

Section 6.7 References to Laws, Regulations, Policies and Guidelines; References to Compact Expiration and Termination.

(a) Unless expressly provided otherwise, each reference in this Compact, the PIA or any other agreement entered into in connection with this Compact to a law, regulation, policy, guideline or similar document shall be construed as a reference to such law, regulation, policy, guideline or similar document as it may, from time to time, be amended, revised, replaced, or extended, and shall include any law, regulation, policy, guideline or similar document issued under or otherwise applicable or related to such law, regulation, policy, guideline or similar document.

(b) Each reference in this Compact, the PIA or any other agreement entered into in connection with this Compact, to the Compact's "expiration" refers to the date on which the Compact Term ends if the Compact is not terminated earlier, which in accordance with Section 7.4 is five (5) years after its entry into force. Each reference in any of the aforementioned documents to the Compact's "termination" refers to this Compact ceasing to be in force prior to its expiration in accordance with Section 5.1.

Section 6.8 MCC Status. MCC is a United States government corporation acting on behalf of the United States Government in the implementation of this Compact. MCC and the United States Government assume no liability for any claims or loss arising out of activities or omissions under this Compact. The Government waives any and all claims against MCC or the United States Government or any current or former officer or employee of MCC or the United States Government for all loss, damage, injury, or death arising out of activities or omissions under this Compact, and agrees that it shall not bring any claim or legal proceeding of any kind against any of the above entities or persons for any such loss, damage, injury, or death. The Government agrees that MCC and the United States Government or any current or former officer or employee of MCC or the United States Government shall be immune from the jurisdiction of all courts and tribunals of Mongolia for any claim or loss arising out of activities or omissions under this Compact.

Section 6.9 Consultations. Either Party may, at any time, request consultations relating to the interpretation or implementation of this Compact. Such consultations shall begin at the earliest practicable date.

**ARTICLE 7.
ENTRY INTO FORCE**

Section 7.1 Domestic Procedures. The Government agrees to proceed in a timely manner to complete all of its domestic requirements for this Compact to enter into force. This Compact, upon entry into force, shall prevail over the domestic laws of Mongolia, as a matter of Mongolian domestic law. The Parties understand that, consistent with Mongolian law, prior to the Government sending the letter described in Section 7.3, this Compact is to be submitted to and approved by the State Great Khural (Parliament of Mongolia).

Section 7.2 Conditions Precedent to Entry into Force. Each of the following conditions must be fulfilled, in each case to the satisfaction of MCC, before this Compact enters into force:

- (a) the Program Implementation Agreement is signed by the parties thereto;

(b) The Government delivers to MCC:

(i) a letter signed and dated by the Principal Representative of the Government, or such other duly authorized representative of the Government acceptable to MCC, confirming that the Government has completed its domestic requirements necessary for this Compact to enter into force and that the other conditions precedent to entry into force in this Section 7.2 have been met;

(ii) a signed legal opinion from the Minister of Justice and Home Affairs of Mongolia (or such other legal representative of the Government acceptable to MCC), in form and substance satisfactory to MCC;

(iii) complete, certified copies of all decrees, legislation, regulations or other governmental documents relating to the Government's domestic requirements necessary for this Compact and the PIA to enter into force, which MCC may post on its website or otherwise make publicly available;

(c) MCC determines that after signature of this Compact, the Government has not engaged in a pattern of actions inconsistent with the eligibility criteria for MCC Funding; and

(d) The conditions set forth in Annex V have been satisfied.

Section 7.3 Date of Entry into Force. This Compact shall enter into force on the date of the letter from MCC to the Government in an exchange of letters confirming that MCC and the Government have completed their respective domestic requirements for entry into force of this Compact and that the conditions precedent to entry into force in Section 7.2 have been met to MCC's satisfaction.

Section 7.4 Compact Term. This Compact shall remain in force for five (5) years after its entry into force, unless terminated earlier under Section 5.1 (the "***Compact Term***").

Section 7.5 Provisional Application. Upon signature of this Compact, and until this Compact has entered into force in accordance with Section 7.3, the Parties shall provisionally apply the terms of this Compact; *provided that*, no MCC Funding, other than Compact CDF, shall be made available or disbursed before this Compact enters into force.

ARTICLE 8. ADDITIONAL GOVERNMENT COVENANTS

Section 8.1 Covenant regarding Government Water Sector Expenditures. The Government agrees to maintain or increase the level of its public expenditure and investment related to water supply, wastewater collection, and wastewater treatment throughout the Compact Term.

Section 8.2 Covenant regarding Polluter Pays Principle. The Government agrees to enforce vigorously all laws, including Mongolia's Law on Environmental Protection, that reflect the principle that individuals and enterprises that produce pollution must pay the full social, environmental, and economic costs thereof.

Section 8.3 Covenant regarding the WSRC. The Government shall ensure that the Water Services Regulatory Commission ("***WSRC***") is able to operate without interference in making

final determination on all rate cases or tariff applications presented by the Ulaanbaatar Water Supply and Sewerage Authority (“*USUG*”) on the basis of the legal requirement for full cost recovery.

Section 8.4 Covenant regarding Information Sharing. The Government agrees to share with MCC all information and data necessary for the timely implementation of the Program, including the M&E Plan and, with respect to information related to the M&E Plan, periodically to release such information to the public.

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