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GRANT NUMBER 0154 -TAJ(SF)  
(Supplementary to Loan No. 2196-TAJ[SF] and  
Grant No. 0023-TAJ[SF])

GRANT AGREEMENT  
(Special Operations)

(Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II - Supplementary)

between

REPUBLIC OF TAJIKISTAN

and

ASIAN DEVELOPMENT BANK

DATED 7 AUGUST 2009

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GAS:TAJ 38236

## **GRANT AGREEMENT (Special Operations)**

GRANT AGREEMENT dated 7 August 2009 between the REPUBLIC OF TAJIKISTAN (hereinafter called Tajikistan) and ASIAN DEVELOPMENT BANK (hereinafter called ADB).

### WHEREAS

(A) by a financing agreement (Loan No. 2196-TAJ[SF] and Grant No. 0023-TAJ[SF] for the Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II), dated 14 February 2006, between Tajikistan and ADB (hereinafter called the Financing Agreement), ADB had made a loan and a grant to Tajikistan from ADB's Special Funds resources in the amounts equivalent to twenty million three hundred fifty-three Special Drawing Rights (SDR20,353,000) and five hundred thousand Dollars (\$500,000), accordingly, for the purposes of the project described in Schedule 1 to the Financing Agreement;

(B) Tajikistan has applied to ADB for a supplementary grant for the purposes of financing the Project, as described in Schedule 1 to this Grant Agreement (hereinafter called the Project); and

(C) ADB has agreed to make a supplementary grant to Tajikistan from ADB's Special Funds resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

## **ARTICLE I**

### **Grant Regulations; Definitions**

Section 1.01. All provisions of the Special Operations Grant Regulations of ADB, dated 7 February 2005 (hereinafter called the Grant Regulations), are hereby made applicable to the Grant made pursuant to this Grant Agreement with the same force and effect as if they were fully set forth herein subject, however, to the following modifications: the term "Recipient", wherever it appears in the Grant Regulations, shall be substituted by the term "Tajikistan" as defined in the opening paragraph of this Grant Agreement.

Section 1.02. The definitions set forth in the Grant Regulations and the Financing Agreement are applicable to this Grant Agreement, in each case unless the context requires otherwise. In addition, the following terms have the following meanings:

(a) "ADB's Loan Disbursement Handbook" means the ADB's Loan Disbursement Handbook dated January 2007, as amended from time to time;

(b) "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;

- (c) "EMP" means the environmental management plan included in the IEE;
- (d) "IEE" means the initial environmental examinations prepared by Tajikistan and agreed by ADB for (i) the ADB-financed Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase I (Loan No. 2062-TAJ), and (ii) Phase II;
- (e) "HIV/AIDS" means human immunodeficiency virus/ acquired immunodeficiency syndrome;
- (f) "km" means kilometer(s);
- (g) "MOTC" means the Ministry of Transport and Communications of Tajikistan and any successor thereto;
- (h) "PIU" means the project implementation unit established under Phase II;
- (i) "Phase II" means the ADB-financed Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II (Loan No. 2196-TAJ[SF] and Grant No. 0023-TAJ[SF]);
- (j) "Procurement Guidelines" means ADB's Procurement Guidelines dated February 2007, as amended from time to time;
- (k) "Procurement Plan" means the procurement plan for the Project dated June 2009 and agreed between the Tajikistan and ADB, as updated from time to time in accordance with Procurement Guidelines, Consulting Guidelines, and other arrangements agreed with ADB;
- (l) "Project area" means the geographic area encompassing the Project Road;
- (m) "Project Road" means sections of the Dushanbe-Kyrgyz border main road comprising (i) the Obigarm - Nurobod section (km 95-140), (ii) the emergency bypass road (km 110-112), (iii) the Nurobad – Nimich section (km 140-217), and (iv) the Tajik-Kyrgyz border section at Karamik (km 337-346);
- (n) "Resettlement Plan" or "RP" means the short resettlement plan prepared by Tajikistan and agreed by ADB for Phase II;
- (o) "SIEE" means the summary initial environmental examination prepared by Tajikistan and agreed by ADB for Phase II; and
- (p) "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 Tajikistan from ADB's Special Funds resources on terms and conditions set forth in this Agreement an amount of twenty million Dollars (\$20,000,000).

## **ARTICLE III**

### **Use of Proceeds of the Grant**

Section 3.01. Tajikistan 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 Works and consulting services to be financed out of the proceeds of the Grant and the allocation of amounts of the Grant among different categories of such Works and consulting services 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 Tajikistan and ADB.

Section 3.03. Except as ADB may otherwise agree, all 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 Works and consulting services shall be made only on account of expenditures relating to

- (a) 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) 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 Tajikistan and ADB.

## ARTICLE IV

### Particular Covenants

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

Section 4.02. (a) Tajikistan 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 6 months after the end of each related fiscal year, certified copies of such audited accounts and project accounts/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) Tajikistan shall enable ADB, upon ADB's request, to discuss Tajikistan's project accounts/financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by Tajikistan 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 Tajikistan unless Tajikistan shall otherwise agree.

Section 4.03. Tajikistan 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

### Suspension; Cancellation

Section 5.01. The following is specified as an additional event for suspension of the right of Tajikistan to make withdrawals from the Grant Account for the purposes of Section 8.01(k) of the Loan Regulations or cancellation of the Grant pursuant to Section 8.02 of the Grant Regulations: Tajikistan shall have failed to perform any of its obligations under the Financing Agreement.

## **ARTICLE VI**

### **Effectiveness**

Section 6.01. A date thirty (30) 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**

### **Miscellaneous**

Section 7.01. The Minister of Finance of Tajikistan is designated as representative of Tajikistan 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 Tajikistan

Ministry of Finance of the Republic of Tajikistan  
3, Akademika Rajabovikh Street  
734025, Dushanbe, Tajikistan

Facsimile Numbers:

+992 372 213764  
+992 372 214205  
+992 372 216796

#### For ADB

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

Facsimile Numbers:

(632) 636-2444  
(632) 636-2426.

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.

REPUBLIC OF TAJIKISTAN

By   
\_\_\_\_\_  
Authorized Representative

ASIAN DEVELOPMENT BANK

By   
\_\_\_\_\_  
MAKOTO OJIRO  
Country Director  
Tajikistan Resident Mission

**SCHEDULE 1****Description of the Project**Impact and Outcome

1. The Project as described hereunder will expand the Phase II, reinforcing its initial outcome and impact. The expanded Project reflects best practice design and updated traffic and trade forecasts. This results in bridging technical gaps, and extending Project Road's economic life.

Scope

2. The Project scope includes:
- (a) pavement, drainage, structural and road-safety upgrading of the km 95-140;
  - (b) repair and improvement of the emergency bypass section (km 110-112);
  - (c) pavement upgrading of the km 140-150;
  - (d) earthworks on the km 177-180;
  - (e) additional quantities to cover technical gap of the initial design of the km 140-217;
  - (f) pavement upgrading of the Tajik-Kyrgyz border section at Karamik (km 337-346);  
and
  - (g) provision of consulting services for construction supervision and project auditing.
3. The Project is expected to be completed by 31 December 2011.

## SCHEDULE 2

### Allocation and Withdrawal of Grant Proceeds

#### General

1. The table attached to this Schedule sets forth the Categories of Works and consulting services 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, by notice to the Tajikistan, (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, by notice to Tajikistan, reallocate such excess amount to any other Category.

#### Disbursement Procedures

4. Except as ADB may otherwise agree, the Grant proceeds for financing Works and consulting services shall be disbursed in accordance with ADB's Loan Disbursement Handbook.

#### Imprest Account: Statement of Expenditures

5. (a) Except as ADB may otherwise agree, Tajikistan shall establish immediately after the Effective Date, an imprest account at a commercial bank, acceptable to ADB. The imprest account shall be established, managed, replenished and liquidated in accordance with ADB's Loan Disbursement Handbook and detailed arrangements agreed upon between Tajikistan and ADB. The currency of the imprest account shall be 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 (10) percent 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 Tajikistan and ADB. Any individual payment to be reimbursed or liquidated under the SOE procedure shall not exceed the equivalent of \$50,000.

#### Retroactive Financing

6. Withdrawals from the Grant Account may be made for reimbursement of reasonable 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 ongoing and awarded contracts under Phase II, subject to a maximum amount equivalent to 20 percent of the Grant amount.

TABLE

<b>ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II - Supplementary)</b>			
<b>CATEGORY</b>			<b>ADB FINANCING</b>
<b>Number</b>	<b>Item</b>	<b>Amount Allocated</b>	<b>Percentage and Basis for Withdrawals from the Grant Account</b>
		<b>Category</b>	
1	Works	16,000,000	100% of expenditure claimed*
2	Consulting Services	700,000	100% of expenditure claimed*
3	Contingencies	3,300,000	
	<b>Total</b>	<b>20,000,000</b>	

\* Exclusive of taxes and duties imposed within the territory of Tajikistan.

### SCHEDULE 3

#### Procurement of Works and Consulting Services

##### A. General

1. All 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 of Works

3. Except as ADB may otherwise agree, Works shall only be procured on the basis of the methods of procurement set forth below:

International Competitive Bidding
National Competitive Bidding

The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. Tajikistan 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. Tajikistan may grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(b) and 2.56 of the Procurement Guidelines for domestic Works.

5. National Competitive Bidding. Tajikistan and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, Tajikistan's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between Tajikistan and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after written approval of such change by Tajikistan and ADB.

##### C. Selection of Consulting Services

6. Quality- and Cost-Based Selection. Except as ADB may otherwise agree, Tajikistan shall apply quality- and cost-based selection for selecting and engaging consulting services.

7. Tajikistan shall apply the least cost selection method for selecting and engaging the consulting services for project audit, in accordance with, among other things, the procedures set forth in the Procurement Plan.

**D. Industrial or Intellectual Property Rights**

8. (a) Tajikistan shall ensure that all Works procured do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) Tajikistan shall ensure that all contracts for the procurement of Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor with respect to the matters referred to in subparagraph (a) of this paragraph.

9. Tajikistan 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**

10. All contracts for Works and consulting services shall be subject to prior review by ADB, unless otherwise agreed between Tajikistan and ADB and set forth in the Procurement Plan.

## SCHEDULE 4

### Execution of Project and Operation of Project Facilities; Financial Matters

#### I. IMPLEMENTATION ARRANGEMENTS

##### Project Executing Agency

1. MOTC, as the Project Executing Agency, shall be responsible for overall execution and coordination of the Project.

##### Project Implementation

2. (a) Tajikistan shall ensure that the Minister or a Deputy Minister of MOTC, or other similarly high-ranking officer of MOTC acceptable to ADB, shall be responsible for overall Project management and supervision.

(b) The PIU shall be responsible for the day-to-day Project management, including (i) monitoring the Project implementation progress (ii) preparing withdrawal applications and Project progress reports, (iii) maintaining Project accounts and completing financing records for the Project auditing.

(c) Tajikistan shall also ensure that at all times throughout the Project implementation the PIU shall be adequately staffed with professional and clerical personnel with experience and expertise in financial accounting, road engineering, construction supervision, and contract administration. Specifically, prior to mobilization of civil works under the Project, MOTC shall recruit additional PIU staff, including a road engineer, procurement and safeguard specialists, and a translator.

##### Counterpart Funding

3. Tajikistan shall, on a timely basis, provide all funds and resources necessary for the rehabilitation, operation and maintenance of the Project Road in accordance with the agreed financing plan. Tajikistan shall cause MOF to take all necessary measures to enable MOTC to implement the Project successfully and operate and maintain the Project Road after completion. Before the end of each year Tajikistan shall furnish ADB a public investment program for the succeeding year demonstrating availability of funds necessary for the Project.

#### II. ROAD MAINTENANCE ISSUES

##### Maintenance Financing

4. (a) Tajikistan shall allocate and make available on a timely basis sufficient funds for the rehabilitation and maintenance of the Project Road.

(b) Without limiting the generality of the foregoing, Tajikistan shall annually allocate at least the amount equivalent to US\$200,000 (plus inflation since 2009) for maintenance of the rehabilitated sections of the Project Road after the handover of these sections by the contractor.

(c) Tajikistan shall ensure that actual annual expenditures for road maintenance (including emergency maintenance, but excluding rehabilitation and new construction) for roads under MOTC jurisdiction are increased at the same rate as increases in the overall national budget during 2009–2011.

(d) Tajikistan shall (i) ensure that details of actual road maintenance expenditures are included in every other quarterly progress report to be submitted by MOTC to ADB, (ii) have such expenditures audited annually in accordance with appropriate auditing standards by independent auditors acceptable to ADB, and (iii) furnish such audited statements of expenditures to ADB within six (6) months from the end of the fiscal year.

#### Vehicle Weighing

5. Tajikistan shall cause MOTC and the Customs Service Department to install and make fully operational static vehicle weighing systems, according to legislation and national standards, for the sections of the national highway rehabilitated under Phase II and the Project by the time of handover of the road by the contractor.

### III. OTHER ISSUES

#### Construction Quality

6. Tajikistan shall ensure that (i) the Project Road is rehabilitated in accordance with the technical specifications of the design; and (ii) construction supervision, quality control and contract management are performed in accordance with internationally acceptable standards.

#### Road Safety

7. To ensure safety in the Project area during Project implementation and after Project completion, Tajikistan shall ensure that MOTC installs appropriate road safety facilities, such as pavement marking, warning signs, traffic signs and signals, communication facilities, hazard barriers, and traffic monitoring facilities.

#### Safeguard Unit

8. Tajikistan shall ensure that the permanent safeguard unit institutionalized within PIU is adequately staffed and equipped to enable it to review, audit and monitor safeguard implementation, and that it submits a monitoring report every six (6) months to ADB and to relevant governmental agencies through EA.

#### Environmental Considerations

9. Tajikistan shall ensure that:

(a) the Project Road is designed, rehabilitated, maintained and operated in accordance with relevant national and local government environmental laws, regulations, rules, and procedures, and in conformity with the ADB *Environment Policy* (2002);

(b) the contractors implement the mitigation measures described in the IEE, SIEE, and EMP and regularly report the implementation status to MOTC;

(c) any adverse environmental impacts arising from the Project are reported to MOTC and ADB and minimized by implementing the mitigation measures and other recommendations presented in the IEE;

(d) a permanent environmental monitoring unit in the PIU is institutionalized and required minimum staff and resources are provided to enable it to review, audit and monitor implementation of EMP; and

(e) MOTC submits to ADB an annual report on environmental performance in form and substance satisfactory to ADB during Project implementation.

#### Land Acquisition and Resettlement

10. Tajikistan through MOTC shall ensure that land acquisition and resettlement are carried out promptly and efficiently following the short resettlement plan agreed with ADB, in line with applicable laws and the ADB *Policy on Involuntary Resettlement* (1995).

11. Tajikistan shall ensure that (i) the Resettlement Plan (RP) is implemented in accordance with its terms, (ii) all land and rights-of-way required by the Project are made available in a timely manner, (iii) the provisions of the RP, including compensation and entitlements for affected persons, will be implemented in accordance with all applicable government laws and regulations and the ADB *Policy on Involuntary Resettlement*, (iv) compensation and resettlement assistance are given to the affected people prior to dispossession and displacement; (v) counterpart funds for land acquisition and resettlement activities are provided in a timely manner, (vi) any obligations in excess of the RP budget estimate are met, and (vii) the affected persons will be at least as well off as they would have been in the absence of the Project.

12. MOTC shall also ensure that (i) adequate staff and resources are committed to supervising and monitoring the implementation of the RP and providing quarterly reports on such implementation to ADB, (ii) an independent agency acceptable to ADB is contracted to carry out investigations to monitor progress semi-annually and to evaluate results through annual survey updates for two years after completion of resettlement, and forward reports to ADB and MOTC simultaneously, (iii) data is disaggregated by gender and monitoring will focus on gender impacts and vulnerable groups, and (iv) a summary of government audits of resettlement disbursements and expenditures is provided to ADB in form and substance satisfactory to ADB.

13. Tajikistan shall ensure that MOTC updates the RP, including the local road component, (i) upon completion of detailed design, including rehabilitation plans for seriously affected villages, and prior to commencement of land acquisition; (ii) upon the completion of the detailed measurement survey for the Project Road, as described in the RP, and prior to the commencement of civil works, submit any modifications to ADB for its concurrence prior to award of contracts; and (iii) as necessary to reflect any significant material changes in project scope or other causes, and submit any such changes to ADB for its approval. MOTC shall disclose each updated RP to affected persons.

14. Tajikistan shall cause MOTC to (i) ensure that civil works contractor specifications include requirements to comply with the RP and entitlements for permanent and temporary impacts to affected persons, (ii) supervise the contractors to ensure compliance with

requirements of the RP, applicable law, and the ADB *Policy on Involuntary Resettlement*, and (iii) ensure that adequate resettlement compensation funds are available and properly utilized.

#### Employment

15. Tajikistan through MOTC shall (a) encourage the use of local labor and local materials in Project works; (b) ensure that men and women receive equal pay for work of equal type; (c) ensure that civil works contractors (i) comply with applicable labor legislation, (ii) maximize employment for the affected persons with equal access to women, including disadvantaged women, and (iii) abstain from child labor in construction, rehabilitation, and maintenance activities.

#### Gender and Development

16. Tajikistan shall ensure that MOTC monitors the impact of the Project on women throughout Project implementation, in consultation with local governments, local women's associations, and nongovernmental organizations. In this respect, MOTC shall: (i) ensure women's participation during all phases of project implementation; (ii) encourage local contractors to increase the employment of women, including disadvantaged women, in road rehabilitation activities; and (iii) require safe working conditions for both male and female workers. Specific provisions to this effect shall be included in bidding documents and civil works contracts.

#### Health and Social Risks

17. Tajikistan through MOTC shall ensure that civil works contractors engaged under the Project disseminate information (in local languages) on the risks of sexually-transmitted infections, including HIV/AIDS, in health and safety programs to all construction workers at campsites. Specific provisions to this effect shall be included in bidding documents and civil works contracts, and compliance shall be strictly monitored by MOTC.

18. Tajikistan shall ensure strict border control to prevent trafficking of humans, wildlife, endangered species, and illegal substances on the Project Road.

#### Project Performance Monitoring and Evaluation

19. Tajikistan shall ensure that MOTC, with the assistance of the international consultants, monitors and evaluates Project impacts in accordance with the Project Performance Management System to ensure that the Project facilities are managed effectively, and that the Project benefits are maximized. MOTC shall collect the data agreed with ADB at the commencement of rehabilitation, at Project completion, one (1) year from Project completion, and three (3) years after Project completion.

#### Anticorruption Measures

20. Tajikistan shall (i) undertake necessary measures to create and sustain a corruption-free environment, and (ii) ensure that its anticorruption laws and regulations and the ADB *Anticorruption Policy* (1998) are strictly enforced and are being complied with during Project implementation. ADB shall reserve the right to investigate directly, or through its agents, any possible corrupt, fraudulent, collusive or coercive practices relating to the Project.

Midterm Review

21. ADB will combine review of the Project and Phase II. To ensure timely and effective implementation, at least three reviews will be undertaken annually. The review will focus on (i) Project impacts, including those relating to technical, environmental, and social aspects and poverty reduction, (ii) the Project's economic viability and other relevant aspects that may have an impact on Project performance, and (iii) compliance with assurances specified in this Grant Agreement. The EA will monitor implementation and inform ADB promptly of major problems that may result in target schedule not being met. One project completion report will be required after the closing of the Project. ADB will field a combined project completion review mission one year after project completion.