Withdrawals from Grant Account

5. Notwithstanding any other provision of this Grant Agreement, no withdrawals shall be made from the Grant Account, with respect to the amount allocated to SS Grants, until the Project Executing Agency and the Implementing Agencies ensure that (a) eligibility criteria for recipients of the SS Grants shall be developed in accordance with the indicative criteria set out in the PAM and shall be reviewed and approved by ADB, (b) a selection panel for the SS Grants is established to select recipients of the SS Grants, and (c) each SS Grant recipient

shall comply with the relevant eligibility criteria.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS			
Number	Item	Total Amount Allocated for JFPR Financing (\$) Category	Basis for Withdrawal from the Grant Account
1	Goods	410,578	100% of total expenditure claimed*
2	Other Investment and Project Management Costs	451,197	100% of total expenditure claimed
3	Small-Scale Grants**	100,000	100% of total expenditure claimed
4	Unallocated	38,225	
	Total	1,000,000	

* This excludes VAT and duties imposed within the territory of the Recipient.

** Subject to the condition for withdrawal described in paragraph 5 of Schedule 1.

SCHEDULE 2

Execution of Project

Implementation Arrangements

1. The Recipient shall ensure, or cause the Project Executing Agency 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.

Procurement

2. The Recipient shall ensure, or cause the Project Executing Agency to ensure, that:
- (a) the procurement of Goods, Works and Services is carried out in accordance with the Procurement Policy and the Procurement Regulations;
 - (b) Goods, Works and Services shall be procured based on the detailed arrangements set forth in the Procurement Plan, including the procurement and selection methods, the type of bidding documents, and ADB's review requirements. The Recipient may modify the detailed arrangements set forth in the Procurement Plan only with the prior agreement of ADB, and such modifications must be set out in updates to the Procurement Plan; and
 - (c) (i) all Goods and Works procured and Services obtained (including 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; and (ii) all contracts for the procurement of Goods, Works and Services contain appropriate representations, warranties and, if appropriate, indemnities from the contractor, supplier, consultant or service provider with respect to the matters referred to in this subparagraph.

Safeguards

3. The Recipient shall ensure that the Project does not have any environmental, indigenous peoples or involuntary resettlement impacts, all within the meaning of the SPS. In the event that the Project does have any such impact, the Recipient shall take all steps required to ensure that the Project complies with all the applicable laws and regulations of the Recipient and with the SPS.

Sustainability of Facilities

4. The Recipient shall, through the Project Executing Agency, ensure that sufficient budget and human resources are allocated during and after the Project implementation period,

as may be applicable, to ensure the sustainability of operations of the shelter and the helpline centre.

SS Grants

5. The Recipient shall cause the Project Executing Agency and the Implementing Agency to ensure that the Grant proceeds shall only be used for the purposes provided by the relevant SS Grant.

Labor Standards, Health and Safety

6. 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) 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.

7. The Recipient shall strictly monitor compliance with the requirements set forth in paragraph 6 above and provide ADB with regular reports.

Gender and Development

8. The Recipient shall, and shall cause the Project Executing 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.

Counterpart Support

9. The Recipient shall ensure that the Project Executing Agency has sufficient funds to satisfy its liabilities arising from any Works, Goods and/or Services contract.

Governance and Anticorruption

10. The Recipient, the Project Executing Agency, and the Implementing Agencies shall (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.

11. The Recipient, the Project Executing Agency, and the Implementing Agencies shall 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

12. The Recipient shall ensure that (a) the Project Executing Agency and the Implementing Agencies comply 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.

13. ADB shall inform JFPR 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.

Japan Visibility

14. The Recipient shall, and shall cause the Project Executing Agency to, comply with the Visibility and Coordination Guidelines of JFPR. In particular, the Recipient shall cause the Project Executing Agency to include the JFPR and Japan Official Development Assistance logos in all relevant Project publications and on any equipment or facility funded by JFPR. For the purposes of this provision, Visibility and Coordination Guidelines of JFPR refers to the "Guidance Notes on Visibility of Japan and Coordination with Embassy of Japan and JICA" dated 22 April 2011, as agreed between ADB and the Government of Japan and as amended from time to time.