
LOAN NUMBER 6042-PAK

LOAN AGREEMENT
(Ordinary Operations)

(Khyber Pakhtunkhwa Cities Improvement Projects –
Second Project Readiness Financing)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

ASIAN DEVELOPMENT BANK

DATED 15 December 2021

PAK 55107

**LOAN AGREEMENT
(Ordinary Operations)**

LOAN AGREEMENT dated 15 December 2021 between ISLAMIC REPUBLIC OF PAKISTAN ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) On 29 March 2019 the Borrower has entered into a loan agreement ("PRF 1 Loan Agreement") with ADB, pursuant to which ADB agreed to provide a loan of \$7,000,000 under ADB Project Readiness Financing to undertake preparatory activities for certain pre-selected projects described in Schedule 1 of the PRF 1 Loan Agreement;

(B) the Borrower has applied to ADB for the second loan under an ADB project readiness financing to undertake preparatory activities for the Ensuing Projects ("PRF Activities") described in Schedule 1 to this Loan Agreement;

(C) the Project will be carried out by: (i) the Borrower's Province of Khyber Pakhtunkhwa ("Khyber Pakhtunkhwa") acting through its Planning & Development Department and, (ii) with respect of the urban transport projects, KPUMA (as defined below), and (iii) with respect of other municipal services projects, the Local Government, Elections, and Rural Development Department, of the provincial government of Khyber Pakhtunkhwa and for this purpose the Borrower will make available to Khyber Pakhtunkhwa the proceeds of the loan provided for herein on substantially the same terms and conditions as those set out in this Agreement; and

(D) ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and Khyber Pakhtunkhwa.

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of ADB's Ordinary Operations 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, subject, however, to the following modifications:

(a) Section 2.01 (Definitions) subsection (xx) shall be deleted and replaced in its entirety as follows:

(xx) "Reference Rate" means, (i) except as ADB has otherwise made a determination in accordance with Section 3.02(c), in respect of any Loan

Currency other than Euro, LIBOR, and in respect of Euro, Euribor; and (ii) if a determination is made in accordance with Section 3.02(c), such other reference rate and any spread for the Loan Currency as ADB shall reasonably determine and promptly notify the Borrower.

- (b) A new subsection 3.02(c) shall be inserted after subsection 3.02(b) as follows:

Section 3.02(c). If interest on any amount of the Loan is calculated based on LIBOR or Euribor, and ADB determines that (i) such Reference Rate has permanently ceased to be quoted for the relevant Loan Currency or a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate announcing such Reference Rate is no longer representative has been made or (ii) ADB is no longer able, or it is no longer commercially acceptable for ADB, to continue to use such Reference Rate for purposes of its asset and liability management, ADB shall apply such other Reference Rate for the relevant Loan Currency, including any applicable spread, as it may reasonably determine. ADB shall promptly notify the Borrower of such other reference rate and any spread, and of related amendments to the provisions of the Loan Agreement necessary to give effect to its application, which shall become effective as of the date of such notice.

- (c) The term "Project" wherever it appears in the Loan Regulations as a defined term, shall be substituted by the term "PRF Activities".
- (d) The term "Project Executing Agency" whenever it appears in the Loan Regulations as a defined term, shall be substituted by the term "PRF Executing Agency".

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) "Ensuing Loan Agreement" means a loan agreement to be entered into between the Borrower and ADB for an Ensuing Project, which provides for repayment of the principal amount of the Loan together with interest and other charges accrued thereunder;
- (c) "Ensuing Projects" means the prospective projects expected to be financed by ADB, the preparatory activities for which are further described in Schedule 1 as PRF Activities, including (i) Khyber Pakhtunkhwa Sustainable Urban Mobility Project; (ii) Khyber Pakhtunkhwa Sustainable Urban Mobility Project 2; (iii) Khyber Pakhtunkhwa Cities Improvement Project 2 and (iv) any other projects as may be identified and agreed upon

by ADB and the PRF Executing Agency after the date of the Loan Agreement, which satisfy the eligibility criteria set out in Schedule 1;

- (d) "Existing Loan Agreement" means a loan agreement entered into between the Borrower and ADB for an ongoing project financed by ADB, an amendment of which provides for refinancing of the Loan;
- (e) "Goods" means equipment and materials to be financed out of the proceeds of the Loan under a contract for Consulting Services;
- (f) "KPUMA" means the Khyber Pakhtunkhwa Urban Mobility Authority established within the Transport and Mass Transit Department of the Government of Khyber Pakhtunkhwa or any successor thereto;
- (g) "LGERDD" means the Local Government, Elections, and Rural Development Department of the Government of Khyber Pakhtunkhwa or any successor thereto;
- (h) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (i) "PAM" means the project administration manual for the PRF Activities dated 20 October 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;
- (j) "P&DD" means the Planning & Development Department of the Government of Khyber Pakhtunkhwa or any successor thereto;
- (k) "PRF 1 Loan Agreement" has the meaning given to such term in Recital (A);
- (l) "PRF Activities" has the meaning given to such term in Recital (B);
- (m) "PRF Executing Agency" for the purposes of, and within the meaning of the Loan Regulations means Khyber Pakhtunkhwa acting through the P&DD or any successor thereto acceptable to ADB, which is responsible for the overall implementation of the PRF Activities;
- (n) "PRF Implementing Agencies" means, with respect to preparatory activities for urban transport projects, KPUMA, and with respect to preparatory activities for other municipal services projects, LGERDD or any successor(s) thereto acceptable to ADB;
- (o) "Procurement Plan" means the procurement plan for the PRF Activities dated 20 October 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;

- (p) "Procurement Policy" means ADB's Procurement Policy – Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (q) "Procurement Regulations" means ADB's Procurement Regulations for ADB Borrowers - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (r) "Refinancing Date" means the date no later than the first Principal Payment Date that is either (i) the effective date of the Ensuing Loan Agreement; (ii) the effective date of the amendment to the Existing Loan Agreement; or (iii) such other date as may from time to time be agreed between the Borrower and ADB;
- (s) "Relending Policy" means the memorandum dated 8 February 2021 (as may be amended and/or restated from time to time) entitled "Relending Policy of Foreign Loans/Credits" issued by the Economic Affairs Division of the Ministry of Economic Affairs of the Borrower;
- (t) "Relending Sanction Letter" means the relending sanction letter issued by the Borrower in accordance with Section 3.01(a) of this Loan Agreement; and
- (u) "SPS" means ADB's Safeguard Statement (2009).

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of fifteen million Dollars (\$15,000,000).

(b) The Loan has a principal repayment period of 12 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 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) LIBOR; and
- (b) 0.60% as provided 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. Interest on the Loan shall be payable semiannually on 15 May and 15 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 provisions of Schedule 2 to this Loan Agreement.

Section 2.05. In the event that the Loan is refinanced by ADB pursuant to an Ensuing Loan Agreement or an Existing Loan Agreement, on the Refinancing Date:

- (i) The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account along with interest and other charges accrued hereunder in accordance with the terms of the Ensuing Loan Agreement or the Existing Loan Agreement; and
- (ii) The right of the Borrower to make withdrawals from the Loan Account shall terminate, and any unwithdrawn amount of the Loan shall be cancelled.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. (a) The Borrower shall relend the proceeds of the Loan to Khyber Pakhtunkhwa under a Relending Sanction Letter upon substantially the same terms and conditions as prescribed by this Agreement and in line with the Relending Policy.

(b) The Borrower shall cause Khyber Pakhtunkhwa to apply such proceeds to the financing of expenditures relating to the PRF Activities in accordance with the provisions of this Loan Agreement and the Project Agreement.

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

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

Section 3.04. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 31 December 2026 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

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

Section 4.02. ADB shall disclose the annual audited financial statements for the PRF Activities and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

Section 4.03. The Borrower shall enable ADB's representatives to inspect the PRF Activities and any relevant records and documents.

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

Section 4.05. (a) The Borrower shall exercise its rights under the Relending Sanction Letter in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) No rights or obligations under the Relending Sanction Letter shall be assigned, amended, abrogated or waived without the prior concurrence of ADB.

ARTICLE V

Suspension; Acceleration of Maturity

Section 5.01. The following is specified as an additional event for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 9.01(m) of the Loan Regulations: the Borrower or Khyber Pakhtunkhwa shall have failed to perform any of its obligations under the Relending Sanction Letter.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 9.07(a)(iv) of the Loan Regulations; the event specified in Section 5.01 of this Loan Agreement shall have occurred.

ARTICLE VI

Effectiveness

Section 6.01. 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 10.04 of the Loan Regulations.

ARTICLE VII

Delegation of Authority

Section 7.01. The Borrower hereby designates Khyber Pakhtunkhwa as its agent for the purposes of taking any action or entering into any agreement required or permitted under Sections 3.02, 3.03 and 3.04 of this Loan Agreement and under Sections 6.01, 6.02, 6.03 and 6.04 of the Loan Regulations.

Section 7.02. Any action taken or any agreement entered into by Khyber Pakhtunkhwa pursuant to the authority conferred under Section 7.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 7.03. The authority conferred on Khyber Pakhtunkhwa under Section 7.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VIII

Miscellaneous

Section 8.01. The Secretary, Economic Affairs Division, Ministry of Economic Affairs of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

For the Borrower

The Secretary
Transport and Mass Transit Department
Government of Khyber Pakhtunkhwa
Mian Rashid Hussain Block Civil Secretariat, Peshawar

Facsimile Number:

(091) 9212556.

For ADB

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

Facsimile Numbers:

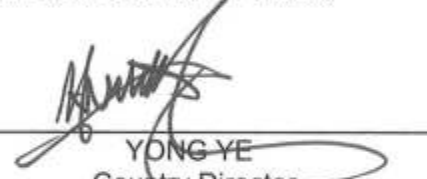
(632) 8636-2444
(632) 8636-2484.

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 
MIAN ASAD HAYAUD DIN
Secretary
Ministry of Economic Affairs

ASIAN DEVELOPMENT BANK

By 
YONG YE
Country Director
Pakistan Resident Mission

SCHEDULE 1

Description of the PRF Activities

1. The PRF Activities for the Ensuing Projects shall comprise project preparatory activities in the form of:

- (a) City and regional level plans and subsector master plans, to guide and prioritize the investments where required;
- (b) Due diligence assessments of Ensuing Projects, including technical, financial, integrity, economic, and socioeconomic analysis; environmental and social safeguards; gender, climate change and social impact assessments, financial management assessment, institutional framework and private sector participation opportunities of the Ensuing Projects; preliminary engineering design;
- (c) Review, validation and/or upgrade of pre-existing feasibility studies and due diligence assessments;
- (d) capacity development needs assessment of executing and implementing agencies, including technical, project management, financial management, procurement and recruitment capacities for the ensuing projects; identification of measures to address any assessed capacity gaps and development of capacity development programs for executing and implementing agencies;
- (e) advance procurement actions, including preparation of bidding documents and supporting the bidding process until contract award;
- (f) geological and hydrological investigations and other surveys, studies and technical assessments;
- (g) preparation of detailed engineering design or review and validation of projects for which the detailed engineering design has already been carried out, including specifications, drawings, detailed cost estimates and environmental and social safeguards planning documents; and
- (h) start-up activities.

2. Unless otherwise agreed between the Borrower and ADB, the PRF Activities are expected to support preparation of:

- (a) the Khyber Pakhtunkhwa Sustainable Urban Mobility Project;
- (b) the Khyber Pakhtunkhwa Sustainable Urban Mobility Project 2

- (c) the Khyber Pakhtunkhwa Cities Improvement Project 2; and
- (d) any other projects as may be identified and agreed upon by ADB and the PRF Executing Agency after the date of the Loan Agreement, which satisfy the following selection criteria:
 - (i) **Relevance.** The proposed ensuing projects are in line with the priorities of the government and ADB for urban sector development, as outlined in the applicable country partnership strategy for Pakistan, or are listed in the most recent country operations business plan for Pakistan, and are in line with the overall objective of the proposed second project readiness financing. The investments are prioritized and are consistent with the relevant subsector planning framework developed for the respective city/region by the government.
 - (ii) **Technical.** The PRF Executing Agency agrees to (a) carry out the needed detailed climate change assessments (b) include climate change resilience and disaster risk measures as part of the detailed engineering design activities and (c) include gender sensitive features in the project designs.
 - (iii) **Governance.** The proposed implementing agencies have been assessed sufficient to undertake the required financial management, operations and procurement activities. If the capacity of the proposed specific implementing agency is assessed inadequate, the executing agency will be required to agree to include the mitigation measures proposed by ADB.
 - (iv) **Safeguards.** The proposed ensuing projects fully meet requirements of the SPS and land acquisition and resettlement guiding principles included in the PAM. ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth in Appendix 5 of the SPS.
 - (v) **Sustainability.** The PRF Executing Agency agrees to include measures to improve project sustainably (e.g., financial sustainability, cost-recovery tariff reforms, environmental sustainability) as part of the project scope.

3. The PRF Activities are expected to be completed by 30 June 2026.

SCHEDULE 2

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by ADB by multiplying (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date.

<u>Payment Due</u>	<u>Installment Share</u> (Expressed as a %)
15 May 2025	4.166667
15 November 2025	4.166667
15 May 2026	4.166667
15 November 2026	4.166667
15 May 2027	4.166667
15 November 2027	4.166667
15 May 2028	4.166667
15 November 2028	4.166667
15 May 2029	4.166667
15 November 2029	4.166667
15 May 2030	4.166667
15 November 2030	4.166667
15 May 2031	4.166667
15 November 2031	4.166667
15 May 2032	4.166667
15 November 2032	4.166667
15 May 2033	4.166667
15 November 2033	4.166667
15 May 2034	4.166667
15 November 2034	4.166667
15 May 2035	4.166667
15 November 2035	4.166667
15 May 2036	4.166667
15 November 2036	4.166659
Total	100.000000

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

- (a) to the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule; and
- (b) any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date.

3. Withdrawals made within 2 calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

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.

Condition for Withdrawal

5. No withdrawals shall be made from the Loan Account until each PRF Implementing Agency submits all the financial statements due for the submission pursuant to the PRF 1 Loan Agreement in form and substance satisfactory to ADB.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing \$	Basis for Withdrawal from the Loan Account
		Category	
1	Consulting Services	15,000,000	100% of total expenditure claimed*
	TOTAL	15,000,000	

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

SCHEDULE 4

Execution of PRF Activities; Financial Matters

Implementation Arrangements

1. The Borrower, through Khyber Pakhtunkhwa, shall ensure, or cause the PRF Executing Agency and the PRF Implementing Agencies to ensure, that the PRF Activities are 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, or cause the PRF Executing Agency and the PRF Implementing Agencies to ensure, that:

- (a) the procurement of Consulting Services is carried out in accordance with the Procurement Policy and the Procurement Regulations;
- (b) Consulting Services shall be procured based on the detailed arrangements set forth in the Procurement Plan, including the procurement and selection methods, the type of bidding documents, and ADB's review requirements. The Borrower may modify the detailed arrangements set forth in the Procurement Plan only with the prior agreement of ADB, and such modifications must be set out in updates to the Procurement Plan; and
- (c) (i) all Consulting 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 Consulting 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, through the PRF Executing Agency, ensure that the PRF Activities do not have any environmental, indigenous peoples or involuntary resettlements impacts, all within the meaning of ADB's Safeguard Policy Statement (2009).

Prohibited List of Investments

4. The Borrower, through the PRF Executing Agency, 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.

Counterpart Support

5. The Borrower shall make available or cause to be made available, through budgetary allocations or other means, all counterpart funds required for the timely and effective implementation of the PRF Activities, including the exemption of taxes and duties.

Financial Management Action Plan

6. The Borrower shall, through Khyber Pakhtunkhwa, cause each of the PRF Implementing Agencies (as relevant) to ensure that the all the actions and milestones agreed between ADB and the PRF Implementing Agencies in the financial management action plan are complied with and reached, respectively, in a duly and timely manner.

Management of PRF Implementing Agencies

7. The Borrower shall cause the PRF Executing Agency to ensure that at all times the management level positions of the PRF Implementing Agencies are filled with professional candidate(s) possessing requisite experience and qualifications required for the purposes of implementation of the PRF Activities, which candidate(s) shall be acceptable to ADB.

Governance and Anticorruption

8. The Borrower, the PRF Executing Agency, and the PRF 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.

9. The Borrower, the PRF Executing Agency and the PRF 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 PRF Activities.