Global Environment Facility
Grant Agreement

(Developing Market-Based Energy Efficiency Program in China Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

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

Dated June 9, 2017
AGREEMENT dated 2017, entered into between the PEOPLE’S REPUBLIC OF CHINA ("Recipient"); and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall: (a) carry out Part 1 of the Project through NDRC; and (b) cause Hua Xia Bank and Hebei to carry out Part 2 and Part 3 of the Project, respectively; in accordance with the provisions of Article II of the Standard Conditions and the Project Agreement.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to seventeen
three million eight hundred thousand United States Dollars (US$17,800,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following, namely:

(a) the Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by any of the Project Implementing Entities of their respective obligations under the Project Agreement;

(b) any of the Project Implementing Entities has failed to perform any obligation under the Project Agreement;

(c) Hua Xia Bank's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of Hua Xia Bank to perform any of its obligations under the Project Agreement;

(d) as a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that any of the Project Implementing Entities will be able to perform any of its obligations under the Project Agreement; and

(e) that the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.
Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Project Implementing Entities, have been duly authorized or ratified by all necessary governmental action.

5.02. As part of the evidence to be furnished pursuant to Section 5.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing the following matters:

(a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf, and is legally binding upon it in accordance with its terms; and

(b) on behalf of each of the Project Implementing Entities, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on their behalf and is legally binding upon them in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.
6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile:  
86-10-6855-1125

6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions 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 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: WANG ZHONGYING
Title: Deputy Director General
Ministry of Finance

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

By

Authorized Representative

Name: BENT STUFMANN
Title: Country Director, China
SCHEDULE 1

Project Description

The objective of the Project is to support development and implementation of the Recipient’s priority energy efficiency and environment programs, with a focus on improving the results measurement and verification system and developing market-based mechanisms.

The Project consists of the following parts:

Part 1: Supporting Market-based Priority Energy Efficiency and Coal Cap Control Programs

1.1 Providing analytical and technical support for the development and implementation of priority energy efficiency and coal cap control programs under the Recipient’s 13th FYP.

1.2 Providing analytical and technical support for improving the energy savings measurement, reporting and verification system.

1.3 Providing analytical and technical support for the design of market-based mechanisms for energy savings.

1.4 Building the capacity of selected stakeholders in, *inter alia*, energy savings measurement, reporting and verification, pilot energy trading schemes, and the implementation of energy efficiency policies, fiscal incentives, compliance and enforcement.

Part 2: Supporting Results-based Green Energy Financing in the Jing-Jin Ji Region

2.1 Providing analytical and technical support for marketing and business development for green financing.

2.2 Providing technical support for the verification of the results of the JJJ Innovative Financing Program.

2.3 Providing technical support for the development of innovative financial products and models.

2.4 Building the capacity of Hua Xia Bank on green financing; and providing support for dissemination activities.
Part 3: Supporting the Results-based Environmental Program in Hebei Province

3.1 Providing analytical and technical support for the implementation of the Hebei Air Pollution Prevention and Control Program.

3.2 Providing technical support for the verification of the results of the Hebei Air Pollution and Prevention Control Program.

3.3 Building the capacity of Hebei in, *inter alia*, emission reduction and control policies and environmental enforcement and results monitoring; and support for environmental monitoring software and dissemination activities.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Financing Arrangements

1. For the purposes of carrying out Hua Xia Bank's and Hebei's Respective Parts of the Project, the Recipient shall make available the proceeds of the Grant allocated to Part 2 and Part 3 of the Project to Hua Xia Bank and Hebei, respectively, under an Implementation Agreement satisfactory to the World Bank.

B. Implementation Arrangements

1. The Recipient, through NDRC, shall establish by no later than three (3) months after the Effective Date, and thereafter maintain, throughout the period of Project implementation, a Project Steering Committee with terms of reference, powers, functions, and other resources satisfactory to the World Bank, and consisting of representatives from MoF, NDRC, Hebei, and Hua Xia Bank, for the purpose of, inter alia, providing strategic and policy guidance and institutional coordination for Project implementation.

2. The Recipient, through NDRC, shall maintain, throughout the period of Project implementation, the Project Management Office, with terms of reference, powers, functions, and other resources satisfactory to the World Bank, including an assigned director and competent and experienced staff in adequate numbers, responsible for day-to-day implementation support of its Respective Part of the Project, including procurement, financial management, coordination, reporting, and monitoring and evaluation of its Respective Part of the Project.

3. The Recipient, through NDRC, shall carry out its Respective Part of the Project in accordance with the arrangements and procedures set out in the Project Implementation Plan, and shall not assign, amend, abrogate or waive the Project Implementation Plan or any of its provisions without prior approval by the World Bank. In the event of any conflict between the provisions of this Agreement and the provisions of the Project Implementation Plan, the provisions of this Agreement shall prevail.

C. Anti-Corruption

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

The Recipient shall ensure that all studies and technical assistance to be supported under the Project are carried out under terms of reference satisfactory to the World Bank, and that such terms of reference are consistent with, and pay due attention to, the World Bank's Safeguards Policies.

E. Annual Work Plans

The Recipient, through NDRC, shall: (a) carry out activities under its Respective Part of the Project during each fiscal year in accordance with Annual Work Plans agreed with the World Bank; (b) prepare and furnish to the World Bank by October 31 in each year, beginning in 2017, a draft Annual Work Plan for review and comment, summarizing the implementation progress of its Respective Part of the Project for the said year and the Project activities to be undertaken for the following calendar year, including the proposed annual budget for its Respective Part of the Project; (c) taking into account the World Bank’s comments, finalize and furnish to the World Bank no later than December 15 in each year, beginning in 2017, the Annual Work Plan, satisfactory to the World Bank; and (d) thereafter, ensure the implementation of its Respective Part of the Project during the following calendar year in accordance with the Annual Work Plan, in a manner satisfactory to the World Bank. The Recipient shall not amend, suspend, abrogate, or waive said Annual Work Plans or any provision thereof without the prior approval of the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Mid-term review; Completion Report

1. The Recipient, through NDRC, shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in the Project Implementation Plan. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World 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, Recipient, through NDRC, shall prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank no later than April 30, 2020, a mid-term review report for its Respective Part of the Project, summarizing the result of the monitoring and evaluation activities carried out from the inception of its Respective Part of the Project, and setting out the measures recommended to ensure the efficient completion of the Project and the achievement of the objectives thereof during the period following such data.
3. The Recipient, through NDRC, shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than three (3) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient, through NDRC, shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient, through NDRC, shall ensure that interim unaudited financial reports for its Respective Part of the Project are prepared and furnished to the World Bank not later than forty-five (45) after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient, through NDRC, shall have its Financial Statements for its Respective Part of the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods non-consulting-services and consultants' 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 Procurement Guidelines in the case of goods and non-consulting services, and Sections I and IV of the 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.

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 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 following additional provisions set forth in the box below; (b) Shopping; and (c) Direct Contracting.

The procedures applicable to the procurement of goods 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 Recipient'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 Recipient's procedures and these NCB Procedure Modifications, the latter shall govern.

(i) Eligibility to participate in a procurement process and to be awarded a World 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 Recipient's country, or on a widely used website / electronic portal with free national and international access acceptable to the World 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 World 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 World 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 postqualification, 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 Recipient, 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 Recipient, 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 World 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 World Bank's no-objection.

(xiv) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World 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 World 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 Recipient'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 World Bank's no-objection to the award recommendation for contracts subject to the World Bank’s prior review, and within two (2) weeks of the Recipient’s award decision for contracts subject to the World 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 Recipient 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 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 of consulting firms; (d)
Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (e) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World 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.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) For Part 1 of the Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Goods, non-consulting services, consultants' services and Training; and</td>
<td>8,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Incremental Operating Costs</td>
<td>200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) For Part 2 of the Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Goods, non-consulting services, consultants' services and Training; and</td>
<td>4,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Incremental Operating Costs</td>
<td>100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) For Part 3 of the Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,300,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
(a) Goods, non-consulting services, consultants’ services and Training; and
(b) Incremental Operating Costs

| TOTAL AMOUNT | 17,800,000 |

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) For payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed: (i) $1,760,000 under Category (1); (ii) $900,000 under Category (2); and (iii) $900,000 under Category (3), may be made for payments made prior to this date but on or after April 15, 2016, for Eligible Expenditures under the corresponding Categories.

   (b) Under each of Category (2) and (3) until the World Bank shall have notified the Recipient of its receipt of a copy of the respective Implementation Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is April 30, 2022.
APPENDIX

Definitions

1. "Annual Work Plans" means the work plan of activities, associated resources, procurement packages, and budgetary allocations required for a given fiscal year of the Recipient and the Project Implementing Entities for Project implementation, to be prepared by the Recipient pursuant to Section I.E of Schedule 2 to this Agreement, and the Project Implementing Entities pursuant to Section I.B of the Schedule to the Project Agreement.


4. "FYP" means five-year plan.

5. "Green Finance Center" means the center established by Hua Xia Bank on July 30, 2016, to be responsible for the implementation of Part 2 of the Project, and referred to in Section I.A.1 of the Schedule to the Project Agreement.

6. "Hebei" means the Recipient’s province of Hebei, or any successor thereto.

7. "Hebei Air Pollution Prevention and Control Program" means the program described in Schedule 1 to the Loan Agreement between the Recipient and the International Bank for Reconstruction and Development, dated July 12, 2016, as amended thereafter.

8. "Hebei PMO" means the office established by Hebei’s Development and Reform Commission on May 17, 2015, to be responsible for Part 3 of the Project, and referred to in Section I.A.2 of the Schedule to the Project Agreement.

9. "Hua Xia Bank Co., Limited" and the acronym "Hua Xia Bank" mean the commercial bank established in 1992 pursuant to the People’s Bank of China Document No. 321 of 1992; and converted as a joint stock company according to the Borrower’s Company Law in 1998 and operating pursuant to its Articles of Association dated May 12, 2015, and to the Business License No. 10000010029676 dated with initial registration on March 18, 1998, and updated registration on May 23, 2014, issued by the State Administration for Industry and Commerce; or any successor thereto.
10. "Hua Xia Bank’s Legislation" means Hua Xia Bank’s Articles of Association.

11. "Implementation Agreement" means each of the agreements referred to in Section I.A.1 of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Grant allocated to Hebei’s and Hua Xia Bank’s Respective Part of the Project available to Hebei and Hua Xia Bank, respectively.

12. "Incremental Operating Costs" means the operating costs of the Project incurred by Recipient and the Project Implementing Entities on the basis of the Annual Work Plans for purposes of Project management, implementation, and monitoring and evaluation, on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance, and insurance, building and equipment maintenance, domestic travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries and any salary supplements of members of the Recipient’s, or Hebei’s civil service.


14. "MoF" means the Recipient’s Ministry of Finance, or any successor thereto.

15. "NDRC" means the Recipient’s National Development and Reform Commission or any successor thereto.


17. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated December 23, 2016, 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.

18. "Project Agreement" means the agreement dated the same date as this Agreement between the World Bank and the Project Implementing Entities, as such agreement may be amended from time to time.

19. "Project Implementation Plan" means the Recipient’s and the Project Implementing Entities’ plan dated January 6, 2017, setting forth, inter alia, work
plan(s) for Project activities, organizational, administrative, budget, and monitoring and evaluation arrangements for purposes of Project, the indicators and targets for purposes of monitoring and evaluation of the progress of the Project; as such plan may be revised from time to time with the prior written consent of the World Bank.

20. "Project Implementing Entities" means, collectively, Hebei and Hua Xia Bank.

21. "Project Management Office" means the office established by NDRC, to be responsible for the implementation of Part 1 of the Project, and referred to in Section I.B.2 of Schedule 2 to this Agreement.

22. "Project Steering Committee" means the Project steering committee to be established and maintained to provide strategic and policy guidance and institutional coordination for Project implementation, and referred to in Section I.B.1 of Schedule 2 to this Agreement.

23. "Respective Part of the Project" means (a) Part 1 of the Project to be implemented by the Recipient, through NDRC; (b) Part 2 of the Project to be implemented by Hua Xia Bank; and (c) Part 3 of the Project to be implemented by Hebei.


25. "Training" means the costs of training activities under the Project and attributable to seminars, workshops, 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.