Mr. Zhang Ming  
Vice Mayor  
Chongqing Municipality  
No. 232, Renmin Road, Yuzhong District  
People’s Republic of China

Mr. Wang Tie  
Vice Governor  
Henan Province  
No. 22, Jinshui Donglu, Zhengzhou  
People’s Republic of China

Mr. Zhu Lieke  
Vice Governor  
Shaanxi Province  
Xincheng Dayuan, Xi’an  
People’s Republic of China

Dear Messrs. Zhang, Wang and Zhu:

Re: China: Sustainable Development in Poor Rural Areas Project  
(Ln. No. 7910-CN and GEF Grant No. TF097197)  
Amendment to Project Agreement

I refer to the Project Agreement dated August 25, 2010 between the International Bank for Reconstruction and Development (the Bank) and Chongqing Municipality, Henan Province and Shaanxi Province for the above-referenced project (the Project Agreement). I also refer to the letter dated August 15, 2013, requesting certain amendments to the Project Agreement.

I am pleased to inform you that, after due consideration, the Bank accedes to this request and consequently proposes to hereby amend the Project Agreement as set forth below.

1. The Schedule is amended by the deletion of Paragraphs 16 to 19 (Migrant Labor Micro-enterprise Support Financing) thereof.

2. Annex 1 to the Schedule (Project Performance Indicators) is amended to read as set out in the Attachment to this letter.

Except as specifically amended by this amendment letter, all other provisions of the Project Agreement remain in full force and effect.

Please confirm the agreement of the Chongqing Municipality, Henan Province and Shaanxi Province to this amendment letter by countersigning and dating the forms of confirmation set forth below, and returning one fully signed original of this amendment letter to us.
This amendment letter shall become effective as of the date of countersignature, upon our receipt of your confirmation.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mara Warwick
Acting Country Director, China
East Asia and Pacific Region

CONFIRMED
Chongqing MUNICIPALITY
By:
Authorized Representative
Name: 
Title: 
Date: 

CONFIRMED
Henan PROVINCE
By:
Authorized Representative
Name: 
Title: 
Date: 2013. 11. 28

CONFIRMED
Shaanxi PROVINCE
By:
Authorized Representative
Name: 
Title: 
Date: 
## Annex 1 Project Results Framework

<table>
<thead>
<tr>
<th>PDO</th>
<th>Project Outcome Indicators</th>
<th>Use of Project Outcome Information</th>
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<tr>
<td><strong>Explore and pilot more effective and innovative ways of providing poverty reduction assistance to the poorest communities and households in Henan Province, Shaanxi Province and Chongqing Municipality (the Project Provinces) through community-driven development and participatory approaches.</strong></td>
<td>Cost savings of infrastructure investments under the project in comparison to similar Government infrastructure investments. Percentage of directly benefitting poverty households in CDD and CDF activities as compared to percentage of poverty households in the project villages. Financial rates of return of CDD investments and CDF loans.</td>
<td>Determine whether project piloted ways are superior in terms of cost effectiveness, targeting and outreach and income generation and can be promoted in national policies and other poverty reduction programs.</td>
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<td><strong>Pilot sustainable land management and adaptation measures to address vulnerability to climate change in poor rural areas in the Project Provinces.</strong></td>
<td>Disseminate the improved sustainable land management approach through innovative community pilots mainstreaming the CDD model while addressing the vulnerability of poor rural areas to climate change.</td>
<td>Understanding at the beneficiaries level is the most important pre-condition for mainstreaming SLMA measures into CDD approaches.</td>
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<tr>
<th>Intermediate Outcomes</th>
<th>Intermediate Outcome Indicators</th>
<th>Use of Intermediate Outcome Monitoring</th>
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<tr>
<td><strong>Component One: CDD</strong></td>
<td>Percentage of households participating in the CDD activities compared to the total households in the project villages. Percent of women participating in the CDD activities compared to the total women population in the project villages. Satisfaction rate by the household in the project villages with regard to the improvement of infrastructure.</td>
<td>Determine whether there is a need to adjust procedures or plans for participatory approach and planning or encourage increased participation. Assess and evaluate whether project is in accordance with the needs and desires of the communities and villagers. Assess the quality of construction.</td>
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<td>Widespread participation of villagers in design, implementation and management of development plans. Improvement in access to drinking water, power, roads, and other basic infrastructure and services.</td>
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<p>| <strong>Component Two: CDF</strong> | Turnover rate of the CDF. Percent of poverty households benefitting from CDF compared to the total poverty households in the project villages. | Evaluate whether CDF is operated successfully. Evaluate whether poor farmers have benefited from CDF assistance. |
| Empowered communities (better capacity of self-governance and self-development) through managing CDF and increased farmers’ income through | | |</p>
<table>
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<tr>
<th><strong>Component Three: Sustainable Land Management and Adaptation</strong></th>
<th><strong>Component Four: Management and M&amp;E</strong></th>
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<tbody>
<tr>
<td>Increased capacity of local governments and communities to implement sustainable land management and adaptation activities.</td>
<td>Establish the project management and M&amp;E system at all levels. Increase staff capacity and training at all levels, and improve project implementation performance.</td>
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<td>Improved carbon sequestration in SLMA pilot villages.</td>
<td><strong>Evaluate whether the training plan and capacity building program are feasible and practical.</strong></td>
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<td><strong>CDF repayment rate.</strong></td>
<td><strong>Effective and comprehensive project management and M&amp;E system established within 6 months of project effectiveness.</strong></td>
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<td>Percent of all pilot villages successfully completed village assessments and resource mapping and identified adaptation needs. Percentage of pilot villages implement innovative adaptation measures based on application of new assessment tools. Carbon stock increased by 5 percent across all pilot SLMA villages; equivalent to an estimated total of 96,000 tons of carbon (or 40,000 tons of carbon for total project area).</td>
<td><strong>To determine whether adjustments are needed in village assessment tools and to identify – through evaluation of pilot implementation – suitable adaptation activities for inclusion into the menu of CDD eligible activities project wide.</strong></td>
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<td>Determine whether institution building program has helped establish sufficient capacity for successful project management and M&amp;E.</td>
<td><strong>Determine whether institution building program has helped establish sufficient capacity for successful project management and M&amp;E.</strong></td>
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Prepared by: Minneh Kane (LEGES)

Cleared by and bcc: Yu Zhuo (CTRLN); Garo Batmanian (Acting Sector Manager)

Bcc: Klaus Rohland, Xin Chen, Ying Fan, Hua Zhu (EACCF); Ulrich Schmitt, Yunqing Tian, Xieli Bai, Wenyan Dong, Zijing Niu (EASCS); Ying Fan, Xin Chen, Guangqin Luo, Hua Zhu (EACCF); Alejandro Alcala Gerez (LEGES); WBDocs