

---

LOAN NUMBER 3211-PRC

PROJECT AGREEMENT  
(Jilin Urban Development Project)

between

ASIAN DEVELOPMENT BANK

and

JILIN PROVINCIAL GOVERNMENT  
BAISHAN MUNICIPAL GOVERNMENT  
BAICHENG MUNICIPAL GOVERNMENT

DATED 27 February 2015

---

PRC 46048

## PROJECT AGREEMENT

PROJECT AGREEMENT dated 27 February 2015 between ASIAN DEVELOPMENT BANK ("ADB") of the one part, and JILIN PROVINCIAL GOVERNMENT ("JPG"), BAISHAN MUNICIPAL GOVERNMENT ("BSMG") and BAICHENG MUNICIPAL GOVERNMENT ("BCMG") of the other part.

### 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 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, through JPG, to BSMG and BCMG that JPG, BSMG and BCMG agree to undertake certain obligations towards ADB set forth herein; and

(B) JPG, BSMG and BCMG, 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) JPG, BSMG and BCMG 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, JPG, BSMG and BCMG shall perform all obligations set forth in the Loan Agreement to the extent that they are applicable to JPG, BSMG and BCMG, and all obligations set forth in the Schedule to this Project Agreement.

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

Section 2.03. (a) In the carrying out of the Project, BSMG and BCMG shall 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, BSMG and BCMG shall procure all items of expenditures to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to the Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.

Section 2.04. BSMG and BCMG shall carry out the Project in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to ADB. JPG, BSMG and BCMG 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) BSMG and BCMG shall take out and maintain with responsible insurers, or make other arrangements satisfactory to ADB for, insurance of Project facilities to such extent and against such risks and in such amounts as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, BSMG and BCMG undertake 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. BSMG and BCMG 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, their operations and financial condition.

Section 2.07. (a) ADB, JPG, BSMG and BCMG shall cooperate fully to ensure that the purposes of the Loan will be accomplished.

(b) JPG, BSMG and BCMG shall 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 Loan.

(c) ADB, JPG, BSMG and BCMG 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, JPG, BSMG and BCMG and the Loan.

Section 2.08. (a) BSMG and BCMG shall 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 JPG, BSMG and BCMG; and (v) any other matters relating to the purposes of the Loan.

(b) Without limiting the generality of the foregoing, BSMG and BCMG 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, BSMG and BCMG 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 JPG, BSMG and BCMG of their obligations under this Project Agreement and the accomplishment of the purposes of the Loan.

Section 2.09. (a) JPG, BSMG and BCMG shall (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 on the financial statements, use of the Loan proceeds and compliance with the financial covenants of the Loan Agreement as well as on the use of the procedures for imprest fund(s) and statement of expenditures) and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the 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 Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

(c) JPG, BSMG and BCMG shall enable ADB, upon ADB's request, to discuss the financial statements for the Project, JPG, BSMG and BCMG and their financial affairs where they relate to the Project with the auditors appointed pursuant to subsections (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 JPG, BSMG and BCMG, unless JPG, BSMG and BCMG shall otherwise agree.

Section 2.10. JPG, BSMG and BCMG shall enable ADB's representatives to inspect the Project, the Goods and Works and any relevant records and documents.

Section 2.11. (a) JPG, BSMG and BCMG shall, promptly as required, take all action within their powers to maintain their corporate existence, to carry on their 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) JPG, BSMG and BCMG shall 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) JPG, BSMG and BCMG shall 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, JPG, BSMG and BCMG shall not 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, JPG, BSMG and BCMG shall apply the proceeds of the Loan to the financing of expenditures on the Project in accordance with the provisions of the Loan Agreement and this Project Agreement, and shall ensure that all items of expenditures financed out of such proceeds are used exclusively in the carrying out of the Project.

### **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 JPG, BSMG and BCMG 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 their 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) 636-2407.

For JPG

Jilin Provincial Government  
No.287 Guiyang Street, Changchun City  
Jilin 130051  
People's Republic of China

Facsimile Numbers:

+86 431-82752305  
+86 431-82798099.

For BSMG

Baishan Municipal Government  
No.1717 Tienan Street, Hunjiang District  
Baishan City, Jilin 134300  
People's Republic of China

Facsimile Numbers:

+86 439-3253228  
+86 439-3271069.

For BCMG

Baicheng Municipal Government  
No.1 Culture Eastern Road,Baicheng City  
Jilin 137000  
People's Republic of China

Facsimile Numbers:

+86 436-3229957  
+86 436-3561108.

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 on behalf of JPG may be taken or executed by its Governor or Vice Governor, by or on behalf of BSMG may be taken or executed by its Mayor and by or on behalf of BCMG may be taken or executed by its Mayor; or by such other person or persons as they shall designate in writing notified to ADB.

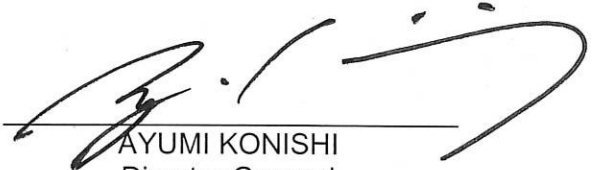
(b) JPG, BSMG and BCMG shall furnish to ADB sufficient evidence of the authority of each person who will act under subsection (a) hereinabove, together with the authenticated specimen signature of each such person.

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



AYUMI KONISHI  
Director General  
East Asia Department

JILIN PROVINCIAL GOVERNMENT

By



SUN XIANGYANG  
Authorized Representative

BAISHAN MUNICIPAL GOVERNMENT

By



SUN XIANGYANG  
Authorized Representative

BAICHENG MUNICIPAL GOVERNMENT

By



SUN XIANGYANG  
Authorized Representative



## SCHEDULE

### Execution of Project; Financial Matters

#### Implementation Arrangements

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

#### Road and Urban infrastructure

2. JPG shall cause BCMG to ensure that (a) bus priority lanes are constructed on Xiangyang Street and Xinhua Xi Road; (b) the proposed pedestrian, bicycle and non-motorized traffic facilities are properly designed and constructed; and (c) it shall cooperate with all relevant agencies to promote public transport and non-motorized traffic and traffic safety provisions for all roads and bridges constructed under the Project, including the provision of public transport and non-motorized traffic facilities, adequate traffic and safety signage, signal lamps, median separators, traffic control, barrier free facilities allowing access for disabled people, low energy consumption street lighting, and other necessary facilities.

#### Water Supply Baishan

3. JPG shall cause BSMG to ensure that (a) the construction of the Xibeicha Reservoir shall be completed and operational within 36 months of the Effective Date; and (b) the Xibeicha Reservoir shall be constructed, operated, maintained, and monitored in strict conformity with all applicable laws and regulations of the Borrower, including national and municipal laws and regulations and standards on environmental protection, health, labor, and occupational safety.

4. JPG shall cause BSMG to ensure that the implementation of the municipal government approved water source protection plan and the relevant national and municipal laws and regulations on water source protection are complied with throughout the Project implementation period, including (a) the delineation of water source protection zones around the Xibeicha Reservoir; and (b) the implementation of watershed protection regulations, including the disclosure of land use and activity constraints.

5. JPG shall cause BSMG to ensure that Baishan Water Company shall be appointed as the operator of the new water treatment plant.

6. BSMG shall cause the Baishan Water Company to maintain adequate operation and maintenance activities to ensure non-revenue water losses at approximately 35% of water production from commencement of the normal operation of the Project.

7. JPG shall cause BSMG to ensure that (a) the arrangements for constructing and financing connections, including provision for service access by poor households, shall be made prior to the construction completion of the water supply system; and (b) the connection of the end consumers of the water supply system to the wastewater collection system shall be conducted in parallel with the construction of the relevant water supply network.

#### Solid Waste management

8. JPG shall cause BCMG and BSMG to ensure that (a) the proposed municipal solid waste source separation recycle system, and recycle collection stations are properly designed and implemented; and (b) the city health and sanitary divisions collect and transport the kitchen waste from the selected communities to the composting facility separately from other waste.

9. JPG shall cause BCMG and BSMG to ensure that (a) a kitchen waste composting facility shall be fully operational by December 2018; (b) a kitchen waste collection system is established and maintained including the distribution of specific trash bin for the selected community; (c) the composting products are properly used for city landscaping; and (d) adequate provision is made for the implementation of the public education, awareness and participation program.

10. JPG shall cause BCMG to ensure that Baicheng landfill site shall be (a) fully operational prior to December 2016; and (b) operated, maintained, and monitored in strict conformity with all applicable laws and regulations of the Borrower, including national and municipal laws and regulations and standards on environmental protection, health, labor, and occupational safety.

#### Water Tariff

11. JPG shall, and shall cause BSMG, to ensure that (a) an increasing block tariff scheme shall be implemented prior to Project completion; (b) annual tariff review is undertaken in accordance with national tariff setting policies and regulations and its result is reported in the progress reports; and (c) the impact and affordability of water tariff are assessed for the poor and based on such assessment the necessary financial support is provided to the concerned service providers to ensure that their services are affordable to the poor while maintaining and operating the facilities in a sustainable manner.

12. JPG shall ensure that (a) prior to the implementation of water supply tariff increase (i) the number of affected people whose income is equal to or below the poverty line is ascertained; (ii) appropriate measures are identified to ensure that their livelihood and standard of living remain as well-off as they were before the tariff increase; (iii) public hearings are held to consult the affected people; and (iv) a decree is issued by JPG to ensure that all those affected people are provided with subsidy or other appropriate measures are taken; and (b) after the implementation of water tariff increase, the effectiveness of the subsidy provided or other measures taken is monitored.

13. BSMG shall cause the Baishan Water Company to take into consideration when establishing and adjusting water tariff: (a) the minimum tariff level to cover basic operating costs, debt service and capital replacement; (b) users' affordability and willingness-

to-pay data from available surveys; and (c) recent tariff escalations. BSMG shall also cause the Baishan Water Supply Company to include public consultation in their tariff setting processes.

#### Counterpart Fund

14. JPG shall, and shall cause BCMG and BSMG to, ensure that counterpart funding are provided in a timely manner, including any additional counterpart funding required for any shortfall of funds or cost overruns. BCMG and BSMG shall maintain adequate annual funding for the operation and maintenance of the Project facilities.

#### Environment

15. JPG shall cause BCMG and BSMG 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 and Jilin Province relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEE, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

16. JPG shall and shall cause BCMG and BSMG to ensure that throughout Project implementation, (a) any changes to the Project design are reviewed that may potentially cause negative environmental impacts; (b) in consultation with ADB, environmental monitoring and mitigation measures are revised as necessary to assure full environmental compliance; and (c) provide ADB within 60 days justification for any proposed changes to the mitigation measures required during design, construction and operation.

17. JPG shall cause BSMG to ensure that (a) any possible pollution from sources or activities in the proximity to Xibeicha Reservoir that might endanger the water quality of the reservoir is adequately controlled; and (b) a comprehensive emergency preparedness and response plan is to be prepared in advance of the initial filling of the reservoir and made available to ADB.

18. BSMG shall cause the Baishan water authority to ensure that the Xibeicha River downstream of the Xibeicha Reservoir receives a minimum flow of water at all times in accordance with the requirement on minimum flow provision as set out by the Jilin Province Environmental Protection Department.

19. JPG and BCMG and BSMG shall ensure that the contractors shall (a) select and manage burrow and spoil disposal sites in accordance with the EMP and in consultation with relevant environmental protection authorities; and (b) take necessary actions to avoid interruptions to water supply, wastewater collection, heating and other utility services during the construction of the Project.

20. JPG shall, and shall cause BCMG and BSMG to ensure that (a) licensed environmental monitoring stations are contracted to conduct periodic environmental impact monitoring in accordance with the approved monitoring plan; and (b) the capacity-building program described in the EMP and the resettlement plans is properly implemented.

Resettlement

21. JPG shall ensure and cause BCMG and BSMG 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 the time frame compliant with the RPs 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; and (c) all measures and requirements set forth in the RPs, and any corrective or preventative actions (i) set forth in a Safeguards Monitoring Report; or (ii) as subsequently agreed between ADB and JPG.

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

Human and Financial Resources to Implement Safeguards Requirements

23. JPG shall make available or cause BSMG and BCMG to make available necessary budgetary and human resources to fully implement the EMP and the resettlement plans.

24. JPG shall cause BSMG to ensure that the design of the water supply facilities includes a modeling of regional water resources and water balances for the water supply operation, including the operation of the Xibeicha Reservoir.

Safeguards-Related Provisions in Bidding Documents and Works Contracts

25. JPG shall, and shall cause BSMG and BCMG to, ensure that all bidding documents and contracts for Works contain provisions that require contractors to: (a) comply with the measures relevant to the contractor set forth in the IEE, the EMP and the resettlement plans (to the extent they concern impacts on affected persons during construction), and any corrective or preventative actions set forth in (i) safeguards monitoring reports or (ii) subsequently agreed between ADB and JPG; (b) monitor relevant environmental impacts caused by the construction and installation activities and report to the relevant authorities within BSMG and BCMG; (c) make available a budget for all such environmental and social measures; (d) provide BSMG and BCMG with a written notice of any unanticipated environmental, or resettlement risks or impacts that arise during construction, implementation or operation of the project that were not considered in the IEE, the EMP and the resettlement plans; (e) adequately record the condition of roads, agricultural land, physical cultural resources and other infrastructure prior to starting to transport materials and construction; and (f) reinstate pathways and other local infrastructure to at least their pre-project condition as soon as possible and no later than the completion of construction.

Safeguards Monitoring and Reporting

26. JPG shall do the following: (a) submit Safeguards Monitoring Reports to ADB: (i) in respect of implementation of and compliance with Environmental Safeguards and the EMP, annually during construction and the implementation of the Project and the EMP until the issuance of ADB's Project completion report unless a longer period is agreed in the EMP; (ii) in respect of implementation of and compliance with Involuntary Resettlement Safeguards, semi-annually during the implementation of the Project, with regard to the RPs, until the issuance of ADB's Project completion report unless a longer period is agreed in the RPs; and (iii) disclose relevant information from such reports to affected people 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 resettlement plans, 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 Works contract, (i) update the EMP, if necessary in order to fully take into account the final detailed design, and submit to ADB for its concurrence; and (ii) contract licensed environmental monitoring agencies who conduct periodic environmental impact monitoring in accordance with the approved monitoring plan; (d) for social safeguards, engage an independent monitoring agency prior to commencement of land acquisition, acceptable to ADB which carries out monitoring and evaluation, including data disaggregated by gender and ethnicity where applicable; and (e) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the resettlement plans promptly after becoming aware of the breach.

Safeguards - Prohibited List of Investments

27. JPG shall ensure that no proceeds of the ADB loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the Safeguards Policy Statement.

Grievance and Redress Mechanism

28. JPG shall ensure that, within 6 months of the Effective Date, separate grievance redress mechanisms acceptable to ADB in accordance with the provisions of the IEE and resettlement plans respectively are established at each municipal project management office, to consider safeguard complaints.

Construction Contracts

29. JPG shall cause BCMG and BSMG to ensure that Works contracts shall include provisions to require the contractors to (a) not discriminate against people seeking work on the basis of age, provided they are capable of doing the work; (b) provide equal pay for equal work, regardless of gender or ethnicity; (c) advertise labor requirements in a timely manner prior to recruitment, in venues and languages that can reasonably be expected to be seen by interested men and women, regardless of age or ethnicity; (d) provide those employed with a written contract; (e) provide the timely payment of wages; (f) use local unskilled labor with priority given to the persons affected by the Project, as applicable; (g) comply with core labor standards and the applicable labor laws and regulations, including stipulations related to employment; (h) not force the labor to work against their will; and (i) not employ child labor. JPG, BCMG and BSMG shall further cause the Works contractors to

maintain records of labor employment, including the name, age, gender, domicile, working-time, and the payment of wages and ensure that the records are included in summary form in the Project performance management system.

30. JPG shall cause BCMG and BSMG to ensure that the contractors shall (a) implement HIV/AIDS and STIs awareness and prevention training for all employees; (b) provide necessary measures to ensure the safety and health of its employees; (c) together with the local centers of disease control, disseminate information on the risks, hazards, impacts and prevention know-how on HIV/AIDS and STIs among the staff, workers on the construction sites and the local community by means of information disclosure, education and consultation; (d) take due care to ensure that solid and liquid wastes are appropriately disposed of in and around construction sites, or sites where the company might house employees; (e) in conjunction with the relevant local government and community leaders, hold a public meeting in each Project area prior to commencing construction to discuss issues associated with ensuring the safety of children in the vicinity of the construction site; (f) observe local customs concerning acceptable behavior toward the local population.

#### Gender and Social Action Plans

31. JPG shall cause BCMG and BSMG to ensure that (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB; and (e) key gender outcome and output targets include, but not limited to: (i) at least 30% participants in training shall be female, and (ii) at least 30% of jobs created during construction and operation shall be for females.

32. JPG shall cause BCMG and BSMG to implement and monitor in a timely manner the social action plan (SAP) including (a) establish a leading group in municipal level and a management group in community level to manage, monitor and support the waste sorting at source; (b) design, prepare and deliver solid waste 3R instruction handbook to each household in targeted communities; (c) conduct public water conservation and safe drinking water campaign in schools and communities in Baishan; and (d) conduct road safety awareness campaign in schools and communities in Baicheng.

#### Public Awareness

33. JPG shall cause BCMG and BSMG to undertake public awareness campaigns on the Project and its benefits, including but not limited to information related to the resettlement plans, IEE, EMP, and GAP, to be conducted through information disclosure, education and consultation in languages and presentation formats relevant to the location and literacy levels of the local populations, including easily understandable visuals.

#### Design and Construction Quality and Management

34. JPG shall ensure, and cause BCMG and BSMG to ensure that all Works to be carried out under the Project are designed by Class A design institutes and that sufficient funds are available for the engagement of such institutes.

35. JPG shall cause BCMG and BSMG to ensure that all Works under the Project are designed and constructed in accordance with national standards and specifications and that the construction supervision, quality control, contract management, and completion inspection and acceptance follow all applicable national laws and regional and local regulations.

#### Operation and Maintenance

36. JPG shall cause BCMG and BSMG to ensure that all Works under the Project shall be inspected, operated and maintained in accordance with prescribed standards, specifications and regulations and sound practices.

37. JPG shall cause BCMG and BSMG to (a) ensure that each agency responsible for operating and/or maintaining Project facilities prepares (i) a sustainable O&M plan; and (ii) a budget plan on an annual basis for O&M; and (b) provide sufficient financial and staffing resources to the relevant O&M agencies.

38. JPG shall cause BCMG and BSMG to ensure that all agencies assigned for O&M shall be fully involved in the Project implementation, including relevant staff from the agencies participating in project design, the bidding, and implementation of contracts, and the acceptance of the completed project Works.

#### Governance and Anticorruption

39. JPG shall, and shall cause BCMG and BSMG to (a) acknowledge ADB's right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the Project; and (b) agree to cooperate, and shall cause the all other government offices, organizations and entities involving in implementing the Project to cooperate, fully with any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as may be necessary for the satisfactory completion of any such investigation. In particular, JPG shall, and shall cause BCMG and BSMG to ensure that (a) periodic inspections of the Project contractors' activities related to fund withdrawals and settlements are carried out; (b) relevant provisions of ADB's Anticorruption Policy (1998, as amended to date) are included in all bidding documents for the Project; and (c) contracts, financed under the Project, include provisions specifying the right of ADB to audit and examine the records and accounts of JPG, BCMG and BSMG, PIUs, contractors, suppliers, consultants, and other service providers as they relate to the Project.

40. JPG shall, and shall cause BCMG and BSMG to also undertake the following anticorruption actions: (a) involving full-time officials from the relevant Discipline Investigation Bureau in the bidding, award and implementation of contracts; (b) introducing a dual-signing system, in which the contract winner signs an anticorruption contract with the employer when they sign and execute the contract; and (c) periodically inspecting the contractors' fund withdrawals and settlements.

41. JPG shall cause BCMG and BSMG to develop and maintain relevant websites that describe the Project in order to provide the public with information on the Project including setting out (a) a summary of the audited financial statements; (b) the Procurement Plan and tracking of procurement contract awards; (c) any proposed tariff increases and

associated scheduled public hearings; (d) relevant laws and regulations; (e) job opportunities; and (f) information related to pro-poor subsidies or tariff life-lines. JPG shall cause BCMG and BSMG to periodically make such information available on radio and in newspapers.

#### Change of Ownership

42. JPG shall and shall cause BCMG and BSMG to ensure that, in the event of any change in the ownership or control of any Project facilities, ADB shall be informed and consulted at least six months prior to the implementation of such change.