

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8589-CN

Project Agreement

(Wuhan Integrated Transport Development Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

HUBEI PROVINCE

Dated *March 24* , 2016

PROJECT AGREEMENT

Agreement dated March 24, 2016, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and HUBEI 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 Wuhan and Anlu Municipalities, 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 Wuhan and Anlu Municipalities, 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

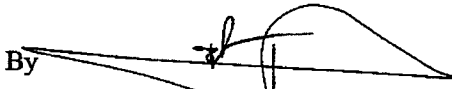
3.03. The Project Implementing Entity's Address is:

8 Zhongbei Road
Wuchang
Wuhan City
Hubei Province
People's Republic of China

Facsimile: 027-67818629

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

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

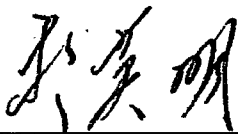
By 

Authorized Representative

Name: Bert Hofman

Title: Country Director, China

HUBEI PROVINCE

By 

Authorized Representative

Name: Yang Yingying
Deputy Director General

Title: International Economic and Financial
Cooperation Department
Ministry of Finance

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, the following entities with composition, powers, functions, staffing, facilities and other resources satisfactory to the Bank:
 - (a) A Project Leading Group in each of Wuhan and Anlu Municipalities, to provide leadership, policy guidance and coordination in the preparation and implementation of the Project.
 - (b) The Anlu Project Management Office, to be responsible for the overall coordination, management and supervision of Parts A, B and D.1 of the Project, including the review and approval of Annual Work Plans related thereto, revisions to the Project budget and allocation of resources, coordination of fiduciary aspects, and provision of guidance to ACDIC on Project implementation.
 - (c) The Wuhan Project Management Office, to be responsible for the consolidation of information under the Project, submission of Project Reports to the Bank, and for the overall coordination, management and supervision of Parts C and D.2 of the Project, including the review and approval of Annual Work Plans related thereto, revisions to the Project budget and allocation of resources, coordination of fiduciary aspects, and provision of guidance to WTDSRI and ACDIC on Project implementation.
2. For the purpose of assisting the Project Implementing Entity with the carrying out of Parts A, B and D.1 of the Project, Anlu Municipality shall enter into an agreement (the "Subsidiary Agreement - ACDIC") with ACDIC, under terms and conditions acceptable to the Bank, which shall include those set forth in the Annex to this Schedule.
3. For the purpose of assisting the Project Implementing Entity with the carrying out of Parts C and D.2 of the Project, Wuhan Municipality shall enter into an agreement (the "Subsidiary Agreement - WTDSRI") with WTDSRI, under terms and conditions acceptable to the Bank, which shall include those set forth in the Annex to this Schedule.
4. The Project Implementing Entity, through Wuhan and Anlu Municipalities, shall exercise its rights under the Subsidiary Agreements in such manner as to protect the interests of the Borrower and the Bank, and to accomplish the purposes of the Loan, and except as the Bank shall otherwise agree, not assign, amend, abrogate or waive the Subsidiary Agreements or any provision thereof.

5. The Project Implementing Entity shall, and shall cause Wuhan and Anlu Municipalities, 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 January 15 in each year, beginning in 2017 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 February 15 in each year, beginning on February 15, 2017, 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 Wuhan and Anlu Municipalities 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 Wuhan and Anlu Municipalities 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 Wuhan and Anlu Municipalities 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 Wuhan and Anlu Municipalities to ensure, that each contract for works under the Project includes the obligations of the work contractors and

any sub-contractor to comply with the relevant provisions of the EMP, as the case may be.

3. The Project Implementing Entity shall ensure, and cause Wuhan and Anlu Municipalities to ensure, that all studies and technical assistance to be supported under the Project are carried out under terms of reference satisfactory to the Bank, and that such terms of reference are consistent with, and pay due attention to, the Bank's Safeguards Policies.
4. The Project Implementing Entity shall not, and shall cause Wuhan and Anlu Municipalities not to amend, suspend, or waive the Safeguards Instruments, or any provision thereof, without the prior written concurrence of the Bank.
5. The Project Implementing Entity shall maintain, and shall cause Wuhan and Anlu Municipalities 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.
6. Without limitation to the provisions of paragraphs 1 through 5 of this Section I.C, or the provisions of Section II.A below, the Project Implementing Entity shall take, and cause Wuhan and Anlu Municipalities 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.
7. 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 Wuhan and Anlu Municipalities 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 March 1, 2019, 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 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 Wuhan and Anlu Municipalities 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 Wuhan and Anlu Municipalities 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 Wuhan and Anlu Municipalities 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 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.

**ANNEX
to the
SCHEDULE**

**Principal Terms and Conditions of the
Subsidiary Agreements**

For the purposes of Sections I.A.2 and I.A.3 of the Schedule to this Agreement, the Subsidiary Agreements to be entered into by: (a) Anlu Municipality and ACDIC; and (b) Wuhan Municipality and WTDSRI shall reflect, *inter alia*, the following terms and conditions:

1. For the purpose of assisting the Project Implementing Entity with the carrying out of Parts A, B and D.1 of the Project, Anlu Municipality shall make available to ACDIC the proceeds of the Loan allocated to said Parts of the Project, received by the Project Implementing Entity pursuant to Section I.A.1 of Schedule 2 to the Loan Agreement, under terms and conditions acceptable to the Bank.
2. For the purpose of assisting the Project Implementing Entity with the carrying out of Parts C and D.2 of the Project, Wuhan Municipality shall make available to WTDSRI the proceeds of the Loan allocated to said Parts of the Project, received by the Project Implementing Entity pursuant to Section I.A.1 of Schedule 2 to the Loan Agreement, under terms and conditions acceptable to the Bank.
3. Wuhan and Anlu Municipalities shall have the right to suspend or terminate the right of ACDIC and/or WTDSRI, respectively, to use and/or receive the proceeds of the Loan, allocated from time to time to their respective Parts of the Project, upon failure by ACDIC or WTDSRI (as the case may be) to perform any of their obligations under the Subsidiary Agreements.
4. ACDIC and WTDSRI shall undertake to:
 - (a) assist the Project Implementing Entity, through Wuhan and Anlu Municipalities as the case may be, in the carrying out of their respective Parts of the Project with due diligence and efficiency and in accordance with appropriate management, financial and engineering practices, and social and environmental standards, acceptable to the Bank, including the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower, and to provide, promptly as needed, the funds, facilities and other resources required for this purpose;
 - (b) maintain, throughout Project implementation, staff in adequate numbers and with terms of reference and qualifications acceptable to the Bank, to be responsible for implementing their respective Parts of the Project; and
 - (c) without limitation to the foregoing, to take all measures necessary to ensure that the Project is implemented in accordance with the Safeguards Instruments.
5. ACDIC and WTDSRI shall undertake to procure the works, goods and services to be financed out of the proceeds of the Loan, allocated from time to time to their respective

Parts of the Project, in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement, and utilize such works, goods and services exclusively in the carrying out of such Parts of the Project.

6. ACDIC and WTDSRI shall undertake to enable the Bank and the Project Implementing Entity, through Wuhan and Anlu Municipalities, to inspect such sites and works included in the Project, the operation thereof, and any relevant records and documents as the Bank and/or the Project Implementing Entity, through Wuhan and Anlu Municipalities, shall deem necessary.
7. ACDIC and WTDSRI shall undertake, throughout Project implementation, to:
 - (a) maintain records and accounts adequate to reflect their operations and financial condition in accordance with sound accounting practices;
 - (b) have their financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;
 - (c) furnish to the Bank and the Project Implementing Entity, through Wuhan and Anlu Municipalities, as soon as available, but in any case not later than six (6) months after the end of each such year: (i) certified copies of their financial statements and accounts for such year as so audited; (ii) an opinion on such statements by the auditors referred to in 7 (b) above, in such scope and detail as the Bank and/or the Project Implementing Entity, through Wuhan and Anlu Municipalities, shall have reasonably requested; and (iii) all such other information concerning said records, accounts and financial statements, as well as the audit thereof, as the Bank and/or the Project Implementing Entity, through Wuhan and Anlu Municipalities, shall reasonably request; and
 - (d) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the performance indicators agreed between the Project Implementing Entity and the Bank, the carrying out of the Project and the achievement of the objective thereof.