
LOAN NUMBER 3704-PRC

PROJECT AGREEMENT

(Chongqing Longxi River Basin Integrated Flood and Environmental Risk Management
Project)

between

ASIAN DEVELOPMENT BANK

and

CHONGQING MUNICIPAL GOVERNMENT

DATED 20 NOVEMBER 2018

PRC 51005

PROJECT AGREEMENT

PROJECT AGREEMENT dated 20 NOVEMBER 2018 between ASIAN DEVELOPMENT BANK ("ADB") and CHONGQING MUNICIPAL GOVERNMENT ("CMG").

WHEREAS

(A) by a Loan Agreement of even date herewith between People's Republic of China ("Borrower") and ADB, ADB has agreed to make to the Borrower a loan of one hundred fifty million Dollars (\$150,000,000) 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 CMG, and through CMG to the IAs, and that CMG agrees to undertake certain obligations towards ADB set forth herein; and

(B) CMG, 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. 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.

ARTICLE II

Particular Covenants

Section 2.01. (a) CMG shall carry out the Project with due diligence and efficiency, and in conformity with sound applicable technical, financial, business, and development practices.

(b) In the carrying out of the Project and operation of the Project facilities, CMG shall, and shall cause the IAs and the PIUs to, perform all obligations set forth in the Loan Agreement to the extent that they are applicable to CMG, the IAs and the PIUs, and all obligations set forth in the Schedule to this Project Agreement.

Section 2.02. CMG shall, and shall cause the IAs to, make available, 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 Project.

Section 2.03. (a) In the carrying out of the Project, CMG shall, and shall cause the IAs and the PIUs, to employ competent and qualified consultants and contractors, acceptable to ADB, to an extent and upon terms and conditions satisfactory to ADB.

(b) Except as ADB may otherwise agree, CMG shall and shall cause the IAs and the PIUs to procure all items of expenditures to be financed out of the proceeds of the Loan in accordance with the provisions of paragraph 3 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 satisfactory to ADB.

Section 2.04. CMG shall appoint a procurement agent to carry out any procurement required for the Project in accordance with the terms and conditions set forth in the Procurement Plan. CMG shall ensure that such procurement agent follows all of the requirements of the Loan Agreement, this Project Agreement and the Procurement Plan.

Section 2.05. CMG shall, and shall cause the IAs and the PIUs to, carry out the Project in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to ADB. CMG shall 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 2.06. (a) CMG shall, and shall cause the IAs and the PIUs to, take out and maintain with responsible insurers, or make other arrangements satisfactory to ADB for, insurance against such risks and in such amounts as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, CMG 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 2.07. CMG 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 2.08. (a) ADB and CMG shall cooperate fully to ensure that the purposes of the Loan will be accomplished.

(b) CMG shall, and shall cause the IAs 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 CMG shall, and CMG shall cause the IAs, from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Project, CMG, the IAs and the Loan.

Section 2.09. (a) CMG shall, and shall cause the IAs 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 CMG, the IAs and the PIUs; and (v) any other matters relating to the purposes of the Loan.

(b) Without limiting the generality of the foregoing, CMG 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, CMG 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 CMG of its obligations under this Project Agreement and the accomplishment of the purposes of the Loan.

Section 2.10. (a) CMG shall, and shall cause the IAs and PIUs to, (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with accounting principles acceptable to ADB; (iii) have such financial statements for the Project 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(s) 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 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) CMG shall, and shall cause the IAs and PIUs to, enable ADB, upon ADB's request, to discuss the financial statements for the Project and CMG, the IAs and the PIUs and their financial affairs where they relate to the Project with the auditors appointed by CMG 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 CMG, unless CMG shall otherwise agree.

Section 2.11. CMG shall, and shall cause the IAs and the PIUs to, enable ADB's representatives to inspect the Project, the Goods and Works and any relevant records and documents.

Section 2.12. (a) CMG shall, and shall cause the IAs and the PIUs to, promptly as required, take all action within its powers to maintain its 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) CMG shall, and shall cause the IAs and the PIUs 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) CMG shall, and shall cause the IAs and the PIUs to, at all times operate and maintain its plants, 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 2.13. Except as ADB may otherwise agree, CMG shall, and shall cause the IAs and the PIUs to, not 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.

Section 2.14. Except as ADB may otherwise agree, CMG shall, and shall cause the IAs and the PIUs to, 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 the carrying out of the Project.

Section 2.15. CMG shall, and shall cause the IAs and the PIUs to, promptly notify ADB of any proposal to amend, suspend or repeal any provision of its constitutional documents, which, if implemented, could adversely affect the carrying out of the Project or the operation of the Project facilities. CMG 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 CMG 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) 636-2444
(632) 636-2534

For CMG

Chongqing Development and Reform Commission
No 16 Honghuxi Road
Chongqing, People's Republic of China

Facsimile Number:

+86 23 6036 2131.

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 by or behalf of CMG may be taken or executed by its Mayor or Vice Mayor or by such other person or persons as he or she shall so designate in writing notified to ADB.

(b) CMG 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



BENEDICT BINGHAM

Authorized Representative

CHONGQING MUNICIPAL GOVERNMENT

By



WU HUI

Authorized Representative

SCHEDULE

Execution of Project; Environmental, Social and Financial Matters

Implementation Arrangements

1. CMG shall, and shall cause the IAs 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 CMG and ADB.
2. Throughout the Project implementation period, CMG shall ensure that the functions and staff of the CPMO and the CMPLG, and shall cause the IAs to ensure that the functions and staff of the PMOs, be maintained in accordance with the arrangements set out in the PAM and in a manner satisfactory to ADB.
3. CMG shall, and shall cause the IAs to, ensure that the PIUs duly perform all their obligations under the Project Implementation Agreements.

Financial Management

4. CMG shall, and shall cause the IAs and the PIUs to, establish and maintain sound financial management systems in accordance with ADB's Financial Management and Analysis of Projects, including the establishment of separate Project accounts and the maintenance of minimum balances to ensure smooth cash flow and the timely settlement of project construction liabilities and future debt servicing. Project funds, including Loan proceeds and counterpart funds, will be disbursed in accordance with the arrangements set forth in the PAM.

Design and Quality Control Requirements

5. CMG shall, and shall cause the IAs and the PIUs to, ensure that:
 - (a) all Works to be carried out under the Project are designed by experienced and qualified design institutes and that sufficient counterpart funds are available for the engagement of such institutes;
 - (b) the qualified design institutes complete relevant geological (including earthquake) and geotechnical investigations in the detailed design phase in accordance with relevant national, provincial and local design codes and standards, incorporate adequate risk mitigation measures into the designs and design all infrastructure and facilities in accordance with national standards and specifications;
 - (c) the construction management, quality control, contract management, final completion and acceptance comply with all applicable national law and provincial and local regulations; and
 - (d) the design of project structures will include measures to address climate risks.

Flood and Environmental Risk Management Pilot Plan

6. CMG shall, and shall cause the IAs to, develop a pilot plan to address flood and environmental risk management for the Longxi River watershed area, as set out in the PAM, and CMG shall formulate and adopt planning and building regulations by 2024 based on the lessons learned from such pilot plan to ensure that the “promote environment first” approach is adequately implemented.

Sewage Connections

7. CMG shall, and shall cause the IAs to, ensure that for buildings and communities where property owners or property developers with legal title can be identified, pipes connecting the buildings and communities to sanitary sewers newly installed under the Project are installed by such property owners or developers no later than April 2023.

River Dredging and Embankment Excavation Works

8. CMG shall, and shall cause the IAs and the PIUs to, ensure that: (a) during the detailed design stage, a second round of water and sediment sampling shall be conducted to test for the presence of pesticides, heavy metals and persistent organic pollutants in the sections of the tributaries to be dredged. If the presence of such pollutants in the sediments is confirmed, the procedures for impact assessment, mitigation, and sediment disposal described in Section V.D.5 of the EIA, and Table EMP-2 of the EMP, shall be implemented; (b) no Loan proceeds shall be used to finance any dredging along the Longxi River mainstream; and (c) any river dredging required for the Project shall only be conducted between the calendar months of November to March each year (the dry season).

Availability of Water Services

9. CMG shall, and shall cause the IAs and the PIUs to, ensure that (a) any existing water and wastewater services shall continue to be provided to affected communities during the Works for the Project; (b) any interruptions to such services are as limited as possible; and (c) prior to any such interruptions, consultations are held with all affected communities.

Re-vegetation, Planting and Landscaping Activities

10. CMG shall, and shall cause the IAs and the PIUs to, ensure that all planting activities under the Project, including re-vegetation, embankment construction, wetlands, landscaping, and rehabilitation of construction sites, shall only use plant species which are (a) native (i.e. naturally occurring) to the Longxi River basin, and (b) are sourced from local stock within Chongqing Municipality. In the event that non-native seedlings are required for rapid stabilization of exposed soils and sites, CMG shall and shall cause the IAs and PIUs to ensure that only sterile seedlings are used to prevent the spread of weeds.

11. CMG shall, and shall cause the IAs and the PIUs to, ensure that all re-vegetation activities under the Project, including for the wetlands, landscaping, and embankments, shall be subject to operation and maintenance procedures after planting, to ensure the planted vegetation is adequately protected and maintained.

12. CMG shall, and shall cause the IAs and the PIUs to, ensure that to avoid pollution of the Longxi River and Shanggui Lake, no pesticides and no top-dressing fertilizers shall be used for any of the re-vegetation, planting, or landscaping activities under the Project.

Associated Facilities

13. CMG shall, and shall cause the Changshou District Government to, ensure that if any changes are made to the Associated Facilities which shall significantly impact their capacity or function and as a result the viability of the Project, ADB is immediately advised of such changes. The Changshou District Government shall assess the Project impact and prepare a corrective action plan, if necessary, to be agreed with ADB.

Wastewater Management and Pollution Control Infrastructure

14. CMG shall, and shall cause the IAs and the PIUs to, ensure that all industrial wastewater is appropriately pre-treated prior to discharge into sewage systems in accordance with national and local standards.

Solid Waste Management

15. CMG shall, and shall cause the IAs to, ensure that (a) community based flood and environmental risk management teams are established in selected communities to help raise the environmental awareness of community residents to eliminate improper disposal of solid waste and waste dumping into Longxi River, and to disseminate to community residents along Longxi River flood forecasting and warning process and a plan for emergency responses to floods; and (b) the CWRB and CEPB together with the IAs shall review the results of these activities, and develop and implement an action program to maintain the Longxi River, and prevent waste dumping and that waste is properly collected and sent to appropriate landfill sites.

Wastewater Treatment Tariff

16. CMG shall, and shall cause the IAs to, commit to a progressive increase of wastewater tariffs to achieve full cost recovery in accordance with national wastewater tariff policies and regulations.

17. CMG shall, and shall cause the IAs to, review the impact of any increased wastewater tariffs on the poor and take necessary measures to ensure service provision to the poor.

Operation and Maintenance

18. CMG shall, and shall cause the IAs to, ensure that all Works under the Project will be inspected, operated and maintained in accordance with prescribed standards, specifications and regulations, and sound practices.

19. CMG shall, and shall cause the IAs to, (a) prepare sustainable operations and maintenance ("O&M") plans; (b) prepare budget plans on an annual basis for O&M; and (c) provide sufficient financial and staffing resources for the relevant administration agencies

within each of the IAs which will be responsible for O&M upon completion of construction of the Project facilities.

Environment

20. CMG shall, and shall cause the IAs and the PIUs 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 set out in the SPS; and (c) all measures and requirements set forth in the EIA, 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 CMG.

Land Acquisition and Involuntary Resettlement

21. CMG shall, and shall cause the IAs 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 RPs and all land acquisition and resettlement activities are implemented in accordance with (a) all applicable laws and regulations of the Borrower relating to land acquisition and involuntary resettlement, (b) the Involuntary Resettlement Safeguards; and (c) all measures and requirements set forth in the RPs, and any corrective or preventative actions (i) set forth in the Safeguards Monitoring Report, or (ii) subsequently agreed between ADB and CMG.

22. Without limiting the application of the Involuntary Resettlement Safeguards or the RPs, CMG shall, and shall cause the IAs, 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 RPs; and
- (b) a comprehensive income and livelihood restoration program has been established in accordance with the RPs.

Ethnic Minorities

23. CMG shall, and shall cause the IAs, to ensure that the Project does not have any indigenous peoples impacts within the meaning of the SPS. In the event that the Project does have any such impact, CMG shall and shall cause the IAs to take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.

Human and Financial Resources to Implement Safeguards Requirements

24. CMG shall, and shall cause the IAs to, make available necessary budgetary and human resources to fully implement the EMP and the RPs.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

25. CMG shall, and shall cause the IAs and the PIUs 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 EIA, the EMP and the RPs (to the extent they concern impacts on the respective affected people under the Environmental Safeguards and 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 CMG;
- (b) make available a budget for all such environmental and social measures;
- (c) provide the relevant PIUs 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 EIA, the EMP and the RPs;
- (d) adequately record the conditions of roads, agricultural land, physical cultural resources and other infrastructure prior to starting to transport materials and construction; and
- (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition as soon as possible and no later than the completion of construction.

Safeguards Monitoring and Reporting

26. CMG shall, and shall cause the IAs and the PIUs to, do the following:

- (a) submit Safeguards Monitoring Reports to ADB in respect of:
 - (i) 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) implementation and compliance with Involuntary Resettlement Safeguards and of the RPs, semi-annually during the implementation of the Project and the RPs and thereafter annually for two years, unless a longer period is agreed in the relevant RP;

and disclose relevant information from such reports to the respective affected people under the Environmental Safeguards and 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 EIA, the EMP, or the RPs, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan;
- (c) no later than the date of award of a Works Contract to ensure the Project's environment management readiness: (i) appoint qualified environment officers satisfactory to ADB, to the CPMO and each of the PMOs; (b) recruit at least one environment consultant for the Project to assist the CPMO and PMOs with environmental management; (c) ensure that a contract is signed between the CPMO and a qualified environmental monitoring agency to conduct the external environmental monitoring described in the EMP; (d) adjust environmental mitigation and monitoring measures in the EMP based on the final engineering design, as necessary, and receive ADB approval of such adjustments; and (e) prepare site environmental management and supervision plans acceptable to ADB;
- (d) no later than the commencement of land acquisition and resettlement activities, engage a qualified staff member acceptable to ADB to monitor and evaluate resettlement progress, and ensure the carrying out of any verification activities by such expert, and forward semi-annual external resettlement monitoring and evaluation reports to ADB during resettlement implementation and annually for two years after the completion of resettlement implementations; and
- (e) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP and RPs promptly after becoming aware of the breach.

Conditions for Award of Contracts

27. CMG shall, and shall cause the IAs and the PIUs to, not award any Works contracts until:

- (a) CMG has granted the final approval of the EIA; and
- (b) the PIUs have incorporated the relevant provisions from the EMP into the Works contracts.

28. CMG shall, and shall cause the IAs and the PIUs to, not award any Works contract which involves involuntary resettlement impacts, until each of the IAs have prepared and submitted to ADB the updated RPs based on the Project's detailed design and obtained ADB's clearance of such RP.

Labor Standards, Health and Safety

29. CMG shall, and shall cause the IAs and PIUs to, ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. CMG shall and shall cause the IAs and the PIUs 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; and (e) 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. CMG shall, and shall cause the IAs and the PIUs to, strictly monitor compliance with the requirements set forth in this paragraph and provide ADB with regular reports.

Prohibited List of Investments

30. CMG 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.

Grievance Redress Mechanism

31. CMG shall, and shall cause the IAs to, ensure that a safeguards grievance redress mechanism acceptable to ADB is established at each of the PMOs in accordance with the provisions of the EIA, EMP and RPs, within the timeframes specified in the relevant EIA, EMP and RPs, to consider safeguards complaints.

Gender and Social Development

32. CMG shall, and shall cause the IAs and the PIUs to, ensure that (a) the GAP and SDAP are implemented in accordance with their terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP and SDAP; (c) adequate resources are allocated for implementation of the GAP and SDAP; and (d) progress on implementation of the GAP and SDAP, including progress toward achieving key gender and social outcome and output targets, are regularly monitored and reported to ADB.

Public Awareness

33. CMG shall, and shall cause the IAs to, undertake public awareness campaigns through information disclosure, education and consultation of the Project and its benefits, including but not limited to information related to the RPs, EMP, SDAP and the GAP, to be conducted through information disclosure, education and consultation, in relevant local languages.

Governance and Anticorruption

34. CMG shall, and shall cause the IAs and the PIUs to, (a) comply with ADB's Anticorruption Policy (1998, as amended to date); (b) 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 (c) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

35. CMG shall, and shall cause the IAs and the PIUs to, ensure that anticorruption provisions acceptable to ADB are included in all bidding documents and contracts related to the Project, including provisions specifying the right of ADB to audit and examine the records and accounts of CMG, the CPMO, the IAs, the PMOs and the PIUs and all contractors, suppliers, consultants and other service providers as they relate to the Project.

Change in Ownership

36. CMG shall, and shall cause the IAs and the PIUs to, ensure that, in the event of (a) any change in ownership or control of any Project facilities; or (b) any sale, transfer, or assignment of share or interest that results in change or control in any IA or PIU is anticipated, ADB is informed and consulted at least 6 months prior to the implementation of such change. CMG shall further ensure that the controlling management of the IAs and PIUs concur with (a) all of its obligations under the Project Agreement and the Project Implementation Agreements; and (b) policies of ADB relevant to the Project.