Global Environment Facility Grant Agreement

(Green Energy for Low-Carbon City in Shanghai Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

Dated June 14, 2013
GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT, dated June 14, 2013, entered into between PEOPLE'S REPUBLIC OF CHINA ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

WHEREAS:

(A) the Recipient has requested the World Bank to provide assistance towards the financing of the project described in Schedule 1 to this Agreement ("Project"); and

(B) by an agreement of even date herewith between the Recipient and the World Bank ("Loan Agreement"), the World Bank has agreed to provide such assistance in the amount of one hundred million Dollars ($100,000,000) ("Loan") to assist in financing Part 2 of the Project; and

NOW the Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. 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.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause Part 1 of the Project to be carried out by Changning District ("Project Implementing Entity") in accordance with the provisions of Article II of the Standard Conditions and the agreement dated the same date as this Agreement between the World Bank and the Project Implementing Entity and the Participating Financial Intermediaries, as such agreement may be amended from time to time ("Project Agreement").
2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to four million three hundred and forty five thousand Dollars ($4,345,000) ("Grant") to assist in financing Part 1 of the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement;

(b) the Project Implementing Entity has failed to perform any obligation in relation to its Respective Part of the Project under the Project Agreement;

(c) IBRD has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by IBRD, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD, as a result of: (i) a determination by IBRD that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD; and / or (ii) a declaration by another financier
that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier;

(d) as a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement; and

(e) the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Project Implementing Entity have been duly authorized or ratified by all necessary governmental action.

(b) The Loan Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a) of this Agreement, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing the following matters:

(a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient, and is legally binding upon it in accordance with its terms; and
(b) on behalf of the Project Implementing Entity, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Project Implementing Entity, and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Agreement ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

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

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

Ministry of Finance
Sanlihe
Beijing 100820
China

Facsimile:
86-10-6855-1125
6.03. 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 address: INTBAFRAD  
Telex: 248423(MCI) or 64145(MCI)  
Facsimile: 1-202-477-6391

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: Liang Zifeng
Title: Deputy Director-General, International Department, Ministry of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
acting as an Implementing Agency of the Global Environment Facility

By  
Authorized Representative

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

Project Description

The objectives of the Project are to pilot green-energy schemes and scale up low-carbon investments in buildings in Shanghai Municipality, with a focus on Changning District, and the higher-level global environment objective of the Project is to support Shanghai Municipality's low-carbon city development by promoting green-energy schemes, with a focus on Changning District.

The Project consists of the following parts:


(a) Green-Energy Buildings

(i) Provision of technical assistance to, and capacity building of, Changning District for the green-energy retrofitting of buildings, that is, implementation of energy-efficiency and renewable-energy technologies in existing buildings.

(ii) Demonstration of at least one (1) near zero-emission building in Changning District.

(b) Low-Carbon Energy Supply

Provision of technical assistance to Changning District for the implementation of distributed generation from renewable energy and natural gas and a pilot carbon emissions cap and trade scheme.

(c) Green Mobility

Provision of technical assistance to Changning District for the design and development of implementation plans for the improvement of local public transport systems to discourage the use of private vehicles.

(d) Capacity Building and Project Management Support

(i) Carrying out of due diligence reviews of Part 2 of the Project, and promotion of low-carbon investments.

(ii) Capacity building of key stakeholders for the development and implementation of low-carbon initiatives.

(iii) Project management, implementation, and monitoring and
evaluation and donor coordination.

2. **Low-Carbon Investments**

(a) **Green-Energy Retrofitting of Buildings**

Implementation of low-carbon technologies in existing buildings.

(b) **New Green-Energy Buildings**

Implementation of low-carbon technologies above municipal building code requirements in new buildings.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. On-granting

To facilitate the carrying out of Part 1 of the Project, the Recipient shall make the proceeds of the Grant available to Shanghai Municipality, and shall cause Shanghai Municipality to make such proceeds available to the Project Implementing Entity, both on a grant basis.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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").

C. Implementation Plan

1. The Recipient shall:

   (a) cause the Project Implementing Entity to ensure that the Project Implementing Entity’s Respective Part of the Project is carried out in accordance with the provisions of the Implementation Plan; and

   (b) except as the World Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of the Implementation Plan and those of this Agreement, the latter shall govern.

D. Safeguards

1. The Recipient shall cause the Project Implementing Entity to ensure that the Project Implementing Entity’s Respective Part of the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework, and, except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. The Recipient shall cause the Project Implementing Entity to ensure that no land acquisition or Involuntary Resettlement is carried out under the Project.

Section II. Project Monitoring, Reporting, and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project Implementing Entity’s Respective Part of the Project and prepare Project Reports for such Part in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in the Implementation Plan. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than sixty (60) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Recipient’s Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project Implementing Entity’s Respective Part of the Project are prepared and furnished to the World Bank as part of the Project Report not later than sixty (60) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project Implementing Entity’s Respective Part of the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, non-consulting-services, and 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:

(a) 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, and 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

(b) the provisions of this Section III, 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”).

2. Definitions. The capitalized terms used below in 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.

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

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

2. Other Methods of Procurement of Goods and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the box below; (b) Shopping; and (c) Direct Contracting; with the exception of goods and non-consulting services for Part I (a) (ii) of the Project, which may be procured in accordance with the procedures set forth in Part C.1 (d) (vi) of Annex A to the Schedule to the Project Agreement.

The procedures applicable to the procurement of goods and non-consulting services under contracts awarded on the basis of National Competitive Bidding shall be those set forth in the Recipient’s Law on Tendering and Bidding promulgated by its Order No. 21 dated August 30, 1999, with the modifications
set forth below in order to ensure economy, efficiency, transparency, and broad
consistency with the provisions of Section I of the Procurement Guidelines,
pursuant to paragraph 3.3 of said Guidelines. In the event of a conflict between
the Recipient’s procedures and the modifications set forth below, the latter shall
govern.

(i) All invitations to prequalify or bid shall be advertised in a newspaper of
national circulation in the Recipient’s country, except 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.

(ii) Qualification requirements of bidders and the method of evaluating the
qualification of each bidder shall be specified in detail in the bidding
documents.

(iii) All bidders that meet the qualification criteria set out in the pre-
qualification documents shall be allowed to bid, and there shall be no
limit on the number of pre-qualified bidders.

(iv) All bidders shall be required to provide security in an amount sufficient
to protect the Recipient or the Project Implementing Entity, as the case
may be, in case of breach of contract by the contractor, and the bidding
documents shall specify the required form and amount of such security.

(v) Bidders shall be allowed to submit bids by mail or by hand. The time for
opening of all bids shall be the same as the deadline for receipt of such
bids.

(vi) All bids shall be opened in public; all bidders shall be offered an
opportunity to be present (either in person or through their
representatives) at the time of bid opening, but bidders shall not be
required to be present at the bid opening.

(vii) All bid evaluation criteria shall be disclosed in the bidding documents
and quantified in monetary terms or expressed in the form of pass / fail
requirements.

(viii) No bid may be rejected solely on the basis that the bid price falls outside
any standard contract estimate, or margin or bracket of average bids
established by the Recipient or the Project Implementing Entity, as the case may be.

(ix) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined: (A) to be substantially responsive to the bidding documents; and (B) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

(x) Each contract financed out of the proceeds of the Grant shall provide that the suppliers and contractors shall permit the World Bank, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by the World Bank.

(xi) Government-owned enterprises in the Recipient’s country may be permitted to bid or submit a proposal of goods and works if they can establish that they: (i) are legally and financially autonomous; (ii) operate under commercial law; and (iii) 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 World Bank’s prior written agreement.

(xiii) The results of bid evaluation and contract award shall be published in the national or provincial press (as provided under subparagraph (i) above) 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 Recipient or the Project Implementing Entity shall have in place provisions for bidders to protest.

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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection based on Consultants’ Qualifications; (c) Single-source Selection of consulting firms; (d) Selection of Individual Consultants; and (e) Single-source procedures for the Selection of Individual Consultants; with the exception of consultants’ services for Part 1 (a) (ii) of the Project, which may be procured in accordance with the procedures set forth in Part C.1 (d) (vi) of Annex A to the Schedule to the Project Agreement.

D. **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.

Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. 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 shall specify by notice to the Recipient (the Disbursement Letter), 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 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 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, non-consulting services, consultants' services, and Training for Part 1 of the Project</td>
<td>2,745,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Green-Energy Building Subproject Grants</td>
<td>1,500,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Operating Costs</td>
<td>100,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>4,345,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $800,000 equivalent may be made for payments made prior to this date, but on or after January 1, 2013, for Eligible Expenditures under Categories (1) and (3).

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018.
APPENDIX

Section I. Definitions

1. "Bank of Shanghai" means the Recipient's partly-owned enterprise established and operating pursuant to the Recipient's Company Law of 1996 and Bank of Shanghai's Business Registration No. 310000400138557 and its charter dated June 3, 2010, or a successor thereto.

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

3. "Changning District" means the Recipient's administrative subdivision of such name under Shanghai Municipality (as hereinafter defined), or a successor thereto.

4. "Environmental and Social Management Framework" means the Project Implementing Entity's and the Participating Financial Intermediaries (as hereinafter defined)' framework, part of the Operational Manual (as hereinafter defined) and agreed with the World Bank, setting forth mitigation, enhancement, monitoring, and institutional measures, including capacity building through training, to eliminate any adverse environmental and social impacts of activities to be implemented under the Project, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any annexes, appendices, or schedules to such framework.

5. "Green-Energy Building Subproject" means a specific green-energy building activity carried out under Part 1 (a) (ii) of the Project, financed or proposed to be financed through a Green-Energy Building Subproject Grant (as hereinafter defined) in accordance with the criteria set forth in Part B of Annex A to the Schedule to the Project Agreement and in further detail in the Green-Energy Building Subproject Guidelines.

6. "Green-Energy Building Subproject Grant" means a grant made or proposed to be made to a Green-Energy Building Subproject Grant Beneficiary out of the proceeds of the Grant to finance a Green-Energy Building Subproject pursuant to a Green-Energy Building Subproject Grant Agreement (as hereinafter defined).

7. "Green-Energy Building Subproject Grant Agreement" means an agreement, referred to in Part C of Annex A to the Schedule to the Project Agreement, between the Project Implementing Entity, acting through the Project Management Office (as hereinafter defined), and a Green-Energy Building Subproject Grant Beneficiary, setting forth the terms and conditions governing a Green-Energy Building Subproject Grant.
8. "Green-Energy Building Subproject Grant Beneficiary" means an individual or an entity meeting specific criteria set forth in the Green-Energy Building Subproject Guidelines and which is the beneficiary of a Green-Energy Building Subproject Grant and party to a Green-Energy Building Subproject Grant Agreement.

9. "Green-Energy Building Subproject Guidelines" means Changning District's guidelines, part of the Implementation Plan, setting forth the criteria, procedures, and terms for Green-Energy Building Subprojects, including the Outputs (as hereinafter defined) of said Subprojects.

10. "Implementation Plan" means the Project Implementing Entity's plan, dated September 2012, agreed with the World Bank and setting forth implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements for purposes of implementation of Part 1 of the Project, including Green-Energy Building Subproject Guidelines, as the same may be modified from time to time with the prior written agreement of the World Bank, and such term includes any annexes, appendices, or schedules to such plan.

11. "Involuntary Resettlement" means the following caused on account of Project implementation: (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 the affected person 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 the affected person.

12. "Operating Costs" means the operating costs of the Project, incurred by the Recipient and the Project Implementing Entity on the basis of the annual work plans and budgets referred to in Section 1.E of the Schedule to the Project Agreement for purposes of Project management and implementation, on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, interpretation and translation services, vehicle rental, operation, maintenance, and insurance, building and equipment maintenance, local transportation, domestic travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries and any salary supplements of members of the Recipient's or the Project Implementing Entity's civil service.

13. "Operational Manual" means the Participating Financial Intermediaries' manual, dated September 2012 and agreed with the Bank, setting forth implementation, organizational, administrative, monitoring and evaluation, financial management, disbursement, and procurement arrangements for purposes of implementation of Part 2 of the Project, including criteria, procedures, and terms for Low-Carbon
Investment Subprojects, and including the Environmental and Social Management Framework, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to such manual.

14. "Output" means any of the design- or installation-phase outputs of a Green-Energy Building Subproject, as set forth in the Green-Energy Building Subproject Guidelines, eligible for financing out of the proceeds of the Grant on the basis of the arrangements set forth in said Guidelines or the respective Green-Energy Building Subproject Grant Agreement.

15. "Participating Financial Intermediaries" means, collectively, Bank of Shanghai and Shanghai Pudong Development Bank (as hereinafter defined).

16. "Project Executive Committee" means the Project Implementing Entity's committee referred to in Sections I.B.4 and 5 of the Schedule to the Project Agreement, or a successor thereto.

17. "Project Management Office" means the Project Implementing Entity's office referred to in Section I.B.6 of the Schedule to the Project Agreement, or a successor thereto.

18. "Project Steering Committee" means the Project Implementing Entity's committee referred to in Sections I.B.2 and 3 of the Schedule to the Project Agreement, or a successor thereto.

19. "Respective Part of the Project" means, for the Project Implementing Entity, Part I of the Project.

20. "Shanghai Municipality" means the Recipient's administrative subdivision of such name in the east of its territory, or a successor thereto.


22. "Training" means the cost of training financed under the Project, incurred on the basis of the annual work plans and budgets referred to in Section I.E of the Schedule to the Project Agreement, attributable to seminars, study tours, and workshops, along with the cost of domestic and international travel and subsistence for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to training preparation and implementation.
Section II. Modification to the Standard Conditions

The modification to the Standard Conditions is as follows, namely, that Section 3.06 (a) is modified to read as follows (emphasis added):

"(a) the payment is for the reasonable cost of goods, \textbf{non-consulting services, consultants' services, green-energy building subproject grants, training, or operating costs} required for the Project, to be financed out of the proceeds of the Grant and procured, all in accordance with the provisions of the Grant Agreement;"