
LOAN NUMBER 4122-PRC

PROJECT AGREEMENT

(Guangxi Regional Cooperation and Integration Promotion Investment Program – Project 3)

between

ASIAN DEVELOPMENT BANK

and

GOVERNMENT OF GUANGXI ZHUANG AUTONOMOUS REGION

DATED 2 December 2021

PRC 50050

PROJECT AGREEMENT

PROJECT AGREEMENT dated 2 December 2021 between ASIAN DEVELOPMENT BANK ("ADB") and GOVERNMENT OF GUANGXI ZHUANG AUTONOMOUS REGION ("GGZAR").

WHEREAS

(A) by a loan agreement of even date herewith between the People's Republic of China ("Borrower") and ADB ("Loan Agreement"), ADB has agreed to make to the Borrower a loan of one hundred and forty million Dollars (\$140,000,000) ("Loan") on the terms and conditions set forth in the Loan Agreement, but only on the condition that the proceeds of the Loan be made available to GGZAR and that GGZAR agrees to undertake certain obligations towards ADB set forth herein; and

(B) GGZAR, in consideration of ADB entering into the Loan Agreement with the Borrower, has agreed to undertake the obligations set forth herein;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Definitions

Section 1.01. (a) Wherever used in this Project Agreement, unless the context otherwise requires, the several terms defined in the Loan Agreement and in the Loan Regulations (as so defined) have the respective meanings therein set forth.

(b) In addition to the terms referred to in subsection (a) hereinabove, the following terms, wherever used in this Project Agreement, unless the context otherwise requires, have the following meaning:

- (i) "O&M" means operations and maintenance; and
- (ii) "Project Implementation Agreement" means each of the contracts between (i) Baise University and Baise Municipal Government; (ii) Guangxi Baise No. 1 Agricultural Development Co. Ltd. and Baise Municipal Government; (iii) Guangxi Chongzuo City Industrial Investment Development Group Co. Ltd. and Chongzuo Municipal Government; (iv) Chongzuo Xinghe Investment Development Co. Ltd. and Chongzuo Municipal Government; (v) Guangxi Daxin Anping Investment Group Co. Ltd. and Daxin County Government; (vi) Fangchenggang Fangcheng District Rural Travel Investment Co. Ltd. and Fangchenggang Municipal Government, and any other PIE and Project Implementing Agency, each in form and substance acceptable to ADB, whereunder the relevant PIE

undertakes to fulfill all of the terms of the Loan Agreement, Project Agreement and the PAM that are relevant to such entity and to the Project components such entity will implement;

- (iii) the expression "GGZAR shall" means that GGZAR shall, and shall cause the relevant PIEs to, or ensure that the relevant PIEs, undertake required responsibilities or perform specified obligations in the Project Agreement.

ARTICLE II

Particular Covenants

Section 2.01. (a) GGZAR shall, and shall cause the Project Implementing Agencies to, carry out the Project with due diligence and efficiency, and in conformity with sound applicable technical, financial, business, and development practices and in accordance with this Project Agreement and the PAM.

(b) In carrying out the Project and operating the Project facilities, GGZAR shall perform or cause to be performed all obligations set forth in the Loan Agreement to the extent that they are applicable to GGZAR, the Project Implementing Agencies and the PIEs, and all obligations set forth in the Schedule to this Project Agreement.

Section 2.02. GGZAR shall, and shall cause the Project Implementing Agencies to, make available, promptly as needed, and on terms and conditions acceptable to ADB, the funds, facilities, services, land and other resources as required, in addition to the proceeds of the Loan, for the carrying out of the Project.

Section 2.03. (a) In carrying out the Project, GGZAR shall, and shall cause the Project Implementing Agencies to, employ competent and qualified consultants and contractors, acceptable to ADB, to an extent and upon terms and conditions acceptable to ADB.

(b) Except as ADB may otherwise agree, GGZAR shall, and shall cause the Project Implementing Agencies to, procure all items of expenditures to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to the Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not acceptable to ADB.

(c) GGZAR shall engage a procurement agent to carry out the Project in accordance with the terms and conditions set forth in the Procurement Plan. GGZAR shall ensure that such procurement agent follows all of the requirements of the Loan Agreement, this Project Agreement and the Procurement Plan.

Section 2.04. GGZAR shall, and shall cause the Project Implementing Agencies to, carry out the Project in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to ADB. GGZAR shall, and shall cause the Project Implementing Agencies to, furnish, or cause to be furnished, to ADB, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material modifications subsequently made therein, in such detail as ADB shall reasonably request.

Section 2.05. (a) GGZAR shall take out and maintain with responsible insurers, or make other arrangements satisfactory to ADB for, insurance of Project facilities to such extent and against such risks and in such amounts as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, GGZAR undertakes to insure, or cause to be insured, the Goods to be imported for the Project against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such Goods.

Section 2.06. GGZAR shall maintain, or cause to be maintained, records and accounts adequate to identify the items of expenditure financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting principles, its operations and financial condition.

Section 2.07. (a) ADB and GGZAR shall, and GGZAR shall cause the Project Implementing Agencies to, cooperate fully to ensure that the purposes of the Loan will be accomplished.

(b) GGZAR shall, and shall cause the Project Implementing Agencies to, promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Project, the performance of its obligations under this Project Agreement, or the accomplishment of the purposes of the Loan.

(c) ADB and GGZAR shall, from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Project, GGZAR, the Project Implementing Agencies, the PIEs and the Loan.

Section 2.08. (a) GGZAR shall, and shall cause the Project Implementing Agencies to, furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Loan and the expenditure of the proceeds thereof; (ii) the items of expenditure financed out of such proceeds; (iii) the Project; (iv) the administration, operations and financial condition of GGZAR, the Project Implementing Agencies and the PIEs; and (v) any other matters relating to the purposes of the Loan.

(b) Without limiting the generality of the foregoing, GGZAR shall furnish to ADB periodic reports on the execution of the Project and on the operation and management of the Project facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following period.

(c) Promptly after physical completion of the Project, but in any event not later than 3 months thereafter or such later date as ADB may agree for this purpose, GGZAR shall prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and initial operation of the Project, including its cost, the performance by GGZAR of its obligations under this Project Agreement and the accomplishment of the purposes of the Loan.

Section 2.09. (a) GGZAR shall and cause the Project Implementing Agencies 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' opinions on the financial statements and the use of the Loan proceeds, and a Management Letter; and (v) furnish to ADB, no later than 6 months after the close of the fiscal year to which they relate, copies of such audited financial statements, the audit report and the 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) In addition to annual audited financial statements referred to in subsection (a) hereinabove, GGZAR shall ensure that each of the PIEs (i) provide their respective annual financial statements prepared in accordance with financing reporting standards acceptable to ADB; (ii) have their respective 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; (iii) as part of each such audit, have the auditors prepare the auditors' opinions on the financial statements; and (iv) furnish to ADB, no later than 1 month after approval by the relevant authority, copies of such audited financial statements and auditors' opinion, in accordance with the FAM and the PAM, 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.

(d) GGZAR shall, and shall cause the Project Implementing Agencies and PIEs to, enable ADB, upon ADB's request, to discuss the financial statements for the Project, GGZAR, the Project Implementing Agencies and the PIEs and their financial affairs where they relate to the Project with the auditors appointed by GGZAR pursuant to subsection (a)(iii) and (c)(ii) 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 relevant subject entity being, GGZAR or a Project Implementing Agency or a PIE, unless such entity shall otherwise agree.

Section 2.10. GGZAR shall, and shall cause the Project Implementing Agencies to, enable ADB's representatives to inspect the Project, the Goods and Works and any relevant records and documents.

Section 2.11. (a) GGZAR shall, and shall cause the Project Implementing Agencies to, promptly as required, take all action within its powers to maintain its or any PIE's corporate existence, to carry on its operations, and to acquire, maintain and renew all rights, properties, powers, privileges and franchises which are necessary in the carrying out of the Project or in the conduct of its operations.

(b) GGZAR shall, and shall cause the Project Implementing Agencies to, at all times conduct its operations in accordance with sound applicable technical, financial, business, development and operational practices, and under the supervision of competent and experienced management and personnel.

(c) GGZAR shall, and shall cause the Project Implementing Agencies to, at all times operate and maintain its plant, equipment and other property, and from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound applicable technical, financial, business, development, operational and maintenance practices.

Section 2.12. Except as ADB may otherwise agree, GGZAR shall not, and shall cause the Project Implementing Agencies and PIEs not to, sell, lease or otherwise dispose of any of its assets which shall be required for the efficient carrying on of its operations or the disposal of which may prejudice its ability to perform satisfactorily any of its obligations under this Project Agreement or the PAM.

Section 2.13. Except as ADB may otherwise agree, GGZAR shall, apply the proceeds of the Loan to the financing of expenditures on the Project in accordance with the provisions of the Loan Agreement and this Project Agreement, and shall ensure that all items of expenditures financed out of such proceeds are used exclusively in carrying out the Project.

Section 2.14. Except as ADB may otherwise agree, GGZAR shall, and shall ensure that Project Implementing Agencies and PIEs duly perform all their obligations under the Project Implementation Agreements, and shall not take, or concur in, any action which would have the effect of assigning, amending, abrogating or waiving any rights or obligations of the parties under the respective Project Implementation Agreements.

Section 2.15. GGZAR shall promptly notify ADB of any proposal to amend, suspend or repeal any provision of its, any Project Implementing Agencies' or any PIE's constitutional documents, which, if implemented, could adversely affect the carrying out of the Project or the operation of the Project facilities. GGZAR shall afford ADB an adequate opportunity to comment on such proposal prior to taking any affirmative action thereon.

ARTICLE III

Effective Date; Termination

Section 3.01. This Project Agreement shall come into force and effect on the date on which the Loan Agreement comes into force and effect. ADB shall promptly notify GGZAR of such date.

Section 3.02. This Project Agreement and all obligations of the parties hereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms.

Section 3.03. All the provisions of this Project Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the Loan Agreement.

ARTICLE IV**Miscellaneous**

Section 4.01. Any notice or request required or permitted to be given or made under this Project Agreement and any agreement between the parties contemplated by this Project Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand, mail or facsimile to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For ADB

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

Facsimile Numbers:

(632) 8636-2444
(632) 8636-2534

For GGZAR

Government of Guangxi Zhuang Autonomous Region
111-1 Minzu Avenue
Nanning City
Guangxi Zhuang Autonomous Region
People's Republic of China

Facsimile Number:

(86-771) 232-8850.

Section 4.02. (a) Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Project Agreement or under Section 6.01 of the Loan Agreement by or on behalf of GGZAR may be taken or executed by its Vice Chairman In Charge or by such other person or persons as the Vice Chairman In Charge shall designate in writing and notify to ADB as such.

(b) GGZAR shall furnish to ADB sufficient evidence of the authority of each person who will act under subsection (a) hereinabove, together with the authenticated specimen signature of each such person.

Section 4.03. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Project Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an

acquiescence in such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Project 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.

ASIAN DEVELOPMENT BANK

By 
YOLANDA FERNANDEZ LOMMEN
Authorized Signatory

GOVERNMENT OF GUANGXI ZHUANG
AUTONOMOUS REGION

By 
QIN RUPEI
Authorized Signatory

SCHEDULE

Execution of Project; Financial and Other Matters

Implementation Arrangements

1. GGZAR shall ensure, and shall cause the Project Implementing Agencies to, 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 GGZAR and ADB. In the event of any discrepancy between the PAM and the Loan Agreement or this Project Agreement, the provisions of the Loan Agreement and this Project Agreement shall prevail.

Conditions for Award of the Contract

2. GGZAR shall not, and shall cause the Project Implementing Agencies and PIEs not to, award any Works contract which involves environmental impacts until:

- (a) GGZAR has granted the final approval of the IEE;
- (b) the IEE and EMP is updated to reflect the detailed design and such updated IEE is cleared by ADB; and
- (c) the relevant provisions from the EMP have been incorporated into the Works contract.

3. GGZAR shall not, and shall cause the Project Implementing Agencies and PIEs not to, award any Works contract which involves involuntary resettlement impacts or impacts on ethnic minorities, until GGZAR has prepared and submitted to ADB the final RP based on the Project's detailed design, and obtained ADB's clearance of such RP.

Environment

4. GGZAR shall, and shall cause the Project Implementing Agencies to, ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project 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 IEE, the EMP, and any corrective or preventative actions (i) set forth in a Safeguards Monitoring Report; or (ii) which are subsequently agreed between ADB and GGZAR.

Land Acquisition and Involuntary Resettlement

5. GGZAR shall, and shall cause the Project Implementing Agencies to, ensure that all land and all rights-of-way required for the Project are made available to the Works contractor in a manner and within timeframes compliant with the RP 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) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set

forth in the RP, and any corrective or preventative actions (i) set forth in the Safeguards Monitoring Report, or (ii) subsequently agreed between ADB and GGZAR.

6. Without limiting the application of the Involuntary Resettlement Safeguards or the RP, GGZAR shall, and shall cause the Project Implementing Agencies to, ensure that no physical or economic displacement takes place in connection with the Project until:

- (a) compensation and other entitlements have been provided to the displaced persons under the Involuntary Resettlement Safeguards as described in and in accordance with the RP; and
- (b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.

Ethnic Minorities

7. GGZAR shall ensure that the preparation, design, construction, implementation and operation of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower relating to ethnic minorities; (b) the Indigenous Peoples Safeguards; and (c) all measures and requirements set forth in the RP, and any corrective or preventative actions (i) set forth in a Safeguards Monitoring Report, or (ii) subsequently agreed between ADB and GGZAR.

Human and Financial Resources to Implement Safeguards Requirements

8. GGZAR shall, and shall cause the Project Implementing Agencies to, make available necessary budgetary and human resources to fully implement the EMP and the RP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

9. GGZAR shall, and shall cause the Project Implementing Agencies to, ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) comply with the measures relevant to the contractor set forth in the IEE, the EMP and the RP (to the extent they concern impacts on the respective affected people under the Environmental Safeguards, the Indigenous Peoples Safeguards and the Involuntary Resettlement Safeguards during construction), and any corrective or preventative actions set forth in (i) a Safeguards Monitoring Report, or (ii) subsequently agreed between ADB and GGZAR;
- (b) make available a budget for all such environmental and social measures; and
- (c) provide GGZAR 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 IEE, the EMP and the RP.

Safeguards Monitoring and Reporting

10. GGZAR shall, and shall cause the Project Implementing Agencies to, do the following:

- (a) submit Safeguards Monitoring Reports to ADB
 - (i) in respect of implementation of and compliance with Environmental Safeguards and the EMP, semi-annually, during construction and the implementation of the Project and the EMP, and thereafter annually during operation, until the issuance of ADB's Project completion report unless a longer period is agreed in the EMP; and
 - (ii) in respect of implementation of and compliance with Involuntary Resettlement Safeguards, the Indigenous Peoples Safeguards and of the RP, semiannually during the implementation of the Project, the RP until the issuance of ADB's Project completion report unless a longer period is agreed in the RP,

and disclose relevant information from such reports to the respective affected people under the Environmental Safeguards, the Indigenous Peoples Safeguards and the Involuntary Resettlement Safeguards 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 IEE, the EMP and the RP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and
- (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the RP promptly after becoming aware of the breach.

Prohibited List of Investments

11. GGZAR shall, and shall cause the Project Implementing Agencies to, 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

12. GGZAR shall, and shall cause the Project Implementing Agencies to, ensure that the core labor standard and the Borrower's applicable laws and regulations are complied with during Project implementation. GGZAR shall, and shall cause the Project Implementing Agencies to, include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace occupational safety norms; (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 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, or engage appropriate service providers to 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 area, particularly women.

13. GGZAR shall strictly monitor compliance with the requirements set forth in paragraph 12 above and provide ADB with regular reports.

Gender and Development

14. GGZAR shall, and shall cause Project Implementing Agencies to, ensure that the principles of gender equality aimed at increasing Project benefits and impact on women in the Project and relevant subproject areas are followed during implementation of the Project including (a) equal pay to men and women for work of equal value; (b) enabling working conditions for women workers; and (c) taking necessary actions to encourage women living in the Project area to participate in the design and implementation of Project activities.

15. GGZAR shall, and shall cause the Project Implementing Agencies to, ensure that (a) the SDGAP 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 SDGAP; (c) adequate resources are allocated for implementation of the SDGAP; (d) the implementation of the SDGAP and the progress toward achieving key gender outcome and output targets under the SDGAP are monitored at least every quarter to include it in semiannual progress reports and detailed annual implementation reports to be submitted to ADB; and (e) key gender outcome and output targets include obtaining at least 30% participation of women in training programs under the Project and at least 30% of the jobs created pursuant to the Project to be filled by women as more particularly specified in the SDGAP.

Counterpart Support

16. GGZAR shall (a) ensure that all counterpart funds are made available to the Project Implementing Agencies and PIEs in a timely manner including any additional counterpart funding required for any shortfall of funds or cost overruns; (b) make available, promptly as needed, and on terms and conditions acceptable to ADB, the funds, facilities, services, land and other resources as required, in addition to the proceeds of the Loan, for the carrying out of the Project; and (c) ensure that O&M of all Project facilities are fully funded without any delay. In addition to the foregoing, GGZAR shall ensure that the Project Implementing Agencies and PIEs have sufficient funds to satisfy their liabilities arising from any Works, Goods and Consulting Services contracts.

17. GGZAR shall and shall cause the parties to the Project Implementation Agreements to be entered into for the Project to exercise their respective rights under such agreements in a manner that protects the interests of the Borrower, GGZAR and ADB and to accomplish the purposes of the Loan. No rights or obligations under any Project Implementation Agreement shall be assigned, amended, abrogated or waived without the prior concurrence of ADB.

Operation and Maintenance

18. GGZAR shall ensure that (a) each Project Implementing Agency or PIE responsible for operating and maintaining Project facilities or any part thereof prepares (i) a sustainable O&M plan; and (ii) a budget plan on an annual basis for O&M of such Project facilities; and (b) the Project Implementing Agency and PIE provide sufficient financial and staffing resources for the relevant O&M.

19. GGZAR shall ensure that all assigned O&M agencies will be fully involved in the Project implementation, including professional staff from O&M agencies participating in Project design, the bidding, and implementation of contracts, and the acceptance of the completed Works.

Road design and safety

20. GGZAR shall ensure, and shall cause the Project Implementing Agencies and PIEs to, ensure that prior to procurement of the related Works, (a) the detailed design of the road, intersections, bus stops and pedestrian crossings is submitted to ADB; (b) a certified road safety audit expert reviews the road safety features for vehicles, pedestrians and non-motorized traffic; and (c) all Works are designed and constructed in accordance with the Borrower's national standards and specifications and, the construction supervision, quality control, contract management, and completion inspection and acceptance procedures are in accordance with all applicable national laws of the Borrower and the applicable municipal and local regulations.

Technical Safety

21. GGZAR shall and shall cause the relevant Project Implement Agencies to conduct risk assessments to ensure that all information and communication systems employed or utilized in relation to the Project adopt best practices on cyber security and data protection processes at standards acceptable to ADB.

Safeguards Grievance Redress Mechanism

22. GGZAR shall, and shall cause the Project Implementing Agencies to, ensure that separate safeguards grievance redress mechanisms acceptable to ADB are established in accordance with the provisions of the IEE, EMP and RPs at each PIE level, within the timeframes specified in the relevant IEE, EMP and RPs, to consider safeguards complaints. The grievance redress mechanisms will function to (a) review and document eligible complaints of the relevant subproject stakeholders; (b) proactively address grievances; (c) provide the complainants with notice of the chosen mechanism and/or action; and (d) prepare and make available to ADB upon request periodic reports to summarize (i) the number of complaints received and resolved; (ii) chosen actions; and (iii) final outcomes of the grievances and make these reports available to ADB upon request.

Governance and Anticorruption

23. GGZAR shall, and shall cause the Project Implementing Agencies, the PIEs and any other government owned or government controlled organizations involved in the Project to, (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 including providing access to all relevant books and records, as may be necessary.

24. GGZAR shall, and shall cause the Project Implementing Agencies and PIEs to, ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

Change in Ownership

25. GGZAR shall, and shall cause the Project Implementing Agencies to, ensure that in the event any change in ownership or control of any of the Project facilities is anticipated, GGZAR shall consult with ADB at least 6 months prior to the implementation of such change and will ensure that no such change will impair its ability to perform its obligations hereunder or to achieve the purposes of the Loan.

26. Unless ADB otherwise agrees, GGZAR shall, directly or indirectly, continue to own all of the ownership interest in, and retain full control of, the PIEs, so long as any portion of the Loan remains outstanding.