



# OFFICIAL DOCUMENTS

November 22, 2017

Mr. Chen Shixin  
Director General  
International Economic  
and Financial Cooperation Department  
Ministry of Finance  
Beijing, China

**Re: GEF Grant No. TF0A4256**  
**Developing Market-based Energy Efficiency Program in China Project**  
**Additional Instructions: Amended and Restated Disbursement Letter**

Dear Mr. Chen:

I refer to the Global Environment Facility (GEF) Grant Agreement (the “Agreement”) between the International Bank for Reconstruction and Development (the “World Bank”), acting as an implementing agency of the GEF, and the People’s Republic of China (the “Recipient”) for the above referenced project, dated June 9, 2017. The Agreement provides that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of GEF Grant No. TF0A4256 (the “Grant”). This letter (the “Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

This letter is the First Restatement of the Disbursement Letter dated June 9, 2017, issued for the purpose of transferring the designated account from the National Development and Reform Commission (NDRC) to the National Energy Conservation Center (NECC).

World Bank Disbursement Guidelines for Projects, dated May 1, 2006, (the “Disbursement Guidelines”) are an integral part of the Disbursement Letter and are presented as Attachment 1. The manner in which the provisions in the Disbursement Guidelines apply to the Grant is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

## I. Disbursement Arrangements

(i) **Disbursement Methods (section 2).** The following Disbursement Methods may be used under the Grant:

- Reimbursement
- Advance
- Direct Payment

(ii) **Disbursement Deadline Date (subsection 3.7).** The Disbursement Deadline Date is four (4) months after the Closing Date specified in the Grant Agreement. Any changes to this date will be notified by the World Bank.

- (iii) ***Disbursement Conditions (subsection 3.8).*** Please refer to the Disbursement Conditions in the Grant Agreement.

## II. Withdrawal of Grant Proceeds

- (i) ***Authorized Signatures (subsection 3.1).*** A letter in the Form attached (Attachment 2) should be furnished to the World Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank Office  
Level 16, China World Tower 2  
No. 1 Jianguomenwai Avenue  
Beijing, China

Attention: Country Director

- (ii) ***Applications (subsections 3.2 - 3.3).*** Please provide completed and signed applications for withdrawal, together with supporting documents, to the address indicated below:

The World Bank Office  
Level 16, China World Tower 2  
No. 1 Jianguomenwai Avenue  
Beijing, China

Attention: Disbursement Team

- (iii) ***Electronic Delivery (subsection 3.4)*** The World Bank may permit the Borrower to electronically deliver to the World Bank Applications (with supporting documents) through the World Bank's Client Connection, web-based portal. The option to deliver Applications to the World Bank by electronic means may be effected if: (a) the Borrower has designated in writing, pursuant to the terms of subparagraph (i) of this Section, its officials who are authorized to sign and deliver Applications and to receive secure identification credentials ("SIDC") from the World Bank for the purpose of delivering such Applications by electronic means; and (b) all such officials designated by the Borrower have registered as users of Client Connection. If the World Bank agrees, the World Bank will provide the Borrower with SIDC for the designated officials. Following which, the designated officials may deliver Applications electronically by completing Form 2380, which is accessible through Client Connection (<https://clientconnection.worldbank.org>). The Borrower may continue to exercise the option of preparing and delivering Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower.

- (iv) ***Terms and Conditions of Use of SIDC to Process Applications.*** By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of Secure Identification Credentials") provided in Attachment 3; and (b) to cause such official to abide by those terms and conditions.

- (iv) ***Minimum Values of Applications (subsection 3.5).*** Minimum value of applications for Direct Payment and Reimbursement is as follows:

- (1) For National Energy Conservation Center (NECC): USD200,000
- (2) For Huaxia Bank (HXB): USD 100,000.
- (3) For Hebei Provincial Finance Department(HPFD): USD100,000

*(vi) Advance (sections 5 and 6).*

- **Type of Designated Accounts (subsection 5.3):** Two (2) segregated designated accounts will be established under the Project, as follows:
  - (1) DA-A: NECC
  - (2) DA-B: HPFD
- **Currency of Designated Accounts (subsection 5.4):** U.S. Dollar (USD).
- **Financial Institutions at which the Designated Accounts Will Be Opened (subsection 5.5):** A commercial bank or financial institution acceptable to the World Bank.
- **Ceilings (subsection 6.1):** Ceiling are as follows:
  - (1) DA-A: USD1,000,000
  - (2) DA-B: USD500,000.

### **III. Reporting on Use of Grant Proceeds**

- (i) **Supporting Documentation (section 4).** Supporting documentation should be provided with each Application for Withdrawal as set out below:
  - **For requests for reimbursement and reporting eligible expenditures paid from the Designated Accounts:**
    - Statement of Expenditure in the form attached (Attachment 4) for all expenditures / contracts subject to or not subject to the World Bank's prior review.
    - A Designated Account Reconciliation Statement (Attachment 5) with applicable bank statement for reporting eligible expenditures paid from the Designated Account.
  - **For requests for direct payment:** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.
- (ii) **Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3):** Monthly.

### **IV. Other Instructions**

The Designated Accounts for this project will be established and managed by NECC and HPFD respectively, as either: (i) a new segregated bank account; or (ii) a new segregated ledger account that monitors receipts and uses of the Grant proceeds, under an existing bank account for multiple World Bank-financed projects managed by NECC and HPFD respectively. The Recipient will inform the World Bank of the preferred option for this Grant.

No DA will be opened and maintained by Huaxia Bank. Reimbursement and Direct Payment methods will be used by Huaxia Bank to claim expenditures under category 2 implemented by Huaxia Bank.

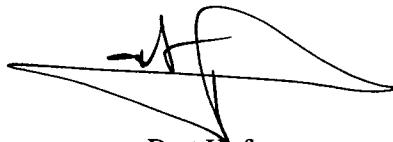
## V. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the World Bank's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <https://clientconnection.worldbank.org>. Print copies are available upon request.

If you have not already done so, the World Bank recommends that you register as a user of the Client Connection website (<https://clientconnection.worldbank.org>). From this website you will be able to download Applications, monitor the near real-time status of the Grant, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please contact the World Bank at <[clientconnection@worldbank.org](mailto:clientconnection@worldbank.org)>.

If you have any queries in relation to the above, please contact Zhuo Yu, Finance Officer at [WFALN BEIJING@worldbank.org](mailto:WFALN BEIJING@worldbank.org) using the above reference.

Yours sincerely,



Bert Hofman  
Country Director, China

**Attachments**

1. World Bank Disbursement Guidelines for Projects, dated May 1, 2006
2. Form for Authorized Signatures
3. Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, March 1, 2013
4. Form of Statement of Expenditures
5. Form of Designated Account Reconciliation Statement



**Sample Form for Authorized Signatures**

[Letterhead]  
Ministry of Finance  
[street address]  
[City]  
[Country]

[DATE]

The World Bank Office  
Level 16, China World Tower 2  
No. 1 Jianguomenwai Avenue  
Beijing, China

Attention: Mr. Bert Hofman, Country Director, China

Dear Mr. Hofman:

**Re: GEF Grant No. TF0A4256  
(Developing Market-based Energy Efficiency Program in China Project)**

I refer to the Global Environment Facility (GEF) Grant Agreement (the "Agreement") between the International Bank for Reconstruction and Development (the "World Bank"), acting as an implementing agency of the GEF, and the People's Republic of China (the "Recipient") for the above referenced project, dated \_\_\_\_\_, 2014, providing the above Grant. For the purposes of Section 3.04 (b) of the Standard Conditions, as defined in the Agreement, any <sup>1</sup>[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Recipient to sign applications for withdrawal under this Grant.

For the purpose of delivering Applications to the World Bank, <sup>2</sup>[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Recipient, acting <sup>3</sup>[individually] <sup>4</sup>[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

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<sup>1</sup> Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the World Bank.*

<sup>2</sup> Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the World Bank.*

<sup>3</sup> Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the World Bank.*

<sup>4</sup> Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the World Bank.*

<sup>5</sup>[This confirms that the Recipient is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the World Bank shall rely upon such representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC"), the Borrower represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: \_\_\_\_\_

[Name], [position] Specimen Signature: \_\_\_\_\_

[Name], [position] Specimen Signature: \_\_\_\_\_

Yours truly,

/ signed /

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[Position]

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<sup>5</sup> Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the World Bank.*

**Terms and Conditions of Use of Secure Identification Credentials  
in connection with Use of Electronic Means  
to Process Applications  
and Supporting Documentation**

March 1, 2013

The World Bank (Bank)<sup>6</sup> will provide secure identification credentials (SIDC) to permit the Borrower<sup>7</sup> to deliver applications for withdrawal and applications for special commitments under the Agreement(s) and supporting documentation (such applications and supporting documentation together referred to in these Terms and Conditions of Use as Applications) to the Bank electronically, on the terms and conditions of use specified herein.

SIDC can be either: (a) hardware-based (Physical Token), or (b) software-based (Soft Token). The Bank reserves the right to determine which type of SIDC is most appropriate.

**A. Identification of Users.**

1. The Borrower will be required to identify in a completed Authorized Signatory Letter (ASL) duly delivered to and received by the Bank each person who will be authorized to deliver Applications. The Bank will provide SIDC to each person identified in the ASL (Signatory), as provided below. The Borrower shall also immediately notify the Bank if a Signatory is no longer authorized by the Borrower to act as a Signatory.
2. Each Signatory must register as a user on the Bank's Client Connection (CC) website (<https://clientconnection.worldbank.org>) prior to receipt of his/her SIDC. Registration on CC will require that the Signatory establish a CC password (CC Password). The Signatory shall not reveal his/her CC Password to anyone or store or record the CC Password in written or other form. Upon registration as a CC user, the Signatory will be assigned a unique identifying account name.

**B. Initialization of SIDC.**

1. Prior to initialization of SIDC by a Signatory, the Signatory will acknowledge having read, understood and agreed to be bound by these Terms and Conditions of Use.
2. Where a Physical Token is to be used, promptly upon receipt of the Physical Token, the Signatory will access CC using his/her account name and CC Password and register his/her Physical Token and set a personal identification number (PIN) to be used in connection with the use of his/her Physical Token, after which the Physical Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Where a Soft Token is to be used, the Signatory will access CC using his/her account name and CC Password and set a personal identification number (PIN) to be used in

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<sup>6</sup> "Bank" includes IBRD and IDA.

<sup>7</sup> "Borrower" includes the borrower of an IBRD loan, IDA credit, or Project Preparation Facility advance and the recipient of a grant.

connection with the use of his/her Soft Token, after which the Soft Token will be initialized for use by the Signatory exclusively for purposes of delivering Applications. Upon initialization of the SIDC, the Signatory will be a “SIDC User”. The Bank will maintain in its database a user account (Account) for each SIDC User for purposes of managing the SIDC of the SIDC User. Neither the Borrower nor the SIDC User will have any access to the Account.

3. Prior to first use of the SIDC by the SIDC User, the Borrower shall ensure that the SIDC User has received training materials provided by the Bank in use of the SIDC.

**C. Use of SIDC.**

1. Use of the SIDC is strictly limited to use in the delivery of Applications by the SIDC User in the manner prescribed by the Bank in the Agreement(s) and these Terms and Conditions. Any other use of the SIDC is prohibited.
2. The Bank assumes no responsibility or liability whatsoever for any misuse of the SIDC by the SIDC User, other representatives of the Borrower, or third parties.
3. The Borrower undertakes to ensure, and represents and warrants to the Bank (such representation and warranty being expressly relied upon by the Bank in granting SIDC) that each SIDC User understands and will abide by, these Terms and Conditions of Use, including without limitation the following:

4. ***Security***

- 4.1. The SIDC User shall not reveal his/her PIN to anyone or store or record the PIN in written or other form.
- 4.2. The SIDC User shall not allow anyone else to utilize his/her SIDC to deliver an Application to the Bank.
- 4.3. The SIDC User shall always logout from CC when not using the system. Failure to logout properly can create a route into the system that is unprotected.
- 4.4. If the SIDC User believes a third party has learned his/her PIN or has lost his/her Physical Token he/she shall immediately notify [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org).
- 4.5. The Borrower shall immediately notify the Bank at [clientconnection@worldbank.org](mailto:clientconnection@worldbank.org) of any lost, stolen or compromised SIDC, and take other reasonable steps to ensure such SIDC are disabled immediately.

5. ***Reservation of Right to Disable SIDC***

- 5.1. The Borrower shall reserve the right to revoke the authorization of a SIDC User to use a SIDC for any reason.
- 5.2. The Bank reserves the right, in its sole discretion, to temporarily or permanently disable a SIDC, de-activate a SIDC User’s Account or both.

6. ***Care of Physical Tokens***

- 6.1. Physical Tokens will remain the property of the Bank.
- 6.2. The Bank will physically deliver a Physical Token to each Signatory designated to receive one in a manner to be determined by and satisfactory to the Bank.
- 6.3. Physical Tokens contain delicate and sophisticated instrumentation and therefore should be handled with due care, and should not be immersed in liquids, exposed to extreme temperatures, crushed or bent. Also, Physical Tokens should be kept more than five (5) cm from devices that generate electromagnetic radiation (EMR), such as mobile phones, phone-enabled PDAs, smart phones and other similar devices. Physical Tokens should be carried and stored separate from any EMR device. At close range (less than 5 cm), these devices can output high levels of EMR that can interfere with the proper operation of electronic equipment, including the Physical Token.
- 6.4. Without derogating from these Terms and Conditions of Use, other technical instructions on the proper use and care of Physical Tokens are available at <http://www.rsa.com>.

7. ***Replacement***

- 7.1. Lost, damaged, compromised (in terms of 4.5, above) or destroyed Physical Tokens will be replaced at the expense of the Borrower.
- 7.2. The Bank reserves the right, in its sole discretion, not to replace any Physical Token in the case of misuse, or not to reactivate a SIDC User's Account.



世界银行驻华代表处  
World Bank Office, Beijing

#### **Attachment 4**

**DESIGNATED ACCOUNT RECONCILIATION STATEMENT**

GEF GRANT NUMBER \_\_\_\_\_  
ACCOUNT NUMBER \_\_\_\_\_ WITH (BANK) \_\_\_\_\_

1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER)	\$ _____
2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK	- \$ _____
3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2)	= \$ _____

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4. BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE _____	\$ _____
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5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____	+ \$ _____
* _____	

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: _____	+ \$ _____ *
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7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENTS	
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<u>APPLICATION NO.</u>	<u>AMOUNT *</u>
_____	_____
_____	_____

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED	+ \$ _____
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8. MINUS: INTEREST EARNED	- \$ _____ *
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9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9)	= \$ _____
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10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:	
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11. DATE: _____	SIGNATURE: _____
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TITLE: \_\_\_\_\_

\* ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENT