
GRANT NUMBER 0926-TAJ(SF)

GRANT AGREEMENT
(Special Operations)

(Improving the Science, Technology, Engineering,
and Mathematics Secondary Education Project)

between

REPUBLIC OF TAJIKISTAN

and

ASIAN DEVELOPMENT BANK

DATED 22 DECEMBER 2023

TAJ 54299

**GRANT AGREEMENT
(Special Operations)**

GRANT AGREEMENT dated 22 December 2023 between REPUBLIC OF TAJIKISTAN ("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 make a grant to the Recipient 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 ADB's Special Operations Grant Regulations, dated 1 January 2022 ("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. Wherever used in this Grant Agreement, the several terms defined in the Grant Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Grant Agreement have the following meanings:

- (a) "Consulting Services" means consulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Grant;
- (b) "EMP" means the environmental management plan for the Project, including any update thereto, incorporated in the IEE;
- (c) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;
- (d) "GAP" means the gender action plan prepared for the Project, including any update thereto, and agreed to between the Recipient and ADB.
- (e) "Goods" means equipment and materials as set out in the Procurement Plan and to be financed out of the proceeds of the Grant, including any related Nonconsulting Services such as transportation, insurance, installation, commissioning, training, and initial maintenance;

- (f) "IEE" means the initial environmental examination for the Project, including any update thereto, prepared and submitted by the Recipient and cleared by ADB;
- (g) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2022, as amended from time to time);
- (h) "Nonconsulting Services" means nonconsulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Grant;
- (i) "PAM" means the project administration manual for the Project dated 17 October 2023 and agreed between the Recipient and ADB, as updated from time to time in accordance with the respective administrative procedures of the Recipient and ADB;
- (j) "Procurement Plan" means the procurement plan for the Project dated 17 October 2023 and agreed between the Recipient and ADB, as updated from time to time in accordance with the Procurement Policy, the Procurement Regulations, and other arrangements agreed with ADB;
- (k) "Procurement Policy" means ADB's Procurement Policy – Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (l) "Procurement Regulations" means ADB's Procurement Regulations for ADB Borrowers - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (m) "Project Executing Agency" for the purposes of, and within the meaning of, the Grant Regulations means the Ministry of Education and Science of the Borrower, or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project.
- (n) "Project facilities" means the facilities, structures, equipment and/or vehicles constructed, rehabilitated or provided under the Project;
- (o) "Safeguards Monitoring Report" means each report prepared and submitted by the Recipient to ADB that describes progress with implementation of and compliance with the EMP, including any corrective and preventative actions; and
- (p) "Services" means Consulting Services and Nonconsulting Services;
- (q) "SPS" means ADB's Safeguard Policy Statement (2009); and
- (r) "Works" means construction or civil works as set out in the Procurement Plan and to be financed out of the proceeds of the Grant, including any related Nonconsulting Services and project related services that are provided as part of a single responsibility or turnkey contract.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient from ADB's Special Funds resources an amount of forty million Dollars (\$40,000,000).

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied exclusively to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 2 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Grant in accordance with the provisions of Schedule 3 to this Grant Agreement.

Section 3.04. Withdrawals from the Grant Account in respect of Goods, Works and Services shall be made only on account of expenditures relating to:

- (a) Goods which are produced in and supplied from and Works and 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 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 30 June 2030 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 3 to this Grant Agreement.

Section 4.02. (a) The Recipient shall, through the Project Executing Agency: (i) maintain separate accounts and records for the Project; (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 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 Recipient shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Recipient'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 Recipient, unless the Recipient shall otherwise agree.

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

ARTICLE V

Effectiveness

Section 5.01. A date 60 days after the date of this Grant Agreement is specified for the effectiveness of this Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VI

Termination

Section 6.01. The Grant Agreement and all obligations of the parties thereunder shall terminate on a date 25 years after the date of this Agreement.

ARTICLE VII

Miscellaneous

Section 7.01. 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.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

Ministry of Finance
Sheroz 35, 734025
Dushanbe
Republic of Tajikistan

Facsimile Number:

(992) 37 221 64 10

For ADB

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

Facsimile Numbers:

(632) 8636-2444

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

REPUBLIC OF TAJIKISTAN

By



QAHHORZODA FAIZIDDIN
Minister of Finance

ASIAN DEVELOPMENT BANK

By



SHANNY CAMPBELL
Country Director
Tajikistan Resident Mission

SCHEDULE 1

Description of the Project

1. The objective of the Project is to improve the learning outcomes of secondary education students on STEM subjects and their preparedness for tackling climate change impacts.
2. The Project shall comprise the following:
 - (a) Improving the quality of STEM education in secondary schools, including through: (i) the development of skill-based teaching and learning materials; (ii) the training of STEM teachers and teacher trainers on the skills-based approach, formative assessment and using specialist laboratory technology; (iii) the provision of an e-learning network for the continuous professional development of STEM teachers and e-libraries for students; and (iv) the revision of school-level assessments on STEM subjects to measure students' relevant competencies;
 - (b) Improving the learning environment, including through: (i) the construction and development in 15 secondary schools of STEM blocks in disaster-resilient and energy-efficient buildings, including classrooms and laboratories, and construction of accessible and sex-segregated WASH facilities in 15 secondary schools; (ii) the provision of updated science laboratory equipment and information and communication technology (ICT) applications in 20 secondary schools; and (iii) the training of teachers and students in the application of relevant education technology;
 - (c) Strengthening school-level management, including through: (i) the establishment of school information systems (SIS); (ii) the capacity building of the Project Executing Agency, local education departments, school management and teachers in using, reporting and analyzing SIS data; and (iii) conducting tracer surveys of students completing grades 9 and 11;
 - (d) Enhancing climate change education and disaster resilience capacity, including through: (i) the development and incorporation of climate change-related topics, concepts and good practices into secondary education STEM curricula and its integration into teaching and learning materials for STEM subjects; (ii) the training of teachers and teacher trainers on climate change and related practices and the development of associated climate change material for the pre-service STEM teacher education program and in-service STEM teacher training; (iii) the development of model designs of educational institutions detailing climate change adaptation and disaster resilience features; (iv) the construction of STEM blocks in disaster-resilient and energy-efficient buildings to house STEM activities, including classrooms, laboratories and sex-segregated and accessible WASH facilities in 5 secondary schools; and (v) the development of community awareness raising activities on disaster resilience and climate change; and

- (e) Promoting female-friendly STEM education systems, including through: (i) the development and implementation of a career orientation strategy for schoolgirls to pursue a career in STEM and an institutional plan for preparing female teacher candidates on STEM specializations; (ii) the renovation of facilities at Tajik State Pedagogical University (TSPU) and Dushanbe Pedagogical College (DPC), including to add childcare rooms, sex-segregated WASH facilities and upgrading science and ICT equipment; (iii) the provision of scholarships for female students enrolled in STEM specializations and research fellowships for female teachers; (iv) the provision of ICT courses including English language training for STEM teachers and teacher candidates; (v) the development and provision of courses in reproductive health for secondary school students and teacher candidates, and development and provision of an ICT-based women's leadership course; and (vi) the provision of selective STEM extra-curricular activities and prioritizing participation by female students.

3. The Project is expected to be completed by 31 December 2029.

SCHEDULE 2**Allocation and Withdrawal of Grant Proceeds**General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Grant and the allocation of the Grant proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category of the Table.)

Basis for Withdrawal from the Grant Account

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

Reallocation

3. Notwithstanding the allocation of Grant proceeds and the withdrawal percentages set forth in the Table,

- (a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, 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 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 shall be disbursed in accordance with the Loan Disbursement Handbook.

Retroactive Financing

5. Withdrawals from the Grant Account may be made to finance eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the

date of this Grant Agreement in connection with procuring a detailed design firm for three selected schools, subject to a maximum amount equivalent to 20% of the Grant amount.

Conditions for Withdrawals from Grant Account

6. Notwithstanding any other provision of this Grant Agreement, no withdrawals shall be made from the Grant Account for Stipends unless and until each of the selection criteria, eligibility criteria and financial management manual have been agreed between the Project Executing Agency and ADB and have been set out in the PAM.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing (\$)	Basis for Withdrawal from the Grant Account
		Category	
1	Works and Goods	24,548,000	100% of total expenditure claimed*
2	Consulting Services, trainings, surveys and workshops	7,948,000	100% of total expenditure claimed*
3	Operations and management	2,084,000	100% of total expenditure claimed*
4	Stipends**	720,000	100% of total expenditure claimed***
5	Unallocated ^a	4,700,000	
	TOTAL	40,000,000	

^a Including physical and price contingencies.

* Exclusive of taxes and duties imposed within the territory of the Recipient, with the exception of withholding taxes and social taxes.

** Subject to the condition for withdrawal described in paragraph 6 of Schedule 2.

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

SCHEDULE 3

Execution of Project

Implementation Arrangements

1. The Recipient shall ensure, and cause the Project Executing Agency to ensure, that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Recipient and ADB. In the event of any discrepancy between the PAM and this Grant Agreement, the provisions of this Grant Agreement shall prevail.

Construction Quality

2. With respect to the Project facilities to be constructed as part of the Project, the Recipient shall ensure, or cause the Project Executing Agency to ensure, that the Project is carried out in accordance with the applicable design and technical specifications in accordance with national standards and as satisfactory to ADB; and that construction supervision, quality control and contract management are in accordance with internationally accepted standards and practices.

3. The Recipient shall ensure, and cause the Project Executing Agency to ensure, that throughout the Project implementation, applicable climate proofing measures are incorporated in the design and technical specifications of the Project facilities, based on the climate change assessment carried out during appraisal.

Procurement

4. The Recipient shall ensure, and cause the Project Executing Agency to ensure, that:

- (a) the procurement of Goods, Works and Services is carried out in accordance with the Procurement Policy and the Procurement Regulations;
- (b) Goods, Works and Services shall be procured based on the detailed arrangements set forth in the Procurement Plan, including the procurement and selection methods, the type of bidding documents, and ADB's review requirements. The Recipient may modify the detailed arrangements set forth in the Procurement Plan only with the prior agreement of ADB, and such modifications must be set out in updates to the Procurement Plan; and
- (c) (i) all Goods and Works procured and Services obtained (including 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; and (ii) all contracts for the procurement of Goods, Works and Services contain appropriate representations, warranties and, if

appropriate, indemnities from the contractor, supplier, consultant or service provider with respect to the matters referred to in this subparagraph.

5. The Recipient shall not award any Works or Nonconsulting Services contract which involves environmental impacts until:

- (a) the relevant environment authority of the Recipient has granted the approval of the IEE; and
- (b) the Recipient has incorporated the relevant provisions from the EMP into the Works or Nonconsulting Services contract.

Environment

6. The Recipient shall ensure, or cause the Project Executing Agency to ensure, that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Recipient relating to environment, health and safety; (b) the Environmental Safeguards; 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.

Involuntary Resettlement and Indigenous Peoples

7. The Recipient shall ensure that the Project does not have any involuntary resettlement or indigenous peoples impacts, all within the meaning of ADB's Safeguard Policy Statement (2009). In the event that the Project does have any such impact, the Recipient shall take all steps to ensure that the Project complies with the applicable laws and regulations of the Recipient and with ADB's Safeguard Policy Statement.

Human and Financial Resources to Implement Safeguards Requirements

8. The Recipient shall make available, or cause the Project Executing Agency to make available, necessary budgetary and human resources to fully implement the EMP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

9. The Recipient shall ensure, or cause the Project Executing Agency to 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; and
- (c) 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 Project that were not considered in the IEE and the EMP.

Safeguards Monitoring and Reporting

10. The Recipient shall do the following or cause the Project Executing Agency to do the following:

- (a) submit semiannual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;
- (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and
- (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP promptly after becoming aware of the breach.

Prohibited List of Investments

11. The Recipient shall ensure that no proceeds of 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

12. The Recipient shall ensure that the core labor standards and the Recipient's applicable laws and regulations are complied with during Project implementation. The Recipient shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Recipient'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.

13. The Recipient shall strictly monitor compliance with the requirements set forth in paragraph 12 above and provide ADB with regular reports.

Gender and Development

14. The Recipient shall ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB; and (e) key gender outcome and output targets include: (i) at least 600 scholarships are provided to female students specializing in STEM subjects; (ii) at least 45% of teachers and teacher trainers of STEM subjects who are trained in the skills-based approach, subject and/or

cross-subject knowledge of STEM subjects, STEM assessment, and climate change, are female; and (iii) at least 52% of STEM teachers and teacher candidates who have completed advanced ICT courses and English language training, are female.

Counterpart Support

15. Without limiting the generality of Section 6.05 of the Grant Regulations, the Recipient shall ensure that, throughout the Project implementation period, adequate budgetary allocations of the required counterpart funds are approved and released in a timely manner to enable the Project Executing Agency to discharge its responsibilities under the Project. As part of its counterpart funding commitment, the Recipient shall ensure that no taxes (with the exception of withholding taxes and social taxes), duties or similar mandatory payments are levied on Project expenditures within its territory. In addition to the foregoing, the Recipient shall ensure that the Project Executing Agency has sufficient funds to satisfy its liabilities arising from any Works, Goods and/or Services contract.

Operational/Sector Performance Covenants

16. The Recipient, through the Project Executing Agency, shall ensure that all equipment, systems and facilities provided under the Project are operated and maintained appropriately and in accordance with the standards and requirements which may be prescribed by the applicable laws and regulations of the Recipient and adequate budgetary and other resources are promptly provided for such operation and maintenance, including the renewal of any software licenses. The Recipient, through the Project Executing Agency, shall ensure that adequate, appropriate and timely arrangements and resources (including budgetary resources) are in place for the preventative and standard maintenance of said equipment, systems and facilities after their warranty periods expire.

17. The Recipient, through the Project Executing Agency, shall ensure that, throughout the Project implementation period, adequate budgetary allocations have been made, including for the provision of additional teaching staff and laboratory technicians as required in the PAM.

18. The Recipient shall cause the Project Executing Agency to ensure that the Project is included in the annual plan of MOES' Internal Audit Department.

Governance and Anticorruption

19. The Recipient and the Project Executing Agency 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.

20. The Recipient and the Project Executing Agency 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.

Recording of Grant in the Recipient's State Budget

21. The Recipient shall ensure that the Grant is properly recorded in the Recipient's state budget in line with the Law of the State Budget of the Recipient.

Change in Ownership

22. The Recipient shall cause the Project Executing Agency to ensure that ADB's written consent is obtained at least six (6) months prior to any of the following: (i) any direct or indirect change in ownership of any asset, facility or structure financed under the Project; (ii) any direct or indirect sale, transfer, or assignment of interest or control in any asset, facility or structure financed under the Project; or (iii) any direct or indirect lease or other contract or modification of the functions and authority of the Project-supported schools, over the operation and maintenance of any such asset, facility or structure financed under the Project.

23. The Recipient shall ensure that ADB is promptly notified of any proposal to implement any such changes referred to in paragraph 22 above and that the written notification includes sufficient details regarding the change to be implemented. The Recipient shall, through the Project Executing Agency, further ensure that any such changes will be carried out in a legal and transparent manner.