
LOAN NUMBER 4143-CAM(COL)

LOAN AGREEMENT
(Ordinary Operations [Concessional])
(Livable Cities Investment Project)

between

KINGDOM OF CAMBODIA

and

ASIAN DEVELOPMENT BANK

DATED 08 DEC 2021

CAM 53199

LOAN AGREEMENT
(Ordinary Operations [Concessional])

LOAN AGREEMENT dated 08 DEC 2021 between KINGDOM OF CAMBODIA ("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 ("Project"); and

(B) 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;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the 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) "CEMP" means each site-specific construction environmental management plan for the respective Project Site(s) to be prepared and implemented by the contractors;
- (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) "Effective Date" means the date on which this Loan Agreement is declared effective pursuant to Section 5.01;
- (d) "EMP" means each environmental management plan for the Project, including any update thereto, incorporated in the respective IEE;
- (e) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1 of the SPS;

- (f) "GESIAP" means the gender equality and social inclusion action plan prepared for the Project, including any update thereto, and agreed to between the Borrower and ADB;
- (g) "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;
- (h) "IEE" means each of the three initial environmental examinations for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (i) "Indigenous Peoples Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3 of the SPS;
- (j) "Involuntary Resettlement Safeguards" means the principles and requirements set forth in Chapter V, Appendix 2 of the SPS;
- (k) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (l) "MPWT" means the Ministry of Public Works and Transport of the Borrower or any successor thereto;
- (m) "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;
- (n) "PAM" means the project administration manual for the Project dated 28 September 2021 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;
- (o) "Procurement Manual" means the Procurement Manual under the Standard Operating Procedures prepared by the Borrower and endorsed by ADB, which sets forth the procurement-related policies and procedures for externally-financed projects and programs;
- (p) "Procurement Plan" means the procurement plan for the Project dated 28 September 2021 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 (which include, among others, the Standard Operating Procedures and the Procurement Manual as updated from time to time);
- (q) "Procurement Policy" means ADB's Procurement Policy - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);

- (r) "Procurement Regulations" means ADB's Procurement Regulations for ADB Borrowers - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (s) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means MPWT, or any successor thereto acceptable to ADB;
- (t) "Project Sites" means the cities of (i) Bavet, Svay Rieng province; (ii) Kampot, Kampot province; and (iii) Poipet, Banteay Meanchey province, Cambodia, with each site comprising a cluster of multiple smaller sites, components and/or subproject sites, as the case may be;
- (u) "RP" means the resettlement plan for each Project Site, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (v) "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;
- (w) "Services" means Consulting Services and Nonconsulting Services;
- (x) "Social Safeguards Monitoring Report" means each report prepared and submitted by the Borrower to ADB in relation to the Involuntary Resettlement Safeguards and the Indigenous Peoples Safeguards that describes progress with implementation of and compliance with the RP(s) (in each case, to the extent applicable), including any corrective and preventative actions;
- (y) "SPS" means ADB's Safeguard Policy Statement (2009);
- (z) "Standard Operating Procedures" means the Standard Operating Procedures On Procurement for All Externally Financed Projects/Programs in Cambodia (sub-decree no. 181 ANK.BK dated 2 December 2019, as amended from time to time) providing the procedures applicable to all externally financed projects and programs; and
- (aa) "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 one hundred eighty million Dollars (\$180,000,000).

(b) The Loan has a principal repayment period of 24 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 1% per annum during the grace period, and 1.5% per annum 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 1 May and 1 November 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.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to the financing of expenditures on the Project in accordance with the provisions of this Loan 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. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 31 May 2028 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.

Section 4.02. (a) The Borrower shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Loan proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

(c) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower'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 Borrower, unless the Borrower shall otherwise agree.

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

ARTICLE V

Effectiveness

Section 5.01. A date 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**Miscellaneous**

Section 6.01. The Minister of Economy and Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

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

For the Borrower

Ministry of Economy and Finance
St. 92, Sangkat Wat Phnom
Khan Daun Penh
Phnom Penh, Cambodia

Facsimile Number:

+855 23 427-798
+855 23 428-424.

For ADB

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

Facsimile Numbers:


(632) 8636-2444.

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

KINGDOM OF CAMBODIA

By 
H.E. Dr. AUN PORNMONIROTH
Deputy Prime Minister
Minister of Economy and Finance

ASIAN DEVELOPMENT BANK

By 
ANTHONY ROBERT GILL
Officer-in-Charge
Cambodia Resident Mission

SCHEDULE 1

Description of the Project

1. The objective of the Project is to improve livability of secondary cities through supporting inclusive and sustainable development of Bavet, Kampot and Poipet.
2. The Project shall comprise:

Component 1: Improvement of policy and regulatory environment. This includes support to participating cities with:

 - (a) developing spatial planning and land use plans to inform and guide future growth; and
 - (b) preparing planning and service delivery guidelines on wastewater, stormwater drainage and municipal solid waste with climate resilient and gender responsive and inclusive measures.

Component 2: Improvement of urban infrastructure through:

 - (c) the construction of a wastewater treatment plant and conveyance network in Bavet and Poipet, and the expansion of the sewerage network in Kampot;
 - (d) the rehabilitation of existing canals and construction of new stormwater drains in Bavet and Poipet; and
 - (e) the construction of landfills in Bavet and Poipet.

Component 3: Improvement of institutional effectiveness and governance through the development:

 - (f) and implementation for each participating city of an institutional development road map and capacity building program on planning service delivery, and financial management; and
 - (g) of a recruitment, mobility and training program and encouraging women's participation in the sector.
3. The Project is expected to be completed by 30 November 2027.

SCHEDULE 2

Amortization Schedule

<u>Payment Due</u>	<u>Payment of Principal</u> (expressed in Dollars)*
1 May 2030	3,750,000
1 November 2030	3,750,000
1 May 2031	3,750,000
1 November 2031	3,750,000
1 May 2032	3,750,000
1 November 2032	3,750,000
1 May 2033	3,750,000
1 November 2033	3,750,000
1 May 2034	3,750,000
1 November 2034	3,750,000
1 May 2035	3,750,000
1 November 2035	3,750,000
1 May 2036	3,750,000
1 November 2036	3,750,000
1 May 2037	3,750,000
1 November 2037	3,750,000
1 May 2038	3,750,000
1 November 2038	3,750,000
1 May 2039	3,750,000
1 November 2039	3,750,000
1 May 2040	3,750,000
1 November 2040	3,750,000
1 May 2041	3,750,000
1 November 2041	3,750,000
1 May 2042	3,750,000
1 November 2042	3,750,000
1 May 2043	3,750,000
1 November 2043	3,750,000
1 May 2044	3,750,000
1 November 2044	3,750,000
1 May 2045	3,750,000
1 November 2045	3,750,000
1 May 2046	3,750,000
1 November 2046	3,750,000
1 May 2047	3,750,000
1 November 2047	3,750,000
1 May 2048	3,750,000
1 November 2048	3,750,000
1 May 2049	3,750,000
1 November 2049	3,750,000
1 May 2050	3,750,000
1 November 2050	3,750,000
1 May 2051	3,750,000

1 November 2051	3,750,000
1 May 2052	3,750,000
1 November 2052	3,750,000
1 May 2053	3,750,000
1 November 2053	3,750,000
Total	180,000,000

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 or Subcategory 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.

Reallocation

3. 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, by notice to 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, by notice to the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

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

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing (Dollar)	Basis for Withdrawal from the Loan Account
		Category	
1	Works	128,298,258	100% of total expenditure claimed
2	Goods and Consulting Services	14,615,001	100% of total expenditure claimed*
3	Unallocated	37,086,741	
	TOTAL	180,000,000	

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

SCHEDULE 4

Execution of Project; Financial Matters

Implementation Arrangements

1. The Borrower shall cause the Project Executing Agency to ensure, that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the 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 and its government's Standard Operating Procedures;
- (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;
- (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.
- (d) ADB's representatives have access to the Project Sites and to the relevant documents, as well as access to the affected persons, beneficiaries, contractors and other stakeholders to inspect the Project, the Goods, Works and Services, and any relevant records and documents.

Conditions for Award of Contract

3. The Borrower shall cause the Project Executing Agency to ensure, that no Works contract shall be awarded in relation to any Project Site, which involves environmental impacts until the Project Executing Agency has:

- (a) obtained for that Project Site the final approval of the updated IEE and EMP from the Borrower's authorized ministry or agency, based on such Project Site's detailed design and clearance of such IEE and EMP from ADB; and

- (b) incorporated the relevant provisions from the respective EMP into the relevant Works contract.

4. The Borrower shall cause the Project Executing Agency to ensure, that no Works contract shall be awarded in relation to any Project Site, which involves involuntary resettlement impacts until the Project Executing Agency has prepared and submitted to ADB the final RP based on the detailed design for such Project Site, and obtained ADB's clearance of such RP.

Conditions for Commencement of Works

5. The Borrower shall cause the Project Executing Agency to ensure, that except for the detailed engineering design, no Works shall commence on any Project Site until the Project Executing Agency obtained approval from:

- (a) where such Project Site involves construction on public land, ADB on the final due diligence report with supporting documents confirming state ownership of that land; and
- (b) the appropriate authority of the Borrower, the national environmental impact assessment, and if required, any other requisite environment, health and safety licenses, permits, approvals or authorizations.

Environment

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

Land Acquisition and Involuntary Resettlement

7. The Borrower shall cause the Project Executing Agency to ensure, that all land and all rights-of-way, if any, required for each Project Site 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 relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) each RP; and (d) any corrective or preventative actions including those set forth in the Social Safeguards Monitoring Report.

8. Without limiting the application of the Involuntary Resettlement Safeguards or an RP, the Borrower shall cause the Project Executing Agency to ensure, that no physical or economic displacement takes place in connection with any of the Projects Sites until:

- (a) compensation and other entitlements have been provided to the affected persons in accordance with the respective RP; and

- (b) a comprehensive income and livelihood restoration program has been established in accordance with the Involuntary Resettlement Safeguards and RP.

9. The Borrower shall cause the Project Executing Agency to ensure, that RPs are prepared and implemented taking into consideration that fair compensation to all households irrespective of income level, ethnic group or headed by female/male is provided.

10. The Borrower shall cause the Project Executing Agency to ensure, that: (a) no land for the Project is acquired by way of voluntary donation, and (b) if any land is acquired through negotiated settlement, the Borrower shall follow the respective requirements set out in the Involuntary Resettlement Safeguards.

Indigenous Peoples

11. The Borrower shall cause the Project Executing Agency to ensure, that the Project does not have any indigenous peoples impacts, all within the meaning of SPS. In the event the Project does have any such impact, the Borrower shall take all steps required to ensure that the preparation, design, construction, implementation and operation of the Project, and all Project facilities comply with all applicable laws and regulations of the Borrower relating to indigenous peoples; and the Indigenous Peoples Safeguards.

Human and Financial Resources to Implement Safeguard Requirements

12. The Borrower shall cause the Project Executing Agency to make available necessary budgetary and human resources to fully implement the IEEs, EMPs, and RPs.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

13. The Borrower shall cause the Project Executing Agency to ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) with the measures relevant to the contractor set forth in the IEEs, the EMPs, RPs (to the extent they concern impacts on the affected people during construction), and any corrective or preventative actions plan, including those set forth in any of the Environmental Safeguards Monitoring Reports or Social Safeguards Monitoring Reports;
- (b) make available a budget for all such environmental and social measures;
- (c) provide the Project Executing Agency 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 IEEs, the EMPs, or the RPs;
- (d) adequately record 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

14. The Borrower shall cause the Project Executing Agency to do the following:
- (a) submit semi-annual Environmental Safeguards Monitoring Reports and Social Safeguards Monitoring Reports to ADB until the Project completion 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 IEEs, the EMPs, or the RPs, 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 EMPs, or RPs, as applicable, promptly after becoming aware of the breach.

Labor Standards, Health and Safety

15. The Borrower shall cause the Project Executing Agency to, ensure that the core labor standards and the Borrower's applicable laws and regulations 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) comply with the Borrower's applicable labor laws and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) do not restrict workers from developing a legally permissible means of expressing their grievance and protecting their rights regarding working conditions and terms of employment; (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women; and (g) as part of the EMP, prepare health and safety plan addressing coronavirus disease (COVID-19) risks, in line with the Borrower's regulations and guidelines on COVID-19 prevention and control, or in the absence thereof, with international good practice guidelines (as may be updated from time to time), including a COVID-19 risk management plan setting out arrangements for the contractors to put in place to address this risk.

16. The Borrower shall strictly monitor compliance with the requirements set forth in paragraph 15 above and provide ADB with regular reports.

Grievance Redress Mechanism

17. The Borrower, through the Project Executing Agency and Project Implementing Agencies, shall ensure that as soon as possible and in any event:

- (a) within 60 days of the Effective Date, efficient environmental and social safeguards grievance redress mechanism for considering safeguards-related claims other than those specified in sub-paragraph (b) below; and
- (b) within the timeframe specified in the relevant RP, efficient grievance redress mechanism for considering claims arising out of or in connection with the land acquisition and/or involuntary resettlement under the Project or any other related issues specified in the RP,

in each case, acceptable to ADB are established in accordance with the provisions of the relevant IEE, EMP or RP and remain functional to assist the affected persons resolve queries and complaints, if any, in a timely manner; (c) all complaints are registered, investigated and resolved in a manner consistent with the provisions of the grievance redress mechanism detailed in the relevant IEEs, EMPs, or RPs; (d) the complainants or aggrieved persons are kept informed about the status of their grievances and remedies available to them; and (e) adequate staff and resources are available for supervising, monitoring, and reporting on, the mechanism.

Prohibited List of Investments

18. The Borrower shall 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.

Gender and Development

19. The Borrower shall cause the Project Executing Agency to, ensure that (a) the GESIAP 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 GESIAP; (c) adequate resources are allocated for implementation of the GESIAP; (d) progress on implementation of the GESIAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.

Counterpart Support and Institutional Development Roadmaps

20. The Borrower shall ensure that the adequate budgetary allocation necessary for the Project has been made. In addition to the foregoing, the Borrower shall ensure that sufficient funds are allocated to the Project to satisfy its liabilities arising from any Goods, Works and/or Services contract.

21. The Borrower shall (i) cause the Project Executing Agency and the Project Implementing Agencies to adopt institutional development roadmaps consistent with the terms and requirements of the PAM (including, but not limited to, the necessary tariffs, tariff collection rates, increases in tariff rates and service coverage rates for wastewater collection and treatment services and facilities in all the Project Sites for the operational period of the relevant facilities), subject to prior consultation with ADB, for achieving full cost recovery to cover operations and maintenance expenditures of the facilities developed under the Project, prior to the physical completion, and for ensuring long-term financial sustainability of the Project; and (ii) cause each Project Implementing Agency to administer the applicable roadmap(s) in accordance with their

terms and the PAM, including, but not limited to, the collection of all necessary tariffs and implementation of any tariff increases, as applicable.

22. The Borrower shall (i) if there is any deficiency in the budget for the operations and maintenance of any Project facilities in any fiscal year, require the applicable Project Implementing Agency to fund immediately such deficiency through budget allocations for such Project facilities; and (ii) if the applicable Project Implementing Agency fails to undertake its obligations under the preceding sub-paragraph, fund immediately such deficiency in the budget for the operations and maintenance for any such Project facilities, as applicable for the relevant fiscal year to ensure proper operations and maintenance of such facilities for the remainder of the relevant fiscal year.

Governance and Anticorruption

23. The Borrower, the Project Executing Agency, and the Project Implementing Agencies 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.

24. The Borrower, the Project Executing Agency, and the Project Implementing Agencies 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 Project Executing Agency, Project Implementing Agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.