Program Agreement

(Chongqing-Dadukou District Fiscal Sustainability Development Policy Loan)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

CHONGQING MUNICIPALITY

Dated February 7, 2012
PROGRAM AGREEMENT

AGREEMENT dated February 7, 2012, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and CHONGQING MUNICIPALITY ("Program Implementing Entity") ("Program Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between the PEOPLE'S REPUBLIC OF CHINA ("Borrower") and the Bank. The Bank and the Program Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) 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 Loan Agreement, the General Conditions, and this Agreement.

ARTICLE II — PROGRAM

2.01. The Program Implementing Entity declares its commitment to the objectives of the Program and its implementation. To this end:

(a) the Program Implementing Entity, through Dadukou District, and the Bank shall from time to time, at the request of either party, exchange views on the Dadukou District’s expenditure program, debt, fiscal arrangements with the Borrower, and progress achieved in the carrying out of the Program;

(b) prior to each such exchange of views, the Program Implementing Entity, through Dadukou District, shall furnish the Bank, for its review and comment, a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and

(c) without limitation upon the provision of paragraphs (a) and (b) of this Section, the Program Implementing Entity, through Dadukou District, shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in the Schedule to this Agreement.
ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Program Implementing Entity’s Representative is its Mayor.

3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

3.03. The Program Implementing Entity’s Address is:

Chongqing Municipal Finance Bureau
No. 1 Hong Hu Xi Lu, Yubei District
Chongqing Municipality
People’s Republic of China

Fax No.: +86 23 6757-5465
AGREED at Beijing, People’s Republic of China, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]

Authorized Representative

Name: Bart Hofman
Title: Country Director, China

CHONGQING MUNICIPALITY

By [Signature]

Authorized Representative

Name: Wu Hai
Title: Deputy Director-General

Chongqing Municipal Finance Bureau
SCHEDULE

Actions Taken Under the Program

The actions taken by the Program Implementing Entity, through Dadukou District, under the Program referred to in the Preamble to the Loan Agreement include the following:

1. The government of Dadukou District has adopted and published a medium-term fiscal strategy, grounded in a debt sustainability analysis, which sets a target for district-level public investment financing that is consistent with fiscal sustainability, as evidenced by: (a) the government's decree No. 29/2016, dated May 25, 2016, and (b) the publication of the medium-term fiscal strategy in Dadukou District's website.

2. The government of Dadukou District has submitted to Dadukou District Peoples' Congress an annual budget for 2016 that corresponds to a medium-term fiscal strategy plan which is consistent with fiscal and debt sustainability, as evidenced by the verification letter from Dadukou District’s People’s Congress dated January 28, 2016.

3. The government of Dadukou District has issued a three-year rolling capital investment plan that is consistent with the ceilings on public investment outlays in the medium-term fiscal strategy for public investment projects during 2016, and for commitments made in 2016 for public investment outlays in the years 2017-2018, as evidenced by the government’s decree No. 73, DuFaGaiFa (2016), dated April 26, 2016.

4. The government of Dadukou District has issued a decree that specifies the time frame and division of institutional responsibilities for the annual formulation of a three-year rolling capital investment plan, beginning in 2016, as evidenced by the government’s decree No. 6, DadukouFuFa (2016), dated April 29, 2016.

5. The government of Dadukou District has adopted a decree for regular annual disclosure of the assets and liabilities of the public sector, including public benefit state-owned enterprises, as evidenced by the government’s decree No. 54, DuCaiFa (2016), dated April 27, 2016.

6. The government of Dadukou District has issued a regulation which requires a clear division between government and commercial activities, incomes, expenses, assets, and liabilities of its two urban development investment corporations, namely Dasheng and Jianqiao, as evidenced by the government’s decree No. 8, DuGuoZiWet (2016), dated April 17, 2016.
APPENDIX

Definitions

1. “Dasheng” means Chongqing Dasheng Asset Management (Group) Company, Ltd., a state-owned enterprise established and operating pursuant to its Business License No. (Qi) 91500104762664073P dated June 7, 2004, issued by Dadukou District Branch of Chongqing’s Administration of Industry and Commerce, or any successor thereto acceptable to the Bank.

2. “Jianqiao” means Chongqing Jianqiao Industrial Development Company, Ltd., a state-owned enterprise established and operating pursuant to its Business License No. (Qi) 91500104747493798N dated April 18, 2003, issued by Dadukou District Branch of Chongqing’s Administration of Industry and Commerce, or any successor thereto acceptable to the Bank.