Loan Agreement

(Economic Transformation and Institutional Capacity Building Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated June 13, 2014
LOAN AGREEMENT

Agreement dated June 13, 2014, 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; provided, however, that each reference in the General Conditions to the Project Implementing Entity shall be deemed to be a reference to the Subproject Implementing Agency; and provided further, that each reference in the General Conditions to the Project Agreement shall be deemed to be inapplicable.

1.02. Unless the context requires otherwise, the capitalized terms used in this 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, the amount of thirty five million Dollars ($35,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 May 15 and November 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 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 carry out the Project through MOF and the Subproject Implementing Agencies in accordance with the provisions of Article V of the General Conditions.

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 its Minister of Finance.

5.02. The Borrower's Address is:

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

Facsimile: 86-10-6855-1125

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 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: Yang Yingying
Title: Deputy Director-General
       International Department
       Ministry of Finance

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

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

Project Description

The objectives of the Project are to: (i) inform the Borrower's policy making; and (ii) strengthen the Borrower's capacity to implement priority reform areas articulated in the Borrower's Five Year Plans and other development programs.

The Project consists of the following parts:

Part A: Analytical Outputs

Carrying out of Subprojects consisting of, inter alia, strategic plans, sectoral research, technical studies, implementation reports, and topical studies, relating to selected areas of the Borrower's economic reform and development agenda, including under the following thematic areas: (a) fiscal and financial reform; (b) economic restructuring; (c) rural and urban integration; (d) green economy; (e) reform of the national innovation system; and (f) public service delivery.

Part B: Implementation Support, Capacity Building Activities and Project Management

Carrying out of Subprojects consisting of capacity building activities for the PMO and Subproject Implementing Agencies including, inter alia, Project management, monitoring and evaluation, training and knowledge sharing, study tours, scholarship programs, secondment programs, institution building, and the development of information platforms and information systems.
Section I. Institutional and Implementation Arrangements

A. Operations Manual

1. The Borrower, through the PMO, shall carry out the Project, and shall cause the SIAs to carry out the Subprojects, in accordance with the Operations Manual in a timely and efficient manner satisfactory to the Bank. The Borrower shall not amend, suspend, or waive said Operations Manual or any provision or schedule thereof, without the prior written concurrence of the Bank. In the event of any inconsistency between the terms of the Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

B. Institutional Arrangements

1. The Borrower, through MOF, shall maintain the PMO throughout the implementation of the Project; such PMO to be assigned qualified staff in adequate numbers, funds and other resources as shall be necessary to enable the PMO to undertake the review and selection of proposed Subprojects, and to monitor, evaluate and supervise their implementation.

2. The Borrower shall cause each SIA to establish, as a condition for Subproject financing under the Loan, and thereafter maintain until the completion of the relevant Subproject or Subprojects, a Subproject Management Office at the SIA level, headed by a qualified officer and assigned staff in adequate numbers to design proposals and implement their respective Subprojects.

C. Subprojects

1. All Subprojects shall support the overall development objective of the Project. All Subproject proposals shall have been duly prepared and submitted by SIAs, selected and approved by the PMO with the no objection from the Bank, and following the eligibility criteria, procedures and technical requirements set forth to such effect in the Operations Manual.

2. To assist in the carrying out of Subprojects, the Borrower, through the PMO, shall make the proceeds of the Loan available to the SIAs under arrangements satisfactory to the Bank.

3. The Borrower shall, and shall cause each SIA to, obtain the Bank's prior no objection for changing any of the SIA's Subproject design, Subproject Procurement Plan, and/or implementation arrangements, as applicable. The Borrower shall promptly inform the Bank of any situation that would adversely affect the carrying out of a Subproject and shall promptly take action, satisfactory to the Bank, to address such situation.

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4. The Borrower shall cause each SIA, as applicable, to ensure that every Subproject to be supported under the Project is 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.

D. Anti-Corruption

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

E. Safeguards

1. The Borrower, through the PMO, shall, and shall cause the SIAs to, implement the Project, and all Subprojects, in accordance with the ESMF and with any instruments, prescriptions and/or mitigation measures to be prepared thereunder as applicable.

2. The Borrower, through the PMO, shall not, and shall cause the SIAs not to amend, suspend, fail to observe or waive the ESMF, or any provision thereof, without the prior written concurrence of the Bank.

3. In the event of any inconsistency between the provisions of the ESMF and those of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall, through the PMO, 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 Operations Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

2. Without limitation to the provisions of paragraph A.1 above, the Borrower shall, through the PMO, prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank no later than June 30, 2017, 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.

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 provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank, 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 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. The Borrower shall make the audited Financial Statements publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. **Procurement**

A. **General**

1. **Goods and Non-consulting Services.** All goods 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 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) Direct Contracting; and (c) Shopping.
The procedures applicable to the procurement of goods, works, and non-consulting services under contracts awarded on the basis of National Competitive Bidding ("NCB") shall be the open tendering procedures set forth in the Borrower's Law on Tendering and Bidding promulgated by its Order No. 21 dated August 30, 1999; provided, however, that such procedures shall be subject to the provisions of Section I, Paragraphs 3.3 and 3.4 of Section III, and Appendix 1 of the Procurement Guidelines, and the additional provisions in the following. In the event of a conflict between the Borrower's procedures and these NCB Procedure Modifications, the latter shall govern.

(i) Eligibility to participate in a procurement process and to be awarded a Bank-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for such contract for reasons other than those provided in Section I of the Procurement Guidelines. No restriction based on nationality of bidders and/or origin of goods shall apply, and foreign bidders shall be allowed to participate in NCB without application of restrictive conditions.

(ii) All invitations to prequalify or bid shall be advertised in a national newspaper of wide circulation in the Borrower's country, or on a widely used website/electronic portal with free national and international access acceptable to the Bank except for goods or non-consulting services contracts that are estimated to cost less than $300,000 equivalent each, or works contracts that are estimated to cost less than $2,000,000 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 such advertisement (or the date of availability of bidding documents, whichever is later) and the deadline for the submission of bids, and the advertisement and bidding documents shall specify the deadline for the submission of bids. In the case of such advertisement on a website/electronic portal, the notice shall remain readily accessible nationally and internationally until at least the deadline for the submission of bids. Potential bidders shall be allowed to inspect and purchase bidding documents at any time prior to the deadline for the submission of bids.

(iii) Standard Bidding Documents acceptable to the Bank shall be used.

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

(v) Prequalification procedures and documents acceptable to the Bank shall be used for large, complex and/or specialized works. Verification of the information upon which a bidder was prequalified, including current
commitments, shall be carried out at the time of contract award, along with the bidder's capability with respect to personnel and equipment. 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. Where pre-qualification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying the qualification criteria stated in the bidding documents.

(vi) Registration shall not be used to assess bidders' qualifications. A bidder shall not be required to register as a condition for inspecting or purchasing bidding documents, submitting its bid or receiving contract award. A bidder determined to be the lowest evaluated responsive bidder, shall be given reasonable opportunity of registering (if required) before contract signing without any let or hindrance. Bidding shall not be restricted to any particular class of contractors, and non-classified contractors shall also be eligible to bid.

(vii) No margins of preference of any sort shall be given to bidders, such as on the basis of their location, place of incorporation, or affinity with the geographical area in which the Project activities will take place.

(viii) All bidders who are awarded contracts for works and single-responsibility contracts shall be required to provide performance security in an amount sufficient to protect the Borrower or the Project Implementing Entity / Entities, 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 and any other potential damages for such breach.

(ix) Bidders shall be allowed to submit bids by mail or in person.

(x) 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.

(xi) 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.

(xii) No bid may be rejected solely on the basis that the bid price exceeds any cost estimate or falls outside any margin or bracket of prices or average bids established by the Borrower or the Project Implementing Entity / Entities, as the case may be. Rejection of all bids or re-bidding shall 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 agreement.

(xiii) 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 or to assume other obligations not stipulated in the bidding documents or otherwise to modify the bid as originally submitted. No negotiations shall be permitted except with the Bank’s no-objection.

(xiv) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank’s policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.

(xv) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank’s policy with respect to inspection and audit of accounts, records and other documents relating to the submission of bids and contract performance.

(xvi) Government-owned enterprises in the Borrower’s country may be permitted to bid or submit a proposal of goods, works, or non-consulting services 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.

(xvii) Matters such as subcontracting, joint venture relationships and assignment of contract shall be handled in accordance with the bidding documents.

(xviii) The results of bid evaluation and contract award shall be published in the national or provincial press (as provided under paragraph (ii) above) or official gazette or a free and open-access website and shall identify: (A) the name of each bidder who submitted a bid; (B) bid prices as read out at bid opening; (C) the name of the bidder, and the evaluated price, of each bid that was evaluated; (D) the names of bidders whose bids were either rejected as non-responsive or not meeting qualification criteria, or not evaluated, with the reasons therefor; and (E) the name of the winning bidder and the final total contract price, as well as the duration and summary scope of the contract. Such publication shall be within two (2) weeks of receiving the Bank’s no-objection to the award recommendation for contracts subject to the Bank’s prior review, and within two (2) weeks of the Borrower or the Project Implementing Entity’s award decision for contracts subject to the Bank’s post review. The bidding documents shall disclose the newspaper in which and / or the electronic means by which the information on contract award will be published.

(xix) The Borrower or the Project Implementing Entity / Entities, as the case may be, shall have in place an effective and independent protest mechanism for bidders to protest. The bidding documents shall provide the professional title and address of the official to whom such protests should be sent.
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 the Consultants’ Qualifications</td>
</tr>
<tr>
<td>(c) Selection of Individual Consultants</td>
</tr>
<tr>
<td>(d) Single Source Selection (Firm and Individual)</td>
</tr>
</tbody>
</table>

D. Review by the 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 Article II of the General Conditions, 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 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 USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultant’s services and Training under Subprojects A</td>
<td>22,443,125</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, consultant’s services and Training under Subprojects B</td>
<td>12,469,375</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>87,500</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>35,000,000</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.

2. The Closing Date is December 31, 2019.
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 (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each November 15 and May 15</td>
<td>2.63%</td>
</tr>
<tr>
<td>Beginning November 15, 2019, through November 15, 2037</td>
<td>2.63%</td>
</tr>
<tr>
<td>On May 15, 2038</td>
<td>2.69%</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 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.
APPENDIX

Section I. Definitions


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


5. “ESMF” means the Environmental and Social Management Framework incorporated within the Operations Manual, prepared and adopted by the Borrower, and acceptable to the Bank, which framework sets out the policies and procedures for identifying the potential environmental and social impacts of Project and Subproject activities, and the development of mitigation and management measures, as such framework may be revised from time to time with the prior written approval of the Bank; and such term includes all schedules and agreements supplemental to said framework.

6. “Five Year Plans” means the Borrower’s medium term programs of national economic and social development as formulated by the Borrower’s State Council, and setting out, inter alia, the main activities to be carried out in relation to the national economy, planning and programming of science and technology, educational undertakings and social development.


8. “MOF” means the Borrower’s Ministry of Finance, or any successor thereto.

9. “Operations Manual” means the Borrower’s manual prepared on April 14, 2014, acceptable to the Bank, and to be formally issued by MOF before the Effective Date, providing, inter alia, for: (a) the institutional, implementation, supervision, monitoring and evaluation and reporting arrangements for the Project; (b) the eligibility and selection criteria, applicable norms and regulations, technical specifications and other implementation aspects of Subprojects; (c) the ESMF and other arrangements for
screening and monitoring safeguards aspects under the Project; and (d) implementation
guidelines for various Project activities, including financial management, procurement
and disbursement aspects, as such manual may be revised from time to time with the
prior written concurrence of the Bank; and such term includes all schedules supplemental
to said manual.

Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank
Borrowers" dated January 2011.

11. "Procurement Plan" means, collectively, the Subproject Procurement Plans, as the same
may be amended from time to time with the prior written agreement of the Bank, 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.

12. "Project Management Office" and the acronym "PMO" mean the office established by
the Borrower within the International Department of its Ministry of Finance, headed by
the Director General of the International Department, MOF, and to be maintained
according to the provisions of Section I.B.1 of Schedule 2 to this Agreement.

13. "Subproject" means a technical assistance set of activities to be designed and carried out
under Parts A and B of the Project, by a Subproject Implementing Agency in accordance
with the criteria set forth in this Agreement and the Operations Manual, with the
objective of enhancing institutional capacity building at the national and sub-national
levels for the adoption and implementation of sound reform and development strategies,
policies and implementation plans, and to be financed out of the proceeds of the Loan, as
provided for in this Agreement, under terms and conditions satisfactory to the Bank, and
the term "Subprojects" means collectively all Subprojects.

14. "Subproject A" means a Subproject as so defined to be implemented by the Borrower's
government departments and agencies with no obligation to repay the principal of the
proceeds of the Loan made available to the relevant SIA by the Borrower pursuant to
Section I.C.2 of Schedule 2 to this Agreement.

15. "Subproject B" means a Subproject as so defined to be implemented by the Borrower's
government departments, local governments and agencies with the obligation to repay the
principal of the proceeds of the Loan made available to the relevant SIA by the Borrower
pursuant to Section I.C.2 of Schedule 2 to this Agreement.

16. "Subproject Implementing Agency" and the acronym "SIA" mean any of the Borrower's
departments and agencies at either the national, provincial, municipal or county
government level that are responsible for implementing specific activities under the
Project.
17. "Subproject Management Office" means the offices to be established and maintained in each SIA pursuant to Section I.B.2 of Schedule 2 to this Agreement.

18. "Subproject Procurement Plan" means the procurement plan for each Subproject prepared by a SIA, as approved by the Borrower and the Bank, as such plan may be amended from time to time with the prior approval by the Bank, and Subproject Procurement Plans means, collectively, the Procurement Plan.

19. "Training" means the costs of training activities under Parts A and B of the Project, based on annual work plans and budgets approved by the Bank, and attributable to seminars, workshops, scholarships, secondment programs, and domestic and overseas study trips, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.