Mr. Zhang Wencai  
Director-General  
International Economic  
and Financial Cooperation Department  
Ministry of Finance  
Beijing, China  

Re: GEF Grant No. TF0B0141 (Distributed Renewable Energy Scale-Up Project)  
Additional Instructions: Disbursement and Financial Information Letter  

Dear Mr. Zhang:  

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development ("Bank"), acting as an implementing agency of the Global Environment Facility, and the People’s Republic of China (the "Recipient") for the above-referenced project, dated July 16, 2019. The Standard Conditions, as defined in the Agreement, provide that the Bank may issue additional instructions regarding the withdrawal of the proceeds of Grant TF0B0141 ("Grant"), and may set out Project specific financial reporting requirements. This letter ("Disbursement and Financial Information Letter"), as revised from time to time, constitutes such additional instructions.  

I. Disbursement Arrangements, Withdrawal and Reporting of Grant Proceeds  

The World Bank Disbursement Guidelines for Projects dated February 1, 2017, ("Disbursement Guidelines") are available in the Bank’s public website at https://www.worldbank.org, and are an integral part of the Disbursement and Financial Information Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.  

(i) Disbursement Arrangements  

The table in Schedule 1 provides the disbursement methods which may be used by the Recipient, information on registration of authorized signatures, processing of withdrawal applications (including minimum value of applications and advances), instructions on supporting documentation, and frequency of reporting on the Designated Account.  

(ii) Withdrawal of Grant Funds (Electronic Delivery) Section 7.01 (c) of the Standard Conditions.  

The Recipient, through the National Energy Administration (NEA), will deliver Withdrawal Applications (with supporting documents) electronically through the Bank’s web-based portal “Client Connection” at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Recipient who are authorized to sign and deliver Withdrawal Applications.
have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Recipient confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. The Recipient may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those where the Recipient encounters legal limitations), and which were previously agreed with the Bank. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Recipient confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank’s public website at https://worldbank.org and “Client Connection”; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits  Section 2.07 (a) and (b) of the Standard Conditions.

(i) Financial Reports.

The Recipient, through NEA, shall prepare and furnish to the Bank not later than sixty (60) days after the end of each calendar semester, interim unaudited financial reports (“IFR”) for the Project covering the semester.

(ii) Audits.

Each audit of the Financial Statements must cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period must be furnished to the Bank not later than six (6) months after the end of such period.

II. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank’s website (http://www.worldbank.org) and “Client Connection”. The Bank recommends that you register as a user of “Client Connection”. From this website you will be able to prepare and deliver Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at AskLoans@WorldBank.org using the above reference.

Yours sincerely,

[Signature]

Martin Raiser
Country Director, China
East Asia and Pacific Region
Attachments
1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
3. Designated Account Reconciliation Statement
cc with copies: Mr. Pan Wenxing, Director
Ms. Tian Min, Deputy Director
IFI Division III, International Economic and Financial Cooperation Department
Ministry of Finance
Beijing, China
Tel No.: 010-6855 3101
Email: tianmin@mof.gov.cn, wx.pan@mof.gov.cn

Ms. Lyu Xia, Director
Mr. Peng Xiang, Deputy Director
IFI Division I, International Economic and Financial Cooperation Department
Ministry of Finance
Beijing, People's Republic of China
Fax No.: 010-6855 2077
Email: IFID1_project@163.com; 3519601760@163.com

Mr. Li Junyuan, Director
Mr. Guo Yonggang, Officer
Foreign Loans Division, Foreign Capital Utilization Department
National Development and Reform Commission
Beijing, China
Fax No.: 010-6850 2624
Email: guoyg@ndrc.gov.cn

Mr. Liang Zhipeng
Director, Department of New Energy and Renewable Energy
National Energy Administration
Beijing, China
Fax No.: 010-68555045

Mr. Luo Zhihong, Director
Project Management Office
Fax No.: 010-6390 8033
### Schedule 1: Disbursement Arrangements

#### Basic Information

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Country: P.R.China</th>
<th>Closing Date: Section IV.B.2 of Schedule 2 to the Grant Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recipient: P.R.China</td>
<td>Name of the Project: Distributed Renewable Energy Scale-Up Project</td>
<td>Disbursement Deadline Date: Four months after the closing date</td>
</tr>
</tbody>
</table>

#### Disbursement Methods, and Supporting Documentation

<table>
<thead>
<tr>
<th>Disbursement Methods, Section 2 (**)</th>
<th>Methods Available</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payment</td>
<td>Yes</td>
<td>Copy of Records</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Yes</td>
<td>Statement of Expenditure (Attachment 2)</td>
</tr>
<tr>
<td>Designated Account:</td>
<td>Yes</td>
<td>Statement of Expenditure (Attachment 2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Designated Account reconciliation statement (Attachment) with applicable bank statement for Designated Account and operating accounts</td>
</tr>
<tr>
<td>Special Commitments</td>
<td>Yes</td>
<td>Copy of Letter of Credit</td>
</tr>
</tbody>
</table>

#### Designated Account (Section 5 and 6 **)

<table>
<thead>
<tr>
<th>Type</th>
<th>Segregated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Institution - Name</td>
<td>Commercial bank or financial institution acceptable to the Bank</td>
</tr>
<tr>
<td>Ceiling</td>
<td>Fixed</td>
</tr>
<tr>
<td>Currency</td>
<td>USD</td>
</tr>
<tr>
<td>Frequency of Reporting, Subsection 6.3 (**)</td>
<td>Monthly</td>
</tr>
<tr>
<td>Amount</td>
<td>National Energy Administration USD900,000</td>
</tr>
</tbody>
</table>

#### Minimum Value of Applications (subsection 3.5)

The Minimum Value of Applications for Reimbursement, Direct Payment and Special Commitment is USD180,000.

#### Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter

#### Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)

The World Bank Office
Level 16, China World Tower 2
No. 1 Jiangoumenwai Avenue
Beijing, China
Attention: Disbursement Team

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**Additional (Information) [Instructions]**
Sections and subsections indicated refer to the Distribution Guidelines for Investment Project Financing dated February 2017.

Select the agreed supporting documentation and add the following "in the format provided in Attachment 2 of this letter."

<table>
<thead>
<tr>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>The designated account for this project will be established and managed by the National Energy Administration (NEA) or either (i) a new segregated bank account or (ii) a new segregated ledger account that monitors receipts and uses of the Grant proceeds, subject to the Grant conditions.</td>
</tr>
</tbody>
</table>
Form of Authorized Signatory Letter

[Letterhead]
[Street address]
[City] [Country]

[DATE]

The World Bank Office
Level 16, China World Tower 2
No. 1 Jianguomenwai Avenue
Beijing, China

Attention: Mr. Martin Raiser, Country Director, China

Re: Grant No. TF0B0141 (Distributed Renewable Energy Scale-Up Project Project)

I refer to the Grant Agreement ("Agreement") between the International Bank for Reconstruction and Development ("World Bank"), acting as an implementing agency of the Global Environment Facility, and the People's Republic of China (the "Recipient"), dated ______, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any [one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal [and applications for a special commitment] under this Grant.

For the purpose of delivering Applications to the World Bank, 2[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting 3[individually] 4[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

5[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to

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1 Instruction to the Recipient when sending this letter to the World Bank: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. Please delete this footnote in final letter that is sent to the World Bank.

2 Instruction to the Recipient: Stipulate if more than one person needs to jointly sign Applications, if so, please indicate the actual number. Please delete this footnote in final letter that is sent to the World Bank.

3 Instruction to the Recipient: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

4 Instruction to the Recipient: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. Please delete this footnote in final letter that is sent to the World Bank.

5 Instruction to the Recipient: Add this paragraph if the Recipient wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. Please delete this footnote in final letter that is sent to the World Bank.
the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation ("Terms and Conditions of Use of SIDC"), the Recipient represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: __________________

[Name], [position] Specimen Signature: __________________

[Name], [position] Specimen Signature: __________________

Yours truly,

/ signed /

[Position]
IBRD International Bank for Reconstruction and Development

Statement of Expenditures

Payment made during the period from [ ] to [ ].

The following expenditures have been incurred during the retroactive financing period (please tick)

Yes | No
---|---

The following expenditures have been incurred before the closing date of the loan/credit/grant (please tick)

Yes | No
---|---

| Item No. | Supplier's Name | Brief Description of the expenditure | Prior Review Contract? (Yes or No) | Contract # (Client Connection# for Prior Review Contracts) | Contract currency and amount (original+ amendment) | Invoice number | Date of payment | Total amount of Invoice covered by Application (net of retention) | % Financed by the Bank | Eligible Amount (col 9x10) | Exchange rate | Date of Withdrawal from the Designated Account | Amount Withdrawn from the Designated Account (Col11/12) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Supporting documents for this SOE are retained at [insert location].

A separate form should be used for each category.
Reconciliation Statement

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

LOAN/CREDIT/GRANT/PPF/COFINANCIER NUMBER
ACCOUNT NUMBER WITH (BANK)

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) $__________________
2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - $__________________
3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2) = $__________________

BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE $__________________

PLUS: Balance of operating accounts +USD equivalent

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. + $__________________ *
6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: + $__________________ *
7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS

APPLICATION NO. AMOUNT *

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + $__________________

8. MINUS: INTEREST EARNED - $__________________ *
9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = $__________________

EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

DATE: ___________________ SIGNATURE: ___________________

TITLE: ___________________