GRANT AGREEMENT  
(Special Operations)  
(Water Resources Development Investment Program – Project 2)  

between  

ISLAMIC REPUBLIC OF AFGHANISTAN  

and  

ASIAN DEVELOPMENT BANK  

DATED 4 December 2013  

AFG 42091
GRANT AGREEMENT
(Special Operations)

GRANT AGREEMENT dated 4 December 2013 between ISLAMIC REPUBLIC OF AFGHANISTAN ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a framework financing agreement dated 18 August 2009 between the Recipient and ADB ("FFA"), ADB has agreed to provide a multitranche financing facility to the Recipient for purposes of financing projects under the Water Resources Development Investment Program ("Investment Program");

(B) by a periodic financing request dated 4 June 2013, the Recipient has applied to ADB for a grant for the purposes of the Project described in Schedule 1 to this Grant Agreement; and

(C) 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 the Special Operations Grant Regulations of ADB, dated 7 February 2005 ("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 Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Recipients (2013, as amended from time to time);

(b) "Consulting Services" means the services to be financed out of the proceeds of the Grant as described in sub-paragraphs 3(b) and (c) of Schedule 1 to this Grant Agreement;

(c) "Environmental Assessment and Review Framework" or "EARF" means the environmental assessment and review framework for the Investment Program,
including any update thereto, agreed between the Recipient and ADB and incorporated by
reference in the FFA;

(d) “Environmental Management Plan” or “EMP” means each environmental management plan for the Project, including any update thereto, incorporated in the IEE;

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

(f) “Facility” means the multitranche financing facility provided by ADB to the Recipient for purposes of financing projects under the Investment Program;

(g) “Fiscal Year” means the period from 21 December of the preceding year to 20 December of the current year. Prior to 20 December 2012, the relevant Fiscal Years for the Investment Program cover the periods from 21 March 2010 to 20 March 2011, 21 March 2011 to 20 March 2012 and 21 March 2012 to 20 December 2012;

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

(i) “Initial Environmental Examination” or “IEE” means each initial environmental examination for the Project, including any update thereto, prepared and submitted by the Recipient pursuant to the requirements set forth in the EARF and cleared by ADB;

(j) “Involuntary Resettlement Safeguards” means the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the SPS;

(k) “Land Acquisition and Resettlement Framework” or “LARF” means the land acquisition and resettlement framework for the Investment Program, including any update thereto, agreed between the Recipient and ADB and incorporated by reference in the FFA;

(l) “Land Acquisition and Resettlement Plan” or “LARP” means each resettlement plan for the Project, including any update thereto, prepared and submitted by the Recipient pursuant to the requirements set forth in the RF and cleared by ADB;

(m) “Loan Disbursement Handbook” means ADB’s Loan Disbursement Handbook (2012, as amended from time to time);

(n) “MAIL” means the Ministry of Agriculture, Irrigation and Livestock of the Recipient or any successor thereto;

(o) “MEW” means the Ministry of Energy and Water of the Recipient or any successor thereto;

(p) “MOF” means the Ministry of Finance of the Recipient or any successor thereto;
“O&M” means operation and maintenance;

“PAM” means the project administration manual for the Project dated 30 July 2013 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;

“PFR” means the periodic financing request submitted or to be submitted by the Recipient, for the purposes of each grant under the Facility, and for the purpose of this Grant Agreement means the periodic financing request dated 4 June 2013;

“Procurement Guidelines” means ADB’s Procurement Guidelines (2013, as amended from time to time);

“Procurement Plan” means the procurement plan for the Project dated 30 July 2013 and agreed between the Recipient and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;

“Project 1” means Project 1 of the Investment Program;

“Project Executing Agency” for the purposes of, and within the meaning of, the Grant Regulations, means MOF or any successor thereto acceptable to ADB, which is responsible for the overall implementation of the Project;

“Safeguard Policy Statement” or “SPS” means ADB’s Safeguard Policy Statement (2009);

“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, the RP and the IPP (as applicable), including any corrective and preventative actions; and

“Works” means construction or civil works to be financed out of the proceeds of the Grant, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

ARTICLE II
The Grant

Section 2.01. ADB agrees to make available to the Recipient from ADB’s Special Funds resources an amount of one hundred million Dollars ($100,000,000).
ARTICLE III
Use of Proceeds of the Grant

Section 3.01. The Recipient shall cause the proceeds of the Grant to be applied 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. Except as ADB may otherwise agree, the Recipient shall cause all items of expenditure financed out of the proceeds of the Grant to be used exclusively in the carrying out of the Project.

Section 3.05. Withdrawals from the Grant Account in respect of Goods, Works and Consulting Services shall be made only on account of expenditures relating to:

(a) Goods which are produced in and supplied from and Works and Consulting Services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement; and

(b) Goods, Works and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.06. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 31 December 2018 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 4 to this Grant Agreement.
Section 4.02.  (a) The Recipient shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with accounting principles 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 international standards for auditing or the national equivalent acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report (which includes the auditors’ opinion on the financial statements, use of the Grant proceeds and compliance with the financial covenants of this Grant Agreement as well as on the use of the procedures for imprest fund(s) and statement of expenditures) 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 30 days of the date of their receipt 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 and Works, and any relevant records and documents.

ARTICLE V

Effectiveness

Section 5.01. The following are specified as additional conditions to the effectiveness of this Grant Agreement for the purposes of Section 9.01(e) of the Grant Regulations:

(a) the audited financial statements for Project 1 for the periods from 21 March 2010 to 20 March 2011, 21 March 2011 to 20 March 2012 and 21 March 2012 to 20 December 2012, are submitted to ADB; and

(b) the coordinating officer and the monitoring and evaluation officer of the Program Coordination Office of the Investment Program are appointed and the project performance monitoring system for Project 1 is established.
Section 5.02. A date 90 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

Miscellaneous

Section 6.01. 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 6.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

Ministry of Finance
Pashtoistan Watt, Kabul
Afghanistan

Facsimile Number:

(93) 202-103-258.

For ADB

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

Facsimile Numbers:

(632) 636-2444
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.

ISLAMIC REPUBLIC OF AFGHANISTAN

By ______________________________
DR HAZRAT OMAR ZAKHILWAL
Minister of Finance

ASIAN DEVELOPMENT BANK

By ______________________________
JOJI TOKESHI
Country Director
Afghanistan Resident Mission
SCHEDULE 1
Description of the Project

1. The objective of the Investment Program is to increase the productivity of irrigated agriculture by improving water resources management through infrastructure development, capacity building, and institutional strengthening.

2. As a part of the Investment Program, the Project aims to improve water resources management for the Lower Kokcha irrigation system.

3. The Project shall consist of:
   
   (a) rehabilitation of the Shahrawan and Archi main canals and branches, and associated intake structures on the Amu Darya and Kokcha rivers;
   
   (b) provision of capacity development for water management institutions, agricultural institutions, and water users’ associations; and
   
   (c) provision of project management support.

4. The Project is expected to be completed by 30 June 2018.
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 disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Reallocation

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

   (a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the 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, by notice to 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.
## TABLE

### ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS
(Water Resources Development Investment Program – Project 2)

<table>
<thead>
<tr>
<th>Number</th>
<th>Item</th>
<th>Total Amount Allocated for ADB Financing ($</th>
<th>Basis for Withdrawal from the Grant Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Civil Works</td>
<td>76,100,000</td>
<td>100 percent of total expenditure claimed</td>
</tr>
<tr>
<td>2</td>
<td>Equipment</td>
<td>56,000</td>
<td>100 percent of total expenditure claimed</td>
</tr>
<tr>
<td>3</td>
<td>Consulting Services</td>
<td>7,500,000</td>
<td>100 percent of total expenditure claimed</td>
</tr>
<tr>
<td>4</td>
<td>Project Management</td>
<td>1,900,000</td>
<td>100 percent of total expenditure claimed</td>
</tr>
<tr>
<td>6</td>
<td>Unallocated</td>
<td>14,444,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
<td><strong>100,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
SCHEDULE 3

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 Grant 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) Shopping; and
   (c) Community Participation.

4. The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Recipient 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. In the event that National Competitive Bidding is applicable, the Recipient and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Recipient’s national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Recipient 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 Recipient and ADB.

Community Participation in Procurement

6. The Recipient may use community participation in procurement for upgrading of secondary and tertiary canals contracts in accordance with the agreed procedures set out in the Procurement Plan.

Conditions for Award of Contract

7. The Recipient shall not award any Works contract which involves environmental impacts until MEW has:

   (a) obtained the final approval of the IEE and a certificate of compliance (if applicable) from the National Environmental Protection Agency of the Recipient and ; and
8. The Recipient shall not award any Works contract which involves involuntary resettlement impacts, until the Recipient has prepared and submitted to ADB the final LARP based on the Project's detailed design, and obtained ADB’s clearance of such LARP.

Consulting Services

9. Except as ADB may otherwise agree, and except as set forth in the paragraph below, the Recipient shall apply quality- and cost-based selection for selecting and engaging Consulting Services.

10. Subject to the prior agreement of ADB on the relevant terms of reference and budget, the Recipient shall recruit the individual consultants in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

11. (a) The Recipient 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 Recipient 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.

12. 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.

ADB’s Review of Procurement Decisions

13. 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 Recipient and ADB and set forth in the Procurement Plan.

14. In the case of a contract of Goods or Works, which is subject to ADB’s prior review, the Recipient shall seek ADB’s prior approval of any modification or waiver of the terms and conditions of the contract, including:

(a) granting an extension of the stipulated time for completion of a contract for a period of 1 month or more, or which is likely to require an extension of the Grant Closing Date; and
(b) increases in aggregate of the original price by more than 5% (for the avoidance of doubt, such increase shall take into account any previous change under such contract).

15. In the case of a contract for Goods or Works, which is subject to ADB’s post review, ADB shall review the required contract modification or waiver and respond to the Recipient as soon as practicable, but not later than 1 month after the receipt of the required document.

16. The Recipient shall provide to ADB copies of all time extensions, modifications or waivers to the contracts (including charge orders) within 1 month following amendment of the contract.
SCHEDULE 4

Execution of Project; Financial Matters

Implementation Arrangements

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

Environment

2. The Recipient, through MEW, shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project 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.

Land Acquisition and Involuntary Resettlement

3. The Recipient, through MEW, shall ensure that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Recipient relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; and (c) all measures and requirements set forth in the LARP, and any corrective or preventative actions set forth in the Safeguards Monitoring Report.

4. Without limiting the application of the Involuntary Resettlement Safeguards or the RP, the Recipient, through MEW, shall ensure that no physical or economic displacement takes place in connection with the Project until:

   (a) compensation and other entitlements have been provided to affected people in accordance with the LARP; and

   (b) a comprehensive income and livelihood restoration program has been established in accordance with the LARP.

5. The Recipient, through MEW, shall ensure that no emergency legal provisions shall be invoked to allow the Recipient to take possession of land without making in advance any compensation payments and the fulfillment of all entitlements other than compensation payments in accordance with the LARP. The Recipient, through MEW, shall meet unforeseen obligations in excess of budget estimates.
Indigenous Peoples

6. No impact on indigenous people under the SPS is expected for the Project. In the event that there is any such impact, the Recipient, through MEW, shall ensure that it adheres to applicable laws and regulations of the Recipient and the SPS. If there is any discrepancy between the SPS and the Recipient’s laws and regulations, the SPS shall prevail.

Human and Financial Resources to Implement Safeguards Requirements

7. The Recipient, through MEW, shall make available necessary budgetary and human resources to fully implement the EMP and the LARP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

8. The Recipient, through MEW, 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, the EMP and the LARP, 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 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, the EMP and the LARP;

   (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.

Safeguards Monitoring and Reporting

9. The Recipient, through MEW, shall do the following:

   (a) submit semi-annual 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, the EMP or the RP, 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 or the LARP promptly after becoming aware of the breach.

Prohibited List of Investments

10. 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.

Health and Labor Standards

11. The Recipient, through MAIL and MEW, shall ensure that the core labor standards and the Recipient’s applicable laws and regulations, including workplace occupational safety norms, are complied with during Project implementation. The Recipient, through MAIL and MEW, shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, other provider of goods and services and their subcontractors:

(a) comply with the Recipient’s applicable labor law and regulations;

(b) do not use child labor, within the meaning provided in Appendix 5 of the SPS;

(c) provide equal opportunity and eliminate discrimination in relation to recruitment, compensation, working conditions and terms of employment for workers (including prohibiting any form of discrimination against women during hiring and providing equal pay for men and women for work of equal value; and to the extent possible, employing women and local people, including disadvantaged people, living in the Project area, provided that the requirements for efficiency are adequately met);

(d) do not use forced labor, within the meaning provided in Appendix 5 of the SPS;

(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 females.
12. The Recipient shall strictly monitor compliance with the labor standards and provide ADB with regular reports.

Gender and Development

13. The Recipient, through MAIL and MEW, shall ensure that the principles of gender equity consistent with ADB’s Policy on Gender and Development are followed during implementation of the Project, including (a) equal pay to men and women for work of equal value; (b) enabling working conditions for women workers; and (c) taking necessary actions to encourage women living in the Project area to participate in the design and implementation of Project activities. The Recipient, through MAIL and MEW, in coordination with the appropriate agencies, shall ensure the effective implementation of measures aimed at increasing Project benefits and impacts on women in and around the Project area.

Operations and Maintenance

14. The Recipient, through MEW, shall ensure that: (a) MEW provides sufficient annual budgetary allocation for regular O&M on the infrastructure built under the Project; (b) sufficient funds are allocated to the relevant river basin agencies to enable them to undertake related O&M activities; and (c) sufficient funds are provided to relevant water users’ associations to enable them to carry out related O&M activities.

15. The Recipient, through MAIL and MEW, shall establish the arrangement to implement the irrigation service fee for the Lower Kokcha irrigation system in consultation with ADB and introduce the fee by 30 June 2018.

Security

16. The Recipient shall: (a) provide overall security and protection in the Project area to ensure the smooth and uninterrupted implementation of the Project; (b) be responsible for the removal of mines and unexploded ordnance in the areas in which the relevant Project activities are undertaken; and (c) ensure that each contractor under the Project includes a security plan (together with the requisite budget) under its contract to ensure the smooth and uninterrupted implementation of the relevant contract.

Governance and Anticorruption

17. The Recipient, MOF, MAIL and MEW 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.

18. The Recipient, MOF, MAIL and MEW 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.