
GRANT NUMBER 0150-NEP (SF)

GRANT AGREEMENT
(Special Operations)
(Emergency Flood Damage Rehabilitation Project)

between

NEPAL

and

ASIAN DEVELOPMENT BANK

DATED 3 AUGUST 2009

GAS:NEP 43001

GRANT AGREEMENT (Special Operations)

GRANT AGREEMENT dated 3 August 2009 between NEPAL (the "Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Recipient has applied to ADB for a grant for the purposes of the Project described in Schedule 1 to this Grant Agreement; and

(B) ADB has agreed to provide a grant to the Recipient from ADB's Special Funds resources upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of the Special Operations Grant Regulations of ADB, dated 7 February 2005 (the "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. The definitions set forth in the Grant Regulations are applicable to this Grant Agreement unless the context requires otherwise. In addition, the following terms have the following meanings:

(a) "Consulting Guidelines" means ADB's Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers dated February 2007, as amended from time to time;

(b) "DOA" means the Recipient's Department of Agriculture, and includes any successor thereto;

(c) "DOI" means the Recipient's Department of Irrigation, and includes any successor thereto;

(d) "DOR" means the Recipient's Department of Roads, and includes any successor thereto;

(e) "DWIDP" means the Recipient's Department of Water Induced Disaster Prevention, and includes any successor thereto;

(f) "DWSS" means the Recipient's Department of Water Supply and Sewerage, and includes any successor thereto;

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

(h) "IA" or "IAs" means implementing agency or agencies, as further defined in paragraph 2 of Schedule 4 to this Grant Agreement;

(i) "IEE" means initial environmental examination, a summary of which is included in supplementary appendix G of the RRP (defined hereunder);

(j) "MOF" means the Recipient's Ministry of Finance, and includes any successor thereto;

(k) "MPPW" means the Recipient's Ministry of Physical Planning and Works, and includes any successor thereto;

(l) "NPC" means the Recipient's National Planning Commission, and includes any successor thereto;

(m) "NPMCC" means National Project Management Coordination Committee, established in accordance with paragraph 5 of Schedule 4 to this Grant Agreement, and includes any successor thereto;

(n) "O&M" means operations and maintenance;

(o) "Part" or "Parts" refers to any or all parts of the Project as further described in Schedule 1 to this Grant Agreement;

(p) "PCO" means Project Coordination Office, established in accordance with paragraph 6 of Schedule 4 to this Grant Agreement;

(q) "PIU" means Project Implementation Unit, established in accordance with paragraph 2 of Schedule 4 to this Grant Agreement;

(r) "Procurement Guidelines" means ADB's Procurement Guidelines dated February 2007, as amended from time to time;

(s) "Procurement Plan" means the procurement plan for the Project dated 19 March 2009 and agreed between the Recipient and ADB, as updated from time to time in accordance with Procurement Guidelines, Consulting Guidelines, and other arrangements agreed with ADB;

(t) "Project District" or "Project Districts" refers to any or all of the following districts within the territory of the Recipient: Kailali, Kanchanpur, and Sunsari;

(u) "Project Executing Agency" means, for the purposes of, and within the meaning of this Grant Agreement, MPPW or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;

(v) "PSC" means Project Steering Committee, established in accordance with paragraph 3 of Schedule 4 to this Grant Agreement;

(w) "RRP" means Report and Recommendation of ADB's President to ADB's Board for the Project; and

(x) "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 from ADB's Special Funds resources on terms and conditions set forth in this Grant Agreement an amount of twenty five million six hundred thousand dollars (\$25,600,000).

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 Goods, Works and consulting services and other items of expenditure to be financed out of the proceeds of the Grant and the allocation of amounts of the Grant among different categories of such Goods, Works and consulting services and other items of expenditure shall be 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, all Goods, Works and consulting services to be financed out of the proceeds of the Grant shall be procured 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 December 2012 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, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than 9 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Grant proceeds and compliance with the financial covenants of this Grant Agreement as well as on the use of the procedures for imprest account/statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.

(b) The Recipient shall enable ADB, upon ADB's request, to discuss the Recipient's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Recipient pursuant to Section 4.02(a) hereabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion 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 financed out of the proceeds of the Grant, and any relevant records and documents.

ARTICLE V

Effectiveness

Section 5.01. A date ninety (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 VI

Miscellaneous

Section 6.01. The Secretary, MOF 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

Ministry of Finance
Singha Durbar
Kathmandu, Nepal

Facsimile Number:

977-1-4211164.

For ADB

Asian Development Bank
P.O. Box 789
0980 Manila, Philippines

Telex Numbers:

29066 ADB PH (RCA)
42205 ADB PM (ITT)
63587 ADB PN (ETPI)

Facsimile Numbers:

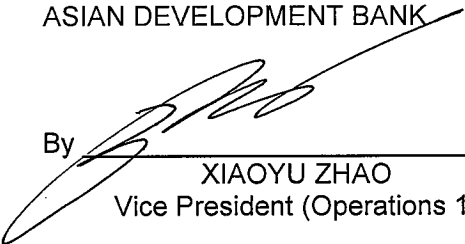
(632) 636-2444
(632) 636-2391.

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 and to be delivered at the principal office of ADB, as of the day and year first above written.

NEPAL

By 
RAMESHORE P. KHANAL
Secretary
Ministry of Finance

ASIAN DEVELOPMENT BANK

By 
XIAOYU ZHAO
Vice President (Operations 1)

SCHEDULE 1

Description of the Project

1. The objective of the Project is to restore economic activity in the Project Districts and improve the livelihood of the people affected by the 2008 monsoon floods in the eastern and far-western regions of Nepal. The Project includes the following Parts:

Part A: Agriculture

- (i) Distribution of seeds, fingerlings, compost, and basic farm equipment;
- (ii) Provision of extension services, training for farming on sandy soil, and social mobilization activities; and
- (iii) Rehabilitation of fishponds, agriculture collection centers, and market places.

Part B: Irrigation

- (i) Reconstruction and rehabilitation of 2 large and 25 small surface irrigation systems in Kailali, Kanchanpur, and Sunsari Districts, including (a) the improvement of 25 head works; (b) about 127 kilometers of main, branch, and tertiary canals; (c) about 196 canal structures such as drains, aqueducts, gates, outlets, and inlets; (d) about 36 kilometers of canal service roads; (e) about 45 culverts and small bridges; (f) 1 medium-size bridge on the canal service roads; and (g) protection works for all of these structures; and
- (ii) Rehabilitation of about 700 shallow tube wells.

Part C: Water Supply and Sanitation

- (i) Rehabilitation of 28 gravity-flow water supply systems in Kailali and Kanchanpur Districts;
- (ii) Construction of 4 small overhead water supply systems and installation of about 3,500 shallow tube wells in Sunsari District;
- (iii) Design and implementation of a health and hygiene education and awareness program;
- (iv) Construction of household level latrines; and
- (v) Implementation of a community mobilization program.

Part D: Roads

- (i) Rehabilitation of (a) feeder roads in Kanchanpur District and Kailali District; and (b) the Silgadi-Sanfe road, the Mahakali highway, and the East-West highway, all in the far-western region; and
- (ii) Construction of the Koshi bridge at Chatara.

Part E: Project Management

- (i) Provision of equipment for the PCO and the IAs;
- (ii) Provision of 2 service vehicles for PCO and 1 for DWIDP;
- (iii) Implementation of a capacity building program for the DWIDP;
- (iv) Preparation of strategies and plans to prevent and mitigate future floods;

- (v) Implementation of at least three (3) socio-economic studies to evaluate the Project's impact on poverty reduction.

2. The Project will also include the provision of consulting services. The Project is expected to be completed by 30 June 2012.

SCHEDULE 2

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of Goods, Works and consulting services and other 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 (hereinafter called the Table). (Reference to "Category" or "Categories" in this Schedule is to a Category or Categories of the Table.)

Percentages of ADB Financing

2. Except as ADB may otherwise agree, the items of the Categories listed in the Table shall be financed out of the proceeds of the Grant on the basis of the percentages 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 then 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 for financing Goods, Works, and consulting services and other items shall be disbursed in accordance with ADB's "Loan Disbursement Handbook" dated January 2007 (ADB's Loan Disbursement Handbook), as amended from time to time.

Imprest; Statement of Expenditures

5. (a) Except as ADB may otherwise agree, the Recipient shall establish immediately after the Effective Date, an imprest account at Nepal Rastra Bank. The imprest account shall be established, managed, replenished and liquidated in accordance with ADB's Loan Disbursement Handbook and detailed arrangements agreed upon between the Recipient and ADB. The currency of the imprest account shall be the dollar. The initial amount to be

deposited into the imprest account shall not exceed the lower of (i) the estimated expenditure to be financed from the imprest account for the first six months of Project implementation, or (ii) the equivalent of ten percent (10%) of the Grant amount.

(b) The statement of expenditures (SOE) procedure may be used for reimbursement of eligible expenditures and to liquidate advances provided into the imprest account, in accordance with ADB's Loan Disbursement Handbook and detailed arrangements agreed upon between the Recipient and ADB. Any individual payment to be reimbursed or liquidated under the SOE procedure shall not exceed the equivalent of \$100,000.

Retroactive Financing

6. Withdrawals from the Grant Account may be made for reimbursement of reasonable expenditures incurred and paid after the emergency occurred but not earlier than the date of the breach of the Koshi River embankment on 18 August 2008, subject to a maximum amount equivalent to thirty percent (30%) of the Grant amount; provided that the expenditures have been incurred in compliance with the following conditions: (a) procurement was undertaken in accordance with the Recipient's procedures, acceptable to ADB; (b) expenditures were verified by MPPW; and (c) the certification is acceptable to ADB.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Emergency Flood Damage Rehabilitation Project)			
CATEGORY			ADB FINANCING
Number	Item	Amount Allocated \$ Category	Percentage and Basis for Withdrawal from the Grant Account
1	Civil Works	17,765,000	80 percent of total expenditure
2	Consulting Services	2,393,000	87 percent of total expenditure
3	Agriculture Inputs	2,581,000	85 percent of total expenditure
4	Training/Workshops	337,000	65 percent of total expenditure
5	Vehicles	110,000	65 percent of total expenditure
6	Material and Equipment	1,175,000	75 percent of total expenditure
7	Recurring Cost	289,000	45 percent of total expenditure
8	Contingencies	950,000	
	Total	25,600,000	

SCHEDULE 3

Procurement of Goods and Works, and Consulting Services

A. General

1. All Goods, Works and consulting services to be financed out of the proceeds of the Grant shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.
2. All terms used and not otherwise defined in this Grant Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

B. Procurement for 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:

International Competitive Bidding
National Competitive Bidding
Shopping
Community participation
Force Account

The method of procurement is 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.

4. Domestic Preference. The Recipient may grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(a) and 2.56 of the Procurement Guidelines for domestically manufactured Goods and paragraphs 2.55(b) and 2.56 of the Procurement Guidelines for domestic Works.
5. National Competitive Bidding. For National Competitive Bidding the Recipient's Public Procurement Act, 2007, and Public Procurement Regulations, 2007, shall be used, subject to the modifications set out in the Procurement Plan.
6. Community Participation in Procurement. The Recipient may use community participation in procurement for Works contracts for small and dispersed civil works up to \$30,000 in accordance with the agreed procedures set out in the Procurement Plan.

C. Selection of Consulting Services

7. Consultants' qualification selection Except as ADB may otherwise agree, the Recipient shall apply consultants' qualification selection for selecting and engaging consulting services.

8. The Recipient shall recruit the individual consultants for Project management, benefit monitoring and evaluation; procurement; financial management; social development; resettlement; environmental management; river morphology, hydrology, and river engineering; and institutional management and development, in accordance with procedures acceptable to ADB for recruiting individual consultants.

D. Industrial or Intellectual Property Rights

9. (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.

10. 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.

E. ADB's Review of Procurement Decisions

11. All contracts procured under international competitive bidding procedures, contracts procured under national competitive bidding, 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 and Operation of Project Facilities; Financial Matters

I. Arrangements and responsibilities for Project management and implementation

A. National Level

Project Executing Agency

1. MPPW shall be the Project Executing Agency, responsible for overall Project management and implementation.

Project Implementing Agencies

2. The following shall be the IAs for the Project: (a) for Part A: DOA; (b) for Part B: DOI; (c) for Part C: DWSS; (d) for Part D: DOR. The implementation of Part E shall be the responsibility of the PCO. Immediately after the Effective Date, each IA shall establish a PIU, headed by a Project Director, that shall be responsible for the following activities for its respective Part: (a) preparing annual workplans; (b) designing and approving civil works; (c) preparing tender documents for civil works and goods, and approving contracts; (d) appointing consultants; and (e) submitting quarterly progress reports to the PCO.

Project Steering Committee

3. Within one (1) month of the Effective Date, MPPW shall have established the PSC chaired by the Secretary MPPW and comprising representatives from MOF, Ministry of Home Affairs, Ministry of Water Resources, Ministry of Local Development, Ministry of Agriculture and Cooperatives, NPC, DOA, DOI, DWSS, DOR and DWIDP.

4. The PSC shall be responsible for (a) providing guidance on overall Project coordination; (b) facilitating Project implementation; and (c) overseeing all Project-related governance matters, including any issues that may arise out of mismanagement or breach of quality standards in the design and implementation of the Project. The PSC shall meet at least six (6) times in the first year of Project implementation. Thereafter the PSC shall meet as needed, but not less than three (3) times a year. The full-time Project Coordinator from MPPW shall be its member-secretary. ADB may attend as an observer.

National Project Management Coordination Committee

5. Immediately after the Effective Date, MPPW shall establish the NPMCC comprising representatives from each PIU. The Project Coordinator shall chair the NPMCC meetings. The NPMCC shall meet every month during Project implementation.

Project Coordination Office

6. Within one (1) month of the Effective Date, MPPW shall have established the PCO, responsible for coordination between the IAs, concerned line ministries, and the NPC. The PCO shall be headed at all times during Project implementation by a full-time Project Coordinator,

supported by a full-time Deputy Project Coordinator. The PCO shall be responsible for: (a) preparing the overall Project implementation plan and consolidated annual work plan; (b) assisting PIUs in preparing estimates for annual budget and contract packaging; (c) conducting socio-economic studies; (d) monitoring Project management activities; (e) organizing monitoring and evaluation of Project activities; (f) maintaining proper accounting for all Project expenditures; (g) managing and replenishing the imprest account; (h) preparing necessary progress reports and submitting these to the PSC and ADB; and (i) preparing the Project completion report and submitting it to ADB.

B. District Level

7. Within one (1) month of the Effective Date, each Project District shall establish a district level Project Coordination Committee under the Chief District Officer of such district to coordinate various Project activities within such district.

II. Implementation Matters

Financial and procedural matters

8. Cabinet shall approve simplified and fast-tracked procurement procedures for goods, services, and civil works, in line with the provisions on emergency projects in the Recipient's Public Procurement Act and Regulations of 2007, and acceptable to ADB.

9. MPPW shall ensure to take all appropriate and necessary measures to apply delegated financial powers while implementing the Project, in particular those included in the Recipient's Financial Procedures Rules of 2007.

10. The Recipient shall ensure to allocate and release, on a timely basis, adequate counterpart funds for each fiscal year during Project implementation.

Selection criteria, construction, and O&M

11. Within two (2) months of Grant Effectiveness, the MPPW shall have finalized selection criteria, acceptable to ADB, for (a) all subprojects and activities under Part A of the Project; and (b) the location of shallow tube wells under Part B (ii) of the Project. The Recipient shall ensure that all subprojects and activities under Part A as well as the location of shallow tube wells under Part B (ii) shall be in line with such selection criteria.

12. MPPW shall take all appropriate and necessary measures to ensure that river survey works for the bridge to be constructed under Part D (ii) shall be finalized by 15 April 2009 and the contract be awarded by 31 October 2009.

13. MPPW shall ensure that all facilities rehabilitated or constructed under the Project are properly operated and shall be maintained by the responsible IA. Within twelve (12) months of the Effective Date, each IA shall have prepared a maintenance plan, with funding requirements and other relevant provisions, to ensure year-round effective maintenance of rehabilitated and constructed facilities. PCO shall prepare a consolidated maintenance plan and MPPW shall submit a copy of such maintenance plan to ADB. This shall serve as basis for joined evaluation. The Recipient shall ensure to make available on a timely basis the funds needed to implement the maintenance plan.

Disaster management and risk reduction

14. The Recipient shall take all necessary strategies and actions to prevent and mitigate future floods. To that end, within one (1) year of the Effective Date, the Cabinet shall have approved a flood preparedness action plan, submitted by the Ministry of Water Resources. The PSC and ADB shall jointly monitor the action plan on a quarterly basis. Within one (1) year of the Effective Date, the DWIDP shall have provided training to staff of all relevant agencies on flood awareness and preparedness.

Anti-corruption measures

15. The Recipient shall ensure to implement the following in relation to the Project: (a) strict financial management with full adherence to provisions on monitoring and reporting as set out in this Grant Agreement and the Project administration memorandum that will be developed for the Project; (b) strict compliance with the Recipient's Public Procurement Act and Regulations of 2007, as well as with the Recipient's Local Body Financial Administration Regulations, 2007; (c) allow third party monitoring of all subprojects; and (d) random independent spot checks of Project implementation by the ADB and the PCO.

Environmental issues

16. MPPW shall ensure that all subprojects and activities under the Project shall be implemented in accordance with the Recipient's environmental laws and regulations, ADB's Environment Policy of 2002, and the summary IEE for the Project. In the event of a discrepancy between the Recipient's laws and regulations on the one hand, and ADB's policy on the other, ADB's policy shall prevail. All mitigation measures set out in the environmental assessment and review procedures for the Project, as set out in supplementary appendix H of the RPP, shall be fully complied with throughout Project implementation. For subprojects that require an IEE, such IEE shall be included in the subproject proposal. MPPW shall ensure that any environmental clearance required shall be obtained prior to commencing any civil works. MPPW shall ensure that all IAs submit semiannual reports on the implementation of the mitigation measures set out in the summary IEE.

Resettlement issues

17. MPPW shall ensure that to the extent possible no subproject shall require land acquisition or involuntary resettlement as defined in ADB's Involuntary Resettlement Policy of 1995. In the event land acquisition or involuntary resettlement is unavoidable for any subproject, MPPW shall prepare a resettlement plan in accordance with the Recipient's applicable laws and regulations, ADB's Involuntary Resettlement Policy of 1995, ADB's Handbook on Resettlement of 1998, and the Resettlement Framework for the Project, as set out in Supplementary Appendix F of the RRP. In the event of a discrepancy between the Recipient's laws and regulations on the one hand, and ADB's policy on the other, ADB's policy shall prevail. The resettlement plan shall be submitted to ADB for its review and approval before any land acquisition is initiated. MPPW shall ensure that all compensation for land acquisition and resettlement shall be completed prior to the award of civil works contract for the concerned subproject. MPPW shall ensure that all IAs submit semiannual reports on the implementation of the resettlement plan.

Social issues

18. MPPW shall ensure that all IAs shall actively seek beneficiary participation in the design and implementation of all rehabilitation works carried out under the Project.
19. MPPW shall ensure that all IAs shall implement the Gender Action Plan set out in Supplementary Appendix J to the RRP. Within three (3) months of the Effective Date, MPPW shall have approved gender and social inclusion guidelines, aimed at ensuring that Project benefits accrue equitably to women and socially marginalized groups. MPPW shall ensure that all surveys and assessments to be conducted under the Project shall include gender, caste, and ethnicity disaggregated data.
20. MPPW shall take all necessary and appropriate actions to ensure that women are equitably represented in user committees in the areas of agriculture, irrigation, and water and sanitation under the Project.
21. MPPW shall ensure that subprojects will not negatively affect vulnerable population groups, in particular indigenous people. In the event any issues related to indigenous people arise in the course of Project implementation, the Recipient shall ensure to address those issues in accordance with the applicable laws and policies of the Recipient and ADB's Policy on Indigenous Peoples of 1998. In the case of any discrepancy between the Recipient's legislation and ADB's policy, ADB's policy shall prevail.
22. MPPW shall ensure that all civil works contractors comply with all applicable labor laws, including those on occupational health and safety, do not employ child labor, as defined in national legislation, for construction and maintenance activities, and provide appropriate facilities in construction campsites, including separate facilities for female laborers. MPPW shall take all appropriate and necessary measures to employ poor and vulnerable groups under the Project, particularly women and landless farmers and require contractors to use local unskilled labor. MPPW shall require contractors not to differentiate wages between men and women for work of equal value. Specific clauses to cover these items shall be included in bidding documents, and compliance shall be strictly monitored throughout Project implementation.

Project Performance Management System (PPMS)

23. Within three (3) months of the Effective Date, the PCO shall have established a PPMS, including baseline indicators and targets for each sector. All data, including those on services provided under the Project, shall be disaggregated by gender, caste, and ethnicity.