
LOAN NUMBER 3392-SOL(SF)

LOAN AGREEMENT
(Special Operations)

(Sustainable Transport Infrastructure Improvement Program – Results-Based Lending)

between

SOLOMON ISLANDS

and

ASIAN DEVELOPMENT BANK

DATED 1 JULY 2016

SOL 46499

**LOAN AGREEMENT
(Special Operations)**

LOAN AGREEMENT dated 1 July 2016 between SOLOMON ISLANDS ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Borrower has applied to ADB for a loan from ADB's Special Funds resources for the purposes of the Program described in Schedule 1 to this Loan Agreement ("Program");

(B) the Borrower has separately applied to the Government of Australia through the Department of Foreign Affairs and Trade ("DFAT") for a technical assistance grant of six million three hundred thousand Australian dollars (A\$6,300,000) which will be administered by ADB and a further parallel financing of thirty three million Australian dollars (A\$33,000,000) which will be provided by DFAT to the Borrower based on the achievement of certain DLIs as defined hereunder; and

(C) ADB has agreed to make a loan to the Borrower from ADB's Special Funds 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 the provisions of the Special Operations Loan Regulations of ADB, dated 1 January 2006 ("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(24) is deleted and the following is substituted therefor:

24. 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.

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

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

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

(d) The term "Project Executing Agency" wherever it appears in the Loan Regulations shall be substituted by the term "Program 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) "ADB's Results-Based Lending Policy" means ADB's policy set out in the R-Paper on Piloting Results-Based Lending for Programs approved by ADB on 6 March 2013;

(b) "Anticorruption Guidelines" mean ADB's Guidelines to Prevent or Mitigate Fraud, Corruption and Other Prohibited Activities in Results-Based Lending for Programs attached as Appendix 7 to ADB's Results Based Lending Policy;

(c) "Deposit Account" means the bank account into which all withdrawals from the Loan Account shall be deposited;

(d) "Disbursement Linked Indicator" or "DLI" means each disbursement linked indicator set forth in Attachment 1 of Schedule 3 to this Loan Agreement which the Borrower is required to satisfy in order to withdraw the amount of the Loan proceeds allocated to such disbursement linked indicator in Attachment 2 of Schedule 3 to this Loan Agreement;

(e) "DLI Matrix" means the DLI matrix for the Program as set out in Attachment 1 to Schedule 3 of this Loan Agreement, as updated from time to time, which sets out each DLI and its corresponding protocols for the purposes of verifying the Borrower's compliance with each DLI;

(f) "DLI Verification Protocol" means the verification protocol for the Program, included in the PID, which sets out corresponding protocol for the purpose of verifying the Borrower's compliance with each DLI;

(g) "Eligible Expenditures" means the total expenditures incurred by the Borrower under the Program during its FY minus the expenditures for (i) procurement of goods and services from countries which are not members of ADB, and (ii) any prohibited investment activities provided in Appendix 5 of the SPS, incurred by the Borrower under the Program during the same FY;

(h) "Environmental Safeguards" means the objectives, scope, triggers and policy principles set forth in the section entitled Environmental Safeguards in Chapter V of the SPS;

(i) "FY" means the fiscal year of the Borrower which runs from 1 January to 31 December in each year;

(j) "GAP" means the gender action plan prepared for the Program;

(k) "Indigenous Peoples Safeguards" means the objectives, scope, triggers and policy principles set forth in the section entitled Indigenous Peoples Safeguards in Chapter V of the SPS;

(l) "Involuntary Resettlement Safeguards" means the objectives, scope, triggers and policy principles set forth in the section entitled Involuntary Resettlement Safeguards in Chapter V of the SPS;

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

(n) "MID" means the Borrower's Ministry of Infrastructure Development or any successor thereto acceptable to ADB;

(o) "MOFT" means the Borrower's Ministry of Finance and Treasury or any successor thereto acceptable to ADB;

(p) "NTF" means the Borrower's National Transport Fund established under the NTF Act 2009;

(q) "NTP" means the Borrower's National Transport Plan (2011-2030) for the development and maintenance of transport infrastructure, which will be supported by the Program;

(r) "PAP" means the action plan for the Program dated 9 March 2016 and agreed between the Borrower and ADB;

(s) "PID" means the implementation document for the Program dated 9 March 2016 and agreed between the Borrower and ADB, as updated from time to time;

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

(u) "Program facilities" means facilities and structures to be constructed under the Program;

(v) "SPS" means ADB's Safeguard Policy Statement (2009); and

(w) "Subproject" means a subproject under the Program.

ARTICLE II

The Loan

Section 2.01. ADB agrees to lend to the Borrower from ADB's Special Funds resources an amount in various currencies equivalent to fifteen million one hundred twenty nine thousand Special Drawing Rights (SDR15,129,000).

Section 2.02. (a) The Borrower shall pay to ADB an interest charge at the rate of 1% per annum during the grace period and at the rate of 1.5% per annum thereafter, on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

(b) The term "grace period" as used in paragraph (a) of this Section 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 2.03. The Borrower shall pay the interest charge and any other charge on the Loan semiannually on 15 April and 15 October 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 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 (a) cause the Loan proceeds to be applied to the financing of expenditures under the Program in accordance with the provisions of this Loan Agreement; and (b) ensure that the Loan proceeds are used for their intended purposes in accordance with the generally accepted principles of economy, efficiency, transparency and accountability.

Section 3.02. The proceeds of the Loan shall be 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. The Borrower shall ensure that no Loan proceeds are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Section 3.04. The Borrower shall ensure that under the Program the amount of Eligible Expenditures is at least equal to or exceeds the proceeds of the Loan withdrawn by the Borrower.

Section 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2021 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, economy, efficiency, transparency and accountability 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 4 to this Loan Agreement.

Section 4.02. The Borrower shall make available, or cause to be made available by NTF, promptly as needed the funds, facilities, services, land and other resources, as required, in addition to the proceeds of the Loan for the carrying out of the Program.

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. (a) The Borrower shall (i) maintain accounts and records for the Program; (ii) prepare annual financial statements for the Program in accordance with accounting principles 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 international standards for auditing or the national equivalent acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report (which includes the auditors' opinion on the financial statements, compliance with the financial covenants, including Section 3.04, of this Loan Agreement and the PAP) and a management letter (which sets out the deficiencies in the internal control of the Program that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the close of FY, 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 Program and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

(c) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Program and the Borrower's financial affairs where they relate to the Program 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 4.05. (a) As part of the reports and information referred to in Section 6.05 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 DLIs and carrying out of the actions set out in the PAP.

(b) Without limiting the generality of the foregoing or Section 6.05 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB quarterly reports on the carrying out of the Program and on the accomplishment of the DLIs and carrying out of the actions set out in the PAP.

Section 4.06. (a) ADB and the Borrower shall cooperate fully to ensure that the purposes of the Loan will be accomplished.

(b) The Borrower shall promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Program, the performance of its obligations under this Loan Agreement, or the accomplishment of the purposes of the Loan.

(c) ADB and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Program or the Loan.

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 9.04 of the Loan Regulations.

ARTICLE VI**Miscellaneous**

Section 6.01. The Permanent Secretary, MOFT 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

Permanent Secretary
Ministry of Finance and Treasury
P. O. Box 26, Honiara
Solomon Islands

Facsimile Numbers:

+677 27855
+677 28173

For ADB


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

Facsimile Numbers:

+63 2 636-2444
+63 2 636-2446.

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.

SOLOMON ISLANDS

By 

MATHEW FOX
Authorized Representative

ASIAN DEVELOPMENT BANK

By 

JAMES PATRICK LYNCH
Deputy Director General
Pacific Department

SCHEDULE 1**Description of the Program**

1. The objective of the Program is to support the Borrower's priorities under NTP for improved transport infrastructure for nationwide access to social services and inclusive growth.
2. The Program shall support NTP which comprises:
 - Part 1: Rehabilitated and maintained safe, gender-responsive, climate- and disaster-resilient transport infrastructure for all users;
 - Part 2: Improved competency and capacity of the Borrower to finance and implement national plans by using strengthened country systems; and
 - Part 3: Strengthened MID to supervise and manage the NTF workplan.
3. The Program is expected to be completed by 31 December 2020.

SCHEDULE 2

Amortization Schedule

(Sustainable Transport Infrastructure Improvement Program – Results-Based Lending)

<u>Date Payment Due</u>	<u>Payment of Principal</u> (expressed in Special Drawing Rights)*
15 October 2024	315,188
15 April 2025	315,188
15 October 2025	315,188
15 April 2026	315,188
15 October 2026	315,188
15 April 2027	315,188
15 October 2027	315,188
15 April 2028	315,188
15 October 2028	315,188
15 April 2029	315,188
15 October 2029	315,188
15 April 2030	315,188
15 October 2030	315,188
15 April 2031	315,188
15 October 2031	315,188
15 April 2032	315,188
15 October 2032	315,188
15 April 2033	315,188
15 October 2033	315,188
15 April 2034	315,188
15 October 2034	315,188
15 April 2035	315,188
15 October 2035	315,188
15 April 2036	315,188
15 October 2036	315,188
15 April 2037	315,188
15 October 2037	315,188
15 April 2038	315,188
15 October 2038	315,188
15 April 2039	315,188
15 October 2039	315,188
15 April 2040	315,188
15 October 2040	315,188
15 April 2041	315,188
15 October 2041	315,188
15 April 2042	315,188
15 October 2042	315,188
15 April 2043	315,188
15 October 2043	315,188
15 April 2044	315,188
15 October 2044	315,188

<u>Date Payment Due</u>	<u>Payment of Principal</u> <u>(expressed in Special Drawing</u> <u>Rights)*</u>
15 April 2045	315,188
15 October 2045	315,188
15 April 2046	315,188
15 October 2046	315,188
15 April 2047	315,188
15 October 2047	315,188
15 April 2048	<u>315,164</u>
TOTAL	15,129,000

*The arrangements for payment are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

SCHEDULE 3**Withdrawal of Loan Proceeds**General

1. Except as ADB may otherwise agree, the following provisions of this Schedule shall apply to the withdrawal of Loan proceeds from the Loan Account.

Deposit Account

2. Prior to submitting the first application to ADB for withdrawal from the Loan Account, the Borrower shall nominate the Deposit Account at the Central Bank of Solomon 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.

3. The Borrower shall maintain, or cause NTF to maintain, separate accounts and records in respect of the Deposit Account 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.

Basis for Withdrawal from the Loan Account

4. The Table included in Attachment 2 to this Schedule sets out the Loan amounts allocated for withdrawal in respect of a DLI upon the Borrower's achievement of corresponding DLI targets as set out in the DLI Matrix. The years set out in the Table are indicative. They do not restrict withdrawal on account of any DLI targets achieved whether ahead of, or later than, the indicated year, provided that such DLI targets are achieved on or before the Program completion date set out in Schedule 1. Prior to submitting any application for withdrawal from the Loan Account, the Borrower shall ensure that the relevant DLI has been achieved. There shall be no restriction on the number of applications for withdrawal during a particular FY or against submission of applications for withdrawals for DLIs complied during subsequent years.

5. Prior to submitting any application for withdrawal from the Loan Account for a DLI, the Borrower shall submit for ADB's approval, satisfactory evidence as required under the DLI Verification Protocol that such DLI has been fully achieved. Upon ADB's confirmation that the DLI has been achieved, the Borrower may submit an application for withdrawal of the corresponding Loan proceeds for such DLI.

6. No withdrawal shall be made or permitted from the Loan Account for any DLI unless ADB is satisfied that the Borrower continues to comply with all DLIs that were previously met and for which Loan proceeds have been disbursed.

7. Throughout the Program period, the Borrower shall submit any information on NTP that ADB may require from time to time to assess and calculate the value of Eligible Expenditures.

Application for withdrawal from the Loan Account

8. (a) 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; and

(b) Prior to the submission of the first withdrawal application, the Borrower shall submit to ADB sufficient evidence of the authority of the person(s) who shall sign the withdrawal applications on behalf of the Borrower, together with the authenticated specimen signatures of each authorized person.

Advanced Financing and Financing for Prior Results

9. (a) Prior to the achievement of any DLIs, withdrawals from the Loan Account may be made for the purposes of meeting the Program's financing requirements and supporting the achievement of DLIs. Withdrawals for such advanced financing may be made from time to time during Program implementation; provided that the outstanding advanced financing amount shall not, at any time, exceed 25% of the Loan amount. ADB shall deduct the outstanding advance financing amount, or any portion thereof, from the Loan proceeds to be disbursed upon achievement of the DLIs.

(b) The Borrower may withdraw from the Loan Account for DLIs achieved prior to the Effective Date but not earlier than 12 months before the date of this Loan Agreement, provided that the aggregate of such withdrawals for prior results shall not exceed 20% of the Loan amount.

(c) The aggregate amount withdrawn under subparagraphs (a) and (b) hereinabove shall not, at any time, exceed 30% of the Loan amount.

(d) In the event that any DLIs have not been achieved by the end of Program completion period as set out in Schedule 1 to this Loan Agreement (Completion Date), the Borrower shall, within 6 months of the Completion Date, refund to ADB any outstanding advanced financing amount or part thereof which corresponds to the Loan amount allocated under Attachment 2 of this Schedule for the DLIs which have not been achieved. If the total Eligible Expenditures amount to less than the Loan amount withdrawn by the Borrower, the Borrower shall provide a refund to ADB for an amount equal to the extent of the shortfall within 6 months of the Completion Date.

Reallocation

10. (a) The years indicated for disbursement in the table in Attachment 2 to this Schedule are indicative only and shall not restrict disbursement on account of any DLI targets achieved ahead of the expected year. In the event the Borrower achieves a DLI target earlier than targeted, the Borrower shall be entitled to seek advancement of the disbursements due for such DLI, and ADB shall make disbursement for such DLI.

(b) Notwithstanding the allocation of Loan proceeds set forth in Attachment 2 to this Schedule, if the amount of Loan proceeds allocated to any DLI appears to be insufficient or excessive for any reason whatsoever, the Borrower and ADB may by agreement reallocate such shortfall or excess amount to any other DLI.

Disbursement Procedures

11. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook. The Borrower shall submit the supporting documents specified in paragraph 5 of this Schedule 3 in lieu of the supporting documents required under the Loan Disbursement Handbook.

Disbursement Linked Indicators Matrix

(Sustainable Transport Infrastructure Improvement Program – Results-Based Lending)

Disbursement Linked Indicators	Baseline Year and Value	Target Values				
		Financing for Prior Results	2016	2017	2018	2019
Transport infrastructure rehabilitated and maintained for all users, with safety, gender-responsiveness, and climate- and disaster-resilience improved						
DLI 1: Length of sealed and major unsealed roads effectively maintained annually	Sealed: 114 km Unsealed: 250 km (2014)		Sealed: 120 km; Unsealed: 270 km	Sealed: 130 km; Unsealed: 290 km	Sealed: 140 km; Unsealed: 310 km	Sealed: 150 km; Unsealed: 330 km
DLI 2: Gender responsive design features built	N.A.		1 feature built	2 features built	2 features built	1 feature built
Country systems strengthened to finance and implement the NTP						
DLI 3: Government counterpart contribution to the Program funded adequately and timely	N.A.		≥ SI\$40 million	≥ SI\$40 million	≥ SI\$40 million	≥ SI\$40 million
DLI 4: Safeguards Procedures Manual (SPM) adopted and implemented annually and NTP 3YAP updated annually	No (2014)	SPM adopted	Yes	Yes	Yes	
MID's management and supervision capacity strengthened						
DLI 5: Road network inventoried and condition surveyed	1,063 km (2014)	1,502 km condition surveyed				
DLI 6: Increased annual financial rate of execution of the NTF work program	SI\$88 million (2014)		SI\$90 million	SI\$94 million	SI\$94 million	SI\$94 million
DLI 7: MID staff increased in key functions	0 Procurement Officer and 2 Safeguards Officers		1 Procurement Officer and 1 Safeguards Officer	1 Procurement Officer		

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS							
(Sustainable Transport Infrastructure Improvement Program)							
Disbursement-Linked Indicators	Total ADB Financing Allocation	Financing for Prior Results 2016	Advance Financing	2016	2017	2018	2019
DLI 1	2,594,000			865,000	865,000	432,000	432,000
DLI 2	1,080,000			180,000	360,000	360,000	180,000
DLI 3	3,024,000			756,000	756,000	756,000	756,000
DLI 4	2,592,000	648,000		648,000	648,000	648,000	
DLI 5	2,162,000	2,162,000					
DLI 6	2,595,000			865,000	865,000	865,000	
DLI 7	1,082,000			541,000	541,000		
Total	15,129,000	2,810,000		3,855,000	4,035,000	3,061,000	1,368,000
Advance/Reimbursement			1,729,000	540,000	865,000	324,000	0
Net				3,315,000	3,170,000	2,737,000	1,368,000

SCHEDULE 4

Execution of Program

Implementation Arrangements

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

DLI Actions and Dialogue

2. The Borrower shall ensure that all DLIs under the Program, as set forth in the DLI Matrix continue to be in effect for the duration of NTP.

3. The Borrower shall keep ADB informed of policy discussions with other multilateral and bilateral aid agencies that may have implications for the implementation of NTP 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.

Financial Management

4. The Borrower shall ensure that the financial management actions specified in the PAP are implemented in a timely and efficient manner to achieve the objectives of, among others, improving sector budgeting, planning, management and internal audit at MID.

Procurement

5. The Borrower shall ensure that the procurement actions specified in the PAP are implemented in a timely and efficient manner.

6. The Borrower shall ensure that the Program includes no activities which involve (a) procurement of works, turnkey, supply or installation contracts estimated to cost \$50,000,000 equivalent or more per contract; (b) procurement of goods contracts estimated to cost \$30,000,000 equivalent or more per contract; (c) information technology or non-consulting services contracts estimated to cost \$20,000,000 equivalent or more per contract; and (d) consultants' services contracts estimated to cost \$15,000,000 equivalent or more per contract.

Safeguards

7. The Borrower shall ensure that the safeguards actions specified in the PAP, including the implementation and updating of the safeguards procedures manual, are implemented in a timely and efficient manner.

8. (a) The Borrower shall ensure that construction or rehabilitation works under the Program do not involve significant adverse environmental, resettlement or indigenous peoples impacts which may be classified as category A under the SPS or its related rules/manuals.

(b) Prior to commencing any construction or rehabilitation works in connection with the Program, the Borrower shall conduct a screening to ensure that such works shall not be classified as category A under the SPS.

9. The Borrower shall ensure that the Program does not involve any indigenous people's risks or impacts within the meaning of the SPS. If due to unforeseen circumstances, the NTP involves any such impacts, the Borrower shall ensure that the Program complies with (a) all applicable laws and regulations of the Borrower relating to indigenous peoples, and (b) the Indigenous Peoples Safeguards.

10. The Borrower shall ensure that the preparation, design, construction, implementation, operation and decommissioning of all activities under NTF comply with (a) all applicable laws, regulations and guidelines of the Borrower relating to environment, health and safety and involuntary resettlement; (b) the Environmental Safeguards; and (c) Involuntary Resettlement Safeguards.

Gender and Development

11. The Borrower shall ensure that the Gender Action Plan as well as the gender actions specified in the PAP is implemented in a timely and efficient manner.

Governance and Anticorruption

12. The Borrower shall (a) ensure that NTF complies with the provisions of the Anticorruption Guidelines and shall take all appropriate and timely measures to prevent, detect and respond to allegations of fraud, corruption, or any other prohibited activities in accordance with the Anticorruption Guidelines; and (b) promptly inform ADB of any allegations of fraud, corruption, or any other prohibited activities relating to NTP.

13. The Borrower shall cooperate fully with any investigation by ADB relating to allegations of fraud, corruption, or any other prohibited activities and extend all necessary assistance, including providing access to all relevant books and records, for satisfactory completion of such investigation.

14. Within 90 days of the Effective Date, the Borrower shall cause MOFT to update its website to (a) provide information on bidding procedures, bidders, contract awards, and physical progress of NTP; (b) post the annual audited financial statements for the Program, including the audit report, as such audited financial statements and report become available; and (c) disseminate other relevant information on the implementation of NTP.

15. The Borrower shall (a) cause NTF to use its resources to achieve the objectives of the Program and act in a manner consistent with the Program objectives; and (b) effectively guide and supervise NTF to ensure that its financial and governance procedures are appropriately clarified and followed.