Project Agreement

(Hubei Inland Waterway Improvement Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

HUBEI PROVINCE
PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and HUBEI PROVINCE ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of the Signature Date between the PEOPLE'S REPUBLIC OF CHINA ("Borrower") and the Bank. The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) apply to and form part of this Agreement.

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

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objective of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its Governor or Vice Governor, or such other person or persons as said Governor or Vice Governor shall designate in writing.

3.02. For purposes of Section 10.01 of the General Conditions:

(a) the Bank’s address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and
(b) the Bank’s Electronic Address is:

Telex: Facsimile:
248423(MCI) or 1-202-477-6391
64145(MCI)

3.03. For purposes of Section 10.01 of the General Conditions:

(a) the Project Implementing Entity’s address is:
No.8 Zhongbei Road
Wuchang District, Wuhan City
Hubei Province 430071
People’s Republic of China; and

(b) the Project Implementing Entity’s Electronic Address is:

Facsimile: E-mail:
+86 027-6781-8629 303567837@99.com
AGREED, as of the latest of the two dates written below.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Bert Hoffman
Title: Country Director, China
Date: July 12, 2018

HUBEI PROVINCE

By

Authorized Representative

Name: Wang Zhongming
Title: Deputy Director General
Date: Ministry of Finance, July 12, 2018
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. In order to ensure the proper carrying out of the Project, the Project Implementing Entity shall maintain, and cause to be maintained, throughout the implementation of the Project, the following entities with composition, powers, functions, terms of reference, staffing, facilities and other resources acceptable to the Bank:

(a) a Provincial Leading Group established at the provincial level and responsible for, *inter alia*, overall leadership, direction and strategic guidance of the Project; and

(b) the Project Management Office (PMO) organized within the Provincial Transport Department, responsible for, *inter alia*, overall coordination, management and monitoring of the Project, inter-agency coordination, policy liaison with the Bank, management and supervision of the Project including management and implementation of social and environmental safeguards measures, preparation of the Project annual budget, preparation and consolidation of all Project Reports, implementation activities including training and capacity building of Project staff and procurement and financial management under the Project.

2. The Project Implementing Entity, through its Provincial Transport Department, shall: (a) prepare a draft annual work plan and budget summarizing the Project activities proposed to be undertaken in the following calendar year and the related proposed budget, including the amount of counterpart funds to be made available for such purposes; (b) furnish to the Bank, for its review and comments, the Project annual plan by December 31 in each year, beginning in calendar year 2018; (c) taking into account the Bank's comments, finalize and approve the annual plan acceptable to the Bank (Annual Plan); and (d) thereafter ensure the implementation of the Project during the following calendar year in accordance with the Annual Plan agreed with the Bank and in a manner acceptable to the Bank. The Project Implementing Entity shall not amend, suspend, abrogate, or waive said Annual Plans or any provision thereof without the prior written agreement of the Bank.

B. Safeguards

1. In carrying out the Project, the Project Implementing Entity, through its Provincial Transport Department, shall:
(a) take all necessary actions to minimize to the extent possible any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of said people in the carrying out of the Project or any part thereof;

(b) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any works which would result in such acquisition or displacement, make available to such people compensation and, as applicable, relocate and rehabilitate the Displaced Persons in accordance with the Resettlement Action Plan(s) and in a manner acceptable to the Bank; and

(c) whenever required in terms of the RPF, and prior to the commencement of any works, proceed to have a RAP or RAPs: (i) prepared in form and substance acceptable to the Bank; (ii) except as otherwise agreed with the Bank, submitted to the Bank for review and approval; (iii) thereafter, adopted and publicly disclosed; and (iv) thereafter, implemented, in accordance with their terms and in a manner acceptable to the Bank.

2. The Project Implementing Entity, through its Provincial Transport Department, shall:

(a) appoint, and maintain until the completion of the Project, an independent panel of experts acceptable to the Bank, consisting of three or more specialists, with expertise in the various technical fields relevant to the safety aspects of the dam to: (i) advise the Project Implementing Entity on matters relative to dam safety and other critical aspects of the Project Dams, their appurtenant structures, the catchment areas, the areas surrounding the reservoirs, and downstream areas; (ii) inspect and evaluate the safety status of the upstream dams, their appurtenances, and performance history; (iii) review and evaluate the compliance of the upstream dams’ operation and maintenance procedures along with the related national standards and pursuant to the Dam Safety Plans; and (iv) provide written reports of findings and recommendations for any remedial work to ensure safety of upstream dams;

(b) provide all support and cooperation to the dam safety expert panel referred to in Section 2(a) above, as necessary to carry out its functions in accordance with the experts’ terms of reference; and

(c) furnish to the Bank, by December 25 of each calendar year, the report(s) referred to in Section 2(a) above.
3. The Project Implementing Entity, through its Provincial Transport Department, shall implement the Safeguards Instruments in a manner and substance acceptable to the Bank. Without limitation on the foregoing, the Project Implementing Entity shall ensure that any contract for works under the Project includes the obligations of the contractors and any sub-contractor to comply with the relevant provisions of the ESMP, as the case may be.

4. The Project Implementing Entity, through its Provincial Transport Department, shall ensure that all studies and technical assistances to be supported under the Project are carried out under terms of reference acceptable to the Bank, and that such terms of reference are consistent with, and pay due attention to, the Bank's Safeguards Policies.

5. The Project Implementing Entity, through its Provincial Transport Department, shall not amend, suspend, or waive the Safeguards Instruments, or any provision thereof, without the prior written concurrence of the Bank.

6. The Project Implementing Entity, through its Provincial Transport Department, shall maintain policies and procedures adequate to enable the PMO to monitor and evaluate the implementation of the Safeguards Instruments and achievement of these instruments and, to this end, engage experienced and qualified independent monitoring consultants acceptable to the Bank.

7. Without limitation to the provisions of paragraphs 1 through 6 of this Section I.B, or the provisions of Section II.1 below, the Project Implementing Entity, through its Provincial Transport Department, shall take all measures necessary on their part to regularly collect, compile and submit to the Bank, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:

   (a) measures taken in furtherance thereof;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation thereof; and

   (c) remedial measures taken or required to be taken to address such conditions.

8. In the event of any inconsistency between the provisions of the Safeguards Instruments and the provisions of this Agreement or the Loan Agreement, the provisions of this Agreement and the Loan Agreement shall prevail.
Section II. **Project Monitoring, Reporting and Evaluation**

1. The Project Implementing Entity, through its Provincial Transport Department, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators set forth in the Results Framework. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Borrower and the Bank not later than sixty (60) days after the end of the period covered by such report.

2. Without limitation to the provisions of the preceding paragraph, the Project Implementing Entity, through its Provincial Transport Department, shall prepare, under terms of reference acceptable to the Bank, and furnish to the Bank no later than May 31, 2019, 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.

3. The Project Implementing Entity, through its Provincial Transport Department, shall provide to the Borrower not later than three months after the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions, all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

Section III. **Procurement**

All goods, works and services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.

Section IV. **Other Undertakings**

The Project Implementing Entity, through its Provincial Transport Department, shall: (a) by no later than June 30, 2019, complete the second phase of the cumulative environmental impact assessment of cascade development in the middle and lower reaches of the Han River, under terms of reference acceptable to the Bank; and (b) by no later than December 31, 2019, develop an action plan, acceptable to the Bank, for the implementation of the recommendations in the cumulative impact assessment referred to in (a) herein.