
LOAN NUMBER 4096-PAK(COL)

LOAN AGREEMENT
(Ordinary Operations [Concessional])

(COVID-19 Vaccine Support Project under the Asia Pacific Vaccine Access Facility)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

ASIAN DEVELOPMENT BANK

DATED 6 AUGUST 2021

PAK 55013

**LOAN AGREEMENT
(Ordinary Operations [Concessional])**

LOAN AGREEMENT dated 6 AUGUST 2021 between ISLAMIC REPUBLIC OF PAKISTAN (“Borrower”) and ASIAN DEVELOPMENT BANK (“ADB”).

WHEREAS

(A) ADB has received from the Borrower a governor’s letter dated 30 June 2021 (“Governor’s Letter”), confirming the Borrower’s commitment to implement its National Deployment & Vaccination Plan (as defined hereinafter) and setting forth certain objectives, policies and actions of the Borrower designed to provide access within its territory to vaccines for the coronavirus disease (“COVID-19”);

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

(C) ADB has agreed to make a concessional loan to the Borrower from ADB’s ordinary capital resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties hereto 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 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;
- (b) “Eligibility Criteria” means criteria, as described in paragraph 29 (including footnotes 28, 29 and 30) of ADB’s policy on Support to Enhance COVID-19 Vaccine Access (as amended);
- (c) “Eligible Expenditures” means categories of expenditures agreed between ADB and the Borrower, to be financed out of the proceeds of the Loan, as set forth in the table to Schedule 3 to this Loan Agreement and as further detailed in the PAM;

- (d) “Eligible Vaccine” means a COVID-19 vaccine eligible for financing out of the proceeds of the Loan which, at all times during the Project implementation period, (i) satisfies the Eligibility Criteria, and (ii) has received all necessary authorizations of the Borrower for its distribution and administration within the territory of the Borrower, including authorization for use, and any other necessary authorizations for its manufacture, marketing or importation;
- (e) “EPI” means the Borrower’s Expanded Programme on Immunization acting through its Federal EPI Cell established under MNHSRC;
- (f) “GAP” means the gender action plan prepared for the Project, including any update thereto, and agreed to between the EA 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 Eligible Vaccines and any related Nonconsulting Services such as transportation, insurance, installation, and training;
- (h) “Loan Disbursement Handbook” means ADB’s Loan Disbursement Handbook (2017, as amended from time to time);
- (i) “MNHSRC” means the Borrower’s Ministry of National Health Services, Regulations and Coordination;
- (j) “National Deployment & Vaccination Plan” means the Borrower’s National Deployment & Vaccination Plan for COVID-19 Vaccines adopted by the EPI and MNHSRC on 15 June 2021 (as may be amended from time to time), attached to and endorsed in the Governor’s Letter, which, amongst other things, describes the Borrower’s prioritization of COVID-19 vaccine access consistent with international norms and safeguards against exclusion of marginalized and vulnerable groups and sets out the national policy in relation to vaccine selection, acquisition, procurement, distribution, capacity building and training, deployment and administration, as well as any related medical waste management, in the territory of the Borrower;
- (k) “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;
- (l) “PAM” means the project administration manual for the Project dated 29 June 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;
- (m) “Procurement Plan” means the procurement plan for the Project dated 29 June 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;

- (n) “Procurement Policy” means ADB’s Procurement Policy – Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (o) “Procurement Regulations” means ADB’s Procurement Regulations for ADB Borrowers – Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (p) “Project Executing Agency” means, for the purposes and within the meaning of the Loan Regulations, the MNHSRC, which is responsible for the carrying out of the Project, or any successor acceptable to ADB;
- (q) “Project Implementing Agency” means the EPI or any successor acceptable to ADB;
- (r) “Services” means Consulting Services and Nonconsulting Services;
- (s) “SPS” means ADB’s Safeguard Policy Statement (2009); and
- (t) “SRA” means entity designated by the World Health Organization as a stringent regulatory authority for purposes of assessment and approval of COVID-19 vaccines.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB’s ordinary capital resources an amount of five hundred million Dollars (\$500,000,000).

(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 January and 15 July 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 Eligible 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 Eligible Expenditures 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 December 2023 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, 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, 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 Secretary of the Ministry of Economic Affairs of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

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

For the Borrower

Ministry of Economic Affairs
Government of Pakistan
Islamabad, Pakistan

Facsimile Number:

(0092 51) 910 4016.

For ADB

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

Facsimile Numbers:

(632) 8636-2444

(632) 8636-2424.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

ISLAMIC REPUBLIC OF PAKISTAN

By 

ZULFIQAR HAIDER
Additional Secretary
Ministry of Economic Affairs

ASIAN DEVELOPMENT BANK

By 

F. CLEO KAWAWAKI
Authorized Representative

SCHEDULE 1**Description of the Project**

1. The objective of the Project is: to vaccinate priority populations against COVID-19. The Project is described in more detail in the Governor's Letter.
2. The Project shall comprise:
 - (i) Output 1: Rapid Response Component (RRC) to provide COVID-19 vaccines, including:
 - (a) Procurement, distribution and administration of up to 39,834,711 doses of the Eligible Vaccines, and
 - (b) Provision of ancillary Goods and Services for the safe and efficient transportation to, and storage and administration at, the designated delivery points, of the Eligible Vaccines; and
 - (ii) Output 2: Project Investment Component (PIC) to strengthen Vaccine Program Implementation Capacity, including: capacity development and training project management and coordination; procurement and supply chain management; gender mainstreaming; monitoring and evaluation; performance audits; and waste management.
3. The Project is expected to be completed by 30 June 2023.

SCHEDULE 2**Amortization Schedule**

<u>Payment Due</u>	<u>Payment of Principal</u> (expressed in Dollar)*
15 January 2027	12,500,000
15 July 2027	12,500,000
15 January 2028	12,500,000
15 July 2028	12,500,000
15 January 2029	12,500,000
15 July 2029	12,500,000
15 January 2030	12,500,000
15 July 2030	12,500,000
15 January 2031	12,500,000
15 July 2031	12,500,000
15 January 2032	12,500,000
15 July 2032	12,500,000
15 January 2033	12,500,000
15 July 2033	12,500,000
15 January 2034	12,500,000
15 July 2034	12,500,000
15 January 2035	12,500,000
15 July 2035	12,500,000
15 January 2036	12,500,000
15 July 2036	12,500,000
15 January 2037	12,500,000
15 July 2037	12,500,000
15 January 2038	12,500,000
15 July 2038	12,500,000
15 January 2039	12,500,000
15 July 2039	12,500,000
15 January 2040	12,500,000
15 July 2040	12,500,000
15 January 2041	12,500,000
15 July 2041	12,500,000

15 January 2042	12,500,000
15 July 2042	12,500,000
15 January 2043	12,500,000
15 July 2043	12,500,000
15 January 2044	12,500,000
15 July 2044	12,500,000
15 January 2045	12,500,000
15 July 2045	12,500,000
15 January 2046	12,500,000
15 July 2046	12,500,000
TOTAL	500,000,000

* 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 Eligible Expenditures 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 Eligible Expenditures, and disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

3. With respect to any COVID-19 vaccine, ADB shall only finance those that continue to qualify as an Eligible Vaccine at the time a withdrawal request is made from the Loan Account.

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.

Advance Financing and Retroactive Financing

6. Withdrawals from the Loan Account may be made for advance financing for up to 6 months of estimated Eligible Expenditures or 50% of the Loan amount allocated to Category 1

“Rapid Response Component”, whichever is lower, in accordance with the advance fund procedures described in the Loan Disbursement Handbook.

7. Withdrawals from the Loan Account may be made to finance Eligible Expenditures incurred under the Project before the Effective Date, subject to a maximum amount equivalent to 30% of the Loan amount; provided that such Eligible Expenditures have been incurred after the allocation by the Borrower of resources to respond to the COVID-19 pandemic, but not earlier than 12 months before the date of this Loan Agreement.

8. The aggregate of the outstanding balance of the advance financing amount and the percentage approved for retroactive financing, in each case under Category 1 “Rapid Response Component” shall not, at any time, exceed 60% of the Loan amount allocated for such Category 1 “Rapid Response Component”.

Condition for Withdrawals from Loan Account

9. Notwithstanding any other provision of this Loan Agreement, no withdrawals shall be made from the Loan Account for the Eligible Vaccines until:

- (a) ADB has received a letter from the Borrower confirming (i) which COVID-19 vaccine(s) has/have been selected to be procured using the proceeds of the Loan; (ii) which of the Eligibility Criteria has been satisfied in respect of the selected COVID-19 vaccines; and (iii) that such COVID-19 vaccine(s) has/have received all necessary authorizations of the Borrower, and have been authorized by the Drug Regulatory Authority of Pakistan and any other relevant regulatory authorities for distribution and administration within the territory of the Borrower; and
- (b) based on the information provided in the aforementioned letter, ADB has notified the Borrower that the COVID-19 vaccine(s) to be procured are designated as Eligible Vaccines.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing \$	Basis for Withdrawal from the Loan Account
		Category	
1	Rapid Response Component**	491,723,078	100% of total expenditure claimed*
2	Project Investment Component	8,276,922	100% of total expenditure claimed*
	TOTAL	500,000,000	

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

** Subject to the condition for withdrawal described in paragraph 9 of Schedule 3.

SCHEDULE 4

Execution of Project

Implementation Arrangements

1. The Borrower shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Procurement

2. The Borrower shall ensure that:

- (a) unless otherwise approved by ADB, the procurement of Goods and Services is carried out in accordance with the Procurement Policy and the Procurement Regulations;
- (b) Goods 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) Goods and Services may also be procured under the Project from non-member countries of ADB; and
- (d) (i) all Goods 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 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.

Safeguards

3. The Borrower shall ensure that the Project does not have any environmental, indigenous peoples or involuntary resettlement impacts, all within the meaning of the 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 the SPS.

Prohibited List of Investments

4. 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.

Vaccine Selection; National Deployment & Vaccination Plan

5. The Borrower:

- (a) represents that it has conducted its own due diligence, and made its own independent determination of, the quality, safety, and efficacy of the Eligible Vaccines to be procured under the Project;
- (b) shall ensure that Loan proceeds allocated for financing of vaccines shall only be used for the procurement, distribution or administration of a vaccine which has been confirmed by ADB to be an Eligible Vaccine;
- (c) assumes sole responsibility for the selection, importation, procurement, distribution, marketing or administration, of any Eligible Vaccine under the Project, and agrees that ADB shall have no responsibility or liability in respect thereof;
- (d) shall ensure that the deployment, distribution and administration of Eligible Vaccines are implemented in accordance with the National Deployment & Vaccination Plan; and
- (e) shall (i) inform and exchange views with ADB on any changes to the National Deployment & Vaccination Plan and any sector, legal, regulatory or policy reform discussions that may be held with other bilateral or multilateral agencies that may have implications on the implementation of the deployment, distribution and administration of the Eligible Vaccines, and (ii) provide ADB a reasonable opportunity to comment on any resulting policy proposal.

6. In instances where any COVID-19 vaccine which ADB has not confirmed as an Eligible Vaccine is proposed for procurement under the Project subsequent to the initial withdrawal from the Loan Account for any Eligible Vaccine, the Borrower shall ensure that no withdrawal request is made from the Loan Account in relation to such vaccine until:

- (a) ADB has received a letter from the Borrower confirming (i) which of the Eligibility Criteria has been satisfied in respect of such vaccine; and (ii) that such vaccine has received all necessary authorizations of the Borrower, and has been authorized by the Drug Regulatory Authority of Pakistan and any other relevant regulatory authorities for distribution and administration within the territory of the Borrower; and
- (b) based on the information provided in the aforementioned letter, ADB has notified the Borrower that such vaccine is designated as an Eligible Vaccine.

Compliance with Local Laws

7. The Borrower shall ensure that the selection, importation, procurement, deployment, distribution, marketing, administration and disposal of any Eligible Vaccine is conducted in accordance with the applicable laws and regulations of the Borrower.

8. The Borrower, through the Drug Regulatory Authority of Pakistan and any other relevant regulatory authorities, shall promptly take all such steps as may be necessary to facilitate the continuing authorization of Eligible Vaccines for distribution and administration within the territory of the Borrower, including through the prompt issuance or renewal of all the necessary authorizations, provided that the requisite quality, safety efficacy and other legal requirements for authorization continue to be met. The Borrower shall promptly inform ADB of any event or circumstance which may arise that may prevent, hinder, delay or place conditions on such continuing authorization.

Vaccine Storage, Transportation and Waste Management

9. The Borrower shall ensure that:

- (a) Eligible Vaccines are properly stored, handled and transported within the territory of the Borrower to preserve their quality, efficacy and safety in accordance with, the relevant vaccine manufacturer's requirements, applicable laws and regulations of the Borrower and international good practice, including the effective vaccine management framework of the World Health Organization and the United Nations Children's Fund; and
- (b) any medical or other waste generated in connection with the storage, transportation, distribution or administration of Eligible Vaccines and associated medical equipment is properly treated, disposed of and managed in accordance with the National Deployment & Vaccination Plan.

Limitation of Liability

10. The Borrower acknowledges and agrees that:

- (a) the confirmation by ADB of any vaccine as an Eligible Vaccine does not constitute an endorsement, or warranty of the fitness, by ADB of such vaccine for any particular purpose, including with regard to its quality, safety or efficacy, and the Borrower is exclusively responsible for authorizing the use of any Eligible Vaccines, for distribution and administration within the territory of the Borrower, including but not limited to quality monitoring throughout the supply chain, compliance with applicable treatment guidelines and application of measures to monitor and address adverse reactions; and
- (b) ADB disclaims any and all financial or other liability and responsibility for any injury, death, loss, damage or other prejudice of any kind whatsoever that may arise as a result of or in connection with the selection, procurement, importation, manufacturing, fill and finish, distribution, marketing, administration or use of any vaccine under the Project or the treatment, disposal, or management of any medical or other waste

generated in connection with the storage, handling, transportation, distribution or administration of any such vaccine.

Monitoring and Reporting

11. The Borrower, through the Project Executing Agency, shall ensure that:
- (a) if mandatory vaccination program against COVID-19 is adopted or promulgated, ADB is furnished with relevant legislation and periodical reports on its implementation for information sharing purposes; and
 - (b) public awareness building and educational campaign undertaken in connection with overall vaccination program receive utmost priority at the national level to alleviate vaccine hesitancy, and take into account feedback from the public and civil society on how the vaccine rollout can be improved and incorporate such feedback, as appropriate, into the vaccination program.

Protecting the Poor and Vulnerable

12. The Borrower shall, through the Project Executing Agency, engage in consultation with relevant ministries, institutions, regional or local governments and agencies to facilitate vaccine uptake among poor and vulnerable people by ensuring that the timing, venue and educational materials for vaccination address specific needs and concerns of such people.

Gender and Development

13. 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; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.

Counterpart Support

14. The Borrower shall ensure that appropriate budgetary allocations are made and that sufficient funds are available, in a timely manner, to the Project Executing Agency and the Project Implementing Agency to satisfy their liabilities arising from any Works, Goods, and/or Services contract and to meet any financing shortfall and for successful implementation of the Project.

Financial Covenant

15. The Borrower shall ensure that (i) adequate financial management systems to manage, control, account, report, and audit expenditures for vaccination of the priority population in line with the National Deployment & Vaccination Plan are maintained throughout Project implementation; and (ii) the Financial Management Action Plan, which sets out specific time-bound actions, as summarized in the PAM, is implemented in accordance with its terms.

Special Performance Audit

16. To ensure the promotion of economical, effective and efficient governance under the Project, the Borrower, through the Project Executing Agency, shall ensure that an independent auditor is engaged to undertake a performance audit, focusing on Project economy, efficiency, and effectiveness, and shall cause the Project Executing Agency to provide the necessary reports and information that may be required for such audit.

17. Such audit shall be carried out annually, and the report on such audit shall be submitted to ADB through the Project Executing Agency within 6 months after fiscal year end.

Governance and Anticorruption

18. The Borrower, the Project Executing Agency, and the Project Implementing Agency shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice, or other integrity violations relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

19. The Borrower, the Project Executing Agency, and the Project Implementing Agency shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project. Firms or individuals who are debarred or temporarily suspended by ADB are ineligible to participate in ADB financed, administered or supported activities.