

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8480-CN

Project Agreement

(Gansu Rural-Urban Integration Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

GANSU PROVINCE

Dated *May 25*, 2015

PROJECT AGREEMENT

Agreement dated May 25, 2015, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and GANSU 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 the Project, through Wuwei Municipality and Linxia County, 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, through Wuwei Municipality and Linxia County, 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 Vice Governor or such other person or persons as said Governor 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:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. The Project Implementing Entity's Address is:

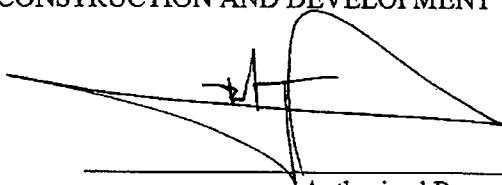
Office of Gansu Provincial Foreign Loans Administration Committee
No. 696 Donggang West Road
Chengguan District
Lanzhou, Gansu
People's Republic of China

Facsimile: (86-931) 88-91-043

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

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



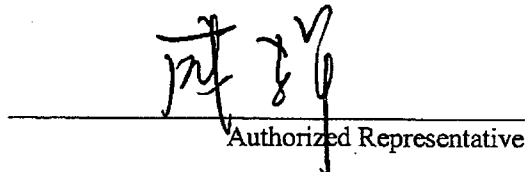
Authorized Representative

Name: Bert Hofman

Title: Country Director, China

GANSU PROVINCE

By



Authorized Representative

Name: Xian Lian

Title: Executive Vice Governor

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional and Implementation Arrangements

1. In order to ensure the proper carrying out of the Project, the Project Implementing Entity shall maintain, and cause to be maintained through Wuwei Municipality and Linxia County, the Project Leading Group, to provide leadership, policy guidance and coordination in the preparation and implementation of the Project, and the following entities with composition, powers, functions, funds, staffing, facilities and other resources satisfactory to the Bank:
 - (a) The Project Coordination Office, to be responsible for the overall coordination, management and supervision of the Project, including the review and approval of Annual Work Plans, revisions to the Project budget and allocation of resources, coordination of fiduciary aspects, and provision of guidance to the W-PMO and L-PMO on Project implementation.
 - (b) The Wuwei Project Management Office, responsible for the overall implementation of Part A of the Project, including procurement, financial management, supervision, and monitoring and evaluation of the activities thereunder.
 - (c) The Linxia Project Management Office, responsible for the overall implementation of Part B of the Project, including procurement, financial management, supervision, and monitoring and evaluation of the activities thereunder.
2. The Project Implementing Entity shall, and shall cause Wuwei Municipality and Linxia County, to: (a) carry out activities under the Project during each fiscal year in accordance with Annual Work Plans agreed with the Bank; (b) prepare and furnish to the Bank by November 30 in each year, beginning in 2015, a draft Annual Work Plan for review and comment, summarizing the implementation progress of the Project for the said year and the Project activities to be undertaken for the following calendar year, including the proposed annual budget for the Project; (c) taking into account the Bank's comments, finalize and furnish to the Bank no later than December 15 in each year, beginning on December 15, 2015, the Annual Work Plan, satisfactory to the Bank; and (d) thereafter, ensure the implementation of the Project during the following calendar year in accordance with the Annual Work Plan in a manner satisfactory to the Bank. The Project Implementing Entity shall not, and shall cause Wuwei Municipality and Linxia County not to, amend, suspend, abrogate, or waive said Annual Work Plans or any provision thereof without the prior approval of the Bank.

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. In carrying out the Project, the Project Implementing Entity shall, and shall cause Wuwei Municipality and Linxia County to:
 - (a) 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, and the displacement of said people in the carrying out of the Project or any part thereof;
 - (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 RAP and in a manner satisfactory to the Bank; and
 - (c) whenever required in terms of the RPF, proceed to have an additional RAP or RAPs: (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) thereafter, adopted and publicly disclosed; and (iv) thereafter, to implement, or cause to be implemented, such additional RAP or RAPs in accordance with their terms and in a manner acceptable to the Bank.
2. The Project Implementing Entity shall implement, and shall cause Wuwei Municipality and Linxia County 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, and cause Wuwei Municipality and Linxia County to ensure, that each contract for works financed with the proceeds of the Loan includes the obligations of the work contractors and any sub-contractor to comply with the relevant provisions of the ESMP as the case may be.
3. The Project Implementing Entity shall not, and shall cause Wuwei Municipality and Linxia County not to amend, suspend, or waive the Safeguards Instruments, or any provision thereof, without the prior written concurrence of the Bank.
4. The Project Implementing Entity shall maintain, and shall cause Wuwei Municipality and Linxia County to maintain, policies and procedures adequate to enable them 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 paragraphs 1 through 4 of this Section I.C, or the provisions of Section II.A below, the Project Implementing Entity shall take, and cause Wuwei Municipality and Linxia County to take, all measures necessary on their 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.
6. 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, and shall cause Wuwei Municipality and Linxia County to, 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 Results Framework. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Borrower not later than sixty (60) days after the end of the period covered by such report for incorporation and forwarding by the Borrower to the Bank of the overall Project Report.
2. Without limitation to the provisions of paragraph A.1 above, the Project Implementing Entity shall prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank no later than September 1, 2018, a consolidated mid-term review report for the Project, summarizing the results of the monitoring and evaluation activities carried out from the inception of the Project, and setting out the measures recommended to ensure the efficient completion of the Project and to further the objectives thereof.
3. 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, Audits

1. The Project Implementing Entity shall maintain, and cause Wuwei Municipality and Linxia County 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 on the provision of Part A of this Section, the Project Implementing Entity shall cause Wuwei Municipality and Linxia County to prepare and furnish to the Project Implementing Entity, for submission to the Bank as part of the Progress Report not later than sixty (60) 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, and shall cause Wuwei Municipality and Linxia County to have, its financial statements 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 (1) 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.