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LOAN NUMBER 3661-CAM(COL)

LOAN AGREEMENT  
(Ordinary Operations [Concessional])  
(Climate-Friendly Agribusiness Value Chains Sector Project)

between

KINGDOM OF CAMBODIA

and

ASIAN DEVELOPMENT BANK

DATED 6 JULY 2018

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CAM 48409

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

LOAN AGREEMENT dated 6 July 2018 between KINGDOM OF CAMBODIA (“Borrower”) and ASIAN DEVELOPMENT BANK (“ADB”).

WHEREAS

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

(B) by a loan agreement (“GCF Loan Agreement”) between the Borrower and ADB, ADB, acting in its capacity as an accredited entity of Green Climate Fund (“GCF”) in accordance with the Accreditation Master Agreement dated 17 August 2017 (“AMA”) and the Funded Activity Agreement to be entered into between GCF and ADB (“FAA”), has agreed to provide from the ADB Green Climate Fund a loan (“GCF Loan”) in the amount of ten million Dollars (\$10,000,000) to assist in financing a part of the Project;

(C) by a grant agreement (“GCF Grant Agreement”) between the Borrower and ADB, ADB, acting in its capacity as an accredited entity of GCF in accordance with the AMA and the FAA, between GCF and ADB, has agreed to provide from the ADB Green Climate Fund a grant (“GCF Grant”) in the amount of thirty million Dollars (\$30,000,000) to assist in financing a part of the Project; and

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

NOW THEREFORE the parties agree as follows:

**ARTICLE I**

**Loan Regulations; Definitions**

Section 1.01. All provisions of ADB’s Ordinary Operations (Concessional) Loan Regulations, dated 1 January 2017 (“Loan Regulations”), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

- (a) “Consulting Guidelines” means the Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers (2013, as amended from time to time);

- (b) "Consulting Services" means the services to be financed out of the proceeds of the Loan, GCF Loan and GCF Grant as described in paragraph 3 of Schedule 1 to this Loan Agreement;
- (c) "EARF" means the environmental assessment and review framework for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (d) "EMDF" means the ethnic minority development framework for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (e) "EMP" means each environmental management plan for a Subproject, including any update thereto, incorporated in the IEE;
- (f) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;
- (g) "Goods" means equipment and materials to be financed out of the proceeds of the Loan, GCF Loan and GCF Grant including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services;
- (h) "IPP" means each indigenous peoples plan for a Subproject, including any update thereto, prepared and submitted by the Borrower pursuant to the requirements set forth in the EMDF;
- (i) "Indigenous Peoples Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3, and Appendix 4 (as applicable) of the SPS;
- (j) "IEE" means each initial environmental examination for a Subproject, including any update thereto, prepared and submitted by the Borrower pursuant to the requirements set forth in the EARF and cleared by ADB;
- (k) "Involuntary Resettlement Safeguards" means the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the SPS;
- (l) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (m) "MAFF" means the Borrower's Ministry of Agriculture, Forestry and Fisheries or any successor thereto;
- (n) "PAM" means the project administration manual for the Project dated 25 April 2018 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;

- (o) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);
- (p) "Procurement Manual" means the Procurement Manual under the standard operating procedures prepared by the Borrower and endorsed by ADB, which sets forth the procurement-related policies and procedures for externally-financed projects and programs;
- (q) "Procurement Plan" means the procurement plan for the Project dated 25 April 2018 and agreed between the Borrower and ADB, as updated from time to time in accordance with the Procurement Guidelines, the Consulting Guidelines, and other arrangements agreed with ADB (which include the Standard Operating Procedures and the Procurement Manual as updated from time to time);
- (r) "Project Executing Agency" or "EA" for the purposes of, and within the meaning of the Loan Regulations means MAFF or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;
- (s) "RF" means the resettlement framework for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (t) "RP" means each resettlement plan for a Subproject, including any update thereto, prepared and submitted by the Borrower pursuant to the requirements set forth in the RF and cleared by ADB;
- (u) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower to ADB that describes progress with implementation of, and compliance with, the EMP, the RP and the IPP (as applicable), including any corrective and preventative actions;
- (v) "SPS" means ADB's Safeguard Policy Statement (2009);
- (w) "Subproject" means a subproject under the Project that meets the subproject eligibility criteria set forth in the PAM; and
- (x) "Works" means construction or civil works to be financed out of the proceeds of the Loan, GCF Loan and GCF Grant including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.



## ARTICLE II

### The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of ninety million Dollars (\$90,000,000).

(b) The Loan has a principal repayment period of 24 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 1% per annum during the grace period, and 1.5% per annum 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 June and 15 December in each year.

Section 2.04. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.05. The currency of repayment of the principal amount of the Loan and the currency of payment of the interest charge for the purposes of Sections 4.03(a) and 4.04 of the Loan Regulations shall be the Dollar.

## ARTICLE III

### Use of Proceeds of the Loan

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

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

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

Section 3.04. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 31 March 2025 or such other date as may from time to time be agreed between the Borrower and ADB.

## ARTICLE IV

### Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.

Section 4.02. (a) The Borrower shall cause the Project Executing Agency to (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Loan proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

(c) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Borrower, unless the Borrower shall otherwise agree.

Section 4.03. The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

## ARTICLE V

### Suspension; Acceleration of Maturity

Section 5.01. The following are specified as additional events for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(m) of the Loan Regulations:

- (a) the GCF Loan Agreement shall have become liable for suspension or cancellation or shall have become repayable prior to its agreed maturity date; or
- (b) the GCF Grant Agreement shall have become liable for suspension or cancellation.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 8.07(d) of the Loan Regulations: either of the events specified in Section 5.01 (a) or (b) of this Loan Agreement shall have occurred.

## ARTICLE VI

### Effectiveness

Section 6.01. The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations:

- (a) the GCF Loan Agreement shall have been duly executed and delivered on behalf of the Borrower, and all conditions precedent to its effectiveness (other than the condition requiring the effectiveness of this Loan Agreement and GCF Grant Agreement) shall have been fulfilled; and
- (b) the GCF Grant Agreement shall have been duly executed and delivered on behalf of the Borrower, and all conditions precedent to its effectiveness (other than the condition requiring the effectiveness of this Loan Agreement and GCF Loan Agreement) shall have been fulfilled.

Section 6.02. The following is specified as an additional matter, for the purposes of Section 9.02(d) of the Loan Regulations, to be included in the opinion or opinions to be furnished to ADB: the GCF Loan Agreement and the GCF Grant Agreement have been duly executed and delivered on behalf of the Borrower, and all conditions precedent to their effectiveness (other than the exceptions referred to in Section 6.01 (a) and (b) above) have been fulfilled.

Section 6.03. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 9.04 of the Loan Regulations.

## ARTICLE VII

### Miscellaneous

Section 7.01. The Minister of Economy and Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Loan Regulations:

#### For the Borrower

Ministry of Economy and Finance  
St. 92, Sangkat Wat Phnom  
Khan Daun Penh  
Phnom Penh, Cambodia

Facsimile Numbers:

+855 23 427-798  
+855 23 428-424

#### For ADB

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

Facsimile Numbers:

+632 636-2444  
+632 636-2231.




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.

KINGDOM OF CAMBODIA

By   
\_\_\_\_\_  
H.E. Dr. AUN PORNMONIROTH  
Senior Minister  
Minister of Economy and Finance

ASIAN DEVELOPMENT BANK

By   
\_\_\_\_\_  
HIDEAKI IWASAKI  
Acting Country Director  
Cambodia Resident Mission

## SCHEDULE 1

### Description of the Project

1. The objective of the Project is to develop productive and resource efficient agribusiness value chains.
2. The Project shall comprise Subprojects to achieve the following:
  - (a) **Component 1: Improvement and enhancement of climate resilience of critical agribusiness value chain infrastructure** – This includes rehabilitating water management infrastructure, upgrading agriculture cooperative value chain infrastructure, improving connectivity to cooperatives and markets, strengthening infrastructure for agricultural quality and safety testing at the National Agricultural Laboratory, and promoting renewable energy;
  - (b) **Component 2: Promotion of “climate smart” agriculture and agribusiness** – This includes deploying climate resilient varieties, strengthening capacity in climate friendly production practices and technologies, and promoting farm mechanization and extension; and
  - (c) **Component 3: Enhancement of enabling environment for climate friendly agribusiness** – This includes formulating climate friendly agribusiness policies and standards, promoting green finance and risk sharing mechanisms, and supporting climate risk management through information and communication technologies.
3. The Project will provide Consulting Services for capacity building, seed variety development, project implementation, and feasibility studies and detailed design for Subprojects.
4. The Project is expected to be completed by 30 September 2024.

**SCHEDULE 2**

**Amortization Schedule**

Date Payment Due	Payment of Principal (Expressed in USD*)
15 December 2026	1,875,000
15 June 2027	1,875,000
15 December 2027	1,875,000
15 June 2028	1,875,000
15 December 2028	1,875,000
15 June 2029	1,875,000
15 December 2029	1,875,000
15 June 2030	1,875,000
15 December 2030	1,875,000
15 June 2031	1,875,000
15 December 2031	1,875,000
15 June 2032	1,875,000
15 December 2032	1,875,000
15 June 2033	1,875,000
15 December 2033	1,875,000
15 June 2034	1,875,000
15 December 2034	1,875,000
15 June 2035	1,875,000
15 December 2035	1,875,000
15 June 2036	1,875,000
15 December 2036	1,875,000
15 June 2037	1,875,000
15 December 2037	1,875,000
15 June 2038	1,875,000
15 December 2038	1,875,000
15 June 2039	1,875,000
15 December 2039	1,875,000
15 June 2040	1,875,000
15 December 2040	1,875,000
15 June 2041	1,875,000
15 December 2041	1,875,000
15 June 2042	1,875,000
15 December 2042	1,875,000
15 June 2043	1,875,000
15 December 2043	1,875,000
15 June 2044	1,875,000
15 December 2044	1,875,000
15 June 2045	1,875,000
15 December 2045	1,875,000

Date Payment Due	Payment of Principal (Expressed in USD*)
15 June 2046	1,875,000
15 December 2046	1,875,000
15 June 2047	1,875,000
15 December 2047	1,875,000
15 June 2048	1,875,000
15 December 2048	1,875,000
15 June 2049	1,875,000
15 December 2049	1,875,000
15 June 2050	1,875,000
Total	90,000,000

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



**SCHEDULE 3****Allocation and Withdrawal of Loan Proceeds**General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category 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.

Interest Charge

3. The amount allocated to Category "Interest Charge" is for financing the interest charge on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest charge.

Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

- (a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, 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

5. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS				
Number	Item	Total Amount Allocated for ADB Financing (\$)		Basis for Withdrawal from the Loan Account
		Category	Subcategory	
1	Works	67,630,590		
1A	Irrigation and Roads		60,537,190	76.8% of total expenditure claimed
1B	Warehouses and Laboratory		5,762,800	100% of total expenditure claimed
1C	Other Infrastructure		1,330,600	92.1% of total expenditure claimed
2	Equipment, Materials, Goods and Project Implementation Services	16,757,700		100% of total expenditure claimed*
3	Incremental Operating Cost	4,187,100		100% of total expenditure claimed
4	Interest Charge	1,424,610		100% of amount due
	<b>TOTAL</b>	90,000,000		

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

**SCHEDULE 4****Procurement of Goods, Works and Consulting Services**General

1. The procurement of Goods, Works and Consulting Services shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.

2. Except as ADB may otherwise agree, Goods and Works shall be procured and Consulting Services shall be selected and engaged only on the basis of the procurement methods and the selection methods set forth below. These methods are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the procurement methods and the selection methods or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

Eligible Source of Procurement

3. Goods, Works and Consulting Services may also be procured under the Project from non-member countries of ADB.

4. All terms used in this Schedule and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

Goods and Works

5. Goods and Works shall be procured on the basis of the procurement methods set forth below:

- (a) International Competitive Bidding;
- (b) National Competitive Bidding; and
- (c) Shopping.

National Competitive Bidding

6. The Borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after approval of such change by the Borrower and ADB.



Conditions for Award of Contract

7. The Borrower shall not award any Works contracts for a Subproject which involves environmental impacts until the Project Executing Agency has:

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

8. The Borrower shall not award any Works contract involving involuntary resettlement impacts for a Subproject until the Borrower has prepared and submitted to ADB the final RP for such Subproject based on the Subproject's detailed design and obtained ADB's clearance of such RP.

9. The Borrower shall not award any Works contract for a Subproject which involves impacts on indigenous peoples until the Borrower has prepared and submitted to ADB the final IPP and obtained ADB's clearance of such IPP.

Consulting Services

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

11. The Borrower shall apply the following selection method for the specified Consulting Service, in accordance with, among other things, the procedures set forth in the Procurement Plan: Single Source Selection for variety development.

12. The Borrower shall recruit the individual consultants as needed in accordance with procedures acceptable to ADB for recruiting individual consultants.

Industrial or Intellectual Property Rights

13. (a) The Borrower shall ensure that all Goods and Works procured (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The Borrower shall ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

14. The Borrower shall ensure that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the Consulting Services provided do not violate or infringe any industrial property or intellectual property right or claim of any third party.



ADB's Review of Procurement Decisions

15. Contracts procured under international competitive bidding procedures and contracts for Consulting Services shall be subject to prior review by ADB, unless otherwise agreed between the Borrower and ADB and set forth in the Procurement Plan.

## SCHEDULE 5

### Execution of Project; Financial Matters

#### Implementation Arrangements

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

#### Environment

2. The Borrower shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project, each Subproject and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the Environmental Safeguards; (c) the EARF; and (d) all measures and requirements set forth in the respective IEE, EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report. The Borrower shall ensure that no Subproject categorized as Category A under the SPS is financed under the Project.

#### Land Acquisition and Involuntary Resettlement

3. The Borrower shall ensure that all land and all rights-of-way required for the Project, each Subproject and all Project facilities are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement; (b) Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the respective RP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report. The Borrower shall ensure that no Subproject categorized as Category A under the SPS is financed under the Project.

4. Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the RP, the Borrower shall ensure that no physical or economic displacement takes place in connection with the Subprojects until:

- (a) compensation and other entitlements have been provided to affected people in accordance with the RP; and
- (b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.

#### Indigenous Peoples

5. The Borrower shall ensure that the preparation, design, construction, implementation and operation of the Project, each Subproject and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to indigenous people;

(b) the Indigenous Peoples Safeguards; (c) the EMDF; and (d) all measures and requirements set forth in the respective IPP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report. The Borrower shall ensure that no Subproject categorized as Category A under the SPS is financed under the Project.

#### Human and Financial Resources to Implement Safeguards Requirements

6. The Borrower shall make available necessary budgetary and human resources to fully implement any EMP, RP and IPP.

#### Safeguards – Related Provisions in Bidding Documents and Works Contracts

7. The Borrower shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) comply with the measures and requirements relevant to the contractor set forth in the IEEs, the EMPs, the RPs and the IPPs (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set forth in a Safeguards Monitoring Report;
- (b) make available a budget for all such environmental and social measures;
- (c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs, the RPs and the IPPs;
- (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and
- (e) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.

#### Safeguards Monitoring and Reporting

8. The Borrower shall do the following:

- (a) submit semiannual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;
- (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs, the RPs, and the IPPs, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan in accordance with the SPS; and



- (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMPs, the RPs or the IPPs promptly after becoming aware of the breach.

#### Prohibited List of Investments

9. 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.

#### Labor Standards, Health and Safety

10. The Borrower shall ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. The Borrower shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among others, (a) comply with all applicable labor laws and regulations of the Borrower; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) do not restrict the workers from developing a legally permissible means of expressing their grievances and protecting their rights regarding working conditions and terms of employment; and (f) disseminate information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project areas, particularly women.

11. The Borrower shall strictly monitor compliance with the requirements set forth in this paragraph and provide ADB with regular reports.

#### Gender and Development

12. The Borrower shall ensure that the (a) 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

13. The Borrower shall ensure that counterpart support necessary for the Project is provided on a timely basis.

14. The Borrower shall ensure that all completed Subprojects have adequate counterpart funds for operation and maintenance allocated to them on a yearly basis and made available on a timely basis. The Borrower shall further ensure that the farmer water user communities and water user groups collect irrigation service fees to sustain the operation and maintenance of distribution canals in accordance with the Borrower's decree on farmer water user communities.



Subproject selection

15. The Borrower shall ensure, or cause the Project Executing Agency to ensure, that all Subprojects selected for financing under the Project meet the screening, eligibility and approval criteria as agreed between the Borrower and ADB and documented in Annex 1 (Implementation Procedures) of the PAM.

Governance and Anticorruption

16. 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 Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

17. The Borrower 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 agency and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

18. The Borrower shall disclose, through its website, accessible by general public, information about various matters concerning the Project, including general Project information, procurement, Project progress, and contact details in the English and Cambodian languages, as applicable. The website shall also provide a link to ADB's integrity office for reporting to ADB any grievances or allegations of corrupt practices arising out of the Project and Project activities. With regard to procurement, the website shall include: (a) the list of participating bidders; (b) the name of the winning bidder; (c) the amount of the contracts awarded; (d) basic details on bidding procedures adopted; and (e) the list of goods, works and services procured.