
LOAN NUMBER 4224-PRC

LOAN AGREEMENT
(Ordinary Operations)

(Strengthening Public Health Institutions Building Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

ASIAN DEVELOPMENT BANK

DATED 23 December 2022

PRC 54118

**LOAN AGREEMENT
(Ordinary Operations)**

LOAN AGREEMENT dated 23 December 2022 between
PEOPLE'S REPUBLIC OF CHINA ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

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

(B) the Project will be carried out by (a) Fangchenggang Municipal People's Government ("FMG"); (b) Guiyang Municipal People's Government ("GMG"); and (c) Shaanxi Provincial People's Government ("SPG"); which will act as the Project Executing Agencies, and for this purpose the Borrower will make available, through the (i) Government of the Guangxi Zhuang Autonomous Region ("GGZAR"); (ii) Guizhou Provincial Government ("GPG"); (iii) SPG; and (iv) Project Executing Agencies, the proceeds of the loan to the Project Implementing Agencies upon terms and conditions acceptable to ADB; and

(C) ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein and in the Project Agreement of even date herewith among ADB, GGZAR, GPG, SPG, FMG and GMG;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of ADB's Ordinary Operations Loan Regulations, dated 1 January 2022 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

(a) Section 2.01 (Definitions) subsection (rr) shall be deleted and replaced in its entirety as follows:

"Project Agreement" means the Project Agreement of even date herewith among ADB, GGZAR, GPG, SPG, FMG and GMG, as such agreement may be amended from time to time; and such project agreement includes all schedules to the Project Agreement.

(b) The term "Executing Agency" appearing in Sections 7.01(a)(i), 9.01(d), 9.01(f), 9.01(k), 10.01(c) and 10.02(c) of the Loan Regulations shall be substituted by the term "GGZAR, GPG, SPG, FMG and GMG".

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

- (a) "Borrower" means the People's Republic of China;
- (b) "Consulting Services" means consulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Loan;
- (c) "EMDP" means the ethnic minority development plan for the Fangchenggang Site, including any update thereto, prepared and submitted by FMG and cleared by ADB;
- (d) "EMP" means environmental management plan for the Project, including any update thereto, incorporated in the IEE;
- (e) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;
- (f) "Fangchenggang Site" means the site on which the new campus of the Fangchenggang Traditional Chinese Medicine Hospital is located;
- (g) "FCTG" means the Fangchenggang City Culture and Tourism Group Company Limited;
- (h) "GAP" means the gender action plan prepared for the Project, including any update thereto, and agreed to between the Project Executing Agencies and ADB;
- (i) "GBH" means the Guiyang Bureau of Health;
- (j) "Goods" means equipment and materials as set out in the Procurement Plan and to be financed out of the proceeds of the Loan, including any related Nonconsulting Services such as transportation, insurance, installation, commissioning, training, and initial maintenance;
- (k) "Guiyang Site" means the site on which the Guiyang Traditional Chinese Medicine Hospital will be located;
- (l) "IEE" means the consolidated initial environmental examination for the Project, including any update thereto, jointly prepared and submitted by the Project Executing Agencies and cleared by ADB;
- (m) "Indigenous Peoples Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3, and Appendix 4 (as applicable) of the SPS;

- (n) “Involuntary Resettlement Safeguards” means the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the SPS;
- (o) “Loan Disbursement Handbook” means ADB’s Loan Disbursement Handbook (2017, as amended from time to time);
- (p) “Management Letter” means formal communications from the auditor to the client management in accordance with the International Standard on Auditing 265 (communicating deficiencies in internal control to those charged with governance and management), which is not required to be provided separately as it is equivalent to the audit findings and recommendations prepared by the Project auditor and submitted to ADB;
- (q) “NIHA” means the National Institute of Hospital Administration;
- (r) “Nonconsulting Services” means nonconsulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Loan;
- (s) “PAM” means the project administration manual for the Project dated 29 August 2022 and agreed between the Project Executing Agencies and ADB, as updated from time to time in accordance with the respective administrative procedures of the Project Executing Agencies and ADB;
- (t) “Participating Hospitals” means (i) Fangchenggang Traditional Chinese Medicine Hospital; (ii) Guiyang Traditional Chinese Medicine Hospital; and (iii) YUAH collectively, and “Participating Hospital” means each of them individually;
- (u) “Procurement Plan” means the procurement plan for the Project dated 29 August 2022 and agreed between the Project Executing Agencies and ADB, as updated from time to time in accordance with the Procurement Policy, the Procurement Regulations and other arrangements agreed with ADB;
- (v) “Procurement Policy” means ADB’s Procurement Policy - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (w) “Procurement Regulations” means ADB’s Procurement Regulations for ADB Borrowers - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (x) “Project Executing Agencies”, for the purpose of, and within the meaning of, the Loan Regulations and in this Loan Agreement and the Project Agreement means FMG, GMG and SPG or any successor thereto acceptable to ADB, which are responsible for the carrying out of the Project;

- (y) "Project facilities" means facilities to be constructed, procured, rehabilitated and/or maintained under the Project;
- (z) "Project Implementing Agencies" means FCTG, GBH, YUAH and NIHA, or any successors thereto or replacements therefor that are acceptable to ADB, which are responsible for implementing the Project;
- (aa) "Project Sites" means (i) the Fangchenggang Site; (ii) Guiyang Site; and (iii) Yan'an Site collectively; and "Project Site" means each of them individually;
- (bb) "RP" means the resettlement plan for the Guiyang Site, including any update thereto, prepared and submitted by GMG and cleared by ADB;
- (cc) "Safeguards Monitoring Report" means each report jointly prepared and submitted by the Project Executing Agencies to ADB that describes progress with implementation of and compliance with the EMP, the RP and the EMDP (as applicable), including any corrective and preventative actions;
- (dd) "Services" means Consulting Services and Nonconsulting Services;
- (ee) "SPS" means ADB's Safeguard Policy Statement (2009);
- (ff) "Works" means construction or civil works as set out in the Procurement Plan and to be financed out of the proceeds of the Loan, including any related Nonconsulting Services and project related services that are provided as part of a single responsibility or turnkey contract;
- (gg) "YUAH" means the Yan'an University Affiliated Hospital; and
- (hh) "Yan'an Site" means the site on which YUAH is located.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of three hundred million nine hundred ninety-three thousand Euros (€300,993,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(b) The Loan has a principal repayment period of 20 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term “grace period” as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

- (a) Euribor;
- (b) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations; and
- (c) a maturity premium of 0.30% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 1 April and 1 October in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 2 to this Loan Agreement.

Section 2.06. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:

- (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, whether withdrawn and outstanding or unwithdrawn, to an Approved Currency;
- (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and
- (iii) the setting of limits on the Floating Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Floating Rate.

(b) Any conversion requested pursuant to subsection (a) hereinabove that is accepted by ADB shall be considered a “Conversion”, as defined in Section 2.01(e) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. (a) The Borrower shall make the proceeds of the Loan available, through GGZAR, GPG, SPG and the Project Executing Agencies, to the Project Implementing Agencies as follows:

- (i) GGZAR to FMG, and FMG to FCTG €70,232,000 as a loan; and €16,494,000 as a grant;
- (ii) GPG to GMG €97,321,000 as a loan, to be utilized by GBH and repaid by GMG; and GPG to GMG, and GMG to GBH €5,909,000 as a grant;
- (iii) SPG to YUAH €80,265,000 as a loan; and €12,913,000 as a grant;
- (iv) GGZAR to NIHA €3,572,000 as a grant;
- (v) GPG to NIHA €7,133,000 as a grant; and
- (vi) SPG to NIHA €7,154,000 as a grant,

and in each case upon terms and conditions acceptable to ADB including: (A) a commitment charge and interest at the rate identical to those applied to the Loan; (B) a repayment period, including a grace period identical to that applied to the Loan; and (C) the FCTG, GMG, and YUAH bearing the foreign exchange and interest rate variation risks relating to the respective portion of the proceeds of the Loan made available to them.

(b) The Borrower, through GGZAR, GPG, SPG and the Project Executing Agencies, shall cause the proceeds of the Loan to be applied exclusively to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

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

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

Section 3.04. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 31 December 2027 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, through GGZAR, GPG, SPG, the Project Executing Agencies and the Project Implementing Agencies, all obligations set forth in Schedule 4 to this Loan Agreement and in the Project Agreement.

Section 4.02. The Borrower shall enable ADB's representatives to inspect the Project, the Goods, Works and Services, and any relevant records and documents.

Section 4.03. The Borrower shall take all actions which shall be necessary on its part to enable GGZAR, GPG, SPG and the Project Executing Agencies to perform their respective obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

ARTICLE V

Effectiveness

Section 5.01. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

ARTICLE VI

Delegation of Authority

Section 6.01. The Borrower hereby designates GGZAR, GPG, SPG and the Project Executing Agencies as its agents for the purposes of taking any action or entering into any agreement required or permitted under Sections 3.02, 3.03 and 3.04 of this Loan Agreement and under Sections 6.01, 6.02, 6.03 and 6.04 of the Loan Regulations.

Section 6.02. Any action taken or any agreement entered into by GGZAR, GPG, SPG or the Project Executing Agencies pursuant to the authority conferred under Section 6.01 of this Loan Agreement shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 6.03. The authority conferred on GGZAR, GPG, SPG and the Project Executing Agencies under Section 6.01 of this Loan Agreement may be revoked or modified by agreement between the Borrower and ADB.

ARTICLE VII

Miscellaneous

Section 7.01. The Minister of Finance or a Vice Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

For the Borrower

Ministry of Finance
Sanlihe, Xicheng District
Beijing 100820
People's Republic of China

Facsimile Number:

(8610) 6855-2483

For ADB

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

(632) 8636-2444

(632) 8636-2534.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

PEOPLE'S REPUBLIC OF CHINA

By  _____
LU JIN
Authorized Signatory

ASIAN DEVELOPMENT BANK

By  _____
HAO ZHANG
Authorized Signatory

SCHEDULE 1

Description of the Project

1. The objective of the Project is to improve the quality of public health services.
2. The Project shall comprise:
 - (a) **Output 1: Public health institutional capacity and policies developed.** This output includes (i) emergency preparedness and contingency planning by (A) establishing guidelines and standards that are of international standard for the advancement of disease control, infection prevention, laboratory biosecurity, risk communication, and community engagement; (B) conducting multidisciplinary capacity building activities to allow coordinated responses for pandemics; and (C) conducting regular live outbreak simulation exercises to test their readiness for health emergencies and disasters; (ii) capacity building of primary care and public health providers to increase their efficiency and ability to deliver high-quality services during public health emergencies and infectious disease outbreaks; and (iii) upgrading of smart public health information systems of the Participating Hospitals to provide real-time disease surveillance with sex disaggregated data to the Borrower's system to facilitate, among others, the technical exchange of information with other health facilities for rapid response.
 - (b) **Output 2: Effective public health ecosystem established.** This output includes (i) establishment of an antimicrobial resistance surveillance system in each Participating Hospital to monitor emergence of resistant strains of microorganisms to prevent infectious disease outbreak; (ii) establishment of high quality laboratories with effective biosecurity measures in the Participating Hospitals that produce test results in a timely manner to ensure effective clinical management of infectious disease cases; (iii) establishment of preventive health programs promoting healthy lifestyle in the Project Sites; and (iv) establishment and upgrading of hospital facilities through installation of state-of-the-art medical equipment and establishment of support systems, including women and child health facilities and accessibility facilities.
 - (c) **Output 3: Training excellence and international cooperation capability enhanced.** This output includes (i) staff training on the provision of a secure environment for women to have full access to essential and respectful health care, including during health emergencies; and (ii) regional knowledge cooperation by (A) establishing an international cooperation platform in the Participating Hospitals for documentation and sharing of best practices and lessons learned to improve evidence-based medical practice and gender-specific health issues; (B) establishing an international public health training facility at each Project Site; (C) facilitating national and international partnerships with academic and specialized agencies to

strengthen public health professional education and establish quality standards; and (D) supporting the Borrower's knowledge cooperation with other countries, including neighboring countries.

3. The Project is expected to be completed by 30 June 2027.

SCHEDULE 2**Amortization Schedule**

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by ADB by multiplying (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<u>Date Payment Due</u>	<u>Installment Share</u> (Expressed as a %)
1 April 2028	2.500000
1 October 2028	2.500000
1 April 2029	2.500000
1 October 2029	2.500000
1 April 2030	2.500000
1 October 2030	2.500000
1 April 2031	2.500000
1 October 2031	2.500000
1 April 2032	2.500000
1 October 2032	2.500000
1 April 2033	2.500000
1 October 2033	2.500000
1 April 2034	2.500000
1 October 2034	2.500000
1 April 2035	2.500000
1 October 2035	2.500000
1 April 2036	2.500000
1 October 2036	2.500000
1 April 2037	2.500000
1 October 2037	2.500000
1 April 2038	2.500000
1 October 2038	2.500000
1 April 2039	2.500000
1 October 2039	2.500000
1 April 2040	2.500000
1 October 2040	2.500000
1 April 2041	2.500000
1 October 2041	2.500000
1 April 2042	2.500000
1 October 2042	2.500000
1 April 2043	2.500000
1 October 2043	2.500000

<u>Date Payment Due</u>	<u>Installment Share</u> (Expressed as a %)
1 April 2044	2.500000
1 October 2044	2.500000
1 April 2045	2.500000
1 October 2045	2.500000
1 April 2046	2.500000
1 October 2046	2.500000
1 April 2047	2.500000
1 October 2047	2.500000
Total	100.000000

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

- (a) to the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule; and
- (b) any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. Withdrawals made within 2 calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either (a) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to

said Conversion; or (b) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

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

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

Basis for Withdrawal from the Loan Account

2. Except as ADB may otherwise agree, the proceeds of the Loan shall be allocated to items of expenditure, and disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Advance Accounts

3. Except as ADB may otherwise agree, the Borrower shall cause each of GGZAR, GPG and SPG to establish, through its Finance Department, immediately after the Effective Date, an advance account at a commercial bank. Each advance account shall be established, managed, replenished and liquidated in accordance with the Loan Disbursement Handbook and detailed arrangements agreed upon between the Borrower and ADB. The advance accounts shall be used only for the Project. The currency of each advance account shall be the Euro.

Reallocation

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

- (a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, in consultation with the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures; and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and
- (b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, in consultation with the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

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

Retroactive Financing

6. Withdrawals from the Loan Account may be made to finance eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement in connection with items to be retroactively financed, subject to a maximum amount equivalent to 20% of the Loan amount.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS*			
Number	Item	Total Amount Allocated for ADB Financing (€)	Basis for Withdrawal from the Loan Account
		Category	
1	Works, Goods and Services (Consulting Services and Nonconsulting Services)	300,993,000	Up to 100% of total expenditure claimed**
	TOTAL	300,993,000	

* Detailed categories, amounts and disbursement percentages to be used during disbursement are in Table 10 (Detailed Allocation and Withdrawal of Loan Proceeds) in the PAM.

** Inclusive of taxes and duties imposed within the territory of the Borrower.

SCHEDULE 4

Execution of Project; Procurement and Other Matters

Implementation Arrangements

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

Procurement

2. The Borrower shall, through GGZAR, GPG, SPG and the Project Executing Agencies, 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, through GGZAR, GPG, SPG and the Project Executing Agencies, 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.

Counterpart Support

3. The Borrower shall, through GGZAR, GPG and SPG, ensure that the Project Executing Agencies and the Project Implementing Agencies have all counterpart funds required for the smooth and effective implementation of the Project, including any shortfall of funds or cost overruns incurred during the implementation of the Project, and that all such funds are released in a timely manner.

4. In addition to the foregoing, the Borrower shall, through GGZAR, GPG, SPG and the Project Executing Agencies, ensure that the Project Implementing Agencies have sufficient funds to satisfy their liabilities arising from any Works, Goods and/or Services contract.

5. The Borrower shall, through GGZAR, GPG and SPG, ensure that the Project Executing Agencies shall, and shall cause the Project Implementing Agencies to, timely allocate and promptly provide adequate budgetary and other resources necessary for the operation and maintenance of the Project facilities and to ensure Project's sustainability.