
LOAN NUMBER 3845-PAK(COL)

LOAN AGREEMENT
(Ordinary Operations [Concessional])
(Sindh Secondary Education Improvement Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

ASIAN DEVELOPMENT BANK

DATED 19th June 2020

PAK 51126

LOAN AGREEMENT
(Ordinary Operations [Concessional])

LOAN AGREEMENT dated 19th June 2020 between ISLAMIC REPUBLIC OF PAKISTAN ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(B) the Project will be carried out by the Borrower's Province of Sindh ("Sindh") through its School Education and Literacy Department ("SELD"), and for this purpose the Borrower will make available to SELD the proceeds of the loan provided for herein upon terms and conditions satisfactory to ADB; and

(C) ADB has agreed to make a concessional loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein and in the Project Agreement between ADB and Sindh;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All provisions of ADB's Ordinary Operations (Concessional) Loan Regulations, dated 1 January 2017 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

- (a) "BISE" means the Board of Intermediate and Secondary Education in Sindh;
- (b) "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 Loan;
- (c) "EMO" means each Education Management Organization from the private sector contracted by SELD in accordance with the Government of Sindh's PPP Act 2010 in order to manage and improve the functioning of one or more public schools;

- (d) "Environmental Assessment and Review Framework" or "EARF" means the environmental assessment and review framework for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (e) "Environmental Management Plan" or "EMP" means an environmental management plan for a Subproject, including any update thereto, incorporated in the IEE;
- (f) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;
- (g) "GAP" means the gender action plan prepared for the Project, including any update thereto, and agreed to between the Borrower and ADB;
- (h) "Goods" means equipment and materials as set out in the Procurement Plan and to be financed out of the proceeds of the Loan, including any related Nonconsulting Services such as transportation, insurance, installation, commissioning, training, and initial maintenance;
- (i) "Initial Environmental Examination" or "IEE" means an initial environmental examination for a Subproject, including any update thereto, prepared and submitted by the Borrower 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) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (l) "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 Loan;
- (m) "PAM" means the project administration manual for the Project dated 4 September 2019 and agreed between the Borrower and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;
- (n) "PIU" means the project implementation unit established by SELD for purposes of the Project;
- (o) "Procurement Plan" means the procurement plan for the Project dated 4 September 2019 and agreed between the Borrower and ADB, as updated from time to time in accordance with the Procurement Policy, the Procurement Regulations, and other arrangements agreed with ADB;

- (p) "Procurement Policy" means ADB's Procurement Policy - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (q) "Procurement Regulations" means ADB's Procurement Regulations for ADB Borrowers - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (r) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means Sindh through SELD, which is responsible for the carrying out of the Project;
- (s) "Project facilities" means facilities to be provided, constructed, operated, upgraded and maintained under the Project;
- (t) "Resettlement Framework" or "RF" means the resettlement framework for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (u) "Resettlement Plan" or "RP" means a resettlement plan for a Subproject, including any update thereto, prepared and submitted by the Borrower pursuant to the requirements set forth in the RF and cleared by ADB;
- (v) "Safeguard Policy Statement" or "SPS" means ADB's Safeguard Policy Statement (2009);
- (w) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower to ADB that describes progress with implementation of, and compliance with, the EMP and the RP (as applicable), including any corrective and preventative actions;
- (x) "SEF" means the Sindh Education Foundation;
- (y) "SELD" means the School Education and Literacy Department of Sindh, or any successor thereto acceptable to ADB;
- (z) "Services" means Consulting Services and Nonconsulting Services;
- (aa) "Subproject" means one or more secondary school blocks in a Target School District selected for construction pursuant to the selection criteria set forth in paragraph 5 of Schedule 4 to this Loan Agreement;
- (bb) "Target School District" means any of the school districts in southern Sindh identified in sub-paragraph 2(a) of Schedule 1 to this Loan Agreement; and
- (cc) "Works" means construction or civil works as set out in the Procurement Plan and to be financed out of the proceeds of the Loan, including any related Nonconsulting Services and project related services that are provided as part of a single responsibility or turnkey contract.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of seventy-five million Dollars (\$75,000,000).

(b) The Loan has a principal repayment period of 20 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term "grace period" as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB an interest charge at the rate of 2% per annum during the grace period and thereafter, on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

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

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

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

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall make the proceeds of the Loan available to SELD through Sindh upon terms and conditions satisfactory to ADB and shall cause SELD to apply such proceeds exclusively to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

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

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

Section 3.04. Withdrawals from the Loan 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 Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2026 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Loan Agreement and the Project Agreement.

Section 4.02. The Borrower shall enable ADB's representatives to inspect the Project, the Goods, Works and Services, and any relevant records and documents.

Section 4.03. 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.

Section 4.04. The Borrower shall take all actions which shall be necessary on its part to enable the Project Executing Agency to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

ARTICLE V

Effectiveness

Section 5.01. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 9.04 of the Loan Regulations.

ARTICLE VI**Delegation of Authority**

Section 6.01. The Borrower hereby designates the Project Executing Agency as its agent for the purposes of taking any action or entering into any agreement required or permitted under Sections 3.02, 3.03 and 3.05 of this Loan Agreement and under Sections 5.01, 5.02, 5.03 and 5.04 of the Loan Regulations.

Section 6.02. Any action taken or any agreement entered into by the Project Executing Agency pursuant to the authority conferred under Section 6.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 6.03. The authority conferred on the Project Executing Agency under Section 6.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VII**Miscellaneous**

Section 7.01. The Secretary, Ministry of Economic Affairs of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

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

For the Borrower

The Secretary
Economic Affairs Division
Ministry of Economic Affairs
Government of Pakistan
Islamabad, Pakistan

Facsimile Number:

(9251) 910-4016.

For ADB

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

Facsimile Numbers:

(632) 636-2444

(632) 636-2424

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

By 

NOOR AHMED

Secretary, Economic Affairs Division
Ministry of Economic Affairs

ASIAN DEVELOPMENT BANK

By 

XIAOHONG YANG

Country Director
Pakistan Resident Mission

SCHEDULE 1**Description of the Project**

1. The objective of the Project is to increase inclusiveness of secondary education in Sindh.
2. The Project shall comprise:
 - (a) construction of around 160 new secondary school blocks within existing SELD school compounds in the districts of Badin, Matiari, Mirpur Khas, Sanghar, Sujawal, Tando Allah Yar, Tando M. Khan, Tharparkar, Thatta and Umer Kot, and any additional districts as ADB may agree;
 - (b) support for introduction of a teacher training and mentorship program focused on improving the teaching of the English language, mathematics, biology, chemistry and physics in selected SELD and SEF secondary schools by assessing teacher availability and training requirements, developing teacher training modules, providing classroom training and in-class mentoring by subject specialist master trainers; and providing laboratory equipment to some existing secondary schools; and
 - (c) support for development of a uniform examination syllabus and specifications for grades 9-12 for BISE in Sindh; redesign of the content of examinations to increase their emphasis on critical thinking; capacity development for BISE assessors and BISE staff; and provision of optical mark recognition systems to improve the transparency, accuracy and efficiency of examination grading.
3. The Project is expected to be completed by 31 December 2025.

SCHEDULE 2

Amortization Schedule

Date Payment Due	Payment of Principal (expressed in USD)
15 March 2025	1,875,000
15 September 2025	1,875,000
15 March 2026	1,875,000
15 September 2026	1,875,000
15 March 2027	1,875,000
15 September 2027	1,875,000
15 March 2028	1,875,000
15 September 2028	1,875,000
15 March 2029	1,875,000
15 September 2029	1,875,000
15 March 2030	1,875,000
15 September 2030	1,875,000
15 March 2031	1,875,000
15 September 2031	1,875,000
15 March 2032	1,875,000
15 September 2032	1,875,000
15 March 2033	1,875,000
15 September 2033	1,875,000
15 March 2034	1,875,000
15 September 2034	1,875,000
15 March 2035	1,875,000
15 September 2035	1,875,000
15 March 2036	1,875,000
15 September 2036	1,875,000
15 March 2037	1,875,000
15 September 2037	1,875,000
15 March 2038	1,875,000
15 September 2038	1,875,000
15 March 2039	1,875,000
15 September 2039	1,875,000
15 March 2040	1,875,000
15 September 2040	1,875,000
15 March 2041	1,875,000
15 September 2041	1,875,000
15 March 2042	1,875,000
15 September 2042	1,875,000
15 March 2043	1,875,000
15 March 2044	1,875,000
15 September 2044	1,875,000
Total	75,000,000

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

SCHEDULE 3**Allocation and Withdrawal of Loan 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 Loan and the allocation of the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category of the Table.)

Basis for Withdrawal from the Loan Account

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

Interest Charge

3. The amount allocated to Category "Interest Charge" is for financing the interest charge on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest charge.

Reallocation

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

- (a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, in consultation with the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and
- (b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, in consultation with the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

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

Retroactive Financing

6. Withdrawals from the Loan 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 Loan Agreement in connection with Goods and Services, subject to a maximum amount equivalent to 20% of the Loan amount.

Condition for Withdrawals from Loan Account

7. Notwithstanding any other provision of this Loan Agreement, no withdrawals shall be made from the Loan Account for Works until the PIU has been adequately staffed in manner mutually acceptable to ADB and the Project Executing Agency.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing (\$)	Basis for Withdrawal from the Loan Account
		Category	
1	Works*, Goods and Services (including PIU recurrent costs)	64,081,349	100% of total expenditure claimed
2	Interest Charge	4,053,798	100% of amounts due
3	Unallocated	6,864,853	
	TOTAL	75,000,000	

* Subject to the condition for withdrawal described in paragraph 7 of Schedule 3.

SCHEDULE 4

Execution of Project; Financial Matters

Implementation Arrangements

1. The Borrower and the Project Executing Agency 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 Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Procurement

2. The Borrower shall 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 Borrower 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.

3. The Borrower shall cause the Project Executing Agency to not award any Works contract for a Subproject which involves environmental impacts until the Project Executing Agency has:
 - (a) submitted to ADB the IEE based on the Subproject's detailed design and obtained (i) ADB's clearance of such IEE and (ii) final approval of the IEE from the appropriate authorities of the Borrower and Sindh; and
 - (b) incorporated the relevant provisions from the EMP into the Works contract.

4. The Borrower shall cause the Project Executing Agency to not award any Works contract involving involuntary resettlement impacts for a Subproject until the Project Executing Agency has prepared and submitted to ADB the final RP for such Subproject based on the Subproject's detailed design, and obtained ADB's clearance of such RP.

Subproject Selection Criteria

5. The Borrower shall ensure or cause the Project Executing Agency to ensure that (a) the Subprojects emphasize schools that enroll girls and (b) each Subproject is agreed in advance by ADB and is selected in accordance with the following criteria:

- (i) is (A) from the list of SELD priority schools, (B) operated by a private manager under the SELD's EMO program; and (C) is located in an area where there is sufficient demand for secondary education;
- (ii) is in a Target School District and located on an existing school campus or compound;
- (iii) is technically viable considering the least cost and technically sound options, and economically and financially feasible;
- (iv) complies with the requirements set out in paragraphs 6 to 13 of this Schedule and has no significant adverse environmental and social impacts (i.e., would not be classified as a category A Subproject in accordance with the Safeguard Policy Statement); and
- (v) can be completed within the Project implementation period.

Environment

6. The Borrower shall ensure or cause the Project Executing Agency to ensure that the preparation, design, construction, implementation, operation and decommissioning of each Subproject and all Project facilities comply with (a) all applicable laws and regulations of the Borrower and Sindh relating to environment, health, and safety; (b) the Environmental Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the respective IEE and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Land Acquisition and Involuntary Resettlement

7. The Borrower shall ensure or cause the Project Executing Agency to ensure that all land and all rights-of-way required for each Subproject and all Project facilities 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 Borrower and Sindh relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the respective RP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

8. Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the RP, the Borrower shall ensure or cause the Project Executing Agency to ensure that (a) no land shall be acquired for the purposes of the Project under the emergency acquisition provisions of the Borrower's Land Acquisition Act (1984), as amended, and (b) no physical or economic displacement takes place in connection with the Subprojects until:

- (i) compensation and other entitlements have been provided to affected people in accordance with the RP; and
- (ii) a comprehensive income and livelihood restoration program have been established in accordance with the RP.

Indigenous Peoples

9. The Borrower shall ensure or cause the Project Executing Agency to ensure that the Project does not have any indigenous peoples impacts within the meaning of the Safeguard Policy Statement. In the event that the Project does have any such impact, the Borrower shall ensure or cause the Project Executing Agency to ensure that the Project complies with the applicable laws and regulations of the Borrower and Sindh and the Safeguards Policy Statement.

Human and Financial Resources to Implement Safeguards Requirements

10. The Borrower shall make available or cause the Project Executing Agency to make available necessary budgetary and human resources to fully implement each EMP and RP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

11. The Borrower 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 and requirements relevant to the contractor set forth in the IEE, the EMP and the RP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out in a Safeguards Monitoring Report;
- (b) make available a budget for all such environmental and social measures;
- (c) provide the Borrower 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 RP;
- (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and

- (e) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.

Safeguards Monitoring and Reporting

12. The Borrower shall do the following or shall 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, 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 RP promptly after becoming aware of the breach.

Prohibited List of Investments

13. The Borrower shall ensure or cause the Project Executing Agency to ensure that no proceeds of the Loan 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

14. The Borrower shall ensure or cause the Project Executing Agency to ensure that the core labor standards and the applicable laws and regulations of the Borrower and Sindh are complied with during Project implementation. The Borrower shall cause the Project Executing Agency to include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) have written terms of employment with all hired workers, pay equal wages for work of equal value, and pay wages to women and men directly with distribution of pay slips; (b) comply with the applicable labor law and regulations of the Borrower and Sindh and incorporate applicable workplace occupational safety norms; (c) do not use child labor; (d) do not discriminate workers in respect of employment and occupation; (e) do not use forced labor; (f) allow freedom of association and effectively recognize the right to collective bargaining; and (g) 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.

15. The Borrower shall cause the Project Executing Agency to strictly monitor compliance with the requirements set forth in paragraph 14 above and provide ADB with regular reports.

Gender and Development

16. The Borrower shall ensure or cause the Project Executing Agency to ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.

Counterpart Support

17. The Borrower shall cause Sindh to ensure that all in-kind counterpart support required during the Project implementation period is provided on time during each year of Project implementation.

Operation and Maintenance

18. The Borrower shall cause Sindh to ensure that adequate funds are allocated in its annual budget and made available for the operation and maintenance of the Project facilities following completion of the Project.

Sector Covenant

19. The Borrower shall cause the Project Executing Agency to ensure that ADB is kept informed of the policies and programs in respect of secondary education in Sindh, including those under discussion with other multilateral and bilateral agencies where they may have implications for implementation of the Project.

Governance and Anticorruption

20. The Borrower 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.

21. The Borrower 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.