
LOAN NUMBER 9257-MN

Project Agreement

(Ulaanbaatar Sustainable Urban Transport Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

MUNICIPALITY OF ULAANBAATAR

PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and MUNICIPALITY OF ULAANBAATAR ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of the Signature Date between MONGOLIA ("Borrower") and the Bank, concerning Loan No. 9257-MN. The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity's Representative is its Governor of Capital City and Mayor of Ulaanbaatar.
- 3.02. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423(MCI) or 64145(MCI)	1-202-477-6391

- 3.03. For purposes of Section 10.01 of the General Conditions:

AGREED as of the later of the two dates written below.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By Andrei Mikhnev

Authorized Representative

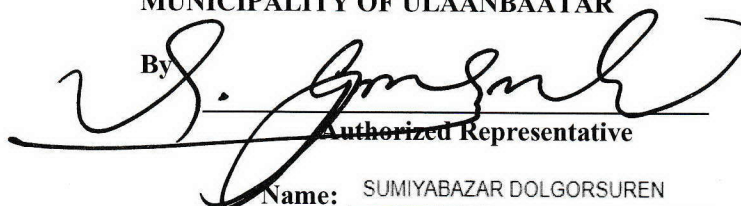
Name: Andrei Mikhnev

Title: Country Manager

Date: 20-Aug-2021

MUNICIPALITY OF ULAANBAATAR

By



Authorized Representative

Name: SUMIYABAZAR DOLGORSUREN

Title: GOVERNOR OF THE CAPITAL CITY
AND MAYOR OF ULAANBAATAR

Date: 20-AUG-2021

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. For the purposes of carrying out the Project, the Project Implementing Entity shall maintain, throughout the period of implementation of the Project, Project implementation structures with composition, functions, staffing, and resources satisfactory to the Bank and set out in the Project Operations Manual.
2. Without limitation to the foregoing, the Project Implementing Entity shall:
 - (a) establish by no later than one (1) month after Effective Date and thereafter maintain, throughout the period of implementation of the Project, a Project Steering Committee, which shall be responsible, *inter alia*, for, overseeing and facilitating the coordination among relevant agencies during the Project implementation;
 - (b) establish and thereafter maintain, throughout the period of implementation of the Project, a Project Management Office, which shall be responsible, *inter alia*, for the overall day-to-day coordination and implementation of the Project, including:
 - (i) preparing annual work plans and budgets and periodical reports;
 - (ii) processing procurement, financial management, environmental and social impact management, and
 - (iii) monitoring and evaluation of the Project; and
 - (c) prior to the commencement of any activity under the relevant part of the Project, establish, and thereafter, maintain the followings:
 - (i) a technical team within RDA which shall be responsible, *inter alia*, for providing technical support for the selection of priority road corridors under Part 1 of the Project;
 - (ii) a technical team within TCC which shall be responsible, *inter alia*, for providing technical support for the implementation of Part 1.2 of the Project; and
 - (iii) a technical team within PTSA which shall be responsible, *inter alia*, for providing technical support for the implementation of Part 2 of the Project.

B. Project Operations Manual

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Operations Manual and the provisions of this Agreement, the provisions of

this Agreement shall prevail) and shall not amend, abrogate or waive any provision of the Project Operations Manual unless the Bank has provided its prior no-objection thereof in writing.

C. Annual Work Plans and Budgets

1. The Project Implementing Entity shall: (a) prepare and furnish to the Bank not later than December 5 of each fiscal year of the Borrower during the implementation of the Project (or such later date as the Bank may agree) a draft Annual Work Plan and Budget ("AWPB") for review, comment, summarizing the implementation progress of the Project for the said year and the Project activities to be undertaken in the following fiscal year, including the proposed annual budget for the Project; and (b) take into account the Bank's comments, finalize and furnish to the Bank not later than December 15 in fiscal each year, during the implementation of the Project, the AWPB satisfactory to the Bank. .
2. The Project Implementing Entity shall ensure that the Project is implemented in accordance with the AWPB accepted by the Bank for the respective fiscal year; provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Project Implementing Entity shall not make or allow to be made any change to the AWPB without prior no-objection in writing by the Bank.

D. Environmental and Social Standards

1. The Project Implementing Entity shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Project Implementing Entity shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Project Implementing Entity shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Project Implementing Entity shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Project Implementing Entity shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
6. The Project Implementing Entity shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Borrower not later than one (1) month after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.
2. Without limitation to the provisions of paragraph A.1 above, the Project Implementing Entity shall prepare, under terms of reference acceptable to the Bank, and furnish to the Bank no later than the date twenty (20) months after the Effective Date, a consolidated mid-term review report for the Project, summarizing the results of the monitoring and evaluation activities carried out from the inception of the Project, and setting out the

measures recommended to ensure the efficient completion of the Project and to further the objectives thereof.

3. The Project Implementing Entity shall provide to the Borrower not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

Section III. Other Undertakings

A. Procurement and Use of Traffic Cameras

1. Prior to procurement and/or use of traffic cameras under the Project, the Project Implementing Entity shall:
 - (a) notify the Bank of such proposed procurement and/or use, and afford the Bank a reasonable opportunity to assess any risks related to such procurement and/or use, including operational, legal and regulatory, institutional, technical, social and environmental, and fiduciary risks, and to recommend appropriate mitigation measures; and
 - (b) develop a risk mitigation plan for the procurement and use of traffic cameras, in form and substance acceptable to the Bank.
2. No traffic cameras shall be procured and/or used under the Project unless the Project Implementing Entity has implemented the risk mitigation measures in accordance with paragraph 1 above, in form and manner satisfactory to the Bank.
3. No traffic cameras procured under the Project shall be used for any purpose other than those set out in Schedule 1 to the Loan Agreement and for which the risk mitigation plan referred to in paragraph 1(b) above has been developed and implemented, except where the Bank has provided its prior approval in writing for such use based on: (a) assessment of the risks involved; and (b) implementation of appropriate risk mitigation measures.