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LOAN NUMBER 3479-COO

LOAN AGREEMENT  
(Ordinary Operations)  
(Disaster Resilience Program)

between

HER MAJESTY THE QUEEN IN RIGHT OF  
THE GOVERNMENT OF THE COOK ISLANDS

and

ASIAN DEVELOPMENT BANK

DATED 9 DECEMBER 2016

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COO 50212

**LOAN AGREEMENT  
(Ordinary Operations)**

LOAN AGREEMENT dated 9 December 2016 between HER MAJESTY THE QUEEN IN RIGHT OF THE GOVERNMENT OF THE COOK ISLANDS ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) ADB has received from the Borrower a development policy letter dated 31 October 2016 ("Policy Letter"), setting forth certain objectives, policies and actions, described in Schedule 1 to this Loan Agreement, designed to develop the Borrower's disaster risk management ("Program");

(B) the Borrower has applied to ADB for a loan for the purposes of the Program; and

(C) ADB has agreed to make a 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 the Ordinary Operations Loan Regulations Applicable to LIBOR-Based Loans Made from ADB's Ordinary Capital Resources, dated 1 July 2001 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

(a) Section 2.01(4) is deleted and the following is substituted therefor:

(4) "Banking Day" means, in respect of any Loan Currency other than Euro and New Zealand Dollar, a London Banking Day; in respect of Euro, a Target Settlement Day; and in respect of New Zealand Dollar, a Wellington Banking Day;

(b) Section 2.01(26) is deleted and the following is substituted therefor:

(26) "Funding Cost Margin" means, for any Semester, the average cost margin relative to the relevant Reference Rate achieved or determined by ADB from all borrowings and/or other amounts that have been allocated to fund loans in a Loan Currency (or Approved Currency). The Funding Cost

Margin for each Loan Currency (or Approved Currency) will be announced by ADB after the end of each Semester;

- (c) A new Section 2.01(46A) is inserted after Section 2.01(46):
- (46A) "New Zealand Dollar" or "NZ\$" each means the lawful currency of New Zealand;
- (d) A new Section 2.01(46B) is inserted after Section 2.01(46A):
- (46B) "New Zealand BBR" means, in respect of any Interest Period, the New Zealand bank bill rate for a period of six-months in the Loan Currency, expressed as a percentage per annum, that appears on the Relevant Telerate Page as of 11:00 a.m., Wellington time, on the Reference Rate Reset Date for said Interest Period. If such rate does not appear on the Relevant Telerate Page, ADB shall request the principal New Zealand office of each of four major banks in the New Zealand money market to provide a quotation of its bid and offered rates for bills of exchange for a period of six-months in said Loan Currency at approximately 11:00 a.m. Wellington time on the Reference Rate Reset Date for said Interest Period. If at least two sets of such quotations are provided, the rate in respect of said Interest Period shall be the arithmetic mean (as determined by ADB and rounded up, if necessary to the nearest 1/16th of one percent) of the quotations. If less than two sets of quotations are provided as requested, the rate in respect of said Interest Period shall be the arithmetic mean (as determined by ADB and rounded up, if necessary, to the nearest 1/16th of one percent) of the bid and offered rates quoted by major banks selected by ADB in the relevant Financial Center, at approximately 11:00 a.m. in said Financial Center, on the Reference Rate Reset Date for said Interest Period for bills of exchange in the Loan Currency for a period of six months. If less than two of the banks so selected are quoting such rates, New Zealand BBR in respect of said Interest Period shall be equal to New Zealand BBR in effect for the Interest Period immediately preceding said Interest Period. Notwithstanding the foregoing provisions, if ADB determines that the Reference Rate for the New Zealand Dollar is to be modified in view of changes in market practice or otherwise, the New Zealand BBR shall be modified in such manner as may be determined by ADB and notified to the Borrower;
- (e) Section 2.01(49) is deleted and the following is substituted therefor:
- (49) The term "Program" means the program for which ADB has agreed to make the Loan, as described in the Loan Agreement and as the description thereof may be amended from time to time by agreement between ADB and the Borrower.

(f) The term "Project" wherever it appears in the Loan Regulations shall be substituted by the term "Program".

(g) Section 2.01(51) is deleted and the following is substituted therefor:

(51) The term "Program Executing Agency" means the entity or entities responsible for the carrying out of the Program as specified in the Loan Agreement.

(h) The term "Project Executing Agency" wherever it appears in the Loan Regulations shall be substituted by the term "Program Executing Agency".

(i) Section 2.01(53) is deleted and the following is substituted therefor:

(53) "Reference Rate" means, in respect of any Loan Currency other than Euro and New Zealand Dollar, LIBOR; in respect of Euro, Euribor; and in respect of New Zealand Dollar, New Zealand BBR;

(j) Section 2.01(54) is deleted and the following is substituted therefor:

(54) "Reference Rate Reset Date" means:

(a) in respect of any Loan Currency other than Euro and New Zealand Dollar, the day two London Banking Days prior to the first day of the relevant Interest Period, or: (i) in the case of the initial Interest Period, the day two London Banking Days prior to the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided, that if the date of the Loan Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the day two London Banking Days prior to the date of the Loan Agreement; and (ii) if the Conversion Date of a Currency Conversion of an unwithdrawn amount of the Loan to any Approved Currency other than Euro or New Zealand Dollar falls on a day other than an Interest Payment Date, the initial Reference Rate Reset Date in respect of said Approved Currency shall be the date two London Banking Days prior to the first or fifteenth day of the month in which said Conversion Date falls, whichever day immediately precedes said Conversion Date; provided, that if said Conversion Date falls on the first or fifteenth day of such month, the Reference Rate Reset Date in respect of said Approved Currency shall be the day two London Banking Days prior to said Conversion Date;

(b) in respect of Euro, the day two Target Settlement Days prior to the first day of the relevant Interest Period, or: (i) in the case of the initial Interest Period, the day two Target Settlement Days prior to the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided, that if the date of the Loan Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the day two Target Settlement Days prior to the date of the Loan Agreement; and (ii) if the Conversion Date of a Currency Conversion of an unwithdrawn amount of the Loan to Euro falls on a day other than an Interest Payment Date, the initial Reference Rate Reset Date in respect of said Approved Currency shall be the day two Target Settlement Days prior to the first or fifteenth day of the month in which said Conversion Date falls, whichever day immediately precedes said Conversion Date; provided, that if said Conversion Date falls on the first or fifteenth day of such month, the Reference Rate Reset Date in respect of said Approved Currency shall be the day two Target Settlement Days prior to said Conversion Date);

(c) in respect of New Zealand Dollar, the first day of the relevant Interest Period, or in the case of the initial Interest Period, the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided, that if the date of the Loan Agreement falls on the first or fifteenth day of such month, the Reference Rate Reset Date shall be the date of the Loan Agreement; and

(d) notwithstanding the foregoing sub-paragraphs (a), (b), and (c), if in respect of a Currency Conversion to an Approved Currency ADB shall determine that market practice for the determination of the Reference Rate Reset Date shall be on a date other than as set forth in said sub-paragraphs, the Reference Rate Reset Date shall be such other date, as further specified in the Conversion Guidelines;

(k) Section 2.01(55) is deleted and the following is substituted therefor:

(55) "Relevant Telerate Page" means:

(a) with respect to LIBOR, the display page designated on the Dow Jones Telerate Service as the page for the purpose of displaying LIBOR for deposits

in the Loan Currency (or such other page as may replace such page on such service, or such other service as may be selected by ADB as the information vendor, for the purpose of displaying rates or prices comparable to LIBOR);

(b) with respect to Euribor, the display page designated on the Dow Jones Telerate Service as the page for the purpose of displaying Euribor for deposits in the Loan Currency (or such other page as may replace such page on such service, or such other service as may be selected by ADB as the information vendor, for the purpose of displaying rates or prices comparable to Euribor); and

(c) with respect to New Zealand BBR, the display page designated on the Reuters Screen BKBM Page opposite the caption "FRA" as the page for the purpose of displaying New Zealand BBR for bills of exchange in the Loan Currency (or such other page as may replace such page on such service, or such other service as may be selected by ADB as the information vendor, for the purpose of displaying rates or prices comparable to New Zealand BBR);

(l) The word "and" in Section 2.01(62) is deleted and a new Section 2.01(62A) is inserted thereafter:

(62A) "Wellington Banking Day" means any day on which commercial banks are open for general business (including dealings foreign exchange and foreign currency deposits) in Wellington; and

(m) Section 3.03 is deleted and the following is substituted therefor:

**Commitment Charge; Credit.** (a) The Borrower shall pay a commitment charge on the unwithdrawn amount of the Loan at the rate and on the terms specified in the Loan Agreement.

(b) ADB shall provide to the Borrower a credit at the rate specified in the Loan Agreement, which credit shall remain fixed for the term of the Loan. ADB shall apply the credit against the interest payable by the Borrower.

(n) Section 3.06 is deleted and the following is substituted therefor:

**Rebate.** (a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be reduced, ADB shall provide a Rebate to any Borrower with an outstanding Loan on which a higher Fixed Spread is

applicable. The amount of the Rebate shall be determined by multiplying (i) the difference between the Fixed Spread applicable to the outstanding Loan and the Fixed Spread that will be applied to new Loans (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the lower Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB achieving savings, ADB shall provide a Rebate to the Borrower. The amount of the Rebate shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall apply the amount of the Rebate against the interest payable by the Borrower for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated.

(o) Section 3.07 is deleted and the following is substituted therefor:

**Surcharge.** (a) Following any announcement by ADB that the Fixed Spread applicable to new Loans shall be increased, any Borrower with an outstanding Loan on which a lower Fixed Spread is applicable shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the difference between the Fixed Spread that will be applied to new Loans and the Fixed Spread applicable to the outstanding Loan (expressed as a percentage per annum), by (ii) the principal amount of the outstanding Loan on which the Borrower shall pay interest for all interest periods commencing on and after the effective date of the higher Fixed Spread that will be applied to new Loans.

(b) Following any announcement by ADB that its Funding Cost Margin calculations with respect to any Loan Currency (or Approved Currency) in any Semester resulted in ADB incurring additional costs, the Borrower shall pay ADB a Surcharge. The amount of the Surcharge shall be determined by multiplying (i) the Funding Cost Margin (expressed as a percentage per annum) by (ii) the principal amount of the Loan on which the Borrower shall pay interest for the Interest Period commencing immediately after the Semester for which the Funding Cost Margin was calculated. ADB shall add the amount of the Surcharge to the interest payable by the Borrower for the Interest Period commencing immediately after

the Semester for which the Funding Cost Margin was calculated.

(p) Section 6.01(b) is deleted and the following is substituted therefor:

(b) Except as ADB and the Borrower shall otherwise agree, no withdrawals shall be made on account of payments made prior to the Effective Date.

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) "Bank of Cook Islands" means the bank owned by the Borrower;

(b) "Deposit Account" means the account referred to in paragraph 3 of Schedule 2 to this Loan Agreement;

(c) "Disbursed Amount" means, in respect of each Interest Period, the aggregate principal amount of the Loan withdrawn from the Loan Account in the said interest period;

(d) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2015, as amended from time to time);

(e) "Maturity Fixing Date" means, for each Disbursed Amount, the date on which the amortization schedule for said Disbursed Amount is established, such date being the Interest Payment Date immediately succeeding the disbursement;

(f) "MFEM" means the Ministry of Finance and Economic Management of the Borrower;

(g) "Policy Matrix" means the policy matrix as agreed between the Borrower and ADB, which sets forth policy actions accomplished or to be accomplished by the Borrower under the Program; and

(h) "Program Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations, means MFEM or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Program;

## ARTICLE II

### The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of thirteen million nine hundred and fifty thousand New Zealand Dollars (NZ\$13,950,000), as such amount may be converted from time to time



through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(b) The Loan has a principal repayment period of 12 years and a grace period of 3 years with repayments calculated based on a disbursement-linked amortization schedule(s) as defined in Section 2.05 of this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

- (a) New Zealand BBR; and
- (b) 0.60% as determined by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 1 April and 1 October in each year.

Section 2.05. (a) Subject to the provisions of paragraph (b) of this Section, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each 1 April and 1 October, the first such installment to be payable on the seventh (7th) Interest Payment Date following the Maturity Fixing Date for the said Disbursed Amount and the last such installment to be payable on the thirtieth (30th) Interest Payment Date following the Maturity Fixing Date for the said Disbursed Amount. Each installment except for the last one shall be equal to 1/24 of the said Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the said Disbursed Amount.

(b) If any installment of principal of any Disbursed Amount would pursuant to the provisions of paragraph (a) of this Section, be payable after 1 April 2035, the Borrower shall also pay on such date the aggregate amount of all such installments.

(c) ADB shall notify the Borrower of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the said Disbursed Amount.

Section 2.06. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:

- (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, whether withdrawn and outstanding or unwithdrawn, to an Approved Currency;
- (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and

- (iii) the setting of limits on the Floating Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Floating Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by ADB shall be considered a "Conversion", as defined in Section 2.01(6) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

### ARTICLE III

#### Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied to the financing of expenditures for the Program in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be withdrawn in accordance with the provisions of Schedule 2 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 30 June 2020 or such other date as may from time to time be agreed between the Borrower and ADB.

### ARTICLE IV

#### Particular Covenants

Section 4.01. (a) The Borrower shall cause the Program to be carried out with due diligence and efficiency and in conformity with sound applicable technical, financial, business and development practices.

(b) In the carrying out of the Program, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 3 to this Loan Agreement.

Section 4.02. The Borrower shall make available, promptly as needed, the funds, facilities, services and other resources, as required, in addition to the proceeds of the Loan, for the carrying out of the Program and for the operation and maintenance of the Program facilities.

Section 4.03. The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Program are conducted and coordinated in accordance with sound administrative policies and procedures.

Section 4.04. As part of the reports and information referred to in Section 7.04 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB all such reports and information as ADB shall reasonably request concerning the implementation of the Program, including the accomplishment of the targets and carrying out of the actions set out in the Policy Letter.

## ARTICLE V

### Effectiveness

Section 5.01. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of the Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

## ARTICLE VI

### Miscellaneous

Section 6.01. The Minister of Finance and Economic Management of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 6.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

#### For the Borrower

Ministry of Finance and Economic Management  
Rarotonga  
Cook Islands

Facsimile Number:

+682 29465

#### For ADB

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

Facsimile Numbers:

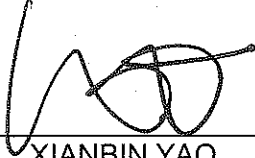
(632) 636-2444  
(632) 636-2388.

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.

HER MAJESTY THE QUEEN IN RIGHT  
OF THE GOVERNMENT OF THE COOK  
ISLANDS

By   
\_\_\_\_\_  
BHIMANTARA WIDYAJALA  
Authorized Representative

ASIAN DEVELOPMENT BANK

By   
\_\_\_\_\_  
XIANBIN YAO  
Director General  
Pacific Department

**SCHEDULE 1****Description of the Program**

1. The principal objective of the Program is to reduce adverse economic and social impact of disasters, and the scope includes: (a) strengthening the policy and institutional arrangements for disaster risk management; (b) improving disaster resilience of physical assets; and (c) supporting disaster risk financing. It shall support additional public spending to meet short-term post-disaster financing needs, in the event the Borrower is affected by a disaster. The Program is described in more detail in the Policy Letter.
2. The Program is expected to be completed by 31 December 2019.

**SCHEDULE 2****Withdrawal of Loan Proceeds**

1. Except as set out in this Schedule or as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.
2. An application for withdrawal from the Loan Account shall be submitted to ADB by the Borrower and shall be in a form satisfactory to ADB.
3. (a) Prior to submitting the first application to ADB for withdrawal from the Loan Account, the Borrower shall nominate an account (Deposit Account) at the Bank of Cook Islands into which all withdrawals from the Loan Account shall be deposited. The Deposit Account shall be established, managed and liquidated in accordance with terms and conditions satisfactory to ADB.  
  
(b) Separate accounts and records in respect of the Deposit Account shall be maintained in accordance with accounting principles acceptable to ADB. Upon ADB's request, the Borrower shall have the financial statements for the Deposit Account audited by independent auditors, whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with international standards for auditing or the national equivalent acceptable to ADB. Promptly after their preparation but in any event not later than 6 months after the date of ADB's request, copies of such audited financial statements and the opinion of the auditors on the financial statements, in the English language, shall be furnished to ADB.
4. No Loan proceeds shall be withdrawn to finance any item specified in the Attachment to this Schedule.
5. The Loan proceeds shall be disbursed through one or more withdrawals. Notwithstanding any other provisions of this Loan Agreement and except as ADB may otherwise agree, no withdrawal shall be made from the Loan Account unless: (a) the Borrower has declared a "state of disaster" in accordance with the National Disaster Risk Management Act 2007; (b) the Borrower and ADB have agreed on the withdrawal amount; and (c) the policy actions that were met for the Program continue to be complied with by the Borrower, as assessed by ADB during its most recent review mission for the Loan.

**Negative List**

No withdrawals of Loan proceeds will be made for the following:

- (i) expenditures for goods included in the following groups or sub-groups of the United Nations Standard International Trade Classification, Revision 3 (SITC, Rev. 3) or any successor groups or sub-groups under future revisions to the SITC, as designated by ADB by notice to the Borrower:

**Table: Ineligible Items**

<b>Chapter</b>	<b>Heading</b>	<b>Description of Items</b>
112		Alcoholic beverages
121		Tobacco, unmanufactured; tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitute)
525		Radioactive and associated materials
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof, fuel elements (cartridges), nonirradiated for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum-group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, nonmonetary (excluding gold ore and concentrates)

Source: United Nations.

- (ii) for goods supplied from the territory of the Borrower;
- (iii) expenditures for goods supplied under a contract that any national or international financing institution or agency will have financed or has agreed to finance, including any contract financed under any loan or grant from the ADB;
- (iv) expenditures for goods intended for a military or paramilitary purpose or for luxury consumption;
- (v) expenditures for narcotics;
- (vi) expenditures for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party; and
- (vii) expenditures on account of any payment prohibited by the Borrower in compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

### SCHEDULE 3

#### Program Implementation and Other Matters

##### Implementation Arrangements

1. MFEM as the Program Executing Agency shall be responsible for the overall Program implementation. The Cabinet of the Borrower shall provide strategic guidance for the Program.
2. In the event that a disaster event occurs and the Borrower contemplates withdrawal from Loan Account, the Borrower shall coordinate closely with ADB on the necessary actions to facilitate withdrawal as described in paragraph 5 of Schedule 2 to this Loan Agreement, including providing adequate information to ADB on the proposed withdrawal amount.

##### Policy Actions and Dialogue

3. The Borrower shall ensure that all policy actions adopted under the Program, as set forth in the Policy Letter and the Policy Matrix, continue to be in effect for the duration of the Program.
4. The Borrower shall keep ADB informed of policy discussions with other multilateral and bilateral aid agencies that may have implications for the implementation of the Program and shall provide ADB with an opportunity to comment on any resulting policy proposals. The Borrower shall take into account ADB's views before finalizing and implementing any such proposal.

##### Environmental and Social Safeguards

5. The Borrower shall ensure that the Loan proceeds are not used for any programs and activities which have any environmental, indigenous peoples or involuntary resettlement impacts, all within the meaning of ADB's Safeguard Policy Statement (2009). In the event that the Loan proceeds are used for any programs and activities which do have any such impact, the Borrower shall take all steps required to ensure that the Program complies with the applicable laws and regulations of the Borrower and with ADB's Safeguard Policy Statement (2009).

##### Governance and Anticorruption

6. The Borrower 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 Program; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.