Global Environment Facility
Grant Agreement

(Large-City Congestion and Carbon Reduction 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 June 28, 2013
GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT dated June 28, 2013, entered into between PEOPLE'S REPUBLIC OF CHINA ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


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 the Appendix to 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 shall, through the MOT, carry out Part A of the Project, and cause Parts B, C and D of the Project to be carried out by the Project Implementing Entities, through the Project Cities, in accordance with the provisions of Article II of the Standard Conditions and the agreement dated the same date as this Agreement between the World Bank and the Project Implementing Entities, as such agreement may be amended from time to time ("Project Agreement").

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 eighteen million one hundred and eighty thousand United States Dollars ($18,180,000) ("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 the Project Implementing Entities of their obligations under the Project Agreement;

(b) the Project Implementing Entities have failed to perform any obligation under the Project 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 the Project Implementing Entities will be able to perform their obligations under the Project 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, namely, that the execution and delivery of this Agreement on behalf of the Recipient and of the Project Agreement on behalf of the Project Implementing Entities have 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), 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 Member Country, showing the following matters:

(a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

(b) on behalf of the Project Implementing Entities, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Project Implementing Entities, and is legally binding upon them 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 (“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: Liang Jingian

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: Klaus Rohland

Title: Country Director, China
SCHEDULE 1

Project Description

The objectives of the Project are to help the Recipient establish a policy framework to alleviate traffic congestion and reduce greenhouse gas emissions in its large cities, primarily through public transport development and travel demand management, and implement such policy framework in Project Cities so as to demonstrate its local and global benefits.

The Project consists of the following parts:

Part A: National Level Support

1. Provision of technical advisory services to MOT, with the support of affiliated national institutions, for the development of policy, strategy and technical guidelines in relation to sustainable urban transport, including: (a) the development of policy and technical guidelines for TDM and TOD implementation; (b) the development of a policy for integrated urban transport and land use planning; (c) the establishment of a policy framework and evaluation system for sustainable urban transport, which includes PTM policies, and a statistical system for monitoring and evaluating urban transport energy consumption and CO₂ emissions; and (d) the preparation of technical guidelines for ITS applications in public transport.

2. Institutional strengthening and capacity building through, inter alia: (a) the establishment of a national public transport database; (b) the provision of technical advisory services for TDM, parking management, public transport service improvement, and urban transport CO₂ emission monitoring and evaluation; and (c) the establishment of a Project website and organization of training and workshops.

3. Monitoring and evaluation of Project activities, including: (a) the monitoring and evaluation of the Project’s urban transport CO₂ emissions reduction; (b) the provision of goods and equipment for monitoring and evaluation of urban transport CO₂ emissions reduction; and (c) the monitoring and evaluation of the overall progress of Part A of the Project.

4. Management of Project activities under Part A of the Project, and overall Project coordination.

Part B: Pilot Demonstration in Suzhou, Jiangsu Province

1. Improving public transport through, inter alia: (a) the construction of Suzhou’s information service system for transit riders, including system design and
acquisition of on-board devices; (b) assessment of express bus lines, development of concept design of bus lanes and preparation of environmental management plans as required for the future construction of such lanes, acquisition of clean-energy buses for operation, and carrying out of associated traffic management activities; and (c) the carrying out of TOD studies.

2. Improving TDM through, inter alia: (a) the carrying out of TDM studies and parking system planning; (b) the formulation and pilot implementation of differential parking policy, including the acquisition of charging equipment; and (c) the development of a congestion pricing scheme in the ancient city of Suzhou.

3. Monitoring and evaluation of Project activities, including the development of an urban transport monitoring system, and data collection for the urban transport CO₂ emissions database of Suzhou.

4. Management of Project activities under Part B of the Project.

Part C: Pilot Demonstration in Chengdu, Sichuan Province

1. Improving public transport through, inter alia: (a) the carrying out of junction channelization in selected areas, and upgrading of their traffic control system; (b) access improvements to bus stops; and (c) carrying out of studies on public transport optimization.

2. Improving TDM through, inter alia, the development and implementation of: (a) traffic information dissemination and guidance systems using real-time data; (b) a parking policy and measures utilizing differential pricing mechanisms; and (c) congestion alleviation policies.

3. Monitoring and evaluation of Project activities, including the development of an integrated urban transport database, and data collection for the urban transport CO₂ emissions database of Chengdu.

4. Management of Project activities under Part C of the Project.

Part D: Pilot Demonstration in Harbin, Heilongjiang Province

1. Improving public transport through, inter alia: (a) the construction of a bus priority lane, including junction channelization, parking and associated traffic management improvements, and acquisition of clean energy buses; (b) the upgrading of the existing public transport dispatch center, taxi management and data center; and (c) carrying out of selected thematic studies.
2. Improving TDM through, inter alia: (a) the carrying out of TDM and traffic impact studies; and (b) pilot implementation of parking management systems in selected areas.

3. Monitoring and evaluation of Project activities through data collection for the urban transport CO₂ emissions database of Harbin.

4. Management of Project activities under Part D of the Project.
SCHEDULE 2

Project Execution

Section I. Financing, Institutional and Other Arrangements

A. Financing Arrangements

For the purposes of carrying out each Project Implementing Entity’s Respective Part of the Project, the Recipient shall make available to the respective Project Implementing Entity, on a grant basis, part of the proceeds of the Grant.

B. Institutional Arrangements

1. The Recipient shall, for the purpose of overseeing the overall implementation and coordination of the Project, maintain, until the completion of the Project, a national-level PSG, consisting of senior officials from the Recipient’s relevant national, provincial, and municipal agencies.

2. For the purpose of carrying out Part A of the Project, the Recipient shall, through the MOT, maintain an NPMO, to be responsible for: (a) the management and implementation of all the national-level technical assistance, and overall Project coordination and monitoring and evaluation; (b) the overall coordination of the activities of the three PIUs at the national level; and (c) providing specific guidance to the three (3) CPMOs.

3. The Recipient shall, through the MOT, enter into separate Implementation Agreements, all in form and substance acceptable to the World Bank, mandating: (a) CATS to carry out Parts A.1(c), A.2(a), and A.3(a) of the Project; (b) TPRI to carry out Part A.1(b) of the Project; and (c) RIOH to carry out Part A.1(d) of the Project.

C. Anti-Corruption

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

D. Safeguards

The Recipient shall cause the Project Implementing Entities to take all measures necessary to comply with the provisions of Section 1.C of the Schedule to the Project Agreement.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall, through the MOT, monitor and evaluate the progress of Part A of the Project, and prepare Project Reports for said Part of the Project in accordance with the provisions of Section 2.06(b) of the Standard Conditions and on the basis of the indicators set forth in the Results Framework. Each Project Report shall cover the period of one (1) calendar semester and shall be furnished, through the MOT, to the World Bank not later than sixty (60) days after the end of the period covered by such report.

2. The Recipient shall, through the MOT, 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.

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 sixty (60) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

3. The Recipient shall, through the MOT, have its Financial Statements for Part A of the Project and the Project Implementing Entities’ Financial Statements for their Respective Parts of the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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, works, 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:

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, 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. 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 of the Recipient 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 goods, works, and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>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</td>
</tr>
</tbody>
</table>
People's Republic of China on August 30, 1999, with the following additional provisions 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 Recipient's country, except for those relating to goods 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 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 employer in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such security. In place of a bid security, the bidding documents may require that a bidder submit with its bid a signed declaration that, if the bidder withdraws its bid during the bid validity period or, if awarded the contract, the bidder fails to sign the contract or submit any required performance security before the deadline required in the bidding documents, the bidder will be suspended for a period of two years from being awarded any contract with the Recipient or the Project Implementing Entities, including any of their departments, agencies or administrative units.

(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 afforded 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 Recipient or the Project Implementing Entities.

(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 Grant shall provide that the suppliers and contractors shall permit the World 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 World Bank.

(xi) Government-owned enterprises in the Recipient’s territory may be permitted to bid or submit a proposal for 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 World Bank’s prior written concurrence.

(xiii) The results of bid evaluation and contract award shall be
published in the national or provincial press (as provided in (i) above or official gazette or free and open-access websites, and shall identify: (A) the name of each bidder that submitted a bid; (B) bid prices as read out at bid opening; (C) the name and evaluated price of each evaluated bid; (D) the name of bidders whose bids were rejected and the reasons for their rejection; and (E) 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 Entities shall have in place provisions for bidders to protest.

(b) 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 Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(c) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(d) Selection of Individual Consultants</td>
</tr>
<tr>
<td>(e) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

3. The short lists of consultants for consultants’ services contracts estimated to cost less than $500,000 equivalent each may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.
D. **Review by the World Bank of Procurement Decisions**

1. 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.

2. Except as the World Bank shall otherwise determine by notice to the Recipient, the terms of reference for all consultants' services contracts, regardless of value, shall be subject to Prior 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) Goods, non-consulting services, consultants' services, Training and Workshops, and Incremental Operating Costs for Part A of the Project for the MOT</td>
<td>5,480,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Non-consulting services and Incremental Operating Costs for Part A of the Project:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) For the CATS</td>
<td>1,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) For the TPRI</td>
<td>800,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
(c) For the RIOH | 600,000 | 100%
---|---|---
(3) Goods, works, non-consulting services, consultants' services, Training and Workshops, and Incremental Operating Costs for Part B of the Project (for Suzhou) | 4,000,000 | 100%
(4) Goods, works, non-consulting services, consultants' services, Training and Workshops, and Incremental Operating Costs for Part C of the Project (for Chengdu) | 3,000,000 | 100%
(5) Goods, works, non-consulting services, consultants' services, Training and Workshops, and Incremental Operating Costs for Part D of the Project (for Harbin) | 3,000,000 | 100%
TOTAL AMOUNT | 18,180,000

B. Withdrawal Conditions; Withdrawal Period

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

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $3,600,000 equivalent may be made for payments made prior to this date but on or after September 17, 2012, for Eligible Expenditures under Categories (1), (2), (3), (4) and (5); and

   (b) under:

   (i) Category 2(a), unless evidence has been received by the World Bank that the Implementation Agreement between the MOT and the CATS has been concluded;
(ii)  Category 2(b), unless evidence has been received by the World Bank that the Implementation Agreement between the MOT and the TPRI has been concluded; or

(iii) Category 2(c), unless evidence has been received by the World Bank that the Implementation Agreement between the MOT and the RIOH has been concluded.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2018.
Appendix

Definitions


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

3. "CATS" means China Academy of Transport Sciences, a national research institution affiliated with the MOT (as hereinafter defined), and mandated to carry out selected research activities for the MOT in the areas of, inter alia, policy, strategy, planning, technical guidelines, technologies, monitoring and evaluation, and to maintain information and databases for the MOT's sectoral management.

4. "Chengdu" means the City of Chengdu, in the Recipient’s Sichuan Province, or any successor thereto.

5. "CO₂" means carbon dioxide.

6. "CPMO" means City-Level Project Management Office, established by each of the Project Cities (as hereinafter defined) on May 4, 2012, respectively, and to be maintained according to the provisions of paragraph A.1 of Section I of the Schedule to the Project Agreement.

7. "Environmental Management Framework" or the acronym "EMF" means the Environmental Management Framework, dated June 2012, adopted by Suzhou (as hereinafter defined), setting out the environmental protection measures in respect of Part B of the Project, as well as guidelines for the preparation of environmental management plans for future construction of the bus lanes whose concept design is to be developed under Part B.1 (b) of the Project, as said Framework may be revised from time to time with the prior written agreement of the World Bank, and such term includes all schedules and agreements supplemental thereto.

8. "Environmental Management Plans" or the acronym "EMPs" means, collectively, the Environmental Management Plans, adopted by Chengdu in July 2012 for the purpose of Part C of the Project, and by Harbin (as hereinafter defined) in June 2012 for the purpose of Part D of the Project, respectively, setting out the environmental protection measures in respect of their Respective Parts of the
Project (as hereinafter defined), as well as administrative and monitoring arrangements to ensure the implementation of said plans, as said plans may be revised from time to time with the prior written agreement of the Bank, and such term includes all schedules and agreements supplemental thereto; and “Environmental Management Plan” means, individually, any of the Environmental Management Plans.

9. “Harbin” means the City of Harbin, in the Recipient’s Heilongjiang Province, or any successor thereto.

10. “Incremental Operating Costs” means the reasonable expenditures directly related to the Project incurred by the NPMO, CPMOs and the PIUs (as hereinafter defined) on account of Project implementation, management, coordination, and monitoring and evaluation, in respect of travel costs, vehicle and equipment leasing, rent, maintenance and repair, office rent and supplies, communications costs, logistics and translation services, production and reproduction of documents required for Project implementation, but excluding the salaries and salary supplements of the Recipient’s civil servants.

11. “ITS” means intelligent transport system, advanced applications aimed at providing innovative services relating to different modes of transport and traffic management and enabling various users to be better informed and make safer, more coordinated, and smarter use of transport networks.

12. “Implementation Agreement” means the agreement, referred to in paragraph B.3 of Section I.B of Schedule 2 to this Agreement.

13. “MOT” means the Recipient’s Ministry of Transport, or any successor thereto.

14. “NPMO” means the National Project Management Office, established by the MOT on May 4, 2012, and referred to in paragraph B.2 of Section I of Schedule 2 to this Agreement.

15. “PIUs” means, collectively, the CATS, the RIOH and the TPRI (as hereinafter defined).

16. “Project Agreement” means the agreement between the World Bank and the Project Implementing Entities (as hereinafter defined) of even date herewith, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental thereto.

17. “Project Cities” means collectively the cities of Chengdu, Harbin, and Suzhou; and “Project City” means any of the Project Cities.
18. "Project Implementing Entities" means the Recipient’s Provinces of Heilongjiang, Jiangsu, and Sichuan; and "Project Implementing Entity" means any of the Project Implementing Entities.

19. "PSG" means the national-level Project steering group, established by the Recipient on May 4, 2012, and referred to in Section I.B.1 of Schedule 2 to this Agreement, or any successor thereto.


21. "Respective Part of the Project" means, in respect of each Project Implementing Entity, all the activities to be carried out within the territory of said Project Implementing Entity.

22. "Results Framework" means the Recipient’s framework, dated January 29, 2013 and agreed with the World Bank, setting forth the indicators and targets for purposes of monitoring and evaluation of the progress of the Project, as the same may be modified from time to time with the prior written agreement of the Bank, and such term includes all schedules and agreements supplemental thereto.

23. "RIOH" means Research Institute of Highway, a national research institution affiliated with the MOT, and mandated to carry out selected research activities for the MOT in the areas, inter alia, of policy, strategy, planning, technical guidelines, technologies, monitoring and evaluation, and to maintain information and databases for the MOT’s sectoral management.

24. "Safeguards Instruments" means, collectively, the Environmental Management Framework and the Environmental Management Plans, and such term includes all schedules and agreements supplemental thereto.

25. "Suzhou" means the City of Suzhou in the Recipient’s Jiangsu Province, or any successor thereto.


27. "TOD" means transit-oriented development.

28. "TPRI" means Transport Planning and Research Institute, a national research institution affiliated with the MOT, and mandated to carry out selected research activities for the MOT in the areas, inter alia, of policy, strategy, planning, technical guidelines, technologies, monitoring and evaluation, and to maintain information and databases for the MOT’s sectoral management.

29. "Training and Workshops" means the costs of training activities and workshops under the Project, based on annual work plans and budgets approved by the
World Bank, and attributable to seminars, workshops, and domestic and overseas study tours and training, 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.