Project Agreement

(Ningbo Municipal Solid Waste Minimization and Recycling Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

NINGBO MUNICIPALITY

Dated July 4, 2013
PROJECT AGREEMENT

Agreement dated 26th April 2013, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and NINGBO MUNICIPALITY ("Project Implementing Entity") ("Project Agreement") in connection with the Loan Agreement ("Loan Agreement") of same date between PEOPLE'S REPUBLIC OF CHINA ("Borrower") and the Bank. The Bank and the Project 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 or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objective of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity’s Representative is its Mayor or a Vice Mayor, or such other person or persons as said Mayor or Vice Mayor shall designate in writing.

3.02. The Bank’s Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391
3.03. The Project Implementing Entity's Address is:

Ningbo Municipal Government
61 Xianqian Road
Ningbo, 315000
Zhejiang Province, People's Republic of China
Fax: 0574-8724-3599

AGREED at Beijing, People’s Republic of China, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Klaus Rohland
Title: Country Director, China

NINGBO MUNICIPALITY

By

Authorized Representative

Name: Shen Yongqian
Title: Executive Vice Mayor
SECTION I.  IMPLEMENTATION ARRANGEMENTS

A.  INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

1. Throughout the period of Project implementation, the Project Implementing Entity shall maintain, or cause to be maintained, the following groups and offices, with membership, terms of reference, staffing and other resources acceptable to the Bank:

(a) a Project Leading Group at the municipal level for providing policy guidance, reviewing annual work plans and budgets, ensuring inter-agency coordination, and evaluating progress of the Project;

(b) the NMPMO, for coordinating the different activities and providing technical guidance to the Project;

(c) the SWPMO, for the day-to-day implementation of the relevant activities under the Project, including, inter alia, reviewing annual work plans and budgets and ensuring quality control; and

(d) a PIU in each Project Area to carry out activities within such Project Area and to prepare an annual project implementation plan.

2. The Project Implementing Entity shall furnish to the Bank, for approval, an annual work and budget plan for the Project for the next calendar year by December 15 of each year, commencing 2013, including details on the program of activities, procurement plan and budget for the following calendar year, including the consolidated plans from each of the Project Areas.

3. Throughout the implementation of the Project, the Project Implementing Entity shall apply the Operations Manual in a timely and efficient manner acceptable to the Bank. The Project Implementing Entity shall not amend, suspend, or waive said Operations Manual or any provision or schedule thereof, without the prior written concurrence of the Bank. In the event of any inconsistency between the Operations Manual and this Agreement or the Loan Agreement, the provisions of this Agreement and the Loan Agreement shall prevail.

B.  ANTI-CORRUPTION

The Project Implementation Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
C. Safeguards

1. The Project Implementing Entity shall implement, or shall cause its agencies to implement the Safeguards Instruments in a manner and substance satisfactory to the Bank. Without limitation on the foregoing, the Project Implementing Entity shall ensure that each contract for works financed with the proceeds of the Loan shall include the obligations of the work contractors and any sub-contractor to comply with the relevant provisions of the EMP.

2. The Project Implementing Entity shall not, amend, suspend, or waive the Safeguards Instruments, or any provision thereof, without the prior written concurrence of the Bank.

3. The Project Implementing Entity shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Safeguards Instruments.

4. Without limitation to the provisions of paragraphs 1 through 3 of this Part C or the provisions of paragraph 1 of Part A of Section II below, the Project Implementing Entity shall take all measures necessary on its part to regularly collect, compile, and submit to the Bank, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, giving details of:

   (a) measures taken in furtherance thereof;

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

   (c) remedial measures taken or required to be taken to address such conditions.

5. In the event of any inconsistency between the provisions of the Safeguards Instruments and the provisions of this Agreement or the Loan Agreement, the provisions of this Agreement and the Loan Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation.

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators set forth in the Operations Manual. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than 45 days after the end of the period covered by such report.

2. The Project Implementing Entity shall provide to the Bank, for its review and comment, a mid-term review report by March 31, 2016, in form and substance acceptable to the Bank; and no later than one month after the review by the Bank of the reports referred to
above, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said reports and the Bank’s views on the matter.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity shall prepare and furnish to the Bank, as part of the Project Report, not later than 45 days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.

Section IV. Other Undertakings

The Project Implementing Entity shall carry out, on a regular basis, an effective and continuous public information campaign aimed to raise public awareness of waste separation programs and encourage local residents to participate in waste separation throughout the period of implementation of the Project.