
GRANT NUMBER 0420-PRC (EF)

GRANT AGREEMENT
(Externally Financed)
(Jiangxi Ji'an Sustainable Urban Transport Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

ASIAN DEVELOPMENT BANK

DATED 22 APRIL 2015

PRC 45022

GRANT AGREEMENT (Externally Financed)

GRANT AGREEMENT dated 22 April 2015 between PEOPLE'S REPUBLIC OF CHINA ("Recipient") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a separate agreement of even date herewith between the Recipient and ADB (the "Loan Agreement"), ADB has agreed to make a loan to the Recipient from ADB's ordinary capital resources in the amount of \$120,000,000 upon terms and conditions set forth therein for the purposes of the Project described in Schedule 1 to the Loan Agreement ("Project");

(B) the Recipient has, through ADB, applied to the Global Environment Facility Trust Fund ("GEF") for a grant in the amount of two million five hundred forty-six thousand three hundred Dollars (\$2,546,300, the "Grant"), to be administered by ADB pursuant to ADB's cofinancing arrangements with GEF, for purposes of financing certain activities under the Project as further detailed in Schedule 1 to this Grant Agreement;

(C) the Project will be carried out by Ji'an Municipal Government or any successor thereto acceptable to ADB ("JMG"), and for this purpose the Recipient will make available to JMG, through Jiangxi Provincial Government, the proceeds of the Grant provided for herein upon terms and conditions satisfactory to ADB; and

(D) the Grant, when approved by GEF and subject to funds being provided to ADB, will be provided through, and administered by, ADB on the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Grant Regulations; Definitions

Section 1.01. All the provisions of the Externally Financed Grant Regulations of ADB, dated 8 April 2009 ("Grant Regulations"), are hereby made applicable to this Grant Agreement with the same force and effect as if they were fully set forth herein, provided that:

- (a) "Project Agreement" as used herein and in the Grant Regulations means the Project Agreement of even date herewith between ADB on the one hand and Jiangxi Provincial Government and JMG on the other hand; and
- (b) "Project Executing Agency" means JMG or any successor thereto acceptable to ADB.

Section 1.02. Wherever used in this Grant Agreement, the several terms defined in the Grant Regulations and the Loan Agreement have the respective meanings therein set forth unless modified herein or unless the context otherwise requires. Additional terms used in this Grant Agreement have the following meanings:

- (a) "ADB Loan" means the loan provided for in the Loan Agreement;
- (b) "Consulting Services" means the services to be financed out of the proceeds of the Grant as described in paragraph 2 of Schedule 1 to this Grant Agreement; and
- (c) "Goods" means equipment and materials to be financed out of the proceeds of the Grant, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services.

ARTICLE II

The Grant

Section 2.01. Subject to the terms and conditions set forth in this Grant Agreement, ADB agrees to make available to the Recipient an amount of Two Million Five Hundred Forty-Six Thousand Three Hundred Dollars (\$2,546,300).

Section 2.02. The Recipient acknowledges that the Grant is funded out of resources made available by GEF. Notwithstanding any other provision of this Grant Agreement; no withdrawal shall be made from the Grant Account if, as a result of such withdrawal, the total amount withdrawn from the Grant Account would exceed the total amount made available to ADB by GEF for the purposes of the Project.

ARTICLE III

Use of Proceeds of the Grant

Section 3.01. (a) The Recipient shall make the proceeds of the Grant available to the Project Executing Agency upon terms and conditions satisfactory to ADB and shall cause the Project Executing Agency to apply such proceeds to the financing of expenditures on the activities under the Project detailed in Schedule 1 to this Grant Agreement in accordance with the provisions of this Grant Agreement and the Project Agreement.

(b) The Recipient agrees that the proceeds of the Grant may be used to pay to the third parties fees and charges, if any, payable to such third parties. ADB shall be entitled to withdraw from the Grant Account and pay to such third parties, on behalf of the Recipient, the amounts required to meet payments, when due, of such fees and other charges.

Section 3.02. The proceeds of the Grant shall be allocated and withdrawn in accordance with the provisions of Schedule 2 to this Grant Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and ADB.

Section 3.03. Except as ADB may otherwise agree, the Recipient shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Grant in accordance with the provisions of Schedule 4 to the Loan Agreement.

Section 3.04. Except as ADB may otherwise agree, the Recipient shall cause all items of expenditure financed out of the proceeds of the Grant to be used exclusively in carrying out the activities under the Project detailed in Schedule 1 to this Grant Agreement.

Section 3.05. Withdrawals from the Grant Account in respect of Goods and Consulting Services shall be made only on account of expenditures relating to:

- (a) Goods which are produced in and supplied from and Consulting Services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement; and
- (b) Goods and Consulting Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.06. The Grant Closing Date for the purposes of Section 8.02 of the Grant Regulations shall be 30 June 2020 or such other date as may from time to time be agreed between the Recipient and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Recipient shall perform, or cause to be performed, all obligations set forth in Schedule 5 to the Loan Agreement.

Section 4.02. The Recipient shall enable ADB's representatives to inspect the Project, the Goods and any relevant records and documents.

Section 4.03. ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 30 days of the date of their receipt by posting them on ADB's website.

ARTICLE V

Suspension

Section 5.01. The following is specified as an additional event for suspension of the right of the Recipient to make withdrawals from the Grant Account for the purposes of Section 8.01(k) of the Grant Regulations: the Recipient shall have failed to perform any of its obligations under the Loan Agreement.

ARTICLE VI

Effectiveness

Section 6.01. The following is specified as an additional condition to the effectiveness of this Grant Agreement for the purposes of Section 9.01(e) of the Grant Regulations: the Loan Agreement has been duly authorized or ratified by, executed and delivered on behalf of, the Recipient and is binding on the Recipient in accordance with its terms.

Section 6.02. The following is specified as an additional matter, for the purposes of Section 9.02(c) of the Grant Regulations, to be included in the opinion or opinions to be furnished to ADB: the Loan Agreement has been duly authorized or ratified by, executed and delivered on behalf of, the Recipient and is binding on the Recipient in accordance with its terms.

Section 6.03. A date 90 days after the date of this Grant Agreement is specified for the effectiveness of the Grant Agreement for the purposes of Section 9.04 of the Grant Regulations.

ARTICLE VII

Miscellaneous

Section 7.01. The Minister of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.02 of the Grant Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Grant Regulations:

For the Recipient

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

Facsimile Number:

+8610 6855 2061

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(632) 636-2444
(632) 636-2426.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Grant Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

PEOPLE'S REPUBLIC OF CHINA



By _____
YANG SHAOLIN
Authorized Representative

ASIAN DEVELOPMENT BANK



By _____
AYUMI KONISHI
Director General
East Asia Department

SCHEDULE 1**Description of the Project**

1. The description of the Project is provided in Schedule 1 to the Loan Agreement.
2. The specific activities and/or components of the Project that may be financed from the proceeds of the Grant comprise:
 - (a) provision of 12 hybrid Bus Rapid Transit system buses;
 - (b) evaluating and monitoring hybrid bus performance, and
 - (c) technical assistance for integrated transport/land use system planning.
3. The Project is expected to be completed by 31 December 2019.

SCHEDULE 2

Allocation and Withdrawal of Grant Proceeds

General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Grant and the allocation of amounts of the Grant to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the Grant Account

2. Except as ADB may otherwise agree, the proceeds of the Grant shall be disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Reallocation

3. Notwithstanding the allocation of Grant proceeds and the withdrawal percentages set forth in the Table,

(a) if the amount of the Grant allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, in consultation with the Recipient, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Grant which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and

(b) if the amount of the Grant allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, in consultation with the Recipient, reallocate such excess amount to any other Category.

Disbursement Procedures

4. Except as ADB may otherwise agree, the Grant proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Retroactive Financing

5. Withdrawals from the Grant Account may be made for reimbursement of eligible expenditures incurred for activities under the Project detailed in Schedule 1 to this Grant Agreement before the Effective Date, but not earlier than 12 months before the date of this Grant Agreement in connection with items to be retroactively financed, subject to a maximum amount equivalent to 20% of the Grant amount.

TABLE

ALLOCATION AND WITHDRAWAL OF GRANT PROCEEDS (Jiangxi Ji'an Sustainable Urban Transport Project)			
Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Loan Account
1	Goods	1,946,300	7.3% of total expenditure
2	Institutional Strengthening and Capacity Building	600,000	32.0% of total expenditure
	Total	2,546,300	