Global Environment Facility
Grant Agreement

(Climate Smart Staple Crop Production 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 September 29, 2014
GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT


The Recipient and the World Bank hereby agree as follows:

Article I - Standard Conditions; Definitions

1.01. The Standard Conditions constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the 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, through the Ministry of Agriculture, shall carry out the Project, in accordance with the provisions of Article II of the Standard Conditions.

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 five million, one hundred thousand United States Dollars ($5,100,000) (“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:

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

(b) any Project Province has failed to perform any obligation under the Implementation Agreement;

(c) 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 Project Province will be able to perform its obligations under the respective Implementation Agreement; and

(d) 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 following condition has been satisfied, that is that the execution and delivery of this Agreement on behalf of the Recipient has 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 (a) of this Agreement, 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, on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient, and is legally binding upon it 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 of this Agreement ("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. 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 [Signature]
Authorized Representative

Name: [Signature]
Title: Deputy Director General
International Department
Ministry of Finance

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

By [Signature]
Authorized Representative

Name: [Signature]
Title: Country Director, China
SCHEDULE 1 - Project Description

The objective of this Project is to demonstrate climate smart and sustainable staple crop production in Huaiyuan County in Anhui Province and Yexian County in Henan Province.

The Project consists of the following parts:

Part 1: Climate Smart Agriculture Demonstration.

(a) Demonstration and promotion of green-house gas emission reduction techniques through:

(i) provision of Subsidies for the purchase of formula fertilizers and for the procurement of mechanized deep fertilization services;

(ii) provision of Subsidies for the purchase of high efficiency pest management sprayers and the procurement of professional pest management services; and

(iii) promotion of efficient irrigation practices for rice production in Huaiyuan and wheat production in Yexian including:

(A) rehabilitation of farm irrigation systems and related farm infrastructures;

(B) provision of Sub-grants to Project Farmers in Huaiyuan upon their satisfactory use of designated water saving practices; and

(C) demonstration of water saving practices in Yexian through the provision of technical advisory services and acquisition and utilization of transformers to enable change from diesel powered to electricity powered water pumping.

(b) Demonstration and promotion of soil carbon sequestration techniques through:

(i) provision of Subsidies for the procurement of harvesting services that use crop residue retention techniques; and

(ii) agroforestry development through tree planting and tree management activities.
(c) New Production Technique Pilots.

Carrying out research on alternative climate smart agriculture techniques including:

(i) application on a pilot basis of alternative fertilizers and related materials to mitigate climate impacts;

(ii) piloting of alternative crop rotation production systems to determine their impact on productivity; and

(iii) piloting of conservation agriculture production techniques in Huiyuan and improving existing production techniques in Yexian.

(d) Technical Support for CSA Demonstration.

(i) Establishment and operation of Farmer Field Schools in the Project Villages.

(ii) Provision of technical advisory services and training to Approved Service Providers and to Project Farmers through the Farmer Field Schools.

(e) Monitoring and Evaluation.

Monitoring and evaluation of activities under the Project including: (i) monitoring of climate smart agriculture activities; (ii) social and environmental impact and safeguards monitoring; and (iii) development of a computerized geographic information system.

Part 2: Policy Development and Knowledge Management.

(a) Evaluation and further development of the Recipient’s climate smart agriculture policies, strategy and guidelines, including integration into its food security strategy.

(b) Domestic dissemination of information regarding Project achievements including development of a Project website.

(c) Enhancing cooperation among the Recipient, the Project Provinces and other provinces and nations in climate smart agriculture.

Part 3: Project Management.

Provision of support at the national, provincial and county levels to manage, implement, supervise and monitor Project activities and progress.
SCHEDULE 2 - Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain, and cause to be maintained, the following organizations, with terms of reference, powers, functions, and other resources satisfactory to the World Bank, including, where appropriate, competent staff in adequate numbers, throughout the period of Project implementation:

   (a) At the national level

      (i) a national Project steering committee led by the Ministry of Agriculture;

      (ii) a national Project management office under the leadership of a national Project director, to manage Project implementation; and

      (iii) a national expert group to provide technical support during Project implementation.

   (b) In each Project Province:

      (i) a provincial Project leading group to supervise Project activities and provide advice and guidance on key Project implementation issues at the provincial level;

      (ii) a provincial Project management unit with overall responsibility for implementation of the Project Province's Respective Parts of the Project; and

      (iii) a provincial expert group to provide technical support to the Project Province on Project related issues.

   (c) In each Project County:

      (i) a county leading group to oversee Project implementation and provide advice and guidance on key Project implementation issues at the country level; and

      (ii) a county Project management unit with overall responsibility for Project implementation at the county level.
2. (a) For the purpose of carrying out the Project Provinces' Respective Part of the Project, the Recipient, through MoA shall enter into an Implementation Agreement with each Project Province on terms and conditions acceptable to the World Bank and in accordance with the relevant provisions set forth in this Agreement.

(b) The Recipient, through MoA shall:

(i) (A) cause each Project Province to perform, in accordance with the provisions of the respective Implementation Agreement, all of the obligations of the respective Project Province therein set forth; (B) take or cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable Project Province and each Project County to perform such obligations; and (C) ensure that no action which would prevent or interfere with such performance is taken; and

(ii) exercise its rights under each of the Implementation Agreements in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of this Grant, and except as the World Bank shall otherwise agree, not assign, amend, abrogate, or waive any of the Implementation Agreements or any provision thereof.

B. Financing Arrangements

1. For the purposes of carrying out of the Project Provinces' Parts of the Project, the Recipient shall make available part of the proceeds of the Grant to each Project Province on a grant basis under terms and conditions satisfactory to the World Bank.

2. The Recipient shall cause each Project Province to: (a) manage, operate, monitor, transfer and reconcile the proceeds of the Grant made available to it pursuant to Paragraph 1 above in accordance with arrangements and procedures satisfactory to the World Bank; (b) take all required actions, including provision of timely consents and approvals as may be necessary, to facilitate the utilization of said Grant proceeds and the implementation of its Respective Parts of the Project; and (c) maintain all relevant records and documents related to the Grant and its Respective Parts of the Project and provide promptly such documents and records, including all other information, as may be requested by the Recipient or the World Bank from time to time.
C. Project Annual Work Plans and Implementation Manual

1. The Recipient, through MoA, shall:

(a) prepare, by no later than October 31 of each year, an annual work plan and budget for the implementation of its Respective Parts of the Project during the following year, in accordance with guidelines acceptable to the World Bank and the procedures set forth in the Project Implementation Manual;

(b) promptly review the annual work plans furnished to it by the Project Provinces each year pursuant to the respective Implementation Agreement, and on the basis of said review and its own work plan prepared in accordance with the preceding paragraph, prepare, in accordance with guidelines acceptable to the World Bank, and furnish to the World Bank not later than November 30 in each calendar year, beginning on October 31, 2014 for the following year: (i) a consolidated draft work plan, including a work program, procurement plan and budget, and documented evidence of adequate committed counterpart funding for each activity to be financed under the Project; and (ii) a consolidated plan for Project supervision;

(c) afford the World Bank a reasonable opportunity to exchange views with the Recipient and the Project Provinces on said work plans and any proposed revisions by the Recipient; and

(d) thereafter, taking into account the World Bank’s comments, finalize and provide to the World Bank said annual work plan for the following calendar year satisfactory to the World Bank.

2. The Recipient, through MoA, shall ensure that the Project is carried out in accordance with the Project Implementation Manual, and the Annual Work Plans as annually reviewed and approved by the World Bank, as provided for in the preceding paragraph, in a manner satisfactory to the World Bank and shall not amend, suspend, or waive the said manual or plan or any part thereof without the prior written agreement of the World Bank. In the event of any inconsistency between the Project Implementation Manual or the Annual Work Plan and this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards

1. Without limitation upon its other obligations under this Agreement, the Recipient shall, and shall cause the Project Provinces, to carry out the Project, or ensure that the Project is carried out, in accordance with the provisions of the Environmental Codes of Practice, the Pest Management Plan and the Resettlement Policy Framework and, except as the World Bank shall otherwise agree in writing, the Project Provinces shall not assign, amend, abrogate, or
waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof. In the event of any inconsistency between the Safeguards Instruments and this Agreement, the provisions of this Agreement shall prevail.

2. Without limitation upon the foregoing, the Recipient, through MoA, shall and shall cause the relevant Project Province to ensure that each contract for civil works to be financed out of the proceeds of the Grant or by counterpart funds under the Project shall include the obligation of the relevant contractor to carry out such works in accordance with the Safeguards Instruments.

3. The Recipient, through MoA, shall cause the relevant Project Province to provide to the Recipient and the World Bank for its prior concurrence any proposed modification or waiver of any of the Safeguards Instruments, and put into effect only such modification or waiver as shall have been agreed with the World Bank.

4. Wherever required pursuant to the terms of the Resettlement Policy Framework on account of a Project activity, the Recipient, through MoA, shall cause the relevant Project Province to, for the purposes of such activity and prior to the commencement thereof, proceed to have a Resettlement Plan:

(a) prepared in form and substance satisfactory to the World Bank;

(b) except as otherwise agreed with the World Bank in writing, submitted to the World Bank for review and approval; and

(c) thereafter, adopted and locally disclosed and implemented in accordance with its terms and in a manner satisfactory to the World Bank.

5. Without limitation upon its other reporting obligations under Section II of this Schedule, the Recipient shall take, and cause the Project Provinces to take, all measures necessary to regularly collect and compile, and submit to the World Bank, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, providing details of:

(a) measures taken in furtherance of said Instruments;

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

(c) remedial measures taken or required to be taken to address such conditions.
E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”).

F. Sub-grants and Subsidies

1. Subsidies under Part 1 (a) (i) and (ii) of the Project for demonstration of greenhouse gas emission reduction techniques and under Part 1 (b) (i) of the Project for promotion and demonstration of crop residue retention techniques, shall be provided under the terms and conditions set out in the Project Implementation Manual, including the following:

(a) The Recipient, through MoA, shall cause each Project Province, through the relevant County PMU, to enter into an agreement among itself, the relevant Village Committee and Approved Service Provider or Approved Supplier as the case may be, in form and substance satisfactory to the World Bank setting out:

(i) the services or goods to be provided by such Approved Service Provider or Approved Supplier;

(ii) the names and contact information of the Project Farmers who shall receive the service or goods, as provided by the appropriate Village Committee;

(iii) the discounted price to be paid by the Project Farmers and the amount of the Subsidy to be paid to the Approved Service Provider or Approved Supplier by the County PMU; and

(iv) the process for certification of provision of such services or goods to Project Farmers at the agreed upon discounted price.

(b) In order to benefit from services or goods at the subsidized prices under Parts 1 (a) and (b) of the Project, Project Farmers shall purchase such services or goods from the Approved Service Provider or Approved Supplier, as directed by the relevant Village Committee.

(c) Each Village Committee shall maintain for the duration of the Project a list of the names, contact information and benefits to be provided to each of the Project Farmers within their jurisdiction.

(d) Subsidies shall be paid directly to the Approved Service Provider or Approved Supplier by the County PMU upon verification by the relevant
County PMU of the satisfactory provision of goods or services.

2. Sub-grants to promote use of water saving practices under Part 1 (a) (iii) (B) of the Project shall be provided under the terms and conditions set out in the Project Implementation Manual, including the following:

(a) Each Project Farmer shall be provided a Sub-grant, in an amount calculated as set forth in the Project Implementation Manual and agreed with such Project Farmer in advance, upon the satisfactory use of water saving practices (alternative wetting and dry and laser leveling), all as set out in the Project Implementation Manual; and

(b) the appropriate Village Committee shall verify the satisfactory adoption of the practices specified in the preceding paragraph prior to the provision of the Sub-grants.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient, through MoA, shall monitor and evaluate the progress 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 indicators agreed with the World Bank and set forth in the Project Implementation Manual. 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. The Recipient 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 six (6) months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants in accordance with the provisions of Section III of this Schedule.

B. Financial Management; Financial Reports; Audits

1. The Recipient 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 shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than forty five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall, and shall cause each Project Province to, have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the
General Conditions. Each audit of the Financial Statements shall cover the period of one (1) 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 “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) in the case of goods, and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“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 1.18 of the Procurement Guidelines and paragraph 1.25 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 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 additional provision in the box below this paragraph; (b) Shopping; and (c) Direct Contracting.
The procedures applicable to the procurement of goods, works, 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 post-qualification, 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, 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 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 rebidding 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 contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection Based on the Consultants’ Qualifications; (c) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (d) Single-source procedures for the Selection of firm and 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 III 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.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<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) Sub-grants and Subsidies under Part 1 of the Project</td>
<td>1,936,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants' services, Incremental Operating Costs, Training and Workshops</td>
<td>3,164,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>5,100,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

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

   (a) made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $1,000,000 equivalent may be made for payments made prior to this date but on or after June 18, 2014 for Eligible Expenditures; or

   (b) for Eligible Expenditures under Category (1) until and unless the World Bank shall have notified the Recipient of its receipt of satisfactory evidence that the Recipient, through MoA, has entered into an Implementation Agreement with each Project Province, on terms and conditions satisfactory to the World Bank.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2020.
APPENDIX - Definitions

1. "Anhui" means the Recipient’s Anhui Province, or any successor thereto.

2. "Annual Work Plans" means the rolling plans for the Project to be prepared or updated by the Recipient and the Project Provinces, and approved by the World Bank, on an annual basis as provided for in Schedule 2, Section I, Part C of this Agreement.

3. “Approved Service Provider” means an individual, cooperative or other entity that meets the eligibility criteria set forth in the Project Implementation Manual and who or which has been competitively selected by the appropriate County Project Management Unit to participate in the Project and has entered into, or will enter into an agreement with a Village Committee for the provision of services to Project Farmers to be partially financed out of the proceeds of the Grant.

4. “Approved Supplier” means an individual, cooperative or other entity that meets the eligibility criteria set forth in the Project Implementation Manual and who or which has entered into, or will enter into an agreement with a Village Committee or a County Project Management Unit for the provision of goods to Project Farmers to be partially financed out of the proceeds of the Grant.

5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. “County PMU” means the Project management unit to be maintained by each Project County responsible for the implementation of Project activities within the jurisdiction of such County, as provided for in Section I, Part A.1 (c) (ii) of Schedule 2 to this Agreement.

7. “CSA” means climate smart agriculture.

8. “Displaced Persons” means persons who, on account of implementation of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

9. “Environmental Codes of Practice” means the Recipient’s three environmental codes of practice related, respectively, to: (a) farm road improvement and rehabilitation of irrigation and drainage channels; (b) leveling of agricultural lands; and (c) installation of power line and pumping stations, and tree planting around farm lands, all acceptable to the World Bank and publically disclosed in
the Project Counties on April 24, 2014 and in the World Bank’s InfoShop on May 26, 2014, which analyze adverse environmental impacts of the Project, and set out: (a) the measures to be taken during the Project implementation to eliminate or offset such adverse environmental impacts, or to reduce them to acceptable levels; and (b) the actions (including institutional arrangements) needed to implement these measures.

10. “Farmer Field Schools” means the schools to be established under Part 1 (d) of the Project to provide tailored technical support and training to Project Farmers by serving as a technical support platform to link Project Farmers with extension service centers and technical experts.

11. “Henan” means the Recipient’s Henan Province, or any successor thereto.

12. “Huaiyuan County” means Huaiyuan County in the Recipient’s Anhui Province, or any successor thereto.

13. “Implementation Agreement” means the agreement between the Recipient, through MoA, and each Project Province (as hereinafter defined), as the same may be amended from time to time; and such term includes all schedules and agreements supplemental thereto.

14. “Incremental Operating Costs” means the reasonable costs incurred by the Project Provinces, including the national Project management office, the County PMUs and agricultural extension workers, for purposes of Project management and implementation based on the annual work plans and budgets approved in advance by the World Bank, the Recipient and the Project Provinces, on account of office supplies and consumables, utilities, bank charges, communications, mass media and printing services, interpretation and translation services, vehicle rental, operation, maintenance, and insurance, building and equipment maintenance, local transportation, 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 each Project Province’s civil service.

15. “Ministry of Agriculture” and the acronym “MoA” each means the Recipient’s Ministry of Agriculture, or any successor thereto.

16. “Pest Management Plan” means the Recipient’s plan acceptable to the World Bank and publically disclosed in the Recipient’s territory on April 24, 2014 and in the World Bank’s InfoShop on May 26, 2014 setting out, among other things, the measures to promote and support safe, effective, and environmentally sound pest management under the Project.

17. “Project County” means Huaiyuan County or Yexian County, and Project Counties” means, collectively Huaiyuan County and Yexian County.
18. "Project Farmer" means an individual, cooperative or other entity that meets the eligibility criteria set forth in the Project Implementation Manual and who or which has been selected by the appropriate Village Committee and County PMU to receive Subsidies, Sub-grants, or technical assistance and training under the Project.

19. "Project Implementation Manual" means the Recipient's manual approved by the World Bank and describing, among other things: (a) the Project objective, Project activities and arrangements, satisfactory to the World Bank, for the flow of funds of the proceeds of the Grant including financial management, disbursement and procurement arrangements; (b) the institutional arrangements for the implementation of the Project, and the roles and responsibilities of the entities involved in Project implementation; (c) arrangements satisfactory to the World Bank for social and environment safeguards screening; (d) steps and procedures for Project implementation; and (e) monitoring and evaluation, reporting and information disclosure arrangements.

20. "Project Province" means Anhui or Henan, and Project Provinces means, collectively, Anhui and Henan.

21. "Project Villages" means the villages within the Project Counties in which activities supported under the Project are carried out.

22. "Resettlement Plan" means a plan prepared or to be prepared pursuant to Section I, Part D.4 of Schedule 2 to this Agreement, which sets forth principles and procedures governing the acquisition of land and related assets, and the compensation, resettlement, and rehabilitation of Displaced Persons in accordance with the guidelines and procedures set forth in the Resettlement Policy Framework, as said plan may be revised from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such plan.

23. "Resettlement Policy Framework" means the Recipient's policy framework for compensation, resettlement and rehabilitation of Displaced Persons, acceptable to the World Bank and publically disclosed in the Recipient's territory on April 24, 2014 and in the World Bank's InfoShop on May 8, 2014, setting forth the guidelines, principles and procedures for mitigating any adverse impact that may arise from resettlement under the Project including detailed procedures on review of land issues, preparation and approval of potential land acquisition activities, institutional and financial arrangements, and monitoring plans for resettlement implementation.

24. "Respective Parts of the Project" means, in respect of the Recipient, Part 2 of the Project and Part 3 of the Project at the national level; and, in respect of each Project Province, the activities under Parts 1 and 3 of the Project to be carried out within its respective territorial jurisdiction.


27. "Sub-grant" means a cash transfer to be made to a Project Farmer under Part 1 (a) (iii) (B) of the Project, upon their satisfactory use of designated water saving practices as verified by a County PMU under the terms and conditions set out in the Project Implementation Manual.

28. "Subsidy" means an amount paid or to be paid on account of a Project Farmer (as herein defined) to an Approved Supplier or an Approved Service Provider, to meet part of the cost of goods or services provided to Project Farmers; and "Subsidies" means, collectively all such Subsidies.

29. "Training and Workshops" means, for the purposes of the table in Schedule 2, Section IV, Paragraph A.2 of this Agreement, the reasonable cost of travel, lodging and per diem for trainees attending training, workshops and study tours and the cost of delivering training including rental of training space and training.

30. "Village Committee" means the committee established in each of villages in the Project Counties with the mandate to, among other things, organize farmer participation in activities under Part 1 of the Project, under the guidance of the relevant County PMU, including communicating extension worker technical advice, and monitoring Project Farmer activities equipment, fees, and other logistical costs, all as agreed with the World Bank and based on the annual work plans and budgets approved in advance by the World Bank, the Recipient and the Project Provinces, as provided for in Schedule 2, Section I, Part C to this Agreement.

31. "Yexian County" means Yexian County in the Recipient’s Henan Province, or any successor thereto.