
GRANT NUMBER 0041-REG (SF)

GRANT AGREEMENT
(Special Operations)

(Prevention and Control of Avian Influenza in Asia and the Pacific Project)

between

ASSOCIATION OF SOUTHEAST ASIAN NATIONS SECRETARIAT

and

ASIAN DEVELOPMENT BANK

DATED 12 APRIL 2006

GAS:REG 39662

GRANT AGREEMENT (Special Operations)

GRANT AGREEMENT dated 12 April 2006 between ASSOCIATION OF SOUTHEAST ASIAN NATIONS SECRETARIAT (hereinafter called the Recipient) and ASIAN DEVELOPMENT BANK (hereinafter called ADB).

WHEREAS

(A) ADB has approved the provision of a grant in a total amount of thirty-eight million Dollars for the Project described in Schedule 1 to this Grant Agreement;

(B) the Recipient has applied to ADB for a grant for the purposes of financing activities under Components 1(a)(i) and 2 of the Project described in Schedule 1 to this Grant Agreement in AMCs which are also DMCs as defined hereinafter; and

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

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All provisions of the Special Operations Grant Regulations of ADB, dated 7 February 2005 (hereinafter called the Grant Regulations), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein.

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

- (a) "AMC" means the member country of ASEAN;
- (b) "ASEAN" means the Association of Southeast Asian Nations;
- (c) "DMC" means the developing member country of ADB;
- (d) "Executing Agency" for the purposes of, and within the meaning of, the Grant Regulations means ADB, acting through an Avian Influenza Secretariat, which is responsible for the carrying out of the Project;
- (e) "FAO" means the Food and Agriculture Organization;

(f) "international technical agencies" or "international organizations" means the Recipient, WHO and FAO;

(g) "region" means Asia and the Pacific;

(h) "regional technical agencies" means regional offices of international technical agencies;

(i) "Special Funds" for the purposes of this Grant Agreement means the Asian Development Fund (hereinafter called ADF), Technical Assistance Special Fund (hereinafter called TASF) and the Japan Special Fund (hereinafter called JSF); and

(j) "WHO" means the World Health Organization.

ARTICLE II

The Grant

Section 2.01. ADB agrees to make available to the Recipient from ADB's Special Funds resources, on terms and conditions set forth in this Grant Agreement, an amount of three hundred thirty-eight thousand Dollars (\$338,000) as follows:

ADF; (a) an amount of two hundred thirty-four thousand Dollars (\$234,000) from

(b) an amount of twelve thousand Dollars (\$12,000) from TASF; and

JSF. (c) an amount equivalent of ninety-two thousand Dollars (\$92,000) from

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied to the financing of expenditures on the Project in accordance with the provisions of this Grant Agreement. The Recipient shall ensure that the portion of the Grant financed from ADF resources is used for the benefit of AMCs which are also ADF-eligible borrower DMCs listed in Attachment 1 to Schedule 5 to this Grant Agreement. Activities in AMCs which are also non-ADF eligible borrower DMCs will be financed from TASF and JSF resources.

Section 3.02. The goods and services and other items of expenditure to be financed out of the proceeds of the Grant and the allocation of amounts of the Grant among different categories of such goods and services and other items of expenditure shall

be in accordance with the provisions of Schedule 2 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, all goods and services to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Schedule 3 and Schedule 4 to this Grant Agreement.

Section 3.04. Withdrawals from the Grant Account in respect of goods and services shall be made only on account of expenditures relating to goods which are produced in and supplied from and services which are supplied from such countries as shall have been specified in Schedule 3 and Schedule 4 to this Grant Agreement.

Section 3.05. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 28 February 2009 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 5 to this Grant Agreement.

Section 4.02. (a) The Recipient shall (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than 6 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Grant proceeds and compliance with the financial covenants of this Grant Agreement), all in the English language; and (iv) furnish to ADB a certificate on the use of the ADF resources for AMCs which are also ADF-eligible borrower DMCs as specified in Section 3.01 of this Grant Agreement, and information on the use of TASF and JSF resources for AMCs which are also non-ADF-eligible borrower DMCs, and such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.

(b) The Recipient shall enable ADB, upon ADB's request, to discuss the Recipient's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Recipient pursuant to Section 4.02(a) hereabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Recipient unless the Recipient shall otherwise agree.

Section 4.03. The Recipient shall enable ADB's representatives to inspect the Project, the goods financed out of the proceeds of the Grant, and any relevant records and documents.

ARTICLE V

Effectiveness

Section 5.01. A date ninety (90) days after the date of this Grant Agreement is specified for the effectiveness of the Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VI

Miscellaneous

Section 6.01. The Principal Director, Bureau of External Relations and Coordination of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

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

For the Recipient

Association of Southeast Asian Nations Secretariat
70 A Jl. Sisingamangaraja
Jakarta 12110, Indonesia

Facsimile Number.

(62-21) 724-3348
(62-21) 739-8234
(62-21) 724-3504.

For ADB

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

Cable Address:

ASIANBANK
MANILA

Telex Numbers:

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

Facsimile Numbers:

(632) 636-2444
(632) 636-2409.

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.

ASSOCIATION OF SOUTHEAST ASIAN
NATIONS SECRETARIAT

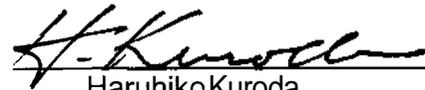
By



Wilfrido V. Villacorta
Authorized Representative

ASIAN DEVELOPMENT BANK

By



Haruhiko Kuroda
President

SCHEDULE 1**Description of the Project**

1. The Project will (a) support international efforts to respond to the threat of highly pathogenic avian influenza and to prepare for a possible human influenza pandemic; and (b) help prevent possible social and economic disruption due to avian and human influenza outbreaks in the region. The Project will help to achieve these goals by supporting activities at country and regional level for containing avian influenza and preventing and preparing for human influenza pandemic. The Project will support activities that benefit DMCs in the region and will be implemented in close coordination with other national and international initiatives.

2. The Project has the following components:

Component 1 - Regional Capacity Building

This Component includes:

(a) *Containing Infection-at-Source*

- (i) Strengthen the capacity of the Recipient to provide adequate support to AMCs which are also DMCs against avian influenza and in the animal health sector in general as specified in Attachment 2 to Schedule 5 to this Grant Agreement; and
- (ii) Strengthen the capacity of FAO to provide adequate support to DMCs against avian influenza and in the animal health sector in general and FAO.

(b) *Preventing Human Infection and Preparing for Potential Human Influenza Pandemic*

Strengthen the capacity of WHO to support DMCs at the regional level by financing consultants and the procurement of equipment, supplies, drugs and services as required.

Component 2 - Regional Coordination

This Component will include, but is not limited to, the following activities:

(a) *Improved Technical Coordination*

- (i) support the establishment of networks to share epidemiological and other scientific information, diagnostic problems and solutions, laboratory specimen and samples as appropriate;
- (ii) help develop regional research and development projects related to emerging diseases;
- (iii) strengthen regional reference laboratories, if requested;

- (iv) coordinate responses to avian influenza and emerging diseases;
 - (v) increase technical exchanges of staff and researchers; and
 - (vi) support regional efforts to develop and manufacture human and animal influenza vaccination and drugs.
- (b) *Rapid Field Response and Containment Capacity*
- (i) support efforts to establish a cadre of national and international professionals resident in the region, who could be rapidly mobilized to respond to a human influenza pandemic; and
 - (ii) strengthen communication networks in the region to ensure early warning of emerging diseases.
- (c) *Risk Communication*
- (i) If required, support the activities of the international organizations and DMCs to develop and implement appropriate risk communication strategies on avian influenza and emerging diseases.

Component 3 - Avian Influenza Response Facility

This Component will address the changing needs of the evolving epidemic in an expeditious and flexible manner through the establishment of the Avian Influenza Response Facility. Provision of financing under this Component will be needs-based and will include, but is not limited to, the following activities:

- (i) provide critical and urgent financing need for rapidly containing an avian influenza outbreak;
- (ii) meet urgent needs for responding to human influenza outbreaks during a pandemic or pre-pandemic scenario; and
- (iii) support for regional stockpiling.

Component 4 - Project Management

This Component will include, but is not limited to:

- (i) support for workshops and meetings required for the Project coordination with participating DMCs and international organizations; and
- (ii) coordination efforts with other partners at regional and country levels.

3. The Project includes provision of consulting services. The Project is expected to be completed by 31 August 2008.

SCHEDULE 2

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of goods, services and other items 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 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 Recipient, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures; and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Grant then allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Recipient, reallocate such excess amount to any other Category.

Disbursement

4. The Grant proceeds will be drawn down on the basis of the estimated expenditures up to 12 months. At the time of each drawdown, the Recipient shall submit to ADB a written application setting out, among other things, a forecast of the requirements for the use of the Grant proceeds to be drawn down. The amounts to be drawn down shall subsequently be replenished/liquidated against (i) statement of expenditures (SOE), categorized according to the Table, and (ii) annual Project financial report showing the source and use of the Grant proceeds, certified by the Recipient. The forms for these procedures will be provided by ADB.

Retroactive Financing

5. Withdrawals from the Grant Account may be made for reimbursement of reasonable expenditures incurred under the Project, including but not limited to contracting consultants, before the Effective Date, but not earlier than 3 months prior to the Effective Date, subject to a maximum amount of 10% of the Grant amount.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS*					
(Thousands of Dollars)					
(Prevention and Control of Avian Influenza in Asia and the Pacific Project)					
		ADF	TASF	JSF	Total
	<i>Percentage Allocation</i>	69.2%	3.6%	27.3%	
1	Consulting services (including travel)	116	6	46	168
2	Equipment	-	-	-	-
3	Drugs, Protective Clothing, and Supplies	-	-	-	-
4	Information, Communication, Data Management	-	-	-	-
5	Training, Research and Development, Meetings, Conferences, and Exchanges	118	6	46	170
6	Incremental Cost, Administration, Logistics, and Supply Management	-	-	-	-
	Total	234	12	92	338

*Exclusive of taxes.

SCHEDULE 3

Procurement

1. Except as ADB may otherwise agree, the procedures referred to in the following paragraphs of this Schedule shall apply in the procurement of goods and services to be financed out of the proceeds of the Grant. In this Schedule, the term "goods" includes equipment and materials; the term "services" does not include consulting services.

2. Procurement of goods and services by the Recipient shall be done in accordance with procurement procedures of the Recipient, acceptable to ADB.

Procurement of Drugs and Vaccination

3. Notwithstanding the preceding paragraph, procurement of drugs and vaccination shall be done in accordance with WHO and FAO guidelines, as appropriate.

Advance Procurement Action

4. Given the urgency of the Project, ADB has approved advance action prior to the Effective Date, up to but not including the award of contracts for the procurement of goods and services. Notwithstanding approval of such advance action, the Recipient shall ensure that procurement of all such goods and services is carried out in accordance with the provisions of this Schedule.

Procurement from Non-Member Countries

5. In view of the need to coordinate with other international organizations and to facilitate work with potential cofinanciers, the procurement of goods and services shall be open to suppliers in both ADB member and non-member countries.

Industrial or Intellectual Property Rights

6. (a) The Recipient shall ensure that all ADB-financed goods and services procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The Recipient shall ensure that all ADB-financed contracts for the procurement of goods and services 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.

SCHEDULE 4**Consultants**

1. The services of consultants shall be utilized in the carrying out of the Project. The terms of reference of the consultants shall be as determined by agreement between ADB and the Recipient.
2. The selection, engagement and services of individual consultants shall be subject to the provisions of this Schedule and the provisions of recruitment procedures of the Recipient, acceptable to ADB.
3. Given the urgency of the Project, ADB has approved advance action prior to the Effective Date, up to but not including the award of contracts for consulting services. Notwithstanding approval of such advance action, the Recipient shall ensure that engagement of consultants is carried out in accordance with the provisions of this Schedule.
4. In view of the need to coordinate with other international organizations and to facilitate work with potential cofinanciers, the contracting of consultants shall be from both ADB member and non-member countries.
5. The Recipient shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.

SCHEDULE 5**Execution of Project and Operation of
Project Facilities**

1. ADB, acting through the Avian Influenza Secretariat, shall be the Executing Agency for the Project. The Executing Agency will, among other things (i) provide overall supervision of the Project and strategic guidance; (ii) support workshops and meetings required for the Project coordination with participating DMCs and international organizations; and (iii) support coordination efforts with other partners at country and regional levels.
2. The Recipient shall be the Implementing Agency and shall implement the Project in accordance with detailed arrangements described in paragraphs 14 to 19 of Attachment 2 to this Schedule, which may be amended from time to time by agreement between ADB and the Recipient. The Recipient shall implement the Project in close coordination with ADB and shall commence activities in the territory of an AMC which is also a DMC upon advice of ADB.
3. A Steering Committee will be established to coordinate activities under the Project. Unless otherwise decided by ADB, the Steering Committee will be headed by the Director General, Regional and Sustainable Development Department of ADB and will comprise directors general of ADB's regional departments and Strategy and Policy Department. The Steering Committee will meet every three months or more frequently if needed, to give guidance in the Project implementation, policy dialogue, and building regional capacity and cooperation.
4. The Project is expected to have no significant impact on environment, resettlement, indigenous people, or other vulnerable groups. If emerging needs require new Project activities during implementation that may have an impact on environment, resettlement, indigenous people or other vulnerable groups the Recipient will inform ADB and will prepare and submit to ADB for approval plans, prior to requesting financing for that particular activity.

LIST OF ADF-ELIGIBLE BORROWERS

1. Afghanistan
2. Azerbaijan
3. Bangladesh
4. Bhutan
5. Cambodia
6. Cook Islands
7. Federated States of Micronesia
8. Indonesia
9. Kiribati
10. Kyrgyz Republic
11. Lao People's Democratic Republic
12. Maldives
13. Marshall Islands
14. Mongolia
15. Nepal
16. Pakistan
17. Papua New Guinea
18. Samoa
19. Solomon Islands
20. Sri Lanka
21. Tajikistan
22. Timor-Leste
23. Tonga
24. Tuvalu
25. Uzbekistan
26. Vanuatu
27. Vietnam

THE ASEAN SUBPROJECT:
**STRENGTHENING THE ASEAN SECRETARIAT CAPACITY FOR
REGIONAL COORDINATION IN CONTROL AND ERADICATION OF
HIGHLY PATHOGENIC AVIAN INFLUENZA IN ASEAN**

Background: ASEAN's Answer to Avian Influenza

1. The emergence of the Highly Pathogenic H5N1 Avian Influenza (HPAI) as an important zoonotic disease in the region requires cooperation and coordinated effort. The outbreaks of HPAI have already resulted in tremendous negative impacts on the poultry industry and disrupted trade and economic development in the region, and they pose a significant threat to public health. The ASEAN Ministers of Agriculture and Forestry (AMAF) at the 26th Annual Meeting in October 2004 established an ASEAN HPAI Taskforce to formulate a coordinated approach to prevent, control, and eradicate HPAI in the region. The ASEAN Health Ministers (AHMM) are also monitoring the human health implications of HPAI through the Senior Officials Meeting on Health Development (SOMHD) and the ASEAN Expert Group on Communicable Diseases (AEGCD). Operational work plans and programs have been formulated to coordinate national and regional responses.

2. The 27th AMAF Meeting (29 September 2005, Tagaytay City, the Philippines) endorsed the "Regional Framework for the Control and Eradication of HPAI in ASEAN" proposed by the ASEAN HPAI Taskforce. The Framework covers eight (8) strategic areas over a period of three years from 2006 to 2008 to prevent, control and eradicate the disease. The eight areas of cooperation will be each coordinated by the following Member Countries:

- Disease surveillance (Thailand)
- Effective containment measures (Malaysia)
- Stamping out and vaccination policy (Indonesia)
- Diagnostic capabilities (Thailand)
- Establishment of disease free zones (Malaysia)
- Information sharing (Singapore)
- Emergency Preparedness Plans (Malaysia)
- Public Awareness (Philippines)

3. The human health aspect of avian influenza is addressed through the ASEAN Plus Three Emerging Infectious Diseases (EID) Program, which was adopted by the ASEAN Health Ministers and their counterparts from the People's Republic of China, Japan and the Republic of Korea in April 2004 (on the occasion of the 7th ASEAN Health Ministers Meeting and the First ASEAN Plus Three Health Ministers Meeting). Regional coordination for early warning and response through information networking (coordinated by Indonesia), laboratory diagnostics (coordinated by Malaysia) and epidemiological surveillance (coordinated by Thailand) is in place. The ASEAN Plus Three EID Program has completed its first phase and will commence implementation of a second phase in mid-2006.

4. The Work Plan for Control and Eradication of HPAI in ASEAN Region was developed and agreed at the 3rd Meeting of the ASEAN HPAI Task Force (4-6 January 2006, Kuala Lumpur). The Work Plan has an indicative funding requirement of \$94,792,000, and comprises 14 project proposals covering the 8 components of the Regional Framework for the Control and Eradication of HPAI in ASEAN. To coordinate the implementation of the Work Plan and ensure synergy of effort with the ASEAN Plus Three EID Programme, a regional project coordination unit will be implemented.

5. Recognizing that the spreading avian influenza epidemic may lead to a potential human influenza pandemic and threatens the lives of millions of people, the prevention and control of avian influenza is a global responsibility that requires close collaboration and coordinated efforts among governments, communities and businesses with the active participation of appropriate regional and international organizations. ADB and ASEAN recognize the need for a well-coordinated multi-agency and multi-sectoral approach to prevent, control, and eradicate HPAI in the region. Coordination is also essential to ensure complementary efforts in current and planned activities among ASEAN Member Countries and ASEAN's Dialogue Partners, and with international organizations including the World Health Organization (WHO), the World Organization for Animal Health (OIE), the Food and Agriculture Organization of the United Nations (FAO), and the World Bank (WB).

ADB-ASEAN Collaboration

6. ADB and the ASEAN Secretariat have decided to join their efforts to help their member countries fight avian influenza. In this context, part of the resources available under the ADB project "*Prevention and Control of Avian Influenza in Asia and the Pacific*" will be used to support selected activities of the ASEAN Secretariat, hereafter called "the ASEAN Subproject". ADB will provide a grant to the ASEAN Secretariat to implement the ASEAN Subproject.

Objective and Scope of the ASEAN Subproject

7. The primary objective of the ASEAN Subproject is to strengthen the capacity of the ASEAN Secretariat to facilitate and monitor the implementation of the ASEAN's Work Plan for Control and Eradication of HPAI in ASEAN Region. It will also promote collaborative arrangements among various initiatives in the region and beyond to enhance understanding and sharing of experiences in the control of HPAI. The activities of the ASEAN Subproject are summarized in Table 1.

Table 1: **Activity Framework**

Activities	2006				2007				2008				Budget (USD)
	1	2	3	4	1	2	3	4	1	2	3	4	
Consulting services	(X)	x x x	x x x	x x x	x x x	x x x	x x x	x x x	x x				168,000
Field visits and regional		x	x	x	x	X	x	x	x				170,000

Activities	2006				2007				2008				Budget (USD)
	1	2	3	4	1	2	3	4	1	2	3	4	
workshops													
Technical reports			x		x		x		x				ASEAN
Financial reports					x				x				ASEAN
Information sharing	(x)	x x x	x x x	x x x	x x x	x x x	x x x	x x x	x x				ASEAN
Final report									x				ASEAN

8. The ASEAN Subproject comprises activities under Components 1(a)(i) and 2 of the ADB *"Prevention and Control of Avian Influenza in Asia and the Pacific"* Project.

9. Under Component 1 of the Project (Regional Capacity Building), an international consultant will be recruited to assist in the technical coordination and communication among ASEAN Member Countries as well as with other stakeholders. The consultant will be stationed at the ASEAN Secretariat in Jakarta and/or within the territory of one of the ASEAN Member Countries on a full-time basis, and will report to the Director, Bureau of Resources Development (BRD) as well as the ASEAN Secretariat's Overall Coordinator on Avian Influenza. The consultant will work closely with the Natural Resources Unit (NRU). Detailed terms of reference will be prepared by the ASEAN Secretariat in consultation with ADB.

10. Under Component 2 of the Project (Regional Coordination and Communication) the ASEAN Secretariat will organize regional workshops (tentatively, 3 workshops) to support ASEAN Member Countries' efforts against HPAI and for preventing and preparing for a potential human influenza pandemic.

Key Output

11. The key output of the Project will be a comprehensive report on the various initiatives against HPAI undertaken by major stakeholders in the ASEAN member countries and in the region, with clear recommendations to improve coordination and ensure complementarity and synergy among the significant initiatives to control and eradicate HPAI in ASEAN.

Cost Estimates and Financing Plan

12. The total cost of the ASEAN Subproject is estimated at \$338,000 to cover the following:

- Under Project Component 1: one long-term consultant for a total amount of \$168,000; and
- Under Project Component 2: Organization of three (3) regional workshops for a total amount of \$170,000.

13. The ASEAN Secretariat will cover the administrative costs estimated at \$4,000.

Implementation Arrangements

14. The ASEAN Subproject will be implemented over 2 years, from March 2006 to February 2008. The Subproject will be implemented by the ASEAN Secretariat in collaboration with concerned agencies within ASEAN. The ASEAN Secretariat will liaise with national governments and agencies concerned, arrange and conduct regional workshops and provide necessary administrative support.

15. The ASEAN Secretariat will ensure that the selection of consultants will be carried out in accordance with the ASEAN Secretariat's "Standard Operating Procedures (SOP) For ASEAN Secretariat Recruitment of Consultants". The candidate for consultant for the Project will not be only limited to ASEAN Nationals, in view of the need to coordinate with various international organizations and to facilitate work with potential cofinanciers.

Reporting

16. To ensure coordination, avoid duplication and improve complementarity, the ASEAN Secretariat shall keep ADB informed on the efforts and various initiatives of ASEAN and ASEAN member countries related to avian influenza, both for animal and human health.

17. In the spirit of information sharing, ADB will be included in communications from the ASEAN Secretariat regarding AI and EID including (but not limited to) outbreak updates and reports; and would also be provided with relevant mission and travel reports by consultants; and meeting/workshop reports.

18. The ASEAN Secretariat will regularly report to ADB on the status of Project implementation. The formal reporting (in accordance with the schedule described in Table 1) will consist of:

- (i) a technical report, to be submitted to ADB every six months. This progress report will be based on a review of the Project activities and their impact on the avian influenza epidemic in the region. The report will also contain an assessment of the needs, particularly for regional coordination and collaboration; and
- (ii) a financial report, to be submitted annually to ADB.

19. Additionally, the ASEAN Secretariat will submit Final Report to the ADB (upon the completion of the final activity under the Agreement), which will include an up-to-date overview of initiatives undertaken to control and prevent AI in ASEAN as mentioned in the "Key Output". This Final Report will also include a certified financial report that will detail out the expenditures and unexpended balance at the end of the Project.