THE WORLD BANK

OFFICIAL DOCUMENTS

May 19, 2023

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

Re: Loan No. 9470-CN (China Plastic Waste Reduction Project (Shaanxi))
Additional Instructions: Disbursement and Financial Information Letter

Dear Mr. Cheng:

I refer to the Loan Agreement between the People's Republic of China ("Borrower") and the International Bank for Reconstruction and Development ("Bank") for financing the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time-to-time request withdrawals of Loan amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter ("DFIL"), and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project-specific financial management and reporting requirements. This letter constitutes such Disbursement and Financial Information Letter and may be revised from time to time.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds for the Project

(i) Disbursement Arrangements

The Disbursement Guidelines for Investment Project Financing, dated February 2017 ("Disbursement Guidelines"), are available on the Bank's secure website "Client Connection" at https://clientconnection.worldbank.org and its public website at https://www.worldbank.org. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, and conditions, information on registration of authorized signatories, processing of Withdrawal Applications (including the minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account(s).

(ii) Withdrawal Applications (Electronic Delivery) 1

The Borrower shall submit applications for withdrawal or for special commitment ("Applications")" with supporting documents electronically through the Bank's web-based portal "Client Connection" at https://clientconnection.worldbank.org. This option will be effected after the officials designated in writing by the Borrower, who are authorized to sign and deliver Applications, have registered as users of "Client Connection." The designated officials shall deliver Applications electronically by completing Form 2380, which is accessible through "Client Connection." By signing the Authorized Signatory Letter, which can be delivered manually or electronically, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications

¹ Section 10.01 (c) of the General Conditions

and supporting documents to the Bank by these means. The Borrower may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations) and which were previously agreed with the Bank. By designating officials to use SIDC and 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 the Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank's public website at https://www.worldbank.org and "Client Connection" at https://clientconnection.worldbank.org; and (b) to cause such officials to abide by those terms and conditions.

II. Financial Reports and Audits²

(i) For the Project

• Financial Reports

The Borrower shall cause Shaanxi Province to prepare and furnish to the Bank not later than sixty (60) days after the end of each calendar semester, interim unaudited financial reports ("IFRs") for the Project covering the quarter.

Audits

Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank by Shaanxi Province not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website at https://www.worldbank.org and "Client Connection" at https://clientconnection.worldbank.org, the Bank recommends that you register as a user of "Client Connection." From this website, you will be able to prepare and deliver Authorized Signatory Letters and Withdrawal Applications, monitor the near real-time status of the Loan and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at askloans@worldbank.org using the above reference.

Yours sincerely,

Mara Warwick Country Director, China East Asia and Pacific Region

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Attachments

- 1. Form of Authorized Signatory Letter
- 2. Statement of Expenditure (SOE)

² Section 5.09 of the General Conditions

With copies to:

Mr. Guo Biao, Director Program Operation Division I International Economic and Financial Cooperation Department Ministry of Finance Email: guobiao@mof.gov.cn; mof_operation1@mof.gov.cn

Mr. Zhu Wei, Director
Mr. Han Guodong, Deputy Director
Foreign Loans Division
Department of Foreign Capital and Overseas Investment
National Development and Reform Commission
Email: zhuwei@ndrc.gov.cn; hangd@ndrc.gov.cn

Mr. Zhang Baiming, Director Shaanxi Provincial Project Management Office Xi'an, Shaanxi, People's Republic of China Email: waidaiban@163.com

Mr. Kang Gongping, Director
Mr. Li Peng, Deputy Director
Division of International Cooperation
Shaanxi Provincial Finance Bureau
Xi'an, Shaanxi
Email: pengpengli2002@vip.163.com; changqing3366@aliyun.com

Ms. Liang Wei, Director Division of Foreign Capital Utilization Division Shaanxi Development and Reform Commission Email: via waidaiban@163.com

Schedule 1: Disbursement Provisions

Basic Information									
IBRD Loan No.	9470-CN	Country	P.R. China	Clasina Dat	Section III.B.2 of Schedule 2 to				
		Borrower	P.R. China	Closing Dat	the Loan Agreement.				
		Name of the Project	China Plastic Waste Reduction Project (Shaanxi)	Disburseme Deadline Da Subsection 3 **	te Four (4) months after the closing				
Disbursement Methods and Supporting Documentation									
Disbursement Methods Section 2 (**)		Methods	Supporting Documentation Subsections 4.3 and 4.4 (**)						
Direct Payment		Yes	Copy of records (e.g., invoices and receipts)						
Reimbursement		Yes	Statement of Expenditure (SOE)						
Advance (into a Designated Account)		Yes	Statement of Expenditure (SOE)						
Special Commitments		Yes	Copy of Letter of Credit (including pro forma invoice(s), if cited in the Letter of Credit)						
	Designated Account (Sections 5 and 6 **)								
Туре			gregated designated account under rovince will be established for the	Ceiling	Fixed				
Financial Institution - Name		To be established at a f Bank	inancial institution acceptable to the	Currency	USD				
Frequency of Reporting Subsection 6.3 (**)		Quarterly		Amount	20,000,000				
Minimum Value of Applications (subsection 3.5)									

Minimum Value of Applications (subsection 3.5)

The minimum value of applications for Reimbursement, Direct Payment and Special Commitment is USD1,900,000 equivalent.

Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)

The form for Authorized Signatory Letter ("ASL") is provided in Attachment 1 of this letter. Please send the Authorized Signatory Letter to the address indicated below:

Attention: Disbursement Team

The World Bank Office Beijing Level 17, China World Tower 2 No. 1 Jianguomenwai Avenue

Beijing, China

The Bank will confirm if the ASL will be submitted electronically via the Bank's "Client Connection" system after July 1st, 2023.

All Withdrawal Applications and its supporting documentation will be electronically sent via the Bank's system "Client Connection".

Other

Attachment 1 - Form of Authorized Signatory Letter

[Letterhead] Ministry of Finance [Street address]

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

Attention: [Country Director]¹

Re: Loan 9470-CN China Plastic Waste Reduction Phase (Shaanxi)

I refer to the Loan Agreement between the International Bank for Reconstruction and Development ("Bank") and [name of borrower] ("Borrower"), providing the above Loan. For the purposes of Section 2.03 of the General Conditions as defined in the Agreement, any ²[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign Withdraw Applications ("Applications") under this Loan.

For the purpose of delivering Applications to the Bank, ³[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting ⁴[individually] ⁵[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by electronic means. In full recognition that the 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 Bank that it will cause such persons to abide by those terms and conditions.

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¹ Instruction to Borrower: please do not delete this note.

² 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 Bank.*

³ Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please <u>indicate</u> the actual number. Please delete this footnote in final letter that is sent to the Bank.

⁴ 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 Bank*.

⁵ Instruction to the Borrower: Use this bracket <u>only</u> 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 Bank*.

This Authorization	replaces and	l supersedes an	y Authorization	currently in	n the Bank	records wi	th respect
to this Agreement.							

Name], [position]	Specimen Signature:
Name], [position]	Specimen Signature:
[Name], [position]	Specimen Signature:
	Yours truly,
	/ signed /
	/ Signed /
	[Position]

Attachment 2 – Statement of Expenditures

IBRD-International Bank for Reconstruction and Development

Statement of Expenditures										Financier			
											Loan/C	redit/Grant#	
Payment made during the period from				to							1	Application#	
											Category#		
The following expenditures have been incurred during the retroactive financing period (please tick)						Yes	No					Page#	
The fol	lowing expenditur	res have been incurred before t	he closing date of	of the loan/credit/gr	ant (please tick)	Yes	No						
											ONLY for	the Designated	Account
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No.	Supplier's Name	Brief Description of the expenditure	Prior Review Contract? (Yes or No)	Contract# (Client Connection# for Prior Review contracts)	Contract currency and amount (original+ amendment)	Invoice number	Date of payment	Total amount of Invoice covered by Application (net of retention)	% Financed by the Bank	Eligible Amount (col 9x10)	Exchange rate	Date of Withdrawal from the Designated Account	Amount Withdrawn from the Designated Account (Col11/12)
												Total	
Suppor	ting documents fo	r this SOE are retained at		(insert location)									