May 23, 2014

Ms. Zou Jiayi
Director General, International Department
Ministry of Finance
Sanlihe, Beijing, 100820
People’s Republic of China

People’s Republic of China: IDF Grant for Capacity Building for a South-South Cooperation Platform in China-IPRCC Project
IDF Grant No.TF016527

Dear Ms. Zou:

In response to the request for financial assistance made on behalf of People’s Republic of China (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”) proposes to extend to the Recipient, a grant from the World Bank’s Institutional Development Fund (“IDF”) in an amount not to exceed three hundred thousand United States Dollars (U.S.$300,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includethe attached Annex, to assist in the financing of the project described in the Annex (“Project”).

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Klaus Rohland
Country Director, China
East Asia and Pacific Region
AGREED:
PEOPLE'S REPUBLIC OF CHINA

By: 
Authorized Representative

Name: Zheng Qian
Title: Deputy Director General
Date: June 6, 2014

Enclosures:
(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, as follows:

(a) "IPRCC" means the International Poverty Reduction Center in China established pursuant to decree no.176 issued on December 9, 2004 by the Recipient’s State Commission Office for Public Sector Reform of China, to serve as a learning and exchange platform for sharing experiences with developing countries and international development communities on poverty reduction and development cooperation.

(b) "LGOP" means the Leading Group for Poverty Alleviation of the State Council, a supervisory body for IPRCC.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to enhance the institutional capacity of IPRCC to act as a platform for South-South exchange and cooperation. The Project consists of the following parts:

(a) **Part 1. Capacity building of IPRCC**

Capacity building activities aimed to strengthen the capacity of IPRCC in human resource management and development mechanisms through an assessment of training needs, development of training programs and piloting of such training programs in IPRCC.

(b) **Part 2. Thematic case studies and development of a training manual**

(i) Carrying out of thematic case studies to identify and document best practice cases of the Recipient’s overseas investment or development projects with a focus on Africa, specific experiences and lessons in linking poverty reduction and social and environmental risk management in international development cooperation practices.

(ii) Development of a training manual, based on the findings of case studies above, to integrate poverty reduction with social and environmental risk management in the Recipient’s international development program.
Part 3. Development of website and knowledge sharing

(i) Identification of gaps on IPRCC’s existing website in addressing South-South exchange and learning needs with recommendations and design for an improved website for filling these gaps.

(ii) Development of a South-South focused website under IPRCC’s current master website, with trial operation and improvements during the implementation of the Project.

(iii) Carrying out of a workshop and a webinar for a South-South exchange event between the Recipient and other developing countries based on the findings of case studies referred to in sub-paragraph (b)(i) above linking poverty reduction with social and environmental risk management.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through IPPRC in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements. (a) The Recipient shall vest the overall responsibility for the implementation of the Project in IPPRC.

(b) The information and training division of IPPRC shall be responsible for the day-to-day administration of Project activities, including procurement, financial management, coordination, and supervision of all consultants, and for all activities to be carried out under the Project, under the overall guidance of IPRCC, and oversight from LGOP.

2.04. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators set forth in paragraph (b) of this Section. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The performance indicators referred to in paragraph (a) above, consist of the following:

(i) Three training programs to improve capacity and knowledge of IPRCC staff have been developed and adopted by IPRCC.

(ii) Study on at least twenty best practice cases of the Recipient’s overseas investment or development projects has been completed, a case study report on at least eight detailed cases has been prepared, and a training manual for the Recipient’s international development program linking poverty reduction with social and environmental risk management has been developed.
(iii) A new website focusing on South-South exchange and learning under IPRCC master website has been created and a pilot South-South exchange workshop (including webinar) with up to eighty participants for disseminating project knowledge has been delivered.

(c) The Recipient shall, upon the World Bank's request, prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than five (5) months after the Closing Date.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. The first audit of the Financial Statements shall cover the period from the date of the countersignature of this Agreement by the Recipient to December 31, 2015, and the second audit of the Financial Statements shall cover the period from January 1, 2016 to the Closing Date referred to in Section 3.03 of this Agreement. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. Procurement

(a) General. All goods, consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"), in the case of goods and non-consulting services;

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods. Goods shall be procured under contracts awarded on the basis of Shopping.
Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (G) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (H) Selection of Individual Consultants; and (I) Single-source procedures for the Selection of Individual Consultants.

Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>15,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ Services</td>
<td>201,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training and Workshops</td>
<td>84,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>300,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Section, the term “Training and Workshops” means the costs associated with the training and workshop participation of personnel involved in Project
supported activities, including travel and subsistence costs for training participants, translation services associated with training and workshops, rental of training facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses and workshops.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance  
Sanlihe  
Beijing 100820  
People’s Republic of China

Facsimile:  
(86-10) 6855-1125

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:  
Telex:  
Facsimile:

INTBAFRAD  
248423 (MCI) or  
1-202-477-6391

Washington, D.C.  
64145 (MCI)