
GRANT NUMBER 0586- TON(SF)
(Additional to Grant 0347-TON[SF] and Grant 0348-TON[EF])

GRANT AGREEMENT
(Special Operations)

(Outer Island Renewable Energy Project – Additional Financing)

between

KINGDOM OF TONGA

and

ASIAN DEVELOPMENT BANK

DATED 8 AUGUST 2018

TON 49450

**GRANT AGREEMENT
(Special Operations)**

GRANT AGREEMENT dated 8 August 2018 between KINGDOM OF TONGA
("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

Original Project

(A) by a grant agreement dated 2 December 2013 between the Recipient and ADB ("Original Grant Agreement"), ADB agreed to make a grant to the Recipient from ADB's Special Funds resources in an amount of two million Dollars (\$2,000,000) for the purposes of the project described in Schedule 1 to the Original Grant Agreement ("Original Project");

(B) by a grant agreement dated 2 December 2013 between the Recipient and ADB ("Original Externally Financed Grant Agreement"), ADB agreed to make the proceeds of a grant from the Government of Australia available to the Recipient in an amount of four million five hundred thousand Dollars (\$4,500,000) for the purposes of cofinancing expenditures under the Original Project;

(C) by a project agreement dated 2 December 2013 between Tonga Power Limited ("TPL") and ADB ("Original Project Agreement"), TPL undertook certain obligations towards ADB in connection with the Original Project;

First Additional Project

(D) by a grant agreement dated 30 October 2015 between the Recipient and ADB ("First Additional Grant Agreement"), ADB agreed to make an additional grant to the Recipient from ADB's Special Funds resources in an amount of one million four hundred forty thousand Dollars (\$1,440,000) for the purposes of the project described in Schedule 1 to the First Additional Grant Agreement ("First Additional Project");

(E) by a grant agreement dated 30 October 2015 between the Recipient and ADB ("First Additional EU Grant Agreement"), ADB agreed to make the proceeds of a grant from the European Union available to the Recipient in an amount of three million five hundred seventy thousand Dollars (\$3,570,000) for the purposes of cofinancing expenditures under the First Additional Project;

(F) by a grant agreement dated 30 October 2015 between the Recipient and ADB ("First Additional SDCF Grant Agreement"), ADB agreed to make the proceeds of a grant from the Second Danish Cooperation Fund for Renewable Energy and Energy Efficiency for Rural Areas available to the Recipient in an amount of seven hundred fifty thousand Dollars (\$750,000) for the purposes of cofinancing expenditures under the First Additional Project;

(G) by a project agreement dated 30 October 2015 between TPL and ADB ("First Additional Project Agreement"), TPL undertook certain obligations towards ADB in connection with the First Additional Project;

Second Additional Project

(H) by a financing agreement dated 31 January 2017 between the Recipient and ADB ("Second Additional Financing Agreement"), ADB agreed to provide financing by making a loan in various currencies equivalent to one million eight hundred nine thousand Special Drawing Rights (SDR1,809,000) and a grant in the amount of two million five hundred thousand Dollars (\$2,500,000) to the Recipient from ADB's Special Funds resources, for the purposes of the Project described in Schedule 1 to the Second Additional Financing Agreement ("Second Additional Project");

(I) by a project agreement dated 31 January 2017 between TPL and ADB ("Second Additional Project Agreement"), TPL undertook certain obligations towards ADB in connection with the Second Additional Project;

The Project

(J) the Recipient has applied to the Global Environment Facility ("GEF") for a grant in an amount not exceeding two million six hundred thirty-nine thousand and two hundred sixty-nine Dollars (\$2,639,269) ("GEF Grant") to be administered by ADB for the purposes of cofinancing expenditures under the Project described in Schedule 1 to this Grant Agreement;

(K) by a grant agreement of even date herewith entered between the Recipient and ADB ("Third Additional GEF Grant Agreement"), ADB agreed to make the proceeds of the GEF Grant available to the Recipient for the purposes of cofinancing expenditures under the Project;

(L) the Recipient has applied to the Government of Australia, represented by the Department of Foreign Affairs and Trade ("DFAT"), for a grant equivalent to seven hundred forty thousand Dollars (\$740,000) ("DFAT Grant") to be administered by ADB for the purposes of cofinancing expenditures under the Project;

(M) by a cofinancing agreement dated 7 June 2017 between ADB and the Government of Australia represented by DFAT ("DFAT Cofinancing Agreement"), the Government of Australia has agreed to provide the DFAT Grant and ADB has agreed to administer the DFAT Grant upon terms and conditions set forth in the DFAT Cofinancing Agreement;

(N) by a grant agreement of even date herewith entered between the Recipient and ADB ("Third Additional DFAT Grant Agreement"), ADB agreed to make the proceeds of the DFAT Grant available to the Recipient for the purposes of cofinancing expenditures under the Project;

(O) the Recipient has applied to ADB for a grant ("Grant", and together with the GEF Grant and the DFAT Grant, "Grants") for the purposes of the Project;

(P) the Project will be carried out by Recipient's Ministry of Finance and National Planning ("MFNP") through the Ministry of Energy, Information, Disaster Management, Climate Change, and Communications ("MEIDECC") and TPL; and

(Q) ADB has agreed to make a grant to the Recipient from ADB's Special Funds resources upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and TPL;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All the provisions of ADB's Special Operations 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, subject, however, to the following modifications:

- (a) Section 2.01(m) is deleted and the following is substituted therefor:

"Project Agreement" means the project agreement of even date herewith between ADB and TPL, as such agreement may be amended from time to time; and such project agreement includes all schedules to the Project Agreement;
- (b) The term "Project Executing Agency" appearing in Sections 6.01(a), 8.01(c), 8.01(e), 8.01(i), 9.01(b) and 9.02(b) of the Grant Regulations shall be substituted by the term "TPL".

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 Grants as described in paragraph 3 of Schedule 1 to this Grant Agreement;
- (c) "Environmental Management Plan" or "EMP" means the environmental management plan for the Project, including any update thereto, incorporated in each IEE;
- (d) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;

- (e) "GAP" means the gender action plan prepared for the Project, including any update thereto, and agreed to between the Recipient and ADB;
- (f) "Goods" means equipment and materials to be financed out of the proceeds of the Grants, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services;
- (g) "Initial Environmental Examination" or "IEE" means each initial environmental examination for the Project, including any update thereto, prepared and submitted by the Recipient and cleared by ADB;
- (h) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (i) "MEIDECC" means the Ministry of Energy, Information, Disaster Management, Climate Change, and Communications of the Recipient or any successor thereto acceptable to ADB;
- (j) "MFNP" means the Ministry of Finance and National Planning of the Recipient or any successor thereto acceptable to ADB;
- (k) "PAM" means the project administration manual for the Project dated 6 July 2018 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;
- (l) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);
- (m) "Procurement Plan" means the procurement plan for the Project dated 6 July 2018 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
- (n) "Project Executing Agency" for the purposes of, and within the meaning of, the Grant Regulations means MFNP or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;
- (o) "Safeguards Monitoring Report" means each report prepared and submitted by the Recipient to ADB that describes progress with implementation of and compliance with the EMP, including any corrective and preventative actions;
- (p) "SPS" means ADB's Safeguard Policy Statement (2009);
- (q) "TPL" means Tonga Power Limited or any successor thereto acceptable to ADB; and

- (r) "Works" means construction or civil works to be financed out of the proceeds of the Grants, 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 from ADB's Special Funds resources an amount of five million five hundred thousand Dollars (\$5,500,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied exclusively 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. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 30 June 2021 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 and the Project Agreement.

Section 4.02. The Recipient shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.03. 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.

Section 4.04. The Recipient shall take all actions which shall be necessary on its part to enable the TPL 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.

ARTICLE V

Suspension

Section 5.01. The following are specified as additional events 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:

- (a) the Recipient shall have failed to perform one or more of its obligations under the Original Grant Agreement, the Original Externally Financed Grant Agreement, the First Additional Grant Agreement, the First Additional EU Grant Agreement, the First Additional SDCF Grant Agreement, the Second Additional Financing Agreement, the Third Additional GEF Grant Agreement, or the Third Additional DFAT Grant Agreement; and
- (b) TPL shall have failed to perform one or more of its obligations under the Original Project Agreement, the First Additional Project Agreement or the Second Additional Project Agreement.

ARTICLE VI

Effectiveness

Section 6.01. The following are specified as additional conditions to the effectiveness of this Grant Agreement for the purposes of Section 9.01(e) of the Grant Regulations:

- (a) the Third Additional GEF Grant Agreement shall have been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient, and all conditions precedent to its effectiveness, other than a condition requiring effectiveness of this Grant Agreement, shall have been fulfilled; and

- (b) the Third Additional DFAT Grant Agreement shall have been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient, and all conditions precedent to its effectiveness, other than a condition requiring effectiveness of this Grant Agreement, shall have been fulfilled.

Section 6.02. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of the Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VII

Termination

Section 7.01. The Grant Agreement and all obligations of the parties thereunder shall terminate on a date 25 years after the date of this Agreement.

ARTICLE VIII

Miscellaneous

Section 8.01. The Minister of Finance and National Planning of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

Ministry of Finance and National Planning
Vuna Road
Nuku'alofa
Kingdom of Tonga

Facsimile Number:

(676) 24040

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.

KINGDOM OF TONGA

By 

SYURKANI ISHAK KASIM
Authorized Representative

ASIAN DEVELOPMENT BANK

By 

MA. CARMELA D. LOCSIN
Director General
Pacific Department

SCHEDULE 1**Description of the Project**

1. The objective of the Project is to optimize on-grid and off-grid generation systems and increase consumer access to electricity generated by solar power at a reduced cost.
2. The Project shall comprise:
 - (i) construction of the new mini-grid on Niuatoputapu;
 - (ii) rehabilitation of the poor and old existing electric service lines network near the solar power generation systems on the four outer islands of Ha'apai (i.e. Uiha, Nomuka, Ha'ano, and Ha'afeva);
 - (iii) support on the detailed design of operation and maintenance models for the growing outer island power asset base;
 - (iv) extension of project management services;
 - (v) support on financial management and accounting services; and
 - (vi) support on the implementation of GAP.
3. Consulting Services shall be provided to support activities mentioned in items (iii) – (vi) in paragraph 2 above.
4. The Project is expected to be completed by 31 December 2020.

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 amounts of the Grant 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 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.

Retroactive Financing

5. Withdrawals from the Grant Account may be made to finance 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 Works, subject to a maximum amount equivalent to 20% of the Grant amount.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Grant Account
1	Works (solar power plants)**	1,000,000	100% of total expenditure claimed*
2	Works (mini-grid and service lines)	3,580,000	57.56% of total expenditure claimed*
3	Unallocated	920,000	
	TOTAL	5,500,000	

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

** Financing allocated to this item under the Original Grant Agreement and the Original Externally Financed Grant Agreement will be utilized first until it has been disbursed in full. Thereafter, financing allocated to this item under this Grant Agreement will be utilized at 100% of every claim.

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. 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.
3. 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.

Eligible Source of Procurement of Goods, Works and Consulting Services

4. Goods, Works and Consulting Services may also be procured under the Project from non-member countries of ADB.

Goods and Works

5. Goods and Works shall be procured on the basis of the procurement methods set forth below:
 - (a) International Competitive Bidding;
 - (b) National Competitive Bidding;
 - (c) Shopping;
 - (d) Direct Contracting; and
 - (e) Force Account.

National Competitive Bidding

6. 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.

Conditions for Award of Contract

7. The Recipient and TPL shall not award any Works contracts which involve environmental impacts until:

- (a) the Recipient has granted the final approval of the relevant IEE; and
- (b) the Recipient or MEIDECC, as applicable, has incorporated the relevant provisions from the EMP into the Works contract.

Consulting Services

8. Except as set forth in the paragraph below, the Recipient shall apply Quality- and Cost-Based Selection for Consulting Services.

9. The Recipient shall apply the following selection method for the specified Consulting Services, in accordance with, among other things, the procedures set forth in the Procurement Plan: Fixed Budget Selection for project management, financial management and accounting support services.

10. The Recipient shall recruit the individual consultants for operation and maintenance services 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.

ADB's Review of Procurement Decisions

13. Contracts procured under international competitive bidding procedures and 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 4

Execution of Project; Financial Matters

Implementation Arrangements

1. The Recipient, MFNP, MEIDECC and TPL 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 the Grant Agreement, the provisions of the Grant Agreement shall prevail.

Counterpart Support

2. The Recipient shall make available through budgetary allocations or other means, all counterpart funds required for the timely and effective implementation of the Project including any funds required to (a) mitigate unforeseen environmental and social impacts; and (b) meet any additional costs arising from design changes, price escalations in construction or installation costs or other unforeseen circumstances. In addition to the foregoing, the Recipient shall ensure that TPL has sufficient funds to satisfy its liabilities arising from any Works, Goods and/or Consulting Services contract.

Environment

3. The Recipient, through MFNP, MEIDECC and TPL, shall 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 set out in the SPS; and (c) all measures and requirements set forth in the IEE, EMP, and any corrective or preventative actions set forth in a safeguards monitoring report.

Involuntary Resettlement

4. The Recipient, through MFNP, MEIDECC and TPL, shall ensure that the Project does not have any involuntary resettlement impacts within the meaning of the SPS. In the event that the Project has such impacts, the Recipient and TPL shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Recipient and with the SPS.

Indigenous Peoples

5. The Recipient, through MFNP, MEIDECC and TPL, shall ensure that the Project does not impact indigenous peoples within the meaning of the SPS. In the event that the Project has such impacts, the Recipient and TPL shall take all steps required to ensure that the Project complies with all applicable laws and regulations of the Recipient and with the SPS.

Human and Financial Resources to Implement Safeguards Requirements

6. The Recipient and MFNP shall make available necessary budgetary and human

resources to fully implement each EMP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

7. The Recipient, through MFNP, MEIDECC and TPL, shall ensure that all bidding documents and contracts for civil works contain provisions that require contractors to:

- (a) comply with the measures 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 forth in a safeguards monitoring report;
- (b) make available a budget for all such environmental measures; and
- (c) provide the Recipient or TPL 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.

Safeguards Monitoring and Reporting

8. The Recipient, through MFNP, MEIDECC and TPL, shall do the following:

- (a) submit semiannual safeguards monitoring reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;
- (b) if any unanticipated environmental 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

9. The Recipient, through MFNP, MEIDECC and TPL, shall ensure that no proceeds of the Grants are 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

10. The Recipient, through MFNP, MEIDECC and TPL, shall ensure that the core labor standards and the applicable laws and regulations of the Recipient 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 applicable labor law and regulations of the Recipient 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.

11. The Recipient, through MFNP, MEIDECC and TPL, shall strictly monitor compliance with the requirements set forth in paragraph 10 above and provide ADB with regular reports.

Gender and Development

12. The Recipient, through MFNP, MEIDECC and TPL, shall 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; (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) ensuring participation of at least fifty percent women in all community consultants during design and implementation; and (ii) provision of necessary institutional support for female labor-based workers such as separate sanitation facilities.

Governance and Anticorruption

13. The Recipient, MFNP, MEIDECC and TPL 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.

14. The Recipient, MFNP, MEIDECC and TPL 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.

Project Website

15. The Recipient, through MFNP, MEIDECC and TPL, shall maintain a Project website which shall be regularly updated. The Project website shall include information on (a) bidding procedures, bidders, and contract awards; (b) use of the funds disbursed under the Project; and (c) physical progress of the Project.

Operation and Maintenance

16. Within 18 months of the Effective Date, the Recipient shall enter into an agreement with TPL or other service providers acceptable to the Recipient and ADB, upon terms and conditions satisfactory to ADB, which requires TPL or such other service providers to carry out the routine and periodic maintenance of the facilities built and rehabilitated under this Project as described in Schedule 1, paragraph 2 (i) and (ii) of this Grant Agreement.

17. The Recipient shall ensure that sufficient funds shall be earmarked in the operation and maintenance budget, allocated and released on an annual basis, for the routine and periodic maintenance of the Project facilities to be carried out under the agreement mentioned in paragraph 16 above.