OFFICIAL DOCUMENTS

LOAN NUMBER 8720-CN

Project Agreement

(Gansu Technical and Vocational Education and Training Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

GANSU PROVINCE

Dated June 26, 2017
AGREEMENT dated March 26, 2017, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and GANSU PROVINCE ("Project Implementing Entity" or "Gansu") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between PEOPLE'S REPUBLIC OF CHINA ("Borrower") and the Bank. 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) constitute an integral 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 objective of the Project. To this end, the Project Implementing Entity shall carry out and cause the Project Schools to carry out, the Project in accordance with the provisions of Article V of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity's Representative is its Governor or Vice Governor or such other person or persons as said Governor or Vice Governor shall designate in writing, and the Project Implementing Entity shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.
3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INTBAFRAD
Facsimile: 1-202-477-6391

Washington, D.C.

3.03. The Project Implementing Entity’s Address is:

Office of Gansu Foreign Loans Administration Committee
696 Donggangxi Road,
Lanzhou, Gansu Province
People’s Republic of China

Facsimile:
+86 - 9318891043
AGREED at Beijing, People's Republic of China, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Bert Hofman
Title: Country Director, China

GANSU PROVINCE

By

Authorized Representative

Name: Wang Zhongming
Title: Deputy Director-General

International Economic and Financial Cooperation Department
Ministry of Finance
Execution of the Project

Section I. Financial and Implementation Arrangements

A. Subsidiary Agreements

1. The Project Implementing Entity shall make available to each of the Project Schools a portion of the Loan under Subsidiary Agreements satisfactory to the Bank, which shall include, without limitation, the following principal terms:

   (a) The Project Implementing Entity shall make available the principal amount, which has been allocated to each of its Project Schools, in Dollars (on the date, or respective dates, of withdrawal from the Loan Account) of the value of the currency or currencies so withdrawn on account of the implementation of the Project by the respective Project School.

   (b) The Project Implementing Entity shall recover such principal amount so made available (including the fee paid pursuant to Section 2.03 and any premia under Section 2.08 (c) of the Loan Agreement) over a period of thirty (30) years, inclusive of a grace period of five and a half (5.5) years.

   (c) The Project Implementing Entity shall charge: (i) interest on such principal amount, withdrawn and outstanding from time to time at a rate equal to the rate of interest applicable from time to time to the Loan pursuant to Section 2.05 of the Loan Agreement; and (ii) a Commitment Charge equal to one quarter of one percent (0.25%) per annum on the unwritten principal amount allocated to each Project School.

B. Institutional and Implementation Arrangements

1. The Project Implementing Entity shall carry out or cause to be carried out the Project in accordance with the Project Implementation Plan, and except as the Bank shall otherwise agree, shall not amend or waive any provision thereof if, in the opinion of the Bank, such amendment or waiver may materially and adversely affect the implementation of the Project. In the event of any inconsistencies between the provisions of the PIP and those of this Agreement, the provisions of this Agreement shall prevail.

2. The Project Implementing Entity shall, throughout the period of implementation of the Project, maintain, or shall cause to be maintained, for purposes of carrying out the Project, the following organizations, with terms of reference, staffing and other resources, acceptable to the Bank:
(a) A Project Leading Group, at the provincial level, to provide leadership, policy guidance and coordination in the preparation and implementation of the Project.

(b) A Project Management Office (PMO), established under the Project Implementing Entity’s Department of Education, to be responsible for: (i) the overall Project management; (ii) facilitating communication and coordinating Project implementation among the Project Schools, and with provincial authorities and the Bank; (iii) providing support to each Project School, including identifying specific needs for technical assistance, assessing investment decisions, developing terms of reference, reviewing and evaluating consultant proposals, monitoring Project progress; and (iv) assisting in the dissemination of lessons learnt and assessing Project outputs.

(c) A Provincial Expert Team, responsible for providing technical support to the PMO to enhance quality in the design of Project interventions, and for assisting the PMO with overall Project implementation.

(d) A Project Implementation Unit (PIU) in each of the Project Schools, to manage all school-level activities and support selected provincial-level activities.

3. The Project Implementing Entity, through the PMO, shall:

(a) prepare, in accordance with terms of reference satisfactory to the Bank, a draft consolidated annual work plan for the current Fiscal Year, after consolidating all the Project School-level specific plans prepared by the Project Schools, and furnish the final annual work plan to the Bank by January 30 in each calendar year, beginning on January 30, 2018, including: (i) a description and costs of proposed activities; (ii) specific outputs of said activities as well as reporting and verification requirements; (iii) expenditures proposed to be financed from the Loan proceeds; and (iv) payment schedule and releasing conditions, if any; said consolidated annual work plan to include, inter alia, the scope and schedule of activities under the Project, the financing plans and detailed budget arrangements, including required counterpart funds;

(b) thereafter carry out, or cause to be carried out, the Project in accordance with such annual work plan as shall have been approved by the Bank; and

(c) not amend, suspend, abrogate or waive any annual work plan, or any part thereof, without the Bank’s prior agreement.
C. Anti-Corruption

The Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Project Implementing Entity shall, and shall cause the Project Schools, as applicable, to implement the ESMP in a manner and substance satisfactory to the Bank. Without limitation on the foregoing, the Project Implementing Entity shall ensure that each contract for works under the Project shall include the obligations of the work contractors and any sub-contractor to comply with the relevant provisions of the ESMP.

2. The Project Implementing Entity shall, and shall cause the Project Schools to, ensure, that all studies and technical assistance to be supported under the Project are carried out under terms of reference satisfactory to the Bank, and that such terms of reference are consistent with, and pay due attention to, the Bank's Safeguards Policies.

3. The Project Implementing Entity shall not, and shall cause the Project Schools not to amend, suspend, fail to implement or waive the ESMP, or any provision thereof, without the prior written concurrence of the Bank.

4. The Project Implementing Entity shall, and shall cause the Project Schools to, maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the ESMP.

5. Without limitation to the provisions of paragraphs D.1 through D.4 of this Section I, or to the provisions of paragraph A.1 of Section II below, the Project Implementing Entity shall, and shall cause the Project Schools to, take all measures necessary on their part to regularly collect, compile, and submit to the Bank, as part of the Project Reports, information on the status of compliance with the ESMP, giving details of:

   (a) measures taken in furtherance thereof;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation thereof; and

   (c) remedial measures taken or required to be taken to address such conditions.
6. In the event of any inconsistency between the provisions of the ESMP and the provisions of this Agreement or the Loan Agreement, the provisions of this Agreement and the Loan Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation.

A. Project Reports

1. The Project Implementing Entity, through the PMO shall, and shall cause the Project Schools to, 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 the indicators set forth in the Project Implementation Plan. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank and the Borrower not later than sixty (60) days after the end of the period covered by such report.

2. Without limitation to the provisions of paragraph A.1 above, the Project Implementing Entity, through the PMO, shall prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank no later than October 30, 2020, 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, through the PMO, shall provide to the Borrower, not later than three 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.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity, through the PMO, shall, and shall cause the Project Schools to, maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project.

2. Without limitation to the provisions of Section II.A hereof, the Project Implementing Entity, through the PMO, shall prepare and furnish to the Bank, not later than sixty (60) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.
3. The Project Implementing Entity, through the PMO, shall have its financial statements referred to above audited by independent auditors, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity, through the PMO, shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.