Global Environment Facility Project Agreement

(Urban-Scale Building Energy Efficiency and Renewable Energy Project)

between

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

and

BEIJING MUNICIPALITY

and

NINGBO MUNICIPALITY

Dated July 4, 2013
GEF GRANT NUMBER TF014522-CN

GLOBAL ENVIRONMENT FACILITY
PROJECT AGREEMENT

AGREEMENT dated 4 July 2013, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF"), BEIJING MUNICIPALITY, and NINGBO MUNICIPALITY (the latter two, collectively, "Project Implementing Entities") ("Project Agreement") in connection with the Grant Agreement ("Grant Agreement") of same date between PEOPLE’S REPUBLIC OF CHINA ("Recipient") and the World Bank, acting as an implementing agency of the GEF. 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 — PROJECT

2.01. The Project Implementing Entities declare their commitment to the objective of the Project. To this end, Beijing Municipality shall carry out Parts 1 (b), 2 (b), and 3 of the Project and Part 4 of the Project as it relates to Parts 1 (b), 2 (b), and 3 of the Project and Ningbo Municipality shall carry out Parts 1 (c) and 2 (c) of the Project and Part 4 of the Project as it relates to Parts 1 (c) and 2 (c) of the Project, all in accordance with the provisions of Article II of the Standard Conditions, and the Project Implementing Entities 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 Part of the Project of one (1) Project Implementing Entity may be agreed in writing between the World Bank and such Project Implementing Entity.
ARTICLE III — REPRESENTATIVES; ADDRESSES

3.01. The Project Implementing Entities' Representatives are as follows, namely, for each of the Project Implementing Entities, its respective Mayor or a Vice Mayor.

3.02. The World Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

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

3.03. The Project Implementing Entities' Addresses are:

For Beijing Municipality:

Beijing Finance Bureau
No. 15 Fucheng Road, Haidian District
Beijing Municipality
China

Facsimile:
86-10-6841-6452

For Ningbo Municipality:

Ningbo Finance Bureau
No. 19 ZhongShan West Road
Ningbo Municipality
China

Facsimile:
86-574-8718-8440
AGREED at Beijing, 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: Klaus Rohland
Title: Country Director, China

BEIJING MUNICIPALITY

By

Authorized Representative

Name: Yang Xiaochao
Title: Director
Beijing Municipal Finance Bureau

NINGBO MUNICIPALITY

By

Authorized Representative

Name: Wang Ruihong
Title: Vice Mayor
Ningbo City
SCHEDULE

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

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entities shall be responsible for the provision of policy guidance to and the management and implementation of their Respective Parts of the Project in accordance with the institutional arrangements set forth below. To this end, the Project Implementing Entities shall maintain, throughout implementation of their Respective Parts of the Project, the entities referred to in paragraphs 2, 3, and 4 of this Part A with an institutional framework, functions, and resources, including competent personnel in adequate numbers, satisfactory to the World Bank.

Beijing Municipality

Beijing Housing and Urban-Rural Development Commission

2. Beijing Municipality shall be responsible for the management and implementation of Parts 1 (b) and 2 (b) of the Project and Part 4 of the Project as it relates to Parts 1 (b) and 2 (b) of the Project through the Beijing Housing and Urban-Rural Development Commission.

Beijing Development and Reform Commission

3. Beijing Municipality shall be responsible for the provision of policy guidance to and the management and implementation of Part 3 of the Project and Part 4 of the Project as it relates to Part 3 of the Project through the Beijing Development and Reform Commission and other relevant municipal entities.

Ningbo Municipality

Ningbo Housing and Urban-Rural Development Committee

4. Ningbo Municipality shall be responsible for the management and implementation of its Respective Part of the Project through the Ningbo Housing and Urban-Rural Development Committee.
B. 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.

C. Implementation Plans

1. The Project Implementing Entities shall:

   (a) ensure that their Respective Parts of the Project are carried out in accordance with their respective Implementation Plans; and

   (b) except as the World Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

2. In the event of a conflict between the provisions of either of the Project Implementing Entities’ Implementation Plans and those of this Agreement, the latter shall govern.

D. Annual Work Plans and Budgets

The Project Implementing Entities shall:

   (a) furnish to the World Bank for review and approval as soon as available, but in any case not later than October 31 of each year, the annual work plan and budget for their Respective Parts of the Project for each subsequent year of Project implementation, of such scope and detail as the World Bank shall have reasonably requested, except for the annual work plan and budget for their Respective Parts of the Project for the first year of Project implementation, which shall be furnished not later than one (1) month after the Effective Date; and

   (b) thereafter ensure that their Respective Parts of the Project are carried out in accordance with such plan and budget as agreed with the World Bank.

E. Safeguards

1. Ningbo Municipality shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Environmental Management Plans, and, except as the World Bank shall otherwise agree in writing, Ningbo Municipality shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
2. Ningbo Municipality shall ensure that no land acquisition or Involuntary Resettlement is carried out under its Respective Part of the Project.

3. Without limitation upon its other reporting obligations under Section II.A.1 of this Schedule, Ningbo Municipality shall take all measures necessary to regularly collect, compile, and submit to the World Bank, as part of the Project Reports for its Respective Part of the Project, information on the status of compliance with the Environmental Management Plans, providing details of:

(a) measures taken in furtherance of said Plans;

(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of said Plans; and

(c) remedial measures taken or required to be taken to address such conditions.

4. In the event of a conflict between the provisions of either of the Environmental Management Plans and those of this Agreement, the latter shall govern.

F. Green Building Subprojects

1. To facilitate the carrying out of Green Building Subprojects, and prior to the carrying out of activities thereunder, Ningbo Municipality shall make (a) Green Building Subproject Grant(s) available to Ningbo University under (a) Green Building Subproject Grant Agreement(s) under terms and conditions approved by the World Bank, set forth in Ningbo Municipality’s Implementation Plan and which shall include the following:

(a) provision of the Green Building Subproject Grant(s) on a grant basis;

(b) the eligible activities and expenditures, applicable performance indicators, Outputs, and disbursement arrangements;

(c) disbursement of the Green Building Subproject Grant(s) in the amounts and at the intervals specified in the Green Building Subproject Grant Agreement, upon verification by Ningbo Municipality of delivery by Ningbo University of the Outputs referred to in the preceding paragraph;

(d) the right of Ningbo Municipality to suspend or terminate the right of Ningbo University to use the Green Building Subproject Grant(s), or obtain a refund of all or any part of the amount of the Green Building Subproject Grant(s) then withdrawn, upon Ningbo University’s failure to perform any of its obligations under the Green Building Subproject Grant Agreement(s); and
the obligation of Ningbo University to:

(i) carry out the Green Building Subproject(s) and deliver the Output(s) set forth in the Green-Energy Building Subproject Grant Agreement(s) with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, and social standards and practices satisfactory to the World Bank, including the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient;

(ii) carry out the Green Building Subproject(s) in accordance with the provisions of Ningbo Municipality’s Implementation Plan and the Environmental Management Plans, and without any right or authority, except as the World Bank shall otherwise agree in writing, to assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof;

(iii) ensure that any contract for works under the Green Building Subproject(s) includes the obligation of the respective contractor to implement the Environmental Management Plans;

(iv) ensure that no land acquisition or Involuntary Resettlement is carried out under the Green Building Subproject(s);

(v) provide, promptly as needed, the resources required for the purpose of implementation of the Green Building Subproject(s);

(vi) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with the indicators set forth in Ningbo Municipality’s Implementation Plan, the progress of the Green Building Subproject(s) and the achievement of its(their) objectives;

(vii) (A) 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, resources, and expenditures related to the Green Building Subproject(s); and (B) at the Recipient's or the World Bank's request, have the statements referred to in subparagraph (A) of this paragraph (vii) audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards
acceptable to the World Bank, and promptly furnish the
statements as so audited to the Recipient and the World Bank;

(viii) procure the goods, works, and services to be financed out of the
proceeds of the Green Building Subproject Grant(s) in
accordance with procedures ensuring economy and efficiency,
including the provisions of Ningbo Municipality’s
Implementation Plan, and use such goods, works, and services
exclusively in the carrying out of the Green Building
Subproject(s);

(ix) enable the Recipient and the World Bank to inspect the Green
Building Subproject(s), its(their) operation, and any relevant
records and documents; and

(x) prepare and furnish to the Recipient and the World Bank all such
information as the Recipient or the World Bank shall reasonably
request relating to the foregoing.

2. Ningbo Municipality shall exercise its rights under the Green Building
Subproject Grant Agreement(s) in such manner as to protect its interests and
those of the World Bank and to accomplish the purposes of the Grant. Except as
the World Bank shall otherwise agree in writing, Ningbo Municipality shall not
assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated,
or waived, the aforementioned or any provision thereof.

3. In the event of a conflict between the provisions of the Green Building
Subproject Grant Agreement(s) and those of this Agreement, the latter shall
govern.

4. Ningbo Municipality shall, jointly with the World Bank, review the Outputs of
Green Building Subprojects and related unit costs on an annual basis throughout
Project implementation, and thereafter adjust them as necessary in a manner
satisfactory to the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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 (b) (i) of the Standard Conditions and on the basis of the indicators
set forth in their respective Implementation Plans. Each such Project Report
shall cover the period of one (1) calendar semester, and shall be furnished to the
Recipient, through the Ministry of Housing and Urban and Rural Development, and the World Bank not later sixty (60) days after the end of the period covered by such report.

2. The Project Implementing Entities shall provide to the Recipient, through the Ministry of Housing and Urban and Rural Development, not later than five (5) 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 Entities, including the operations, resources, and expenditures related to their Respective Parts of the Project.

2. The Project Implementing Entities shall:

(a) ensure that the Project is carried out in accordance with the Financial Management Manuals; and

(b) except as the World Bank shall otherwise agree in writing, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

3. In the event of a conflict between the provisions of any of the Financial Management Manuals and those of this Agreement, the latter shall govern.

4. Without limitation on the provisions of Part A of this Section, the Project Implementing Entities shall prepare and furnish to the Recipient, through the Ministry of Housing and Urban and Rural Development, and the World Bank not later than sixty (60) days after the end of each calendar semester, interim unaudited financial reports for their Respective Parts of the Project covering the semester, in form and substance satisfactory to the World Bank.

5. The Project Implementing Entities shall have their financial statements referred to above 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 respective Project Implementing Entity. The Project Implementing Entities shall ensure that the audited financial
statements for each period shall be: (a) furnished to the Recipient, through the Ministry of Housing and Urban and Rural Development, 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, works, 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.