

Activity Sub-Grant Agreement

17 August 2020

Ms. Baktygul Jeenbaeva
Minister of Finance
58, Erkindik Boulevard
Bishkek, 720040
Kyrgyz Republic

Re: Small Expenditure Financing Facility Activity Sub-Grant
Sub-Grant Number: SEFF 0704-KGZ(Special Operations)

Dear Sir,

1. We are pleased to inform you that on 17 August 2020, the Asian Development Bank ("ADB") approved the request from Kyrgyz Republic ("Recipient") ("Activity Sub-Grant Request") for the provision of a small expenditure financing facility activity Sub-Grant ("Activity Sub-Grant") to the Recipient for the purposes of the activities and on terms described in the table below ("Activity").

2. The Activity Sub-Grant is provided pursuant to the Facility Agreement (Special Operations) dated 25 December 2019 between the Recipient and ADB ("Facility Agreement"). The Recipient and ADB hereby agree that the Activity will be financed and carried out on terms and conditions set forth in this letter agreement ("Activity Sub-Grant Agreement").

3. The general terms and conditions set forth in Schedule 1 to the Facility Agreement ("General Terms and Conditions") are hereby made applicable to this Activity Sub-Grant Agreement with the same force and effect as if they were fully set forth herein. Unless the context otherwise requires, capitalized terms used but not defined in this Activity Sub-Grant Agreement have the meaning given thereto in the General Terms and Conditions.

Activity	Post-project completion support to the ADB-Financed Project identified below to upgrade the chlorine neutralization unit at the Osh-Plotina water treatment plant. The Activity includes support for external audits on the use of the Activity Sub-Grant proceeds.
ADB-Financed Project	Emergency Assistance for Recovery and Reconstruction (L2668/G0217-KGZ)
Activity Executing Agency	Department for Drinking Water Supply and Sewerage Development, or any successor thereto acceptable to ADB.
Activity Sub-Grant amount	Five hundred thousand Dollars (\$500,000)
Allocation Table	See Attachment.

Activity Sub-Grant Closing Date	31 May 2022
Safeguards	<p>(a) The Recipient shall ensure through the Activity Executing Agency that the Activity does not include any activities which are classified as (i) category A for environment impact under the SPS or (ii) category A or B for social impact under the SPS.</p> <p>(b) The Recipient shall ensure or cause the Activity Executing Agency to ensure that the preparation, design, construction, implementation, operation and decommissioning of the Activity comply with (a) all applicable laws and regulations of the Recipient relating to environment, health, and safety; (b) the Environmental Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the IEE and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.</p> <p>(c) The Recipient shall make available or cause the Activity Executing Agency to make available necessary budgetary and human resources to fully implement the EMP.</p> <p>(d) The Recipient shall ensure or cause the Activity Executing Agency to ensure that all bidding documents and contracts for Works contain provisions that require contractors to:</p> <ul style="list-style-type: none"> (i) comply with the measures and requirements 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 out in a Safeguards Monitoring Report; (ii) make available a budget for all such environmental and social measures; (iii) provide the Recipient with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Activity that were not considered in the IEE or the EMP; (iv) adequately record the condition of roads, agricultural land and other infrastructure

	<p>prior to starting to transport materials and construction; and</p> <p>(v) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.</p> <p>(e) The Recipient shall do the following or shall cause the Activity Executing Agency to do the following:</p> <p>(i) submit semi-annual/annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</p> <p>(ii) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Activity that were not considered in the IEE or the EMP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and</p> <p>(iii) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP promptly after becoming aware of the breach.</p>
Termination	The Activity Sub-Grant Agreement and all obligations of the parties thereunder shall terminate on a date five years after the date of this Activity Sub-Grant Agreement.
Recipient's Representative	The Minister of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.
Contact Information	<p>The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:</p> <p><u>For the Recipient</u></p> <p>The Ministry of Finance 58, Erkindik Boulevard Bishkek, 720040 Kyrgyz Republic</p> <p>Facsimile Number:</p> <p>(996) 312 661645.</p>

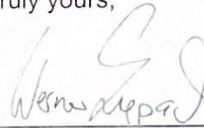
	<p><u>For ADB</u></p> <p>Asian Development Bank 6 ADB Avenue Mandaluyong City 1550 Metro Manila Philippines</p> <p>Facsimile Numbers:</p> <p>(632) 8636-2444 (632) 8636-2407.</p>
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4. According to ADB's Access to Information Policy 2018 ("AIP") on disclosure and exchange of information, this Activity Sub-Grant Agreement will be disclosed on the ADB website once it has been signed by both parties. If ADB is advised that this Activity Sub-Grant Agreement contains any information or data of a sensitive or confidential nature falling within the AIP exceptions to presumed disclosure under the AIP, it will be disclosed after redaction of such information.

5. The Recipient is requested to confirm its agreement to the terms and conditions of this Activity Sub-Grant Agreement by having an authorized representative countersign the two original counterparts of this Activity Sub-Grant Agreement in the space indicated below. Please retain one signed original counterpart for your records, and return the other signed original counterpart to ADB.

Very truly yours,


By



Werner Liepach
Director General
Central and West Asia Department

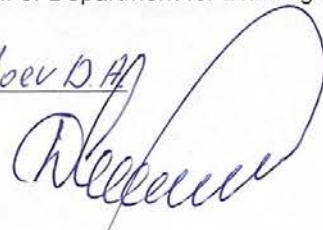
The Recipient hereby agrees to the terms and conditions of this Activity Sub-Grant Agreement.

On behalf of Kyrgyz Republic:


Name: Murashev
Title: Minister of Finance
Date: 17.11.2020

The Activity Executing Agency hereby agrees to perform all obligations set forth in this Activity Sub-Grant Agreement to the extent that they are applicable to the Activity Executing Agency.

On behalf of Department for Drinking Water Supply and Sewerage Development:


Name: Obodoev D.A.
Title: Deputy Director
Date: 17.11.2020

Attachment: Activity Administration Manual

Allocation Table

ALLOCATION AND WITHDRAWAL OF ACTIVITY SUB-GRANT PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing (\$)	Basis for Withdrawal from the Activity Sub-Grant Account
		Category	
1	Works and Consulting Services	500,000	100% of total expenditure claimed*
	TOTAL	500,000	

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