
LOAN NUMBER 3605-MON(COL)

LOAN AGREEMENT
(Ordinary Operations [Concessional])

(Ensuring Inclusiveness and Service Delivery for Persons with Disabilities Project)

between

MONGOLIA

and

ASIAN DEVELOPMENT BANK

DATED 4 April 2018

MON 48076

LOAN AGREEMENT
(Ordinary Operations [Concessional])

LOAN AGREEMENT dated 4 April 2018 between MONGOLIA ("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) by an agreement of even date herewith between the Borrower and ADB ("Grant Agreement"), ADB has agreed to administer the grant from the Japan Fund for Poverty Reduction ("JFPR") upon the terms and conditions set out in the JFPR 2016 Guidelines;

(C) the Project will be carried out by the Ministry of Labor and Social Protection ("MLSP"), and for this purpose the Borrower will make available to MLSP the proceeds of the loan provided for herein upon terms and conditions satisfactory to ADB; and

(D) 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 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) "Consulting Guidelines" means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2013, as amended from time to time);
- (b) "Consulting Services" means the services to be financed out of the proceeds of the Loan as described in paragraph [3] of Schedule 1 to this Loan Agreement;

- (c) "CWD" means children with disabilities;
- (d) "DPO" means disabled peoples' organization;
- (e) "EMP" means the environmental management plan for the Project, 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 MPDSP and ADB;
- (h) "Goods" means equipment and materials to be financed out of the proceeds of the Loan, including related services, but excluding Consulting Services;
- (i) "ICF" means International Classification of Functioning;
- (j) "IEE" means the initial environmental examination for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (k) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (l) "MOF" means the Borrower's Ministry of Finance or any successor thereto acceptable to ADB;
- (m) "PAM" means the project administration manual for the Project dated 5 September 2017 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 project implementation unit;
- (o) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);
- (p) "Procurement Plan" means the procurement plan for the Project dated 5 September 2017 and agreed between the Borrower and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB;
- (q) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means MLSP or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;

- (r) "Project facilities" means facilities developed, constructed, updated and/or maintained under the Project;
- (s) "PWD" means persons with disabilities;
- (t) "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 (as applicable), including any corrective and preventative actions;
- (u) "SPS" means ADB's Safeguard Policy Statement (2009);
- (v) "Togrog" or "MNT" means the currency of the Borrower; and
- (w) "Works" means construction or civil works to be financed out of the proceeds of the Loan, 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 Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of twenty-five million Dollars (\$25,000,000).

(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 February and 15 August 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 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. Withdrawals from the Loan 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 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 31 October 2022 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 5 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 and Works, and any relevant records and documents.

ARTICLE V

Effectiveness

Section 5.01. The following is specified as an additional condition to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations: that the Grant Agreement shall have been duly executed and delivered, and all conditions precedent to its effectiveness (other than a condition requiring the effectiveness of this Loan Agreement) shall have been fulfilled.

Section 5.02. The following is specified as an additional matter, for the purposes of Section 9.02(d) of the Loan Regulations, to be included in the opinion or opinions to be furnished to ADB: that the Grant Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and, and is legally binding upon the Borrower in accordance with its terms.

Section 5.03. 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 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 Finance
Government Building 2
S. Danzan Street 5/1
Ulaanbaatar 15160
Mongolia

Facsimile Number:

(976) 11-320247

For ADB

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

Facsimile Numbers:

(632) 636-2444
(632) 636-2407.

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.

MONGOLIA

By 
KHURELBAATAR CHIMED
Minister
Ministry of Finance

ASIAN DEVELOPMENT BANK

By 
YOLANDA FERNANDEZ LOMMEN
Country Director
Mongolia Resident Mission

SCHEDULE 1

Description of the Project

1. The objective of the Project is increased access to services and employment for PWD.

2. The Project shall comprise:

Output 1: Early identification of children with disabilities strengthened and institutionalized. The Project will (i) institutionalize the current early identification model initiated by MLSP, and (ii) facilitate the shift from a medical to a social model in identifying CWD by broadening the skills of persons involved in early identification.

Output 2: Service delivery for persons with disabilities improved. The Project will (i) implement a model of interactive parent-child-facilitator education in early childhood; (ii) establish six model *aimag* development and rehabilitation centers; (iii) establish a disability workforce with national level curricula introduced for occupational and speech therapy, physiotherapy, and orthopedic technicians, as well as, disability social workers; (iv) strengthen the role of social workers in support to PWD; and (v) establish hotlines for PWD.

Output 3: Access to the physical environment improved. The Project will (i) develop the capacity of decision makers and strengthen institutions involved in developing and enforcing the legal and regulatory framework on physical accessibility norms (infrastructure, transportation, information); (ii) ensure wide inclusion of PWD in enforcement mechanisms; and (iii) ensure access to affordable quality orthopedic devices and assistive technology, including in *aimags* (provinces).

Output 4: Work and employment for persons with disabilities improved. The Project will (i) set up models to increase the skills of PWD to enter selected industries and improve general job brokerage for PWD, (ii) facilitate inclusive business and organize support systems for PWD to access regular jobs and self-employment, and (iii) strengthen participation of PWD in monitoring compliance with regulation on employment for PWD.

Output 5: Strategic development to support persons with disabilities implemented. The Project will (i) raise awareness and change attitudes towards PWD, (ii) reform the welfare system to improve targeting and financial support for PWD to access services and equipment, (iii) conduct a strategic review of the national program, (iv) introduce the ICF in line with needs and available resources, (v) align National Statistical Office data with information needs in relation to disability, and (vi) ensure the provision of health insurance coverage to all PWDs.

3. The Project includes provision of Consulting Services, as described in the PAM.

4. The Project is expected to be completed by 30 April 2022.

SCHEDULE 2

Amortization Schedule

<u>Payment Due Date</u>	<u>Payment of Principal</u> (Expressed in USD)*
15 February 2023	625,000
15 August 2023	625,000
15 February 2024	625,000
15 August 2024	625,000
15 February 2025	625,000
15 August 2025	625,000
15 February 2026	625,000
15 August 2026	625,000
15 February 2027	625,000
15 August 2027	625,000
15 February 2028	625,000
15 August 2028	625,000
15 February 2029	625,000
15 August 2029	625,000
15 February 2030	625,000
15 August 2030	625,000
15 February 2031	625,000
15 August 2031	625,000
15 February 2032	625,000
15 August 2032	625,000
15 February 2033	625,000
15 August 2033	625,000
15 February 2034	625,000
15 August 2034	625,000
15 February 2035	625,000
15 August 2035	625,000
15 February 2036	625,000
15 August 2036	625,000
15 February 2037	625,000
15 August 2037	625,000
15 February 2038	625,000
15 August 2038	625,000
15 February 2039	625,000
15 August 2039	625,000
15 February 2040	625,000
15 August 2040	625,000
15 February 2041	625,000
15 August 2041	625,000
15 February 2042	625,000
15 August 2042	625,000
Total	25,000,000

*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 5 "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.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Loan Account
1	Works	10,180,000	87.5% of total expenditure claimed
2	Equipment	4,240,000	93.4% of total expenditure claimed
3	Consulting Services	930,000	93.9% of total expenditure claimed
4	Social Communication and Capacity Development, Materials, Project Management Unit and Recurrent Costs	4,830,000	100% of total expenditure claimed
5	Interest Charge	1,690,000	100% of total amount due
6	Unallocated	3,130,000	
	Total	25,000,000	

SCHEDULE 4**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. Except as ADB may otherwise agree, Goods and Works shall be procured and Consulting Services shall be selected and engaged only on the basis of the procurement methods and the selection methods set forth below. These methods are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the procurement methods and the selection methods or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.
3. All terms used in this Schedule and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

Goods and Works

4. Goods and Works shall be procured on the basis of the procurement methods set forth below:
 - (a) International Competitive Bidding;
 - (b) National Competitive Bidding; and
 - (c) Shopping.

Domestic Preference

5. The Borrower may grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(a) and 2.56 of the Procurement Guidelines for domestically manufactured Goods.

National Competitive Bidding

6. The Borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower 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 Borrower and ADB.

Conditions for Award of Contract

7. The Borrower shall not award any Works contracts which involves environmental impacts until:

- (a) the Borrower's Ministry of Environment and Tourism has granted the final approval of the IEE; and
- (b) the Borrower has incorporated the relevant provisions from the EMP into the Works contract.

Consulting Services

8. Except as set forth in the paragraph below, the Borrower shall apply Quality- and Cost-Based Selection for Consulting Services.

9. The Borrower shall recruit individual consultants in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

10. (a) The Borrower 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 Borrower 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.

11. The Borrower 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

12. 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 Borrower and ADB and set forth in the Procurement Plan.

SCHEDULE 5

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.

Environment

2. The Borrower shall ensure or 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 IEE, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Indigenous Peoples and Involuntary Resettlement

3. The Borrower shall ensure that the Project does not have any indigenous peoples or involuntary resettlement impacts, all within the meaning of ADB's SPS. In the event that the Project does have any such impact, the Borrower shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with ADB's SPS.

Human and Financial Resources to Implement Safeguards Requirements

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

Safeguards – Related Provisions in Bidding Documents and Works Contracts

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

- (a) comply with the measures relevant to the contractor set forth in the IEE and the EMP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report;
- (b) make available a budget for all such environmental and social measures;

- (c) provide the Borrower with a written notice of any unanticipated environmental risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP;
- (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

6. The Borrower shall do the following or shall cause the Project Executing Agency to do the following:

- (a) submit Safeguards Monitoring Reports to ADB in respect of and compliance with Environmental Safeguards and the EMP, annually, during construction and the implementation of the Project and the EMP until the issuance of ADB's Project completion report unless a longer period is agreed in the EMP, and disclose relevant information from such reports to affected people under the Environmental Safeguards promptly upon submission;
- (b) if any unanticipated environmental risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE and the EMP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and
- (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP promptly after becoming aware of the breach.

Labor Standards, Health and Safety

7. The Borrower shall ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. The Borrower shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate, or engage appropriate service providers to disseminate, information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women.

8. The Borrower shall strictly monitor compliance with the requirements set forth in paragraph 7 above and provide ADB with regular reports.

Gender and Development

9. The Borrower shall ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, is regularly monitored and reported to ADB; and (e) key gender outcome and output targets to be achieved include, but not limited to: (i) at least 45% of female PWDs or mothers of CWDs are satisfied with public services by 2022; (ii) about 16 persons, of whom 50% are women, will be trained as the hotline counsellors with skills on gender-responsive advice and counselling including gender-based violence; and (iii) labor force of PWDs increased by 20%, of whom at least 40% are women, by 2022.

Counterpart Support

10. The Borrower, through the Project Executing Agency, shall ensure that budgetary financing necessary for the operations and maintenance of the Project facilities and services is provided on a timely basis.

11. The Borrower, through the Project Executing Agency, shall further ensure that additional counterpart funding is available to cover any shortfall that may occur during project implementation.

Operational Covenants

12. The Borrower, through the Project Executing Agency, shall recruit the sufficient number of staff, trained along new curricula and standard operating procedures developed for Project facilities.

13. The Borrower, through the Project Executing Agency, shall ensure that PWD is represented in the project steering committee and in the bid evaluation committees overseeing decision making on all Project procurement. The Project Executing Agency shall ensure that PWD committee members are selected as representatives and advocates on behalf of all PWD and CWD and their families, including traditionally under-represented PWD (e.g., mentally-impaired persons).

14. The Borrower, through the Project Executing Agency, shall ensure that within 90 days from the Loan effectiveness date, a complaint and problem management task force acceptable to ADB, is established and functioning effectively to address any complaints related to the Project, any of the service providers, any person responsible for carrying out the Project, on the misuse of funds, and other irregularities and grievances due to any gender or applicable safeguard issues.

Prohibited Investments

15. 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.

Grievance Redress Mechanism

16. The Borrower shall ensure that a separate safeguards grievance redress mechanism acceptable to ADB is established in accordance with the provisions of the EMP at the PIU, within the timeframes specified in the relevant EMP, to consider safeguards complaints.

Governance and Anticorruption

17. The Borrower, the Project Executing Agency, and the 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.

18. The Borrower, the Project Executing Agency and the 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 executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.