Global Environment Facility
Project Agreement

(Developing Market-Based Energy Efficiency Program in China Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

and

HEBEI PROVINCE

and

HUA XIA BANK CO., LIMITED

Dated June 9, 2017
GLOBAL ENVIRONMENT FACILITY
PROJECT AGREEMENT

AGREEMENT dated June 9, 2017, entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF") and HEBEI PROVINCE ("Hebei") and HUA XIA BANK CO., LIMITED ("Hua Xia Bank") (collectively, "Project Implementing Entities") ("Project Agreement") in connection with the Grant Agreement ("Grant Agreement") of same date between the PEOPLE'S REPUBLIC OF CHINA ("Recipient") and the World Bank.

The World Bank and the Project Implementing Entities hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard Conditions (as defined in the Appendix to the Grant 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 Grant Agreement or the Standard Conditions.

Article II
The Project

2.01. The Project Implementing Entities declare their commitment to the objectives of the Project. To this end, the Project Implementing Entities shall carry out their Respective Parts of the Project in accordance with the provisions of Article II of the Standard Conditions, and shall provide, promptly as needed, the funds, facilities, services and other resources required for their Respective Parts of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the World Bank and the Project Implementing Entities shall otherwise agree, the Project Implementing Entities shall carry out their Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

2.03. An amendment to this Agreement affecting only the Respective Parts of the Project of one (1) Project Implementing Entity may be agreed in writing between the World Bank and the relevant Project Implementing Entity.
Article III
Representative; Addresses

3.01. The Project Implementing Entities' Representatives are as follows: (a) for Hebei, its Governor or Vice Governor; and (b) for Hua Xia Bank, its President or Vice President.

3.02. 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, NW
Washington, DC 20433
United States of America

Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391

3.03. The Project Implementing Entities' Addresses are:

For Hebei:
Hebei Finance Department
No. 48, Taihua Street
Shijiazhuang City 050050
Hebei Province
People's Republic of China

Facsimile: 86-311-86772534

For Hua Xia Bank:
Hua Xia Bank Co., Limited
No. 22 Jianguomennei Da Jie
Dongcheng District
Beijing, 100005
People's Republic of China

Facsimile: 86-10-85239605
AGREED at Beijing, People’s Republic of China, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

By

Authorized Representative

Name: Bert Hofman
Title: Country Director, China

HEBEI PROVINCE

By

Authorized Representative

Name: Yuan Tengli
Title: Vice Governor

HUA XIA BANK CO., LIMITED

By

Authorized Representative

Name: Wang Yiping
Title: Vice President
SCHEDULE

Execution of the Project Implementing Entities' Respective Parts of the Project

Section I. Institutional and Other Arrangements

A. Implementation Arrangements

1. Hua Xia Bank shall maintain, throughout the period of Project implementation, the Green Finance Center, with terms of reference, powers, functions, and other resources satisfactory to the World Bank, including competent and experienced staff in adequate numbers, responsible for day-to-day implementation support of Part 2 of the Project, including procurement, financial management, coordination, reporting, and monitoring and evaluation of Part 2 of the Project.

2. Hebei shall maintain, throughout the period of Project implementation, the Hebei PMO, with terms of reference, powers, functions, and other resources satisfactory to the World Bank, including an assigned director and competent and experienced staff in adequate numbers, responsible for day-to-day implementation support of Part 3 of the Project, including procurement, financial management, coordination, reporting, and monitoring and evaluation of Part 3 of the Project.

B. Annual Work Plans and Project Implementation Plan

1. The Project Implementing Entities shall: (a) carry out activities under their Respective Parts of the Project during each fiscal year in accordance with Annual Work Plans agreed with the World Bank; (b) prepare and furnish to the World Bank by October 31 in each year, beginning in 2017, a draft Annual Work Plan for review and comment, summarizing the implementation progress of their Respective Parts 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 their Respective Parts of the Project; (c) taking into account the World Bank's comments, finalize and furnish to the World Bank no later than December 15 in each year, beginning in 2017, the Annual Work Plan, satisfactory to the World Bank; and (d) thereafter, ensure the implementation of their Respective Parts of the Project during the following calendar year in accordance with the Annual Work Plan, in a manner satisfactory to the World Bank. The Project Implementing Entities shall not amend, suspend, abrogate, or waive said Annual Work Plans or any provision thereof without the prior approval of the World Bank.

2. The Project Implementing Entities shall carry out their Respective Parts of the Project in accordance with the arrangements and procedures set out in the Project Implementation Plan, and shall not assign, amend, abrogate or waive the Project Implementation Plan or any of its provisions without prior approval by the World Bank. In the event of any conflict between the provisions of this Agreement and
the provisions of the Project Implementation Plan, the provisions of this Agreement shall prevail.

C. Anti-Corruption

The Project Implementing Entities shall ensure that their Respective Parts of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

The Project Implementing Entities shall ensure that all studies and technical assistance to be supported under the Project are carried out under terms of reference satisfactory to the World Bank, and that such terms of reference are consistent with, and pay due attention to, the World Bank’s Safeguards Policies.

Section II. Project Monitoring, Reporting and Evaluation.

A. Project Reports, Mid-term Review

1. The Project Implementing Entities shall monitor and evaluate the progress of their Respective Parts of the Project and prepare Project Reports for their Respective Parts of the Project in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators set forth in the Project Implementation Plan. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than forty-five (45) days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the World Bank of the overall Project Report.

2. Without limitation to the provisions of paragraph 1 above, the Project Implementing Entities shall prepare, under terms of reference satisfactory to the Recipient and the World Bank, and furnish to the Recipient for incorporation in the consolidated mid-term review report for the Project no later than April 30, 2020, a mid-term review report for their Respective Parts of the Project, summarizing the result 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 their Respective Parts of the Project and the achievement of the objectives thereof during the period following such data.

3. The Project Implementing Entities shall provide to the Recipient not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 2.06 (b) (ii) of the Standard Conditions all such information as the Recipient or the World Bank shall reasonably request for the purposes of that Section.
B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entities shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to their Respective Parts of the Project.

2. Without limitation to the provisions of Part A of this Section, the Project Implementing Entities shall prepare and furnish to the World Bank, not later than forty-five (45) days after the end of each semester, interim unaudited financial reports for their Respective Parts of the Project covering the semester, in form and substance satisfactory to the World Bank.

3. The Project Implementing Entities shall have their financial statements referred to in paragraph 1 of this Part B audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one (1) fiscal year of the Project Implementing Entities. The Project Implementing Entities shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the World 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 World Bank.

Section III. Procurement

All goods and services required for the Project Implementing Entities' Respective Parts of the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to the Grant Agreement.