
LOAN NUMBER 3434-TAJ(SF)

GRANT NUMBER 0498-TAJ(SF)

FINANCING AGREEMENT
(Special Operations)

(Water Resources Management in Pyanj River Basin Project)

between

REPUBLIC OF TAJIKISTAN

and

ASIAN DEVELOPMENT BANK

DATED 15 November 2016

TAJ 47181

**FINANCING AGREEMENT
(Special Operations)**

FINANCING AGREEMENT dated 15 November 2016 between REPUBLIC OF TAJIKISTAN ("Beneficiary") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

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

(B) the Beneficiary has also applied to the Government of Japan, through the Japan Fund for Poverty Reduction ("JFPR"), for a grant of three million Dollars (\$3,000,000) to assist in financing Part B of the Project and to be administered by ADB, upon terms and conditions set forth in a grant agreement between the Beneficiary and ADB ("JFPR Grant Agreement"); and

(C) ADB has agreed to provide financing by making a loan and a grant to the Beneficiary from ADB's Special Funds resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Loan Regulations and Grant Regulations; Definitions

Section 1.01. All provisions of the Special Operations Loan Regulations of ADB, dated 1 January 2006 ("Loan Regulations"), are hereby made applicable to this Financing Agreement with the same force and effect as if they were fully set forth herein, subject however, to the following modifications:

(a) The term "Loan Agreement", wherever it appears in the Loan Regulations, shall be substituted by the term "Financing Agreement".

(b) The term "Borrower", wherever it appears in the Loan Regulations, shall be substituted by the term "Beneficiary" as defined in the opening paragraph of this Financing Agreement.

Section 1.02. All provisions of the Special Operations Grant Regulations of ADB, dated 7 February 2005 ("Grant Regulations"), are hereby made applicable to this Financing Agreement with the same force and effect as if they were fully set forth herein, subject however, to the following modifications:

(a) The term "Grant Agreement", wherever it appears in the Grant Regulations, shall be substituted by the term "Financing Agreement".

(b) The term "Recipient", wherever it appears in the Grant Regulations, shall be substituted by the term "Beneficiary" as defined in the opening paragraph of this Financing Agreement.

Section 1.03. Wherever used in this Financing Agreement, the several terms defined in the Loan Regulations and the Grant Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Financing Agreement have the following meanings:

(a) "ALRI" means the Beneficiary's Agency of Land Reclamation and Irrigation;

(b) "CIS" means the Chubek Irrigation System;

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

(d) "Consulting Services" means the services to be financed out of the proceeds of the Loan or the Grant as described in paragraph 3 of Schedule 1 to this Financing Agreement;

(e) "EMP" means the environmental management plan for the Project, including any update thereto, incorporated in the IEE;

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

(g) "GAP" means the gender action plan prepared for the Project, including any update thereto, and agreed to between the Beneficiary and ADB;

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

(i) "IEE" means the initial environmental examination for the Project, including any update thereto, prepared and submitted by the Beneficiary and cleared by ADB;

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

(k) "O&M" means operation and maintenance;

(l) "PAM" means the project administration manual for the Project dated 18 July 2016 and agreed between the Beneficiary and ADB, as updated from time to time in accordance with the respective administrative procedures of the Beneficiary and ADB;

(m) "Part" means a part of the Project as described in paragraph 2 of Schedule 1 to this Financing Agreement;

(n) "PIO" means each any of the project implementation offices referred to in paragraph 6 of Schedule 3 to this Financing Agreement;

(o) "PMO" means the project management unit referred to in paragraph 6 of Schedule 3 to this Financing Agreement;

(p) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);

(q) "Procurement Plan" means the procurement plan for the Project dated 18 July 2016 and agreed between the Beneficiary and ADB, as updated from time to time in accordance with the Procurement Guidelines, Consulting Guidelines, and other arrangements agreed with ADB;

(r) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations and the Grant Regulations, means the ALRI or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;

(s) "Safeguards Monitoring Report" means each report prepared and submitted by the Beneficiary to ADB that describes progress with implementation of and compliance with the EMP, including any corrective and preventative actions;

(t) "SPS" means ADB's Safeguard Policy Statement (2009);

(u) "Works" means construction or civil works to be financed out of the proceeds of the Loan or 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; and

(v) "WUA" means water users' association.

ARTICLE II

The Loan and the Grant

Section 2.01. ADB agrees to provide to the Beneficiary from ADB's Special Funds resources, on terms and conditions set forth in this Financing Agreement:

(a) a loan in various currencies equivalent to thirteen million seven hundred fifty-eight thousand Special Drawing Rights (SDR13,758,000) ("Loan"); and

(b) a grant in the amount of five million eight hundred fifty thousand Dollars (\$5,850,000) ("Grant").

Section 2.02. (a) The Beneficiary shall pay to ADB an interest charge at the rate of 1% per annum during the grace period, and 1.5% per annum thereafter, on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

(b) The term "grace period" as used in paragraph (a) of this Section means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Financing Agreement.

Section 2.03. The interest charge and any other charge on the Loan shall be payable semiannually on 15 November and 15 May in each year.

Section 2.04. The Beneficiary shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 2 to this Financing Agreement.

Section 2.05. The currency of repayment of the principal amount of the Loan and the currency of payment of the interest charge for the purposes of Sections 4.03(a) and 4.04 of the Loan Regulations shall be the Dollar.

ARTICLE III

Use of Proceeds of the Loan and the Grant

Section 3.01. The Beneficiary shall cause the proceeds of the Loan and the Grant to be applied to the financing of expenditures on the Project in accordance with the provisions of this Financing Agreement.

Section 3.02. The proceeds of the Loan and the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Financing Agreement, as such Schedule 3 may be amended from time to time by agreement between the Beneficiary and ADB.

Section 3.03. Except as ADB may otherwise agree, the Beneficiary shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Loan and the Grant in accordance with the provisions of Schedule 4 to this Financing Agreement.

Section 3.04. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2022, and the Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 30 June 2022 or, in each case, such other date as may from time to time be agreed between the Beneficiary and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Beneficiary shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Financing Agreement.

Section 4.02. (a) The Beneficiary, through the ALRI, shall (i) maintain separate accounts and records for the Project, including separate accounts and records for the Loan and the Grant; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Loan and the Grant proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

(c) The Beneficiary shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Beneficiary's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Beneficiary, unless the Beneficiary shall otherwise agree.

Section 4.03. The Beneficiary shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

ARTICLE V

Effectiveness

Section 5.01. The following is specified as an additional condition to the effectiveness of this Financing Agreement for the purposes of Section 9.01(f) of the Loan Regulations and Section 9.01(e) of the Grant Regulations, respectively: the JFPR Grant Agreement has been duly authorized, executed and delivered on behalf of the Beneficiary and all conditions precedent to its effectiveness (other than a condition requiring the effectiveness of this Financing Agreement) have been fulfilled.

Section 5.02. The following is specified as an additional matter, for the purposes of Section 9.02(d) of the Loan Regulations and Section 9.02(c) of the Grant Regulations, respectively, to be included in the opinion or opinions to be furnished to ADB: the JFPR Grant Agreement has been duly authorized, executed and delivered on behalf of the Beneficiary, and is legally binding on the Beneficiary in accordance with its terms.

Section 5.03. A date 90 days after the date of this Financing Agreement is specified for the effectiveness of the Financing Agreement for the purposes of Section 9.04 of the Loan Regulations and Section 9.04 of the Grant Regulations.

ARTICLE VI

Miscellaneous

Section 6.01. The Minister of Finance of the Beneficiary is designated as representative of the Beneficiary for the purposes of Section 11.02 of the Loan Regulations and Section 11.02 of the Grant Regulations.

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

For the Beneficiary

Ministry of Finance
3, Akademikov Rajabovikh Avenue
734025 Dushanbe City
Tajikistan

Facsimile Numbers:

(992) 372 213-329
(992) 372 216-237

For ADB

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

Facsimile Numbers:

(632) 636-2444
(632) 636-2017.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Financing 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.

REPUBLIC OF TAJIKISTAN

By 

ABDUSALOM K. QURBONIYON
Minister
Ministry of Finance

ASIAN DEVELOPMENT BANK

By 

CHANG CHING YU
Country Director
Tajikistan Resident Mission

SCHEDULE 1**Description of the Project**

1. The objective of the Project is to increase agricultural production in the CIS area of the Pyanj River Basin in the territory of the Beneficiary.
2. The Project shall comprise the following parts:
 - Part A – Modernization and operationalization of climate-proofed CIS water resource management infrastructure, including:
 - (a) modernization and rehabilitation of irrigation and drainage infrastructure and its climate-proofing;
 - (b) construction of sediment-excluding basin;
 - (c) modernization and rehabilitation of at least two cascade irrigation pumping systems (Urtaboz and Janubi); and
 - (d) capacity development of the ALRI staff through provision of equipment, training and development of monitoring and evaluation system;
 - Part B – Improvement of farm management capacity and water use skills, including:
 - (a) promotion of profitable farm management and efficient water use;
 - (b) production of high-quality seeds; and
 - (c) establishment and possible reorganization of WUAs and capacity development of WUAs and beneficiaries.
3. Consulting Services shall be provided to support the above activities.
4. The Project is expected to be completed by 31 December 2021.

SCHEDULE 2**Amortization Schedule****(Water Resources Management in Pyanj River Basin Project)**

<u>Payment Due Date</u>	<u>Payment of Principal</u> (expressed in Special Drawing Rights)*
15 November 2024	286,625
15 May 2025	286,625
15 November 2025	286,625
15 May 2026	286,625
15 November 2026	286,625
15 May 2027	286,625
15 November 2027	286,625
15 May 2028	286,625
15 November 2028	286,625
15 May 2029	286,625
15 November 2029	286,625
15 May 2030	286,625
15 November 2030	286,625
15 May 2031	286,625
15 November 2031	286,625
15 May 2032	286,625
15 November 2032	286,625
15 May 2033	286,625
15 November 2033	286,625
15 May 2034	286,625
15 November 2034	286,625
15 May 2035	286,625
15 November 2035	286,625
15 May 2036	286,625
15 November 2036	286,625
15 May 2037	286,625
15 November 2037	286,625
15 May 2038	286,625
15 November 2038	286,625
15 May 2039	286,625
15 November 2039	286,625
15 May 2040	286,625
15 November 2040	286,625
15 May 2041	286,625
15 November 2041	286,625
15 May 2042	286,625
15 November 2042	286,625
15 May 2043	286,625
15 November 2043	286,625

*The arrangements for payment of each maturity are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

<u>Payment Due Date</u>	<u>Payment of Principal</u> (expressed in Special Drawing Rights)*
15 May 2044	286,625
15 November 2044	286,625
15 May 2045	286,625
15 November 2045	286,625
15 May 2046	286,625
15 November 2046	286,625
15 May 2047	286,625
15 November 2047	286,625
15 May 2048	<u>286,625</u>
Total	13,758,000

*The arrangements for payment of each maturity are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

SCHEDULE 3**Allocation and Withdrawal of Loan and Grant Proceeds**General

1. The tables attached to this Schedule set forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the Grant. Table 1 sets forth the allocation of the Loan proceeds to each such Category. Table 2 sets out the allocation of the Grant proceeds to each such Category (Reference to "Category" in this Schedule is to a Category or Subcategory of Table 1 and Table 2, respectively.)

Basis for Withdrawal from the Loan and the Grant Accounts

2. Except as ADB may otherwise agree, the proceeds of the Loan and the Grant shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in Table 1 and Table 2, respectively.

Interest Charge

3. The amount allocated to Category 3 of Table 1 is for financing the interest charge on the Loan during the implementation period of the Project.

Reallocation

4. Notwithstanding the allocation of the Loan proceeds and the Grant proceeds and the withdrawal percentages set forth in Table 1 and Table 2, respectively,

- (a) if the amount of the Loan or the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Beneficiary, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan or 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 Loan or the Grant then allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Beneficiary, reallocate such excess amount to any other Category.

Disbursement Procedure

5. Except as ADB may otherwise agree, the proceeds of the Loan and the Grant shall be disbursed in accordance with the Loan Disbursement Handbook.

Condition for Withdrawals from the Loan and the Grant Accounts

6. Notwithstanding any other provision of this Financing Agreement and except as ADB may otherwise agree, no withdrawals shall be made from the Loan Account and the Grant Account until the Beneficiary has issued a resolution authorizing (a) the PMO set up under the Building Climate Resilience in the Pyanj River Basin Project financed through Grant No. 0352-TAJ(EF) to serve as the PMO for this Project; and (b) enhancing the PMO and establishing PIOs in Hamandoni, Farkhor and Vose.

TABLE 1

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (Water Resources Management in Pyanj River Basin Project)			
Number	Item	Total Amount Allocated for ADB Financing (SDR) Category	Basis for Withdrawal from the Loan Account
1	Part A (Civil Works; Vehicles, Pumps, Motors and Auxiliaries)**	11,802,000	100% of total expenditure claimed*
2	Part A (Office Equipment; Office Accommodation; Supplies and Others)**	319,000	100% of total expenditure claimed
3	Interest Charge	502,000	100% of amount due
4	Unallocated	1,135,000	
	Total	13,758,000	

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

**Withdrawal is subject to provision of paragraph 6 of Schedule 3.

TABLE 2

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Water Resources Management in Pyanj River Basin Project)			
Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Grant Account
1	Part A (Machinery; PMO and PIO Salaries; Consulting Services)**	5,079,145	100% of total expenditure claimed*
2	Part A (Survey, Study and Design; Trainings and Workshops; Office/Vehicle Operation and Maintenance)**	234,360	100% of total expenditure claimed
3	Unallocated	536,495	
	Total	5,850,000	

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

**Withdrawal is subject to provision of paragraph 6 of Schedule 3.

SCHEDULE 4

Procurement of Goods, Works and Consulting Services

General

1. The procurement of Goods, Works and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.
2. All terms used in this Schedule and not otherwise defined in this Financing Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the methods of procurement set forth below:
 - (a) International Competitive Bidding;
 - (b) National Competitive Bidding; and
 - (c) Shopping.
4. The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Beneficiary may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

National Competitive Bidding

5. The Beneficiary and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Beneficiary's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Beneficiary 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 Beneficiary and ADB.

Conditions for Award of Contract

6. The Beneficiary shall not award any Works contracts until:
 - (a) the Beneficiary has granted the final approval of the IEE; and
 - (b) the Beneficiary has incorporated the relevant provisions from the EMP into the Works contract.

Consulting Services

7. Except as ADB may otherwise agree, the Beneficiary shall apply Quality- and Cost-Based Selection for selecting and engaging Consulting Services.

Industrial or Intellectual Property Rights

8. (a) The Beneficiary 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 Beneficiary 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.

9. The Beneficiary 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

10. 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 Beneficiary and ADB and set forth in the Procurement Plan.

Eligible Source of Procurement of Good, Works and Consulting Services

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

SCHEDULE 5**Execution of Project and Operation of
Project Facilities; Financial Matters**Implementation Arrangements

1. The Beneficiary 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 Beneficiary and ADB. In the event of any discrepancy between the PAM and this Financing Agreement, the provisions of this Financing Agreement shall prevail.

2. The Beneficiary shall ensure that:

- (a) the implementation of the Project does not affect, or be affected by, any of obligations and commitments of the Beneficiary under the international treaties entered into with regard to the Amy Darya River and the Pyanj River; and
- (b) contractors, suppliers, and consultants under the Project have smooth and timely access to necessary construction, design, study, and survey sites, free of charge, including timely access to up to date information regarding security situations and arrangements at the international border with the Islamic Republic of Afghanistan.

Environment

3. The Beneficiary 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 Beneficiary relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEE, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Land Acquisition and Involuntary Resettlement

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

Safeguards – Related Provisions in Bidding Documents and Works Contracts

5. The Beneficiary shall ensure that all bidding documents and contracts for 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 and social measures;
- (c) provide the Beneficiary with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP;
- (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and
- (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.

Prohibited List of Investments

6. The Beneficiary shall ensure that no proceeds of the Loan and the Grant 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

7. The Beneficiary shall ensure that the core labor standards and the Beneficiary's applicable laws and regulations are complied with during Project implementation. The Beneficiary 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 Beneficiary's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women.

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

Gender and Development

9. The Beneficiary 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; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.

Governance and Anticorruption

10. The Beneficiary shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

11. The Beneficiary 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.

12. The Beneficiary shall ensure that updated information on the Project is provided on ALRI's website, including information on the performance of the Project, business opportunities, bidding process and guidelines, outcome of biddings and summary progress reports of the Project.

Operation & Maintenance

13. The Beneficiary shall ensure that after the Project completion necessary funds are made available for full O&M of the CIS through annual budgetary allocations and irrigation service fees. The Beneficiary shall ensure that, (a) no later than 1 year before the Project completion, the ALRI develops an Asset Management and O&M Plan for the CIS, satisfactory to ADB, which will, among other things, set out the required increases of annual budget allocations and the irrigation service fees, and stipulate that the irrigation service fees will be used exclusively for O&M of the CIS, including expenses for the services provided by local district offices of the WUA Support Unit under the ALRI; and (b) by the Project completion, the agreed O&M Plan is approved by the government resolution.

Counterpart Support

14. The Beneficiary shall ensure that necessary funding is made available for the period from 1 January 2019 through the Project completion to fully finance staff of the Pyanj River Basin Organization and its sub-office in Gorno Badakhshan Autonomous province of the Beneficiary.

15. In addition to the foregoing, the Beneficiary shall ensure that the ALRI has sufficient funds to satisfy its liabilities arising from any Works, Goods and/or Consulting Services contract.

Refund

16. If ADB determines that any amount of the Loan and the Grant has been used in a manner inconsistent with the provisions of this Financing Agreement, the Beneficiary shall, upon notice by ADB to the Beneficiary, promptly refund such amount to ADB. Except as ADB may otherwise determine, ADB shall cancel all amounts refunded pursuant to this provision.