Project Agreement

(Sino-Singapore Tianjin Eco-City Project)

between

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

and

TIANJIN MUNICIPALITY
AGREEMENT dated September 25, 2010, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF"); and TIANJIN MUNICIPALITY ("Tianjin" or “the Project Implementing Entity”) in connection with the Global Environment Facility Grant Agreement (“GEF Grant Agreement”) of same date between the People’s Republic of China ("Recipient") and the World Bank.

The World Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I
Definitions

Section 1.01. The Standard Conditions (as defined in the Appendix to the GEF Grant Agreement) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the capitalized terms used in this Agreement have the meanings ascribed to them in the GEF Grant Agreement or the Standard Conditions.

ARTICLE II
Execution of the Project

Section 2.01. The Project Implementing Entity declares its commitment to the objective of the Project as set forth in Schedule 1 to the GEF Grant Agreement, and, to this end, shall: (i) carry out the Project in accordance with the provisions of Article II of the Standard Conditions; and (ii) provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

Section 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III
Effectiveness; Termination

Section 3.01. This Agreement shall come into force and effect on the date upon which the GEF Grant Agreement becomes effective.
Section 3.02. This Agreement and all obligations of the World Bank and of the Project Implementing Entity thereunder shall terminate on the date on which the GEF Grant Agreement shall terminate in accordance with its terms, and the World Bank shall promptly notify the Project Implementing Entity thereof.

Section 3.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation, suspension or refund under the Standard Conditions.

ARTICLE IV
Miscellaneous Provisions

Section 4.01. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of the Project Implementing Entity may be taken or executed by the Mayor or Vice Mayor; or such other person or persons as said Mayor or Vice Mayor, as the case may be, shall designate in writing, and the Project Implementing Entity shall furnish to the World Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 4.02. The World 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 6391 (MCI)
Facsimile: (202) 477-64145 (MCI)

Section 4.03. The Project Implementing Entity’s Address is:

Finance Bureau
Tianjin Municipality
No. 4 Qufu Road
Heping District
Tianjin 300042
People’s Republic of China

Facsimile:
AGREED at Beijing, People’s Republic of China, as of the day and year first above written.

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

By /s/ Klaus Rohland
Authorized Representative

TIANJIN MUNICIPALITY

By /s/ Chen Qinghe
Authorized Representative
SCHEDULE

Implementation Program

Section I. Institutional and Implementation Arrangements

A. Implementation

The Project Implementing Entity shall carry out Parts A, B and C2 of the Project through PMO, and Part C1 of the Project through PMO, with the assistance of TECI, TECID and TECPHCC, under an Implementation Agreement satisfactory to the World Bank.

B. Implementation Agreement

(a) The Project Implementing Entity shall: (i) for the purpose of carrying out Part C1 of the Project, enter into an Implementation Agreement with TECI, TECID and TECPHCC, on terms and conditions approved by the World Bank; and (ii) prior to undertaking any activity under Part C1, ensure that such Implementation Agreement has been executed, taking into account the World Bank’s recommendations.

(b) The Project Implementing Entity shall exercise its rights under the Implementation Agreement in such manner as to protect the interests of the Project Implementing Entity, the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree in writing, the Project Implementing Entity shall not assign, amend, abrogate or waive the Implementation Agreement or any of their provisions.

C. Project Management and Coordination

The Project Implementing Entity shall, throughout the period of implementation of the Project, maintain its Project Management Office (PMO), with terms of reference, staffing, and other resources satisfactory to the World Bank, to be responsible for financial management, procurement, disbursement, monitoring, reporting, and coordination in implementation of the Project, and to be responsible for strategic decision making and coordination in implementation of the Project.

D. Anti-Corruption
The Project Implementing Entity shall cause the Project to be carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Environment Protection

1. In the carrying out of the Project, the Project Implementing Entity shall:

   (a) implement the EMP and Environmental Management Framework, as the case may be, in a manner satisfactory to the World Bank to ensure that the Project is implemented in accordance with sound environmental practices, standards and safety measures; and

   (b) provide to the World Bank for its prior concurrence any proposed modification or waiver of its respective EMP and Environmental Management Framework, as the case may be, or any provisions thereof, prior to putting into effect such modification or waiver.

2. The Project Implementing Entity shall:

   (a) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the World Bank, the implementation of its respective EMPs, and the Environmental Management Framework, as the case may be, and the achievement of the objectives of said plans and framework, including the engagement of experienced and qualified independent monitoring agencies with terms of reference acceptable to the World Bank; and

   (b) prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank by April 30, each year, commencing on April 30, 2011, semi-annual reports of the results of the monitoring and evaluation activities with respect to its respective EMP, referred to in sub-paragraph (a) above, together with any revisions proposed to be introduced into said plans and framework in order to achieve their respective objectives.

Section II. Project Monitoring, Reporting and Evaluation

A. Monitoring

1. (a) the Project Implementing Entity shall maintain policies and procedures adequate to enable it to supervise, monitor and evaluate on an ongoing basis, in accordance with indicators set forth in Annex to Schedule 2 to the GEF Grant Agreement, the carrying out of the Project and the achievement of the objectives thereof;
(b) the Project Implementing Entity shall prepare, under terms of reference satisfactory to the World Bank, and furnish to the Recipient for consolidation and forwarding to the World Bank pursuant to paragraph A of Section II of Schedule 2 to the GEF Grant Agreement, the following reports:

(i) semi-annual reports, not later than March 31, and September 30, in each calendar year, beginning on March 31, 2011: (A) integrating the results of Project implementation and supervision and summarizing the progress of the Project in respect of the preceding calendar; and (B) setting forth measures or recommendations to ensure the efficient carrying out of the Project and to further the objectives thereof during the then current calendar;

(ii) a completion report, not later than three (3) months after the Closing Date, of such scope and in such detail as the Recipient and the World Bank shall reasonably request, on the execution of the Project, the performance by the Project Implementing Entity of its obligations under the Project Agreement and the accomplishment of the purposes of the Grant; and a plan designed to ensure the sustainability of the Project’s achievements; and

(iii) a mid-term review report, not later than May 31, 2012 summarizing the results of the monitoring and evaluation activities carried out by it pursuant to the sub-paragraph (a) of this paragraph 1 from the inception of the Project, and setting out the status of the Project and the measures recommended to ensure its efficient completion and to further its objectives; and

(c) after furnishing each said report, the Project Implementing Entity shall review the same with the Recipient and the World Bank, and thereafter, promptly take all measures in relation thereto satisfactory to the World Bank.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied
accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity shall have the financial statements referred to above audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one (1) Fiscal Year. The audited financial statements for each period shall be furnished to the Recipient and the World Bank not later than six (6) months after the end of the period.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods and 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 under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”) in the case of goods, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“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 1.16 of the Procurement Guidelines and paragraph 1.24 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Recipient (other than goods
manufactured in the Hong Kong Special Administrative Region or the Macau Special Administrative Region of the Recipient).

2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used.

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<th>Procurement Method</th>
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<td>(a) National Competitive Bidding:</td>
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<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>
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<td>(i) All invitations to prequalify or to bid shall be advertised in a newspaper of national circulation in the Recipient’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>
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<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>
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<td>(iii) All bidders that meet the qualification criteria set out in the pre-qualification document shall be allowed to bid and there shall be no limit on the number of pre-qualified bidders.</td>
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(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 will 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 with 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: (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).

(xiii) The results of bid evaluation and contract award shall be
published in the national press or provincial press (as
provided under (a)(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 Project Implementing Entity 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. For purposes of
paragraph 2.7 of the Consultant Guidelines, the short list of consultants for
services estimated to cost less than $300,000 equivalent per contract may
comprise entirely national consultants.

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; and (d) Selection of
Individual Consultants.
D. Review by the World Bank of Procurement Decisions

Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: (a) each contract for goods estimated to cost the equivalent of $300,000 or more procured based on International and National Competitive Bidding; all contracts to be procured by general contractors under Part C of the Project, and the first contract to be procured through Shopping; (b) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more; and all contracts for consultants’ services provided by a firm selected based on single-source basis; and (c) each contract for consultant’s services provided by individual consultant estimated to cost the equivalent of $50,000 or more; and all contracts for consultant’s services provided by an individual selected based on sole-source basis. In addition, the terms of reference for consulting services, regardless of their contract value or procurement method, will be subject to the World Bank’s prior review. All other contracts shall be subject to Post Review by the World Bank.