Loan Agreement

(Anhui Aged Care System Demonstration Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between PEOPLE’S REPUBLIC OF CHINA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower the amount of one hundred eighteen million Dollars ($118,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.06. The Payment Dates are May 1 and November 1 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.

2.08. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for
each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

(b) For purposes of this Section the following terms have the meanings set forth below:

(i) "Allocated Excess Exposure Amount" means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.

(ii) "Standard Exposure Limit" means the standard limit on the Bank’s financial exposure to the Borrower which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.

(iii) "Total Exposure" means for any given day, the Bank’s total financial exposure to the Borrower, as reasonably determined by the Bank.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Minister of Finance.
5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower’s address is:

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

(b) the Borrower’s Electronic Address is:

Facsimile:  
(86-10) 6855-2077.

5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank’s address is:

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

(b) the Bank’s Electronic Address is:

Telex:  
248423(MCI) or 64145(MCI)  
Facsimile:  
1-202-477-6391
AGREED as of the Signature Date.

PEOPLE'S REPUBLIC OF CHINA

By

Authorized Representative

Name: Wang Changying
Title: Deputy Director-General, International Economic and Financial Cooperation Department, Ministry of Finance
Date: August 10, 2018

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Bert Hofman
Title: Country Director, China
Date: August 10, 2018
SCHEDULE 1

Project Description

The objective of the Project is to support the government of Anhui in developing and managing a diversified, three-tiered aged care service delivery system for the elderly, particularly those with limited functional ability.

The Project consists of the following parts:

Part A. Supporting the Development of Government Stewardship Capacity

1. Development of a unified information system aimed at facilitating the management of the aged-care service system in Anhui.

2. Design and piloting of a functional ability and needs assessment protocol, aimed at improving the effectiveness and quality of aged-care services.

3. Development and implementation of quality and service provision standards for aged-care services in Anhui including, inter alia, residential, community-based and home-based aged care services.

4. Provision of professional managerial training to government officials and facility managers of aged-care services in Anhui.

Part B. Strengthening Community-based and Home-based Care Services

1. Construction, upgrading, refurbishing and/or equipping of community-based stations in Anqing and Lu’An.

2. Supporting the provision of aged-care services to targeted beneficiaries in Anqing and Lu’An through, inter alia: (a) the purchase of basic aged-care services; (b) the provision of technical assistance; and (c) the carrying out of monitoring and evaluation activities.

Part C. Strengthening the Delivery and Management of Nursing Care

1. Construction and equipping of skilled nursing facilities, providing skilled nursing beds and services in Lu’An and Anqing.

2. Upgrading of the infrastructure, equipment, and institutional management capacity of government-run urban welfare homes in Ningguo City and Xuanzhou, including the provision of outreach services to regional resource centers and platforms.

3. (a) Upgrading of the infrastructure, equipment, and institutional management capacity of government-run rural welfare homes in Suzhou; and (b) provision of
technical assistance to develop guidelines for the provision of aged-care services with the involvement of the private sector in Suzhou; develop transparent and competitive selection criteria and processes for the selection of private sector partners, as service provider to Suzhou, member of a joint venture with Suzhou for the provision of such aged-care services, or concessionaire under a public-private partnership.

Part D. Project Management, Monitoring, and Evaluation

1. Provision of technical assistance, training and support for Project management including, *inter alia*: (a) capacity building activities for managers and operational staff at both the PMOs and the PIUs; (b) technical guidance, through a Project expert panel, to support Project implementation; and (c) monitoring and evaluation of Project activities, including innovative case studies and other surveys, and dissemination of Project experience and lessons learned from key interventions and results.
Section I. Implementation Arrangements

A. Financing Arrangements

1. For the purposes of carrying out the Project, the Borrower shall make available the proceeds of the Loan to the Project Implementing Entity, under terms and conditions acceptable to the Bank, including the following principal terms:

   (a) The principal amount shall be made available in Dollars or any other Currency as the Loan may be converted from time to time through a Currency Conversion of the value of the currency or currencies so withdrawn (such principal amount determined on the date, or respective dates, of withdrawal from the Loan Account).

   (b) The principal amount so made available (including an amount equal to the fee paid pursuant to Section 2.03 of this Agreement) shall be recovered over a period of twenty-five (25) years, inclusive of a grace period of five (5) years.

   (c) Interest shall be charged on such principal amount withdrawn and outstanding from time to time at a rate equal to the rate of interest applicable from time to time to the Loan pursuant to the provisions of Section 2.05 of this Agreement.

   (d) A Commitment Charge shall be charged equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2. The Borrower shall cause the Project Implementing Entity to: (a) manage, operate, monitor, transfer and reconcile the proceeds of the Loan made available to it pursuant to paragraph 1 above in accordance with arrangements and procedures acceptable to the Bank; (b) take all required actions, including provision of timely consents and approvals as may be necessary, to facilitate the utilization of said Loan proceeds and the implementation of the Project and enable the Project Implementing Entity to comply with its undertakings under the Project Agreement; and (c) maintain all relevant records and documents related to the Loan and the Project and provide promptly such documents and records, including all other Project-related information, as may be requested by the Borrower or the Bank from time to time.
B. Safeguards

The Borrower shall take, and shall cause the Project Implementing Entity to take, all measures necessary to comply with, or all measures necessary to enable the Project Implementing Entity to comply with, the provisions of Section I.B of the Schedule to the Project Agreement.

Section II. Project Monitoring, Reporting and Evaluation

The Borrower shall cause the Project Implementing Entity to furnish to the Bank each Project Report not later than sixty (60) days after the end of each calendar semester, covering the calendar semester.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the 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, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive
Bidding, subject to the additional provisions set forth in the box below; (b) Direct Contracting; (c) Shopping; and (d) other methods as agreed by the Bank.

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 Borrower'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 Borrower's procedures and these NCB Procedure Modifications, the latter shall govern.

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

(xiv) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the 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 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) State-owned enterprises in the Borrower’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 Bank’s no-objection to the award recommendation for contracts subject to the Bank’s prior review, and within two (2) weeks of the Borrower or the Project Implementing Entity/Entities’ award decision for contracts subject to the 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.
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 Consultants’ Qualifications; (c) Selection under a Fixed Budget; (d) Least Cost Selection; (e) Single-Source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; (ii) each Interest Rate Cap or Interest Rate Collar premium; and (c) interest, Commitment Charge, and other charges under the Loan; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works, goods, consulting services, non-consulting services, Incremental Operating Costs, and Training and Workshops under the Project (except for Part B.2(a) thereof)</td>
<td>91,919,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Payment for the purchase of basic aged-care services under Part B.2(a) of the Project</td>
<td>20,910,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Interest, Commitment Charge, and other charges on the Loan accrued on or before the last Payment Date immediately preceding the Closing Date</td>
<td>4,876,000</td>
<td>Amount payable pursuant to Sections 2.04 and 2.05 of this Agreement, respectively, in accordance with Section 2.07 (c) of the General Conditions</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 4.05 (c) of the General Conditions</td>
</tr>
<tr>
<td>(5) Front-end Fee</td>
<td>295,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>118,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made, except for:

   (a) withdrawals up to an aggregate amount not to exceed $23,600,000 may be made for payments made prior to this date but on or after May 15, 2018, for Eligible Expenditures; and

   (b) for payments under Category (2), unless:
(i) the Project Implementing Entity, having taken into the account the views of the Bank, has finalized and adopted the Guidelines for the Purchase of Basic Aged-Care Services;

(ii) the Unit Cost estimated for each basket of services to be provided under Part B.2(a) of the Project, or an appropriate mechanism and method to procure a specific service thereunder, as reflected in the Guidelines for the Purchase of Basic Aged-Care Services, has been agreed by the Bank and the Borrower;

(iii) the Outputs have been achieved, or the specific services have been rendered, as the case may be, in compliance with the provisions of the Guidelines for the Purchase of Basic Aged-Care Services, including the quality, technical standards and specifications set out therein; and

(iv) (A) the relevant PMO has carried out an inspection of the related Outputs or specific services, as the case may be, financed under said Category after their completion, following the verification protocol set forth to that effect in the Guidelines for the Purchase of Basic Aged-Care Services; and

(B) the relevant PMO has certified, in form and substance acceptable to the Bank, and on the basis of the verification protocol included in the Guidelines for the Purchase of Basic Aged-Care Services, the following:

(aa) the number of Outputs delivered, or specific services rendered;

(bb) that, in the case of Outputs, these have been achieved, or the specific services rendered, in compliance with the provisions of the Service Agreements entered into pursuant to the provision of Section I.C.1 of the Schedule to the Project Agreement, including the quality, technical standards and specifications therein;

(cc) that, in the case of Outputs, the amounts to be so withdrawn with respect to expenditures under said Category (2) is equal to the amount resulting from multiplying the certified Outputs times the Unit Cost; and
(dd) that, in the case of Outputs, these have not been claimed by the Borrower to support a previous withdrawal application from the Loan Account.

2. The Closing Date is December 31, 2023.
SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

Level Principal Repayments

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 1 and November 1</td>
<td></td>
</tr>
<tr>
<td>Beginning November 1, 2023 through May 1, 2043</td>
<td>2.50%</td>
</tr>
</tbody>
</table>
APPENDIX

Section I.   Definitions

1. “Annual Work Plan” means each of the annual work plans and budgets for the Project to be prepared or updated by the Provincial Project Management Office, submitted by the Project Implementing Entity, and approved by the Bank, on an annual basis as provided for in Section I.A.3 of the Schedule to the Project Agreement.

2. “Anti-Corruption Guidelines” means, for purposes of Section paragraph 5 of the Appendix to the General Conditions, 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.

3. “Anqing” means the Project Implementing Entity’s municipality of Anqing, or any successor thereto.

4. “Bank’s Safeguards Policies” means the operational policies and procedures for financing of development projects by the Bank at the date of this Agreement and relating to Environmental Assessment, Natural Habitats, Pest Management, Indigenous Peoples (Ethnic Minorities), Physical Cultural Resources, Involuntary Resettlement, Forests, Safety of Dams, Projects on International Waterways, and Projects in Disputed Areas, as published under www.WorldBank.org/opmanual, to the extent they are applicable to the Project.

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


7. “Displaced Persons” means persons who, on account of the execution 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 persons; and a “Displaced Person” means any of such Displaced Persons.

8. “Environmental and Social Management Framework” and “ESMF” mean the environmental and social management framework for the Project, prepared by the
Project Implementing Entity, acceptable to the Bank, dated December 2017, which sets out the policies and procedures for the assessment of environmental and social impacts of, and for the preparation of additional ESMPs as may be required for, Project activities, as said framework may be revised from time to time with the prior written agreement of the Bank; and such term includes all schedules and annexes supplemental to said framework.

9. “Environmental and Social Management Plan” or the acronym “ESMP” means the Project Implementing Entity’s environmental and social management plan for the Project, acceptable to the Bank, dated December 2017, which sets out the social and environmental protection measures, including chance finds procedures, in respect of the Project, as well as administrative, monitoring, supervision and training arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the prior written agreement of the Bank, and such term includes all schedules and annexes supplemental thereto, and any additional ESMP as may be required for Project activities.


11. “Guidelines for the Purchase of Basic Aged-Care Services” means the Project Implementing Entity’s disbursement guidelines for Part B.2(a) of the Project, acceptable to the Bank, setting forth the definitions, pricing, eligibility criteria, as well as the procedures for the contracting of eligible service providers, and the disbursement, procurement and financial management of all activities under Part B.2(a) of the Project, as the same may be revised from time to time with the prior written agreement of the Bank.

12. “Incremental Operating Costs” means the reasonable costs incurred by the Project Implementing Entity, for purposes of Project management and implementation based on the Annual Work Plans approved in advance by the Bank, on account of office rental, 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 Borrower’s or the Project Implementing Entity’s civil service.

13. “Lu’An” means the Project Implementing Entity’s municipality of Lu’An, or any successor thereto.
14. "Ningguo City" means the Project Implementing Entity’s county-level city of Ningguo, or any successor thereto.

15. "Output" means a basket of aged-care services designed and delivered to eligible beneficiaries under Part B.2(a) of the Project, in accordance with procedures and standards acceptable to the Bank, and in accordance with the Project Operations Manual and the Guidelines for the Purchase of Basic Aged-Care-Services.


17. "Procurement Plan" means the Project Implementing Entity’s procurement plan for the Project, dated May 14, 2018 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 Expert Panel" or "PEP" means the Project Expert Panel organized by Anhui under its Department of Civil Affairs, to provide technical assistance to the PIUs on Project preparation, implementation and review, and any successor thereto, and referred to in Section I.A.1(e) of the Schedule to the Project Agreement.

19. "Project Implementing Entity" or "Anhui" means the Borrower’s province of Anhui, or any successor thereto.

20. "Project Implementing Units" or "PIUs" means, collectively, each of the entities referred to in Section I.A.1(d) of the Schedule to the Project Agreement, and any successor thereto.

21. "Project Leading Group" means the leading group referred to in Section I.A.1(a) of the Schedule to the Project Agreement, organized within Anhui’s Department of Civil Affairs, or any successor thereto.

22. "Project Management Offices" or "PMOs" means, collectively, each of the offices referred to in Section I.A.1(c) of the Schedule to the Project Agreement, and any successor thereto.

23. "Project Operations Manual" means the Project Implementing Entity’s manual for the Project dated May 15, 2018, acceptable to the Bank, which incorporates the Procurement Plan, procurement manual, financial management manual, the Project’s results framework and performance indicators, technical modules, and other operational arrangements for the Project, as the same may be revised from time to time with the prior written agreement of the Bank.
24. "Provincial Project Management Office" or "PPMO" means the office referred to in Section I.A.1(b) of the Schedule to the Project Agreement, or any successor thereto.

25. "Resettlement Action Plan" or the acronym "RAP" mean any of the resettlement action plans for the Project prepared by the Project Implementing Entity, acceptable to the Bank, (a) including the one dated December 26, 2017 and disclosed on the World Bank's external website (infoshop) on January 3, 2018, setting forth, inter alia: (i) the principles and procedures governing the acquisition of land required for the Project and related facilities; (ii) actions and measures for the payment of compensation to Displaced Persons and for their resettlement and rehabilitation; (iii) the criteria and procedures for developing and implementing actions and measures, acceptable to the Bank, for mitigating the adverse social impacts resulting from the implementation of activities in locations that are not directly identified in the RAP; (iv) grievance redress mechanisms; and (v) reporting and monitoring arrangements to ensure compliance with said plan, as the same may be revised from time to time with the prior written agreement of the Bank; and such term includes all attachments and annexes supplemental to said plan, and (b) any additional RAPs as may be required for Project activities in accordance with the provisions of the Resettlement Policy Framework.

26. "Resettlement Policy Framework" means the Project Implementing Entity's resettlement policy framework for the Project, acceptable to the Bank, dated December 26, 2017, which sets out the policies and procedures for the acquisition of land and other assets, compensation, resettlement and rehabilitation of Displaced Persons, and for the preparation of RAPs as may be required for Project activities, as said framework may be revised from time to time with the prior written agreement of the Bank; and such term includes all schedules and annexes supplemental to said framework.

27. "Safeguards Instruments" means, collectively, the Environmental and Social Management Framework, the Environmental and Social Management Plan, the Resettlement Policy Framework, and the Resettlement Action Plan(s).

28. "Service Agreement" means an agreement to be entered into between a PMO and a service provider for the provision of aged-care services under Part B.2(a) of the Project, pursuant to the provisions in Section I.C.1(a) of the Schedule to the Project Agreement; "Service Agreements" means, collectively, all such agreements.

29. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.
30. "Suzhou" means the Project Implementing Entity’s municipality of Suzhou, or any successor thereto.

31. "Training and Workshops" means the costs of training activities under the Project, based on the Annual Work Plans approved in advance by the Bank, and attributable to seminars, workshops, and domestic and overseas training and study tours, 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.

32. "Unit Cost" means the cost of reference as may be established from time to time by the Project Implementing Entity and the Bank, for withdrawals and payments under Category (2) of the table set forth in Section IV.A of Schedule 2 to this Agreement, and as calculated on the basis of and within the limits set forth in the Guidelines for the Purchase of Basic Aged-Care Services.

33. "Xuanzhou" means the Project Implementing Entity’s district of Xuanzhou, or any successor thereto.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 5.13 (Procurement) is deleted in its entirety and the remaining section in Article V is renumbered accordingly.

2. Paragraphs 84 (Procurement Plan) and 85 (Procurement Regulations) in the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.