Loan Agreement

(Integrated Economic Development of Small Towns (Hunan) Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated August 7, 2012
LOAN AGREEMENT

AGREEMENT dated August 7, 2012, between PEOPLE'S REPUBLIC OF CHINA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I - GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in the Loan Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II - LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount equal to fifty million Dollars ($50,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(e) of the General Conditions.

2.05. The Payment Dates are June 15 and December 15 in each year.
2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding, or from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05(c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III – PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project Agreement.
3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV – EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V – REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is the Minister of Finance.

5.02. The Borrower’s Address is:

Ministry of Finance
Sanlihe, Xicheng District
Beijing 100820
People’s Republic of China

Facsimile:

(86-10) 68 55 11 25

5.03. The Bank’s Address is:

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

Cable address: INTBAFRAD
Telex: 248423(MCI) or 1-202-477-6391
Facsimile: 64145(MCI)
AGREED at Beijing, People's Republic of China, as of the day and year first above written.

PEOPLE'S REPUBLIC OF CHINA

By
Authorized Representative

Name: Chen Shixin
Title: Deputy Director General
International Department

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By
Authorized Representative

Name: Klaus Rohland
Title: Country Director, China
SCHEDULE 1

Project Description

The objective of the Project is to improve public infrastructure and services to contribute to sound development of selected small towns in Hunan Province of the Borrower.

The Project consists of the following parts:

**Part A: Infrastructure Development**

Strengthening of high priority public infrastructure in selected small towns in Hunan Province through the implementation of key investment subprojects focusing on, *inter alia*: (a) construction or rehabilitation of urban and rural roads; (b) construction of wastewater treatment facilities and improvement of solid waste management systems; (c) carrying out of environmental protection activities, including creek rehabilitation and embankment protection; and (d) development of agricultural markets and integrated service centers.

**Part B: Institutional Strengthening and Capacity Enhancement**

Improving the institutional capacity of Hunan Province to manage the development and operation of modern and efficient infrastructure, the carrying out of business development activities and the provision of support services through, *inter alia*, (a) carrying out of policy, technology and marketing studies; (b) carrying out of training, extension services, workshops and study tours; and (c) acquisition of equipment for testing, grading and real-time monitoring of the quality and operation of infrastructure facilities developed under Part A of the Project.

**Part C: Project Management and Monitoring and Evaluation**

Supporting the overall development of Hunan Province to coordinate and manage the implementation of the Project, including the establishment and operation of a management information, monitoring and evaluation system.
SCHEDULE 2

Project Execution

Section I. Financing and Institutional

A. Financing Arrangements

The Borrower shall make available to the Project Implementing Entity the proceeds of the Loan allocated from time to time to the Categories as set forth in the table in Section IV of this Schedule and shall cause such Entity to make said proceeds available to the Project Towns as needed for their respective activities under the Project, all under terms and conditions satisfactory to the Bank, including the following principal terms:

(a) The principal amount shall be made available in Dollars or any other Currency as the Loan may be converted from time to time through a Currency Conversion (such principal amount determined on the date, or respective dates, of withdrawal from the Loan Account of the value of the currency or currencies so withdrawn).

(b) The principal amount so made available (including the amount of the fee paid pursuant to Section 2.03 of this Agreement and any Premium for Interest Rate Caps or Interest Rate Collars paid pursuant to Section 2.07(c) of this Agreement and Section 4.05(c) of the General Conditions) shall be recovered over a period of thirty (30) years, inclusive of a grace period of five (5) years.

(c) Interest shall be charged 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 the provisions of Section 2.04 of this Agreement.

B. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate, and shall cause each Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the
General Conditions and on the basis of the indicators set forth in the Annex of the Schedule to the respective Project Agreement. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of each calendar semester, beginning on February, 15, 2013.

2. The Borrower shall review with the Bank and the Project Implementing Entity (mid-term review), not later than December 31, 2014, the progress made in the implementation of the Project.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provision of Part A of this Section, the Borrower shall cause the Project Implementing Entity to prepare and furnish to the Bank as part of the Progress Report not later than forty-five (45) 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 Borrower shall cause the Project Implementing Entity to have its Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the 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.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan.

<table>
<thead>
<tr>
<th>Procurement Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding:</td>
</tr>
<tr>
<td>In addition, the procedures to be followed for National Competitive Bidding shall be those set forth in the Law on Tendering and Bidding of the People's Republic of China promulgated by Order No.21 of the President of the People's Republic of China on August 30, 1999, with the following clarifications required for compliance with the Procurement Guidelines:</td>
</tr>
<tr>
<td>(i) All invitations to prequalify or to bid shall be advertised in a newspaper of national circulation in the Borrower's country, except for civil works contracts that are estimated to cost less than $2,000,000 equivalent each and for goods contracts that are estimated to cost less than $300,000 equivalent each, which may be advertised in a provincial daily newspaper. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum of thirty (30) days shall be given to bidders between the date of advertisement in such newspaper and the deadline for submission of bids, and the advertisement and bidding documents shall specify the deadline for such submission.</td>
</tr>
<tr>
<td>(ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents.</td>
</tr>
<tr>
<td>(iii)</td>
</tr>
<tr>
<td>(iv)</td>
</tr>
<tr>
<td>(v)</td>
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<tr>
<td>(vi)</td>
</tr>
<tr>
<td>(vii)</td>
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<tr>
<td>(viii)</td>
</tr>
<tr>
<td>(ix)</td>
</tr>
<tr>
<td>(x)</td>
</tr>
</tbody>
</table>
(xi) Government owned enterprises in the Borrower’s country may be permitted to bid or submit a proposal of goods and works if they can establish that they: (A) are legally and financially autonomous; (B) operate under commercial law; and (C) are not a dependent agency of the agency conducting the procurement.

(xii) Re-bidding should not be allowed solely because the number of bids is less than three (3) and, rejection of all bids or rebidding shall not take place without the Bank’s prior written concurrence.

(xiii) The results of bid evaluation and contract award shall be published in the national press or provincial press or official gazette or a free and open access website and shall identify the name and offered price of the winning bidder, as well as the duration and summary scope of the awarded contract.

(xiv) The Project Implementing Entity (Hunan Province) shall have in place provisions for bidders to protest.

(b) Shopping

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(c) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(d) Single-Source Selection</td>
</tr>
</tbody>
</table>
3. The shortlist of consultants for services estimated to cost less than an amount established by the Bank from time to time may comprise entirely of national consultants.

D. Review by the World Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance: (a) the Front-end Fee in accordance with Section 2.07(b) of the General Conditions; (b) if applicable, the Premium for Interest Rate Caps or Interest Rate Collars in accordance with Section 2.07(c) of the General Conditions; and (c) other Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan 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 Loan Allocated (Expressed in Dollars)</th>
<th>% of Expenditures to be Financed (Inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Works for Sub-Projects under Part A of the Project</td>
<td>46,469,000</td>
<td>88%</td>
</tr>
<tr>
<td>2. Goods and equipment for Sub-projects under Parts A, B and C of the project,</td>
<td>1,606,000</td>
<td>100%</td>
</tr>
<tr>
<td>3. Consultants’ services and Training under Parts B and C of the Project</td>
<td>1,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>4. Front-end Fee</td>
<td>125,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions</td>
</tr>
<tr>
<td>5. Interest Rate Cap or Interest Collar Premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions, Procedures and Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made in respect of payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2017.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying:

   (a) Withdrawn Loan Balance as of the first Principal Payment Date; by

   (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 15 and December 15 beginning June 15, 2017, through December 15, 2041</td>
<td>2%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

   (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

   (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two (2) calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
Schedule 4
The List of Project Town

<table>
<thead>
<tr>
<th>Province</th>
<th>(1) Project Towns</th>
<th>(2) Counties/Cities/Districts</th>
<th>(3) Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunan</td>
<td>Zhentou Town</td>
<td>Liuyang City</td>
<td>Changsha City</td>
</tr>
<tr>
<td></td>
<td>Dingzi Town</td>
<td>Wangcheng County</td>
<td>Changsha City</td>
</tr>
<tr>
<td></td>
<td>Yueshan Town</td>
<td>Xiangxiang City</td>
<td>Xiangtan City</td>
</tr>
<tr>
<td></td>
<td>Santang Town</td>
<td>Hengnan County</td>
<td>Hengyang City</td>
</tr>
<tr>
<td></td>
<td>Zoushi Town</td>
<td>Touyuan County</td>
<td>Changde City</td>
</tr>
<tr>
<td></td>
<td>Taizimiao Town</td>
<td>Hanshou County</td>
<td>Changde City</td>
</tr>
<tr>
<td></td>
<td>Cangshuipu Town</td>
<td>Heshan District</td>
<td>Yiyang City</td>
</tr>
<tr>
<td></td>
<td>Wanbao Town</td>
<td>Louxing District</td>
<td>Loudi City</td>
</tr>
<tr>
<td></td>
<td>Xinshi Town</td>
<td>Miluo City</td>
<td>Yueyang City</td>
</tr>
</tbody>
</table>
Definitions


2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


4. "Displaced Persons" means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by:
   (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a "Displaced Person" means any of such Displaced Persons.

5. "Environmental Code of Practice" and the acronym "ECOP" mean the code of practice prepared and adopted by Hunan dated February 8, 2012, for each type of infrastructure development Sub-project to be carried out by Hunan under the Project and setting forth, inter alia, the procedures, policies and mechanisms for identifying and mitigating adverse environmental impacts during the planning, design, preparation and implementation of the Sub-projects, including, measures for avoidance of or mitigation against adverse impacts on natural habitats or physical cultural resources as well as arrangements for reporting and monitoring as the same may be revised from time to time with the prior written agreement of the Bank.

6. "Environmental Management Plan" and the acronym "EMP" mean the plan dated February 8, 2012, prepared and adopted by Hunan in respect of its Sub-project for constructing a wastewater treatment plant in Yueshan town (a Project Town) selected to be implemented under the Project, such plan setting forth, inter alia, the assessment of environmental impacts of said Sub-project, the policies, procedures, mechanisms and actions for mitigating the adverse environmental impacts resulting from the implementation of said Sub-project and enhancement of positive impacts, as well as reporting and monitoring arrangements to ensure compliance with said Plan as the same may be revised from time to time with the prior written agreement of the Bank; and such term includes all attachments and annexes supplemental to such Plan.
7. "Financial Management Manual" means individually each Financial Management Manual prepared and adopted by Hunan dated March 5, 2012, for the Project and which sets out, inter alia, the policies, procedures and guidelines for establishing and maintaining a financial management system to be implemented by Hunan, in carrying out the Project, including internal controls, accounting procedures, fund and asset management, withdrawal application procedures, financial reporting, and auditing arrangements as the same may be revised from time to time with the prior written agreement of the Bank; and such term includes all attachments and annexes supplemental to such Manual.


9. "Hunan" means the Borrower’s Province of Hunan, or any successor thereto.

10. "Pest Management Plan" and the acronym "PMP" mean individually the Pest Management Plan prepared and adopted by Hunan dated February 8, 2012, and to be implemented or caused to be implemented by Hunan for improving integrated pest management activities during the design, construction and operation of the Project, including environmental, occupational and safety risk assessment, capacity building, grievance handling mechanisms, and monitoring and evaluation arrangements, as such plan may be amended from time to time with the prior written approval of the Bank; and such Plan includes all attachments and annexes supplemental to such plan.


12. "Procurement Manual" means the Manual prepared and adopted by Hunan dated March 5, 2012, which sets out, inter alia, the detailed policies, procedures and arrangements for carrying out procurement under the Project, including the documents to be prepared, the reviews to be carried out, the selection procedures to be followed, and supervision and dispute resolution mechanisms.

13. "Procurement Plan" means the Procurement Plan of Hunan dated April 6, 2012, for the Project, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

14. "Project Agreement" means the Project Agreement for the Project between the Bank and Hunan dated the same date as this Agreement, as such agreement may be amended from time to time with the prior written approval of the Bank, and such term includes all appendices, schedules and agreements supplemental to said Agreement.
15. "Project Counties" means collectively the administratively managed areas referred to as Counties, Cities or Districts located within the Cities of Hunan Province set out in columns 2 and 3 respectively in Schedule 4 to this Agreement that have been selected for participation in the Project; and "Project County" means individually any such County, City or District.

16. "Project Implementation Plan" means the Plan prepared and adopted by Hunan dated March 20, 2012, and to be implemented or caused to be implemented by Hunan for the Project and which sets out the criteria, procedures and arrangements in accordance with which the activities under the Project will be screened, selected, appraised, approved, implemented, operated, maintained, supervised, monitored and evaluated, and includes, inter alia, the detailed arrangements for applying, as the case may be, the Financial Management Manual, the Procurement Manual, the RAP, the ECOP, the PMP, the Procurement Plan and the EMP in implementing the Project, as each such Plan may be amended from time to time with the prior written approval of the Bank, and such term includes all appendices, schedules and agreements supplemental to each said Plan.

17. "Project Implementing Entity" and "Project Province" mean Hunan.

18. "Project Towns" means collectively the Towns located in the Project Counties of Hunan and set out in column 1 of Schedule 4 to this Agreement which have been selected by them in accordance with criteria and procedures satisfactory to the Bank for carrying out Sub-projects to be financed from the proceeds of the Loan, all as set out in the Project Implementation Plan.

19. "Resettlement Action Plan" and the acronym "RAP" mean the Plan prepared and adopted by Hunan dated February 8, 2012, and to be implemented or caused to be implemented by Hunan in the context of carrying the Project, such plan setting out, inter alia: (a) the principles and procedures governing the acquisition of land required for said activities; (b) the principles, actions and measures for the payment of compensation to Displaced Persons under the Project and for their resettlement and rehabilitation; and (c) reporting and monitoring arrangements to ensure compliance with said plan, as the same may be revised from time to time with the agreement of the Bank; and such term includes all attachments and annexes supplemental to each such Plan.

20. "Sub-project" means each activity to be prepared and carried out under Parts A, B and C of the Project as set out in the Project Implementation Plan.
21. "Training" means for purposes of Section IV of Schedule 2 to the Loan Agreement, the reasonable cost of travel, lodging and allowances of trainees attending training, study tours, workshops and seminars, the cost of organizing workshops, training and seminars, and the cost of delivering training (excluding consultants fees) including, rental of training space and training equipment and other logistical costs, all as yearly budgeted and approved by the Provincial Finance Department of Hunan, on behalf of the Borrower, and the Bank.