Project Agreement

(Energy Efficiency Financing Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

THE EXPORT-IMPORT BANK OF CHINA

and

HUA XIA BANK CO., LIMITED

Dated July 11, 2008
PROJECT AGREEMENT

AGREEMENT dated July 11, 2008, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"), and THE EXPORT-IMPORT BANK OF CHINA, and HUA XIA BANK CO., LIMITED (collectively, “Project Implementing Entities”) ("Project Agreement") in connection with:

(1) the Loan Agreements of same date between PEOPLE’S REPUBLIC OF CHINA ("Borrower") and the Bank ("Loan Agreements"); and

(2) the Global Environment Facility Grant Agreement ("Co-financing Agreement") of the same date between PEOPLE’S REPUBLIC OF CHINA ("Recipient") and the Bank, acting as an implementing agency of the Global Environment Facility ("Co-financier"), for the Co-financing (as hereinafter defined).

The Bank and the Project Implementing Entities hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreements), with the modifications set forth in below, constitute an integral part of this Agreement:

(a) Whenever used in the General Conditions, the term “Borrower” shall include the term “Recipient” and the term “Loan” shall include the term “Grant” or the term “Co-financing” except in Article III, Article IV and Sections 7.02(a), 7.05, 7.06, and 7.07 of the General Conditions.

(b) Whenever used in the provisions of Sections 5.01, 5.02, 5.09 and 5.11, the term “Legal Agreement” means any of the Loan Agreements, the Co-financing Agreement or the Project Agreement. “Legal Agreements” means collectively, all of such agreements.

(c) Section 5.10 is modified to read as follows:

“The Bank, the Loan Parties, the parties to the Co-financing Agreement and the Project Implementing Entities shall cooperate fully to assure that the purposes of the Loans and the Co-financing and the objectives of the Project will be accomplished. To that end, the Bank, the Loan Parties, the parties to the Co-financing Agreement and the Project Implementing Entity shall:

(a) from time to time, at the request of any one of them, exchange views on the Project, the Loans, the Co-financing and the
performance of their respective obligations under the Legal Agreements, and furnish to the other party all such information related to such matters as it shall reasonably request; and

(b) promptly inform each other of any condition which interferes with, or threatens to interfere with, such matters.”

(d) Section 9.05 of the General Conditions is amended to read as follows:

“Section 9.05. Termination of the Project Agreement

The Project Agreement and all obligations of the parties under the Project Agreement shall forthwith terminate upon: (i) full payment of the Withdrawn Loan Balances and all other Loan Payments due; or (ii) when all obligations of the Co-financing Agreement have been fully performed, whichever is later.”

1.02. Unless the context requires otherwise, the capitalized terms used in the Project Agreement have the meanings ascribed to them in the Loan Agreements, the Co-financing Agreement, or the General Conditions; and the following term has the following meanings:

“Exim Bank Action Plan” means a time-bound action plan, dated October 17, 2007, adopted by Exim Bank, setting out measures acceptable to the Bank intended to strengthen Exim Bank’s operational capacity in lending for energy efficiency projects and credit risk management and to improve its corporate governance practices; and referred to in paragraph 8 of Section I of the Schedule to this Agreement.

ARTICLE II – PROJECT

2.01. Each of the Project Implementing Entities declares its commitment to the objectives of the Project. To this end, said Project Implementing Entity shall: (a) carry out its Respective Parts of the Project in accordance with the provisions of Article V of the General Conditions; and (b) provide, promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entities shall otherwise agree, each of the Project Implementing Entities shall carry out its Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.
ARTICLE III – REPRESENTATIVE; ADDRESSES

3.01. Each of the Project Implementing Entities’ Representative is its President or a Vice President or such other person or persons as said President or Vice President designates in writing, and the Project Implementing Entity shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

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

3.03. The Project Implementing Entities’ Addresses are:

The Export-Import Bank of China
No.77 Beiheyuan Street,
Dongcheng District
Beijing 100009
People’s Republic of China

Facsimile:
86-10-64005997

Hua Xia Bank Co., Limited
No. 22 Jianguomennei Da Jie
Dongcheng District
Beijing, 100005
People’s Republic of China

Facsimile:
86-10-85239605
AGREED at Beijing, People’s Republic of China, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ David Dollar
Authorized Representative

THE EXPORT-IMPORT BANK OF CHINA

By /s/ Liu Liange
Authorized Representative

HUA XIA BANK CO., LIMITED

By /s/ Li Xiang
Authorized Representative
SCHEDULE

Execution of the Project

Section I. Institutional and Other Arrangements

Project Management

1. Throughout the period of implementation of its Respective Parts of the Project, each of the Project Implementing Entities shall maintain, and cause to be maintained, for purposes of carrying out its Respective Parts of the Project, a Project Team, with terms of reference, staffing and other resources acceptable to the Bank, to be responsible for implementing and coordinating such Respective Parts of the Project.

Project Implementation

Operational Manuals and Financial Management Manuals

2. In carrying out its Respective Parts of the Project, each of the Project Implementing Entities shall:

   (a) apply its respective Operational Manual, satisfactory to the Bank, which shall include: (i) institutional and implementation arrangements, (ii) eligibility criteria and procedures for the selection of Sub-loan Beneficiaries and Sub-projects; (iii) terms and conditions of Sub-loans, (iv) procurement procedures consistent with the provisions set forth in Section III of Schedule 2 to the Loan Agreements; (v) the Environmental Assessment Framework; (vi) monitoring, evaluation and reporting procedures; and (vii) a negative list of activities not to be financed by Sub-loans.

   (b) apply its respective Financial Management Manual, satisfactory to the Bank, which shall include guidelines on financial management, internal controls, accounting procedures, fund and asset management and withdrawal application procedures, consistent with the provisions set forth in Section II.B of this Schedule; and

   (c) not amend, abrogate, suspend, or waive any part of its respective Operational Manual and Financial Management Manual without the prior approval of the Bank.
**Sub-Loan Beneficiaries**

3. Unless the Bank shall otherwise agree, each of the Project Implementing Entities shall select and approve Sub-loan Beneficiaries in accordance with the criteria and procedures set forth in its respective Operational Manual, including that a Sub-loan Beneficiary may be selected only if:

(a) said Sub-loan Beneficiary has been established and is operating pursuant to the Borrower’s relevant laws and regulations;

(b) said Sub-loan Beneficiary (in the case of a medium or large industrial enterprise) has total annual revenues of at least RMB thirty million (RMB 30,000,000) for its current and previous fiscal years, as reflected in its financial statements; and

(c) said Sub-loan Beneficiary is a medium or large industrial enterprise engaged in energy-intensive industries, or is an energy service company (ESCO) providing services only for medium or large industrial enterprises.

**Sub-projects**

4. Each of the Project Implementing Entities shall appraise, review, approve, and supervise Sub-projects in accordance with the criteria, conditions and procedures set out in its respective Operational Manual, including, among others, the following eligibility criteria:

(a) the proposed Sub-project is in compliance with the environmental standards set out in the Environmental Assessment Framework, and with all applicable laws and regulations of the Borrower relating to environmental protection; an environmental screening has been carried out for the proposed Sub-project in accordance with principles set forth in the Environmental Assessment Framework; and if said environmental screening concludes that an environmental management plan is required, said environmental management plan has been prepared and approved by the Borrower and the Bank for implementing the proposed Sub-project;

(b) the proposed Sub-project is technically feasible, and economically, financially and commercially viable; and

(c) the proposed Sub-project is limited to renovation and rehabilitation of existing facilities of medium or large industrial enterprises with the objective of achieving energy efficiency.
5. Each of the Project Implementing Entities shall furnish Sub-project proposals and appraisal documents for the first two (2) Sub-projects under its Respective Parts of the Project to the Bank for review and approval, prior to signing of Sub-loan Agreements for carrying out said Sub-projects.

Sub-loans and Sub-loan Agreements

6. Each of the Project Implementing Entities shall make Sub-loans to Sub-loan Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Bank as set out in its respective Operational Manual, and shall only make the proceeds of the Sub-loan available to such Sub-loan Beneficiary after the Project Implementing Entity has entered into a Sub-loan Agreement with the Sub-loan Beneficiary on terms and conditions acceptable to the Bank, which shall include the following:

(a) The Sub-loan shall be: (i) not more than US$20 million equivalent, unless otherwise agreed by the Bank; (ii) denominated and repayable in RMB or US Dollars; (iii) repaid within a period not exceeding ten years from the date of the Sub-loan Agreement, inclusive of a grace period not exceeding two (2) years; and (iv) charged interest on the principal amount withdrawn and outstanding from time to time at a rate sufficient to cover the cost of borrowing of the Project Implementing Entity concerned plus a reasonable risk-adjusted spread and profit margin.

(b) Each of the Project Implementing Entities shall obtain rights adequate to protect its interests and those of the Borrower and the Bank through a Sub-loan Agreement between the Project Implementing Entity and a Sub-loan Beneficiary, including the right to:

(i) suspend or terminate the right of the Sub-loan Beneficiary to use the proceeds of the Sub-loan, or declare to be immediately due and payable, or obtain a refund of all or any part of the amount of the Sub-loan then withdrawn, upon the Sub-loan Beneficiary’s failure to perform any of its obligations under the Sub-loan Agreement; and

(ii) require each Sub-loan Beneficiary to:

(A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental standards and practices satisfactory to the Bank, including the requirements set out in the Environmental Assessment Framework;
(B) provide, promptly as needed, the resources required for carrying out the Sub-project;

(C) procure the goods, works and services to be financed out of the Sub-loan in accordance with the provisions of this Agreement and use such goods, works, and services exclusively for the Sub-project;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the Sub-project and the achievement of its objectives;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Bank’s or the Borrower’s or the Project Implementing Entity’s request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower, the Bank and the Project Implementing Entity;

(F) enable the Borrower, the Bank and the Project Implementing Entity to inspect the Sub-project, its operation and any relevant records and documents; and

(G) prepare and furnish to the Borrower, the Bank and the Project Implementing Entity all such information as the Borrower or the Bank or the Project Implementing Entity shall reasonably request relating to the foregoing.

7. Each of the Project Implementing Entities shall exercise its rights under each Sub-loan Agreement in such manner as to protect the interests of the Borrower, the Bank and the Project Implementing Entity and to accomplish the purposes of the Loan. Except as the Borrower and the Bank shall otherwise agree, the Project Implementing Entities shall not assign, amend, abrogate or waive any Sub-loan Agreement or any of its provisions.
Exim Bank Action Plan

8. Exim Bank shall: (i) carry out the time-bound Exim Bank Action Plan in a manner satisfactory to the Bank; (ii) review with the Bank the progress in carrying out such action plan during the Bank’s project supervision and mid-term review as provided in Section II, paragraph A.2(a) of this Schedule; and (iii) thereafter take all necessary measures to ensure the achievement of the objective of said plan, taking into account of Bank’s comments, if any, provided during such supervision and review.

Performance-based Grants

9. Each of the Project Implementing Entities shall only be eligible for financing from the proceeds of the Performance-based Grant when:

(a) the Bank has received a semester report prepared by an independent third party verifying: (i) the amount of Sub-Loans disbursed under Sub-Loan Agreements entered into by the Project Implementing Entity and Sub-loan Beneficiaries; and (ii) the amount of counterpart funds disbursed by the Project Implementing Entity itself, for financing energy efficiency Sub-projects in such semester; and

(b) the Bank has notified the Recipient of an allocated amount of the Performance-based Grant for the Project Implementing Entity in each semester calculated based on the formula and procedures set out in the Disbursement Letter (as defined in Section IV, Paragraph A.1 of Schedule 2 to the Co-financing Agreement). The amounts used in the formula, i.e. amount of Sub-Loans disbursed under Sub-Loan Agreements and the amount of counterpart funds disbursed by the Project Implementing Entity itself, for financing energy efficiency Sub-projects in such semester, will be based on those verified by the independent third party referred to in sub-paragraph (a) above.

10. Each of the Project Implementing Entities shall only use the proceeds of the Performance-based Grant for financing Eligible Expenditures (as defined in Section IV, paragraph A.1 of Schedule 2 to the Co-financing Agreement) under Part A.1 of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. Each of the Project Implementing Entities shall monitor and evaluate the progress of its Respective Parts 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 Annex A to this Schedule. Each such Project Report shall cover the period of one (1) calendar year, and shall be furnished to the Project Management Office for consolidation not later than forty-five (45) days after the end of the period covered by such report.

2. Without limitation on the provisions in paragraph A.1 of this Section II above, each of the Project Implementing Entities shall:

(a) conduct a mid-term review for its Respective Parts of the Project, and thereafter prepare, under terms of reference satisfactory to the Bank, and furnish to the Project Management Office for consolidation on or about October 30, 2010, a mid-term report on the progress achieved in the carrying out of its Respective Parts of the Project (including the progress achieved in carrying out the Exim Bank Action Plan, in the case of Exim Bank) during the period preceding such report and setting out the measures recommended to ensure the efficient carrying out of said Parts of the Project and the achievement of the objectives thereof during the period following such date; and

(b) review with the Bank by February 28, 2011, or such later date as the Bank shall request, the mid-term report referred to in sub-paragraph (a) above, and, thereafter, take all measures required to ensure the efficient completion of said Parts of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank’s views on the matter.

B. Financial Management, Financial Reports; Audits

1. Each of the Project Implementing Entities shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Parts of the Project.

2. Without limitation on the provisions of Part B of this Section, each of the Project Implementing Entities shall prepare and furnish to the Bank, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for its Respective Parts of the Project covering the calendar quarter, in form and substance satisfactory to the Bank.

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

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 Agreements; and all goods and services required for the Project and to be financed out of the proceeds of the Co-financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Co-financing Agreement.
## Project Performance Indicators

### Project Objectives
- Improve energy efficiency of selected medium and large enterprises of energy-intensive industries.
- Reduce climate-change impact of such medium and large enterprises of energy-intensive industries.

### Project Outcome Indicators
- Amount of incremental energy conservation (EC) investments supported by the Project
- Associated annual energy savings
- Associated reduction of CO₂ emissions

### Use of Project Outcome Information
- YR2-YR3: determine if Project assistance strategies/activities need to be adjusted
- YR5: provide advice for the Borrower to sustain energy efficiency improvement in medium and large enterprises.

### Intermediate Outcomes

<table>
<thead>
<tr>
<th>Intermediate Outcomes</th>
<th>Intermediate Outcome Indicators</th>
<th>Use of Intermediate Outcome Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part A: Promotion of Energy Efficiency Financing</strong></td>
<td>Total amount of financing for EE sub-projects</td>
<td>YR1-YR2: low levels of financing demand for Sub-loans may flag weak business development capacity at PIEs</td>
</tr>
<tr>
<td></td>
<td>EE investment preparation procedures and financing modalities piloted</td>
<td>Y3: if needed, introduce necessary adjustments in assistance strategy and activities</td>
</tr>
<tr>
<td></td>
<td>EE investment monitoring and evaluation procedures developed</td>
<td>Y5: provide advice for the Borrower to sustain and scaling up EE lending to energy-intensive manufacturing industries</td>
</tr>
</tbody>
</table>
### Part B: Energy Efficiency Sub-projects
- Increased energy efficiency investment in energy-intensive manufacturing industries

<table>
<thead>
<tr>
<th>Intermediate Outcomes</th>
<th>Intermediate Outcome Indicators</th>
<th>Use of Intermediate Outcome Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Cumulative amount of energy efficiency lending of PIEs; • Cumulative energy consumption avoided from the EE lending of PIEs; and • Cumulative avoided CO₂ emissions resulted from the EE lending of PIEs</td>
<td>Same as above</td>
</tr>
</tbody>
</table>

### Part C: National Policy Support and Capacity Building
- Establishment and operation of National Energy Conservation Center (NECC)
- Accelerated implementation of priority EC programs of the 11th Five-Year Plan

<table>
<thead>
<tr>
<th>Intermediate Outcomes</th>
<th>Intermediate Outcome Indicators</th>
<th>Use of Intermediate Outcome Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Establishment and functional operation of NECC • NECC business plan and initial work program developed • Mid-term review of Borrower’s priority EC programs conducted and recommendations made. Necessary actions taken to enhance results</td>
<td>YR1-YR5: monitor implementation progress to determine whether assistance is effective and approaches are realistic. If needed, necessary adjustments made to meet policy and institutional development objectives.</td>
</tr>
</tbody>
</table>

### Part D: Project Implementation Support and Reporting
- Efficient implementation of the Project

<table>
<thead>
<tr>
<th>Intermediate Outcomes</th>
<th>Intermediate Outcome Indicators</th>
<th>Use of Intermediate Outcome Monitoring</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Project targets and delivery schedule met</td>
<td>YR1-YR5: monitoring overall Project progress and specific deliverables to determine efficiency of Project coordination. Adjustment made to ensure project targets and milestones are met.</td>
</tr>
</tbody>
</table>
### Results Monitoring

<table>
<thead>
<tr>
<th>Project Outcome Indicators</th>
<th>Target Values</th>
<th>Data Collection and Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline 2006</strong></td>
<td><strong>YR1</strong></td>
<td><strong>YR2</strong></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>• Cumulative amount of incremental EC investments supported by the Project (US$ million)</td>
<td>0</td>
<td>60</td>
</tr>
<tr>
<td>• Cumulative associated annual energy savings (million tons of coal equivalent)&lt;sup&gt;1&lt;/sup&gt;</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>• Cumulative associated reduction of CO&lt;sub&gt;2&lt;/sub&gt; emissions (million tons of CO&lt;sub&gt;2&lt;/sub&gt;)&lt;sup&gt;2&lt;/sup&gt;</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Intermediate Outcome Indicators

<table>
<thead>
<tr>
<th>Part A: Promotion of EE Financing</th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• EE financing demand of projects in the project pipeline (million US$)</td>
<td>0</td>
<td>70</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>Annual report</td>
<td>PIEs records</td>
</tr>
<tr>
<td>• EE investment preparation procedures and financing modalities piloted</td>
<td>NA</td>
<td>70</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>Annual report</td>
<td>Project reports</td>
</tr>
<tr>
<td>• EE investment monitoring and evaluation procedures developed</td>
<td>NA</td>
<td></td>
<td></td>
<td>Draft</td>
<td>Final draft</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

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<sup>1</sup> These are estimated by assuming that the investment cost of energy conservation projects on average is US$ 290/tce. This is recommended by Chinese experts from the Energy Research Institute (ERI) of NDRC. It also assumes that the construction of the energy conservation projects will on average take one year.

<sup>2</sup> The estimates are based on the assumed factor of 2.44 ton CO2/tce.
<table>
<thead>
<tr>
<th>Project Outcome Indicators</th>
<th>Baseline 2006</th>
<th>YR1</th>
<th>YR2</th>
<th>YR3</th>
<th>YR4</th>
<th>YR5</th>
<th>Frequency and Reports</th>
<th>Data Collection Instruments</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part B: Energy Efficiency Sub-projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>40</td>
<td>120</td>
</tr>
<tr>
<td>• Cumulative amount of EE lending of PIEs (million US$)</td>
<td>0</td>
<td>40</td>
<td>120</td>
<td>240</td>
<td>320</td>
<td>400</td>
<td>PIEs’ Annual report</td>
<td>PIEs records</td>
<td>PIEs</td>
</tr>
<tr>
<td>• Cumulative energy consumption avoided from the EE lending of PIEs (million tons of coal equivalent)</td>
<td>0</td>
<td>0</td>
<td>0.20</td>
<td>0.59</td>
<td>1.18</td>
<td>1.58</td>
<td>PIEs’ Annual report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Cumulative avoided CO₂ emissions from EE lending of PIEs (million tons of CO₂)</td>
<td>0</td>
<td>0</td>
<td>0.48</td>
<td>1.44</td>
<td>2.89</td>
<td>3.84</td>
<td>PIEs’ Annual report</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Part C: National Policy Support and Capacity Building</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>40</td>
<td>120</td>
</tr>
<tr>
<td>• Establishment and functional operation of NECC</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NECC formed staffed</td>
<td>Annual report</td>
<td>Meetings with NDRC</td>
</tr>
<tr>
<td>• NECC business plan and initial work program developed</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Draft Final</td>
<td>Meeting with NDRC</td>
<td></td>
</tr>
<tr>
<td>• Mid-term review of the Borrower’s priority EC programs set out in its 11th Five-year Plan conducted and recommendations made. Necessary actions taken to enhance results</td>
<td>NA</td>
<td>Draft</td>
<td>Final</td>
<td>Review carried</td>
<td></td>
<td>Annual report</td>
<td>Meetings with NDRC</td>
<td>Project reports</td>
<td></td>
</tr>
</tbody>
</table>

3 Estimates are based on the assumptions that the energy conservation projects are financed by both bank loans (around 70%) and equity investments (around 30%).
Part D: Project Implementation Support and Reporting

<table>
<thead>
<tr>
<th>Project Outcome Indicators</th>
<th>Target Values</th>
<th>Data Collection and Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Baseline 2006</td>
<td>YR1</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>Mid term review</td>
</tr>
</tbody>
</table>

- Project targets and delivery schedule met