

## SCHEDULE 4

### Procurement of Goods and Works, and Consulting Services

#### A. General

1. All Goods, Works and consulting services to be financed out of the proceeds of the Loan shall be subject to and governed by the Procurement Guidelines, and the Consulting Guidelines, respectively.

2. All terms used and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines and/or the Consulting Guidelines, as applicable.

#### B. Procurement of Goods and Works

3. Except as ADB may otherwise agree, Goods and Works shall only be procured on the basis of the methods of procurement set forth below:

|                                   |
|-----------------------------------|
| International Competitive Bidding |
| National Competitive Bidding      |
| Shopping                          |
| Direct Contracting                |

4. The methods of procurement are subject to, among other things, the detailed arrangements and threshold values set forth in the Procurement Plan. The Borrower may only modify the methods of procurement or threshold values with the prior agreement of ADB, and modifications must be set out in updates to the Procurement Plan.

5. Domestic Preference. The Borrower may grant a margin of preference in the evaluation of bids under international competitive bidding in accordance with paragraphs 2.55(a) and 2.56 of the Procurement Guidelines for domestically manufactured Goods.

6. National Competitive Bidding. The Borrower and ADB shall ensure that, prior to the commencement of any procurement activity under national competitive bidding, the Borrower's national competitive bidding procedures are consistent with the Procurement Guidelines. Any modifications or clarifications to such procedures agreed between the Borrower and ADB shall be set out in the Procurement Plan. Any subsequent change to the agreed modifications and clarifications shall become effective only after written approval of such change by the Borrower and ADB.

#### Selection of Consulting Services

7. Quality- and Cost-Based Selection. Except as ADB may otherwise agree, and except as set forth in paragraphs 8 and 9 below, the Borrower shall ensure or cause to be ensured that quality- and cost-based selection is applied for selecting and engaging consulting services.

8. The Borrower shall ensure, or cause to be ensured, that the following methods for selecting and engaging the specified consulting services are applied, in accordance with, among other things, the procedures set forth in the Procurement Plan:

|                                       |
|---------------------------------------|
| Quality-Based Selection               |
| Consultants' Qualifications Selection |
| Least-Cost Selection                  |
| Fixed budget selection                |
| Single Source Selection               |

9. The Borrower shall ensure that the individual consultants are recruited in accordance with procedures acceptable to ADB for recruiting individual consultants.

**D. Industrial or Intellectual Property Rights**

10. (a) The Borrower shall ensure, or cause to be ensured, that all Goods and Works procured under the Project (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial, intellectual or related property rights.

(b) The Borrower shall ensure, or cause to be ensured, that all contracts for the procurement of Goods and Works contain, as appropriate, representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) of this paragraph.

11. The Borrower shall ensure, or cause to be ensured, that all ADB-financed contracts with consultants contain appropriate representations, warranties and, if appropriate, indemnities from the consultants to ensure that the consulting services provided do not violate or infringe any industrial, intellectual or related property rights.

**E. ADB's Review of Procurement Decisions**

12. All contracts procured under international competitive bidding procedures and contracts for consulting services shall be subject to prior review by ADB, unless otherwise agreed between MDF and ADB and set forth in the Procurement Plan.