
LOAN NUMBER 4012-PRC

PROJECT AGREEMENT

(Inner Mongolia Sustainable Cross-Border Development Investment Program - Project 1)

between

ASIAN DEVELOPMENT BANK

and

GOVERNMENT OF INNER MONGOLIA AUTONOMOUS REGION

BAOTOU MUNICIPAL GOVERNMENT

ERENHOT MUNICIPAL GOVERNMENT

DATED 10 DECEMBER 2020

PRC 51192

PROJECT AGREEMENT

PROJECT AGREEMENT dated *10 December 2020* among ASIAN DEVELOPMENT BANK ("ADB"), GOVERNMENT OF INNER MONGOLIA AUTONOMOUS REGION ("IMARG"), BAOTOU MUNICIPAL GOVERNMENT (BMG), and ERENHOT MUNICIPAL GOVERNMENT ("EMG").

WHEREAS

(A) by a Loan Agreement of even date herewith between the People's Republic of China ("Borrower") and ADB, ADB has agreed to make to the Borrower a loan of one hundred sixty-six million five hundred twenty-five thousand Euros (€166,525,000) on the terms and conditions set forth in the Loan Agreement, but only on the condition that a portion of the proceeds of the loan ("Investment Loan Component") be made available, through IMARG, to BMG and EMG and that IMARG, BMG and EMG agree to undertake certain obligations towards ADB as set forth herein; and

(B) IMARG, BMG and EMG in consideration of ADB entering into the Loan Agreement with the Borrower, have 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) IMARG shall, and shall cause BMG and EMG to, 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, IMARG shall, and shall cause BMG and EMG to, perform all obligations set forth in the Loan Agreement to the extent that they are applicable to IMARG, BMG and EMG, and all obligations set forth in the Schedule to this Project Agreement.

Section 2.02. IMARG shall, and shall cause BMG and EMG to, make available, promptly as needed, the funds, facilities, services, land and other resources as required, in addition to the proceeds of the Investment Loan Component, for the carrying out of the Project.

Section 2.03. (a) In the carrying out of the Project, IMARG shall, and shall cause BMG and EMG 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, IMARG shall, and shall cause BMG and EMG to, procure all items of expenditures to be financed out of the proceeds of the Investment Loan Component 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) IMARG shall appoint a procurement agent to carry out the Project in accordance with the terms and conditions set forth in the Procurement Plan. IMARG 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. IMARG shall, and shall cause BMG and EMG to, carry out the Project in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to ADB. IMARG 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 2.05. (a) IMARG shall, and shall cause BMG and EMG to, 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, IMARG shall, or shall cause BMG and EMG to, 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. IMARG shall, and shall cause BMG and EMG to, maintain, or cause to be maintained, records and accounts adequate to identify the items of expenditure financed out of the proceeds of the Investment Loan Component, 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, their operations and financial condition.

Section 2.07. (a) ADB, IMARG, BMG and EMG shall cooperate fully to ensure that the purposes of the Investment Loan Component will be accomplished.

(b) IMARG shall, and shall cause BMG and EMG to, promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Project, the performance of their obligations under this Project Agreement, or the accomplishment of the purposes of the Investment Loan Component.

(c) ADB and IMARG 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, IMARG, BMG and EMG and the Investment Loan Component.

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

(b) Without limiting the generality of the foregoing, IMARG shall, and shall cause BMG and EMG to, 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, IMARG 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 IMARG, BMG and EMG of their obligations under this Project Agreement and the accomplishment of the purposes of the Investment Loan Component.

Section 2.09. (a) IMARG shall, and shall cause BMG and EMG to, (i) maintain separate accounts and records for the Investment Loan Component; (ii) prepare annual financial statements for the Investment Loan Component 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, the use of the proceeds of the Investment Loan Component and compliance with the financial covenants of this Project Agreement, and a Management Letter (which sets out the deficiencies in the internal control of the Investment Loan Component that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the close of the fiscal year to which they relate, 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 Investment Loan Component 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 the annual audited financial statements referred to in subsection (a) hereinabove, IMARG, through BMG and Qingshan District Government shall cause Xiaoweiayang to (i) provide its annual financial statements prepared in accordance with financing reporting standards acceptable to ADB; (ii) have its 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' opinion(s) on the financial statements and compliance with the financial covenants of this Project Agreement to the extent that they are applicable to Xiaoweiayang; 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(s), 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) IMARG shall, and shall cause BMG, EMG and Xiaoweiayang to, enable ADB, upon ADB's request, to discuss the financial statements for the Investment Loan Component and IMARG, BMG, EMG and Xiaoweiayang and their financial affairs where they relate to the Investment Loan Component with the auditors appointed by IMARG, BMG, EMG and Xiaoweiayang pursuant to subsections (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 IMARG, BMG, EMG and Xiaoweiayang unless they shall otherwise agree.

Section 2.10. IMARG shall, and shall cause BMG and EMG to, enable ADB's representatives to inspect the Project, the Goods and Works and any relevant records and documents.

Section 2.11. (a) IMARG, through BMG and Qingshan District Government, shall cause Xiaoweiayang to promptly as required, take all actions 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) IMARG shall, and shall cause BMG and EMG to, at all times conduct their 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) IMARG shall, and shall cause BMG and EMG to, at all times operate and maintain their 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 2.12. Except as ADB may otherwise agree, IMARG shall not, and shall cause BMG and EMG not to, sell, lease or otherwise dispose of any of their assets which shall be required for the efficient carrying on of their operations or the disposal of which may prejudice their ability to perform satisfactorily any of their obligations under this Project Agreement.

Section 2.13. Except as ADB may otherwise agree, IMARG shall, and shall cause BMG and EMG to, apply the proceeds of the Investment Loan Component 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 2.14. IMARG shall, and shall cause BMG to, promptly notify ADB of any proposal to amend, suspend or repeal any provision of the constitutional documents of Xiaowei Yang, which, if implemented, could adversely affect the carrying out of the Project or the operation of the Project facilities. IMARG shall, and shall cause BMG to, 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 IMARG 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) 8636-2494

For IMARG

Development Building, Chillechuan Street
 Saihan District, Hohhot
 IMAR, People's Republic of China

Facsimile Number:

(86) 471-6604630

For BMG

No.1, Kaiyuan Street
 Jiuyuan District, Baotou
 IMAR, People's Republic of China

Facsimile Number:

(86) 472-5157695

For EMG

Government Office Building
 Erenhot
 IMAR, People's Republic of China

Facsimile Number:

(86) 479-7522408.

Section 4.02. (a) Any action required or permitted to be taken, and any documents required or permitted to be executed, under (i) this Project Agreement or under Section 7.01 of the Loan Agreement by or on behalf of IMARG may be taken or executed by its Governor; and (ii) this Project Agreement by or on behalf of any of BMG or EMG may be taken or executed by its respective Mayor or Vice Mayor, or by such other person or persons as he or she shall so designate in writing notified to ADB.

(b) IMARG, BMG and EMG 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 INNER MONGOLIA
 AUTONOMOUS REGION

By 
 ZHANG LEI
 Authorized Signatory

BAOTOU MUNICIPAL GOVERNMENT

By 
 YAO JUNJIE
 Authorized Signatory

ERENHOT MUNICIPAL GOVERNMENT

By 
 YU HONGLI
 Authorized Signatory

SCHEDULE

Execution of Project; Financial Matters

Implementation Arrangements

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

Procurement

2. IMARG shall ensure that:

- (a) the procurement of Goods, Works and Services is carried out in accordance with the Procurement Policy and the Procurement Regulations;
- (b) Goods, Works and Services shall be procured based on the detailed arrangements set forth in the Procurement Plan, including the procurement and selection methods, the type of bidding documents, and ADB's review requirements. The Borrower may modify the detailed arrangements set forth in the Procurement Plan only with the prior agreement of ADB, and such modifications must be set out in updates to the Procurement Plan; and
- (c) (i) all Goods and Works procured and Services obtained (including all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party; and (ii) all contracts for the procurement of Goods, Works and Services contain appropriate representations, warranties and, if appropriate, indemnities from the contractor, supplier, consultant or service provider with respect to the matters referred to in this subparagraph.

Conditions for Award of the Contract

3. IMARG shall not award any Works contract which involves environmental impacts until IMARG has:

- (a) obtained the final approval of the IEE from the local Bureau of Ecology and Environment; and
- (b) incorporated the relevant provisions from the EMP into the Works contract.

4. IMARG shall not award any Works contract involving involuntary resettlement impacts until IMARG has prepared and submitted to ADB the final RP based on the Project's detailed design, and obtained ADB's clearance of such RP.

Safeguards

Environment

5. IMARG shall, and shall cause BMG and EMG 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 and 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 IMARG.

Land Acquisition and Involuntary Resettlement

6. IMARG shall, and shall cause BMG and EMG to, ensure that all land and all rights-of-way required for the Project and all Project facilities 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 a Safeguards Monitoring Report; or (ii) which are subsequently agreed between ADB and IMARG.

7. Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the RP, IMARG shall, and shall cause BMG and EMG 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 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

8. IMARG shall, and shall cause BMG and EMG to, ensure that the Project does not have any negative indigenous peoples impacts, all within the meaning of the SPS. In the event that the Project does have any such impact, IMARG shall, and shall cause BMG and EMG to, take all steps required under the EMPF 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

9. IMARG shall, and shall cause BMG and EMG 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

10. IMARG shall, and shall cause BMG and EMG to, 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 IEE, the EMP and the RP (to the extent they concern impacts on respective affected people under the Environmental Safeguards and the Involuntary Resettlement Safeguards during construction), and any corrective or preventative actions set forth in (i) a Safeguards Monitoring Report; and (ii) subsequently agreed between ADB and IMARG;
- (b) make available a budget for all such environmental and social measures;
- (c) provide IMARG, BMG and EMG with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of a Subproject that were not considered in the IEE, the EMP or the RP;
- (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

11. IMARG shall, and shall cause BMG and EMG 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, semiannually during construction and the implementation of the Project and the EMP until the issuance of the 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 and of the RP, semiannually during the implementation of the Project, and the RP until the issuance of the 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 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.

Labor Standards, Health and Safety

12. IMARG shall, and shall cause BMG and EMG to, ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during the implementation of the Project. IMARG shall, and shall cause BMG and EMG to, include specific provisions in the bidding documents and contracts financed by ADB under the Investment Loan Component 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) allow freedom of association and effectively recognize the right to collective bargaining; 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. IMARG shall, and shall cause BMG and EMG to, strictly monitor compliance with the requirements set forth in paragraph 12 above and provide ADB with regular reports.

Gender and Development

14. IMARG shall, and shall cause BMG and EMG to ensure that (a) the SDGAP is implemented in accordance with its terms; (b) the bidding documents and Works contracts include relevant provisions for Works contractors to comply with the measures set forth in the SDGAP; (c) adequate resources are allocated for implementation of the SDGAP; (d) gender-responsive and socially inclusive features are included in the design of the Project; (e) progress on implementation of the SDGAP, including progress towards achieving key gender outcome and output targets, are regularly monitored and reported to ADB; and (f) key gender outcome and output targets include: (i) 50% of female professionals and technicians in the Erenhot International Traditional Chinese and Mongolian Medicine Hospital participate in capacity building programs; and (ii) 20% of newly increased and skilled jobs created by the Project shall be designated for women.

Grievance Redress Mechanism

15. IMARG shall ensure that a joint safeguards and non-safeguards grievance redress mechanism acceptable to ADB is established in accordance with the provisions of the IEE, the EMP, the RP, the EMPF and the SDGAP at the IMAR project management office, within the timeframes specified in the IEE, the EMP, the RP, the EMPF and the SDGAP to consider safeguards complaints.

16. The grievance redress mechanism shall function to (a) review and document eligible complaints of Subprojects' 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. Eligible non-safeguards complaints include those related to the Qualified Subprojects, any of the service providers, any person responsible for carrying out the Qualified Subprojects, complaints on misuse of funds and other irregularities as well as gender issues.

Prohibited List of Investments

17. IMARG shall, and shall cause BMG and EMG to, ensure that no proceeds of the Investment Loan Component are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Counterpart Support

18. IMARG shall ensure that IMARG has all counterpart funds required by BMG and EMG for the smooth and effective implementation of the Project, including any shortfall of funds or cost overruns incurred by BMG and EMG during the implementation of the Project, and that all such funds are released in a timely manner. IMARG shall further ensure that it has sufficient funds to satisfy its liabilities arising from any Works, Goods and/or Services contract.

19. IMARG shall ensure that adequate budgetary and other resources are allocated and promptly provided for the operation and maintenance of the Project facilities.

Financial Covenants

20. IMARG shall ensure that the PAP is fully implemented in accordance with the PIA. IMARG shall further ensure that the PIA shall, among others, (a) specify the terms and conditions for onlending a portion of the proceeds of the Investment Loan Component to Xiaoweiayang; (b) set out the procedure for establishment and operation of a revolving fund; and (c) require Xiaoweiayang to (i) provide ewes and feed to households; (ii) extend veterinary services to households; and (iii) buyback lamb from poor and farmer households.

21. IMARG shall disburse the Loan proceeds from the revolving fund to Xiaoweiayang against actual achievement of outputs that Xiaoweiayang shall deliver under the PIA. For audit purposes, IMARG shall cause Xiaoweiayang to retain, for the entire term of the PIA, all relevant documents, including but not limited to (a) ewes and feed acceptance by scaled households and poor households; (b) records for providing breeding services; (c) receipts for purchasing lambs from poor and farmer households; and (d) list of training participant and training records.

22. IMARG shall ensure that Xiaoweiayang (a) maintains sound financial management systems in accordance with ADB's Financial Management and Analysis of Projects; (b) except as ADB may otherwise agree, maintains (i) current ratio of at least 2.0; and (ii) debt to equity ratio of not more than 45:55; and (c) achieves debt service coverage ratio of (i) 1 by 2023; (ii) 1.15 by 2024; and (iii) 1.3 by 2025.

23. IMARG shall (a) ensure that the PAP shall remain fully and effectively operational until the Loan has been repaid in full; and (b) evaluate the performance of the PAP, at least, every 5 years until the Loan has been repaid in full.

24. In the event that the PAP is discontinued, for any reason whatsoever, at any time until the Loan has been repaid in full, IMARG shall require Xiaowelyang to immediately repay all amounts and charges outstanding and due to IMARG.

Governance and Anticorruption

25. IMARG, BMG and EMG 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.

26. IMARG, BMG and EMG 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 IMARG, BMG and EMG and all contractors, suppliers, consultants, and other service providers as they relate to the Project.