Loan Agreement

(Ningxia Desertification Control and Ecological Protection Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated July 20, 2012
LOAN AGREEMENT

AGREEMENT dated 20 July 2012, 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) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in the Loan 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, on the terms and conditions set forth or referred to in this Agreement, an amount equal to eighty million Dollars ($80,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the project described in Schedule I 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 payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such nonpayment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(e) of the General Conditions.

2.05. The Payment Dates are May 15, and November 15 in each year.
2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05(c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity (Ningxia) in accordance with the provisions of Article V of the General Conditions and the Project
3.02 Without limitation upon the provisions of Section 3.01 of this Agreement and except as the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is the Minister of Finance.

5.02. The Borrower's Address is:

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

Facsimile:

(86-10) 68 55 11 25

5.03. The Bank's Address is:

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

Cable address: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
AGREED at Beijing, People's Republic of China, as of the day and year first above written.

PEOPLE'S REPUBLIC OF CHINA

By

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to control desertification and degradation and protect key farmland and infrastructure in strategically selected locations in Ningxia Hui Autonomous Region of the Borrower.

The Project consists of the following parts:

Part A: Controlling Desertification and Degradation

(a) Moving Sand Stabilization. Carrying out a program to halt the movement of shifting sand dunes and prevent encroachment of shifting sand onto agricultural land, settlements and infrastructure through, inter alia, the establishment of straw checker boards combined with the seeding and planting of indigenous shrub and grass on about 19,000 hectares of moving and semi-moving sand dune areas in Ningxia, and implementing fire control measures, including the construction of fire breaking tracks and passage routes, watch towers, and small buildings for technical staff and workers, information boards and warning signs.

(b) Degradation Control and Re-vegetation. Carrying out a program to control and reverse degradation of arid and semi-arid shrubland and steppe areas through, inter alia, closing, protecting and managing for natural re-vegetation about 42,000 hectares of degraded arid and semi-arid areas, shrub planting and assisted vegetation restoration in an additional 4,600 hectares, including construction of access tracks serving as fire breaks, watch towers and other infrastructure required to manage and monitor the rehabilitated areas.

(c) Integrated Land Management. Carrying out a program to mitigate any potential negative impacts on land users from desertification control and vegetation rehabilitation measures resulting from the implementation of Parts A (a) and A (b) of the Project, including implementing the Process Framework, carrying out economic tree plantations and fodder production for livestock to compensate for access restrictions to grazing areas, and developing long-term land management arrangements for selected sites.

Part B: Protective Shelterbelt Plantations

Carrying out a program to protect key farmland and infrastructure from desertification and sand encroachment through, inter alia, the establishment of multi-layer and multistorey tree and shrub shelterbelts in about 5,500 hectares along roads, irrigation canals and around agricultural fields and fruit orchards in selected
locations, including installing supplemental irrigation systems to ensure the successful establishment of shelterbelt plantings

**Part C: Project Management, Capacity Building and Monitoring and Evaluation**

Provision of technical assistance support for carrying out: (a) information and awareness campaigns for project beneficiaries and stakeholders; (b) the detailed technical design, field implementation and construction, construction supervision, and final acceptance checks of desertification control works, safeguards supervision, and Project progress reporting; (c) applied research; (d) training on the establishment, maintenance and post-management of desertification control and plantation investments for long-term sustainability; and (e) desertification control impact monitoring and field demonstration that is integrated into the Borrower's national and regional desertification monitoring system.
SCHEDULE 2

Project Execution

Section I. Financing and Institutional

A. Financing Arrangements

1. The Borrower shall make available to the Project Implementing Entity the proceeds of the Loan allocated from time to time to the Categories for each such Entity as set forth in the table in Section IV of this Schedule under terms and conditions satisfactory 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 (such principal amount determined on the date, or respective dates, of withdrawal from the Loan Account of the value of the currency or currencies so withdrawn).

   (b) The principal amount so made available (including an amount equal to the fee paid pursuant to Section 2.03 of this Agreement and any Premium for Interest Rate Caps or Interest Rate Collars paid pursuant to Section 2.07(c) of this Agreement and Section 4.05(c) of the General Conditions) shall be recovered over a period of thirty (30) 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 2.04 of this Agreement.

B. Anti-Corruption

1. The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate and shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in the Annex of the Schedule to the Project Agreement. Each Project Report shall
cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than March 15 and September 15 in each year, beginning on March 15, 2013.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provision of Part A of this Section, the Borrower shall prepare and furnish to the Bank as part of the Progress Report not later than March 15 and September 15 in each year beginning March 15, 2013, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower shall 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 Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Procurement of 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 paragraphs 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Recipient (other than goods manufactured in the Hong Kong Special Administrative Region or the Macau Special Administrative Region of the Recipient).

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.

<table>
<thead>
<tr>
<th>Procurement Methods</th>
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<tbody>
<tr>
<td>(a) National Competitive Bidding:</td>
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</table>

In addition, the procedures to be followed for National Competitive Bidding shall be those set forth in the Law on Tendering and Bidding of the People's Republic of China promulgated by Order No.21 of the President of the People's Republic of China on August 30, 1999, with the following clarifications required for compliance with the Procurement Guidelines:

(i) All invitations to prequalify or to bid shall be advertised in a newspaper of national circulation in the Borrower's country, except for civil works contracts that are estimated to cost less than $2,000,000 equivalent each and goods contracts that are estimated to cost less than $300,000 equivalent 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 advertisement in such newspaper and the deadline for submission of bids, and the advertisement and bidding documents shall specify the deadline for such submission.

(ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents.
(iii) All bidders that meet the qualification criteria set out in the pre-qualification document shall be allowed to bid and there shall be no limit on the number of pre-qualified bidders.

(iv) All bidders shall be required to provide security in an amount sufficient to protect the Borrower or the Project Implementing Entity (Ningxia), as the case maybe, in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such security.

(v) Bidders will be allowed to submit bids by mail or by hand. The time for opening of all bids shall be the same as the deadline for receipt of such bids.

(vi) 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.

(vii) 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.

(viii) No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower or the Project Implementing Entity (Ningxia), as the case maybe.

(ix) 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 not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

(x) Each contract financed with the proceeds of the Loan shall provide that the suppliers and contractors shall permit the Bank, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by the Bank.
(xi) Government owned enterprises in the Borrower's country may be permitted to bid or submit a proposal of goods and works 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.

(xii) Re-bidding should 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 concurrence.

(xiii) The results of bid evaluation and contract award shall be published in the national press or provincial press or official gazette or a free and open access website and shall identify the name and offered price of the winning bidder, as well as the duration and summary scope of the awarded contract.

(xiv) The Project Implementing Entity (Ningxia) shall have in place provisions for bidders to protest.

(a) Shopping

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 table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Methods</th>
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</thead>
<tbody>
<tr>
<td>(b) Quality-Based Selection</td>
</tr>
<tr>
<td>(c) Selection Based on Consultants' Qualifications</td>
</tr>
<tr>
<td>(d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(e) Single-Source Selection</td>
</tr>
</tbody>
</table>
3. The shortlist of consultants for services estimated to cost less than an amount established by the Bank from time to time may comprise entirely of national consultants.

D. Review by the World 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

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance: (a) the Front-end Fee in accordance with Section 2.07(b) of the General Conditions; (b) if applicable, the Premium for Interest Rate Caps or Interest Rate Collars in accordance with Section 2.07(c) of the General Conditions; and (c) other 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 Loan ("Category"), the allocation of the amounts of the Loan 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 Loan Allocated (Expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works, non-consulting services and goods</td>
<td>79,000,000</td>
<td>74%</td>
</tr>
<tr>
<td>(2) Consultants' services, Training and Incremental Operating Costs</td>
<td>800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.07(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL</td>
<td>80,000,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions, Procedures and Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made in respect of payments made prior to the date of this Agreement, except that withdrawals up to an amount not to exceed $8,000,000 equivalent may be made for payments made prior to this date but on or after February 1, 2012, for Eligible Expenditures.

2. The Closing Date is March 31, 2018.
SCHEDULE 3

Amortization Schedule

1. 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"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying:

(a) Withdrawn Loan Balance as of the first Principal Payment Date; by

(b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15 Beginning November 15, 2017 through May 15, 2042</td>
<td>2%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two (2) calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Definitions


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


4. "Environmental Protection Guidelines" and the acronym "EPG" mean the Guidelines prepared and adopted by Ningxia dated December 18, 2011, setting forth, inter alia, the assessment of the environmental impacts of the Project, recommendations for mitigation of adverse impacts and enhancement of positive impacts based on such assessment, including, measures for avoidance of or mitigation against adverse impact on natural habitats or physical cultural resources as well as arrangements for reporting and monitoring as the same may be revised from time to time with the agreement of the Bank.

5. "Financial Management Manual" means the Financial Management Manual for the Project dated November 2, 2011, prepared and adopted by Ningxia which sets out, inter alia, the policies, procedures and guidelines for establishing and maintaining a financial management system to be implemented by it in carrying out the Project, including internal controls, accounting procedures, fund and asset management, withdrawal application procedures, financial reporting, and auditing arrangements as the same may be revised from time to time with the agreement of the Bank; and such term includes all attachments and annexes supplemental to such Manual.


7. "Incremental Operating Costs" means the incremental operating costs under the Project, based on annual work plans and budgets as approved by the Bank, and incurred by Ningxia for purposes of Project preparation, implementation, management, coordination and monitoring and evaluation, on account of utilities and supplies, communications, vehicle operation and maintenance, office space rental, building and equipment maintenance,
public awareness-related media expense, international and domestic travel and subsistence, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of members of the Borrower's and Ningxia's civil service.

3. “Ningxia” means the Borrower’s Ningxia Hui Autonomous Region, and any successor thereto.

9. “Pest Management Plan” and the acronym "PMP" mean the Pest Management Plan dated December 18, 2011, prepared and adopted by Ningxia and to be implemented or caused to be implemented by it for improving integrated pest management activities during the design, construction and operation of the Project, including environmental, occupational and safety risk assessment, capacity building, grievance handling mechanisms, and monitoring and evaluation arrangements, as such plan may be amended from time to time with the prior written approval of the Bank; and such Plan includes all attachments and annexes supplemental to such plan.

10. “Process Framework” means the framework, dated November 25, 2011, prepared and adopted by Ningxia, which sets out, inter alia, the policies and procedures for closure of open access areas for vegetation rehabilitation and protection, the mechanisms for information dissemination, training, and the participation of Project Affected Persons in the design and implementation of the Project, the provisions for appropriate compensatory and mitigation measures to ensure that livelihoods of such Persons are compensated and negative livelihood impacts brought about by the Project are avoided or mitigated, the monitoring and reporting procedures, and grievance handling mechanism, as the same may be revised from time to time with the agreement of the Bank; and such term includes all attachments and annexes supplemental to such Framework.


12. “Procurement Manual” means the Manual dated December 23, 2011, prepared and adopted by Ningxia, which sets out, inter alia, the detailed policies, procedures and arrangements for carrying out procurement under the Project, including the documents to be prepared, the reviews to be carried out, the selection procedures to be followed, and supervision and dispute resolution mechanisms.

13. “Procurement Plan” means the Procurement Plan of Ningxia dated December 23, 2011, for the Project, 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.

4. "Project Affected Persons" means persons who, on account of the execution of the Project would experience direct economic and social impacts caused by the involuntary restriction of access to open access areas, resulting in adverse impacts on the livelihood of such persons.

5. "Project Agreement" means the Project agreement for the Project between Ningxia and the Bank dated the same date as this Agreement, as such agreement may be amended from time to time with the prior written approval of the Bank, and such term includes all appendices, schedules and agreements supplemental to said Agreement.

16. "Project Counties" means collectively the following seven administrative areas of Ningxia selected by Ningxia in accordance with criteria and procedures satisfactory to the Bank for carrying out the Project as set out in the Project Implementation Manual: Lingwu City; Litong District; Pingluo County; Qingtongxia City; Xingqing District; Yanchi County; and Zhongwei City; and "Project County" means individually any such area.

17. "Project Implementation Manual" means the Manual dated March 15, 2012, prepared and adopted by Ningxia which sets out the criteria, procedures and arrangements in accordance with which the activities under the Project will be screened, selected, appraised, approved, implemented, supervised and evaluated, the treatment models, technical standards and sequencing methodology to be applied for the plantation and other activities under the Project, site selection and contract management procedures, the responsibilities of the agencies and entities involved in different aspects of Project management and implementation, the training and capacity building activities to be carried out and includes, inter alia, the detailed arrangements for applying the Financial Management Manual, the Environmental Protection Guidelines, the Process Framework, the Procurement Manual, the Procurement Plan, as the same may be revised from time to time with the agreement of the Bank; and such term includes all attachments and annexes supplemental to such Manual.


19. "Selected Areas" means the areas selected by Ningxia within the Project Counties in accordance with criteria and procedures satisfactory to the Bank, as set out in the Project Implementation Manual, for carrying out plantation and vegetation rehabilitation activities under the Project over land belonging to forest farms of the Project Counties and farmer collectives
following a due process of assessment, consultation and participation under arrangements as set out in said Manual.

20. “Training” means for purposes of Section IV of Schedule 2 to the Loan Agreement, the reasonable cost of travel, lodging and per diem of trainees attending training, study tours, workshops and seminars, the cost of organizing workshops, training and seminars, and the cost of delivering training (excluding consultants fees) such as rental of training space and training equipment and other logistical costs, all as yearly budgeted and approved by Ningxia and the Bank.