



LOAN NUMBER 8434-CN

Project Agreement

(Gu zhou Rural Development Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

GUIZHOU PROVINCE

Dated *November 4*, 2014

PROJECT AGREEMENT

Agreement dated *November 4*, 2014, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and GUIZHOU PROVINCE "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, and cause the Project Participants to 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, and shall cause the Project Participants to, 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 Governor or a Vice Governor or such other person or persons as said Governor or a Vice Governor shall designate in writing, and the Project Implementing Entity shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

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: | Telex: | Facsimile: |
|-------------------------------|------------------------------|----------------|
| INTBAFRAD Washington, D.C. | 248423(MCI) or 64145(MCI) | 1-202-477-6391 |

3.03. The Project Implementing Entity's Address is:

Guizhou Provincial Poverty Alleviation and Development Office, Foreign Capital Project
Management Center
242 Zhong huo, Bei lu
Provincial Government Compound, Building No. 5, 2nd Floor
Guiyang Municipality
Guizhou Province
People's Republic of China

Facsimile:

8518632615

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

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



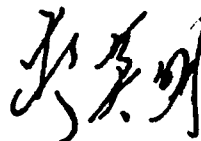
Authorized Representative

Name: Bert Hofman

Title: Country Director, China

GUIZHOU PROVINCE

By



Authorized Representative

Name: Yang Yingxing

Title: Deputy Director General
International Economic and
Financial Cooperation Department
Ministry of Finance

SCHEDULE - Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall maintain, and cause to be maintained, the following organizations, with terms of reference, powers, functions and other resources acceptable to the Bank, including competent staff in adequate numbers, throughout the period of Project implementation:
 - (a) At the provincial level:
 - (i) A provincial Project leading group responsible for providing overall policy, financial, and institutional guidance on Project implementation and facilitating coordination among different implementing agencies.
 - (ii) A Provincial Project Management Office responsible for overall Project implementation, coordination, management, monitoring and evaluation and reporting to the Bank.
 - (b) At the municipal level:
 - (i) A municipal Project leading group in each Project Municipality responsible for providing overall policy, financial, and institutional guidance on Project implementation and facilitating coordination among different implementing agencies within its respective jurisdiction.
 - (ii) A Municipal Project Management Office in each Project Municipality to provide technical guidance to the Project Counties within its respective jurisdiction, supervise implementation, and assist the Provincial Project Management Office with the handling of withdrawal applications and monitoring and evaluation of Project activities within its jurisdiction.
 - (c) At the county level:
 - (i) A county Project leading group in each Project County, responsible for providing overall policy, financial and institutional guidance on Project implementation and facilitating coordination among different implementing agencies within their respective jurisdictions.
 - (ii) A county Project Management Office responsible for implementation of the Project at the county level, and coordinating day-to-day activities with Provincial Project Management Office, monitoring Project implementation within the county concerned and preparing Project progress and financial reports for submission to the Provincial Project Management Office for consolidation and onward submission to the Borrower and the Bank.

B. Annual Work Plans and Project Operations Manual

1. The Project Implementing Entity shall:
 - (a) cause each Project Participant to prepare, by no later than October 15 of each year, an Annual Work Plan for the activities under the Project to be implemented by each Project Participant during the following year, in accordance with guidelines acceptable to the Bank and the procedures set forth in the Project Operations Manual;
 - (b) promptly review the Annual Work Plans furnished to it by the Project Participants each year pursuant, and on the basis of said review and its own work plan, prepare, in accordance with guidelines acceptable to the Bank, and furnish to the Bank not later than November 15 in each calendar year, beginning on November 15, 2014 for the following year: (i) a consolidated draft work plan, including a work program, procurement plan and budget, and documented evidence of adequate committed counterpart funding for each activity to be financed under the Project; and (ii) a consolidated plan for Project supervision;
 - (c) afford the Bank a reasonable opportunity to exchange views with the Project Implementing Entity on said work plans and any proposed revisions by the Project Implementing Entity, and
 - (d) thereafter, taking into account the Bank's comments, finalize and provide to the Bank said annual work plan for the following calendar year satisfactory to the Bank.
2. The Project Implementing Entity shall, and shall cause the Project Counties to, carry out the Project in accordance with the Project Operations Manual, and the Annual Work Plans as annually reviewed and approved by the Bank, as provided for in the preceding paragraph, in a manner satisfactory to the Bank and shall not amend, suspend, or waive the said manual or plan or any part thereof without the prior written agreement of the Bank. In the event of any inconsistency between the Project Operations Manual or the Annual Work Plan and this Agreement, the provisions of this Agreement shall prevail.

C. Anti-Corruption

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

D. Safeguards

1. The Project Implementing Entity shall carry out, and cause the Project Participants to carry out, the Project in accordance with the provisions of the Environmental Management Plan, the Ethnic Minority Development Plan, the Pest Management Plan and the Resettlement Policy Framework and any Resettlement Action Plans prepared thereunder; and, except as the Bank shall otherwise agree in writing, the Project Implementing Entity shall not assign, amend, abrogate, or waive, or permit to be

assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof. In the event of any inconsistency between the Safeguards Instruments and this Agreement, the provisions of this Agreement shall prevail.

2. Without limitation upon the foregoing, the Project Implementing Entity shall:
 - (a) take, and shall cause the Project Participants to take, all necessary actions to minimize, to the extent possible, any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, in carrying out the Project and activities described in subparagraph (b) below;
 - (b) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any works which would result in such acquisition or displacement, make available to such people compensation and, as applicable, relocate and rehabilitate the Displaced Persons in accordance with the Resettlement Policy Framework and in a manner satisfactory to the Bank;
 - (c) whenever required in terms of the Resettlement Policy Framework, proceed to have a Resettlement Action Plan: (i) prepared in form and substance satisfactory to the Bank; (ii) except as otherwise agreed with the Bank, submitted to the Bank for review and approval; (iii) adopted and publicly disclosed; and (iv) thereafter, implement, or cause to be implemented, such Resettlement Action Plan in accordance with its terms and in a manner acceptable to the Bank; and
 - (d) 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 Safeguards Instruments.
3. The Project Implementing Entity shall not, and shall cause the Project Participants not to, amend, suspend, fail to implement or waive the Safeguards Instruments, or any provision thereof, without the prior written concurrence of the Bank. 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.
4. The Project Implementing Entity shall, and shall cause the Project Participants to, 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.
5. Without limitation to the provisions of previous paragraphs of this Part D or the provisions of paragraph A.1 of Section II below, the Project Implementing Entity, shall, and shall cause each of the Project Participants to, 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.

E. Financing Arrangements

1. The Project Implementing Entity shall make available to each Project County the portion of the Loan allocated to the activities to be carried out by such Project County under arrangements satisfactory to the Bank.
2. For the purposes of Part 1 (b) of the Project each Project County shall provide Grants to Project Farmer Cooperatives within its respective jurisdictions in accordance with eligibility criteria and procedures acceptable to the Bank and set out in the Project Operations Manual.
3. The Project Counties shall provide each Grant to a Project Farmer Cooperative under an Implementation Agreement with the respective Project Farmer Cooperative on terms and conditions approved by the Bank and set out in the Project Operations Manual.
4. For the purposes of Part 1 (c) of the Project each Project County shall provide financing to Cooperating Agro-enterprises within their respective jurisdictions in accordance with eligibility criteria procedures acceptable to the Bank and set out in the Project Operations Manual, which shall include the following, namely, that each Cooperating Agro-enterprise shall prepare an investment proposal which shall be subject to the joint technical review, appraisal and approval by the Bank, and the respective County Project Management Office, the respective Project County, the respective Municipal Project Management Office and the Provincial Project Management Office.
5. The Project County shall provide such financing support under a Cooperation Agreement with the respective Cooperating Agro-enterprise on terms and conditions approved by the Bank and set out in the Project Operations Manual, which shall include the following:
 - (a) The amount of the financing shall not exceed 20% of the cost of the total investment to be financed;
 - (b) the Project County shall procure all goods and services and make such goods and services available to the Cooperating Agro-enterprise as provided for in the Project Operations Manual; and
 - (c) the Cooperating Agro-enterprise shall implement its supported activities in accordance with the Safeguards Instruments.
6. Each Project County, through each Implementation Agreement or Cooperation Agreement, as the case may be, shall obtain rights adequate to protect its interests and

those of the Borrower and the Bank, including the right to: (i) suspend or terminate the right of the Project Farmer Cooperative or the Cooperating Agro-enterprise to use the proceeds of the Grant, or obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Project Farmer Cooperative or Cooperating Agro-enterprise's failure to perform any of its obligations under the Implementation Agreement or Cooperation Agreement, as the case may be; and (ii) require each Project Farmer Cooperative or Cooperating Agro-enterprise to: (A) carry out its supported activities with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Borrower, and the Safeguards Instruments; (B) provide, promptly as needed, the resources required for the purpose; (C) as appropriate, procure or use the goods, works and services to be financed out of the Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the supported activities and the achievement of their objectives; (E) (1) 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, resources and expenditures related to the supported activities; and (2) at the Bank's or the Borrower's or the Project Implementing Entity's request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower, the Bank and the Project Implementing Entity; (F) enable the Borrower, the Bank and the Project Implementing Entity to inspect the supported activities and any relevant records and documents; and (G) prepare and furnish to the Borrower, the Bank and the Project Implementing Entity all such information as the Borrower or the Bank or the Project Implementing Entity shall reasonably request relating to the foregoing.

7. Each Project County shall exercise its rights under each Implementation Agreement or Cooperation Agreement in such manner as to protect the interests of the Borrower, the Bank and the Project Implementing Entity and to accomplish the purposes of the Loan. Except as the Borrower and the Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, delegate or waive any Cooperation and/or Implementation Agreement or any of their provisions.
8. For the purposes of Part 1(e) of the Project, the Project Counties shall identify crop insurers in accordance with the criteria and procedures set out in the Project Operations Manual, and shall purchase crop insurance for the benefit of qualifying members of Project Farmer Cooperatives in accordance with the criteria and under the terms and conditions set out in the Project Operations Manual.

Section II. Project Monitoring, Reporting and Evaluation.

A. Project Reports

1. The Project Implementing Entity, through the Project Counties, 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 Project Operations Manual. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank and the Borrower not later than sixty (60) days after the end of the period covered by such report.

2. The Project Implementing Entity shall provide to the Borrower, not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 5.08 (c) of the General Conditions all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall, and shall cause the Project Participants to, 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, resources and expenditures related to the Project.
2. Without limitation to the provisions of Section II.A hereof, the Project Implementing Entity shall prepare and furnish to the Bank, not later than sixty (60) days after the end of each calendar semester, interim unaudited financial reports for the Project for each Project County covering the semester, in form and substance satisfactory to the Bank.
3. The Project Implementing Entity shall have, and shall cause the Project Counties to have, its financial statements referred to above audited by independent auditors, 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 (6) 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.