

Public Disclosure Authorized

CONFORMED COPY

LOAN NUMBER 7542-CN

Loan Agreement

**(Gansu Cultural and Natural Heritage
Protection and Development Project)**

between

PEOPLE'S REPUBLIC OF CHINA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated May 28, 2008

LOAN AGREEMENT

AGREEMENT dated May 28, 2008, between PEOPLE'S REPUBLIC OF CHINA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Loan Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II – LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of thirty-eight million four hundred thousand dollars (\$38,400,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread, provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(d) of the General Conditions.
- 2.05. The Payment Dates are June 15 and December 15 in each year.

- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05(c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III – PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project Implementing Entity to carry out the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV – EFFECTIVENESS

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V – REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is the Borrower's Minister of Finance.

5.02. The Borrower's Address is:

Ministry of Finance
Sanlihe
Beijing 100820
People's Republic of China

Facsimile:

(86-10) 6855-1125

5.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

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

PEOPLE'S REPUBLIC OF CHINA

By /s/ Yang Shaolin
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ David Dollar
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist Gansu Province in generating benefits for local communities through the development of sustainable cultural tourism.

The Project consists of the following parts, subject to modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objective:

Part 1. Protection and Development of Priority Cultural and Natural Heritage Sites

Implementing the following in Selected Sites within the Selected Municipalities:

(a) Heritage Conservation and Presentation

Carry out rehabilitation, restoration and other works for the preservation and conservation of key relics; conduct research related to such preservation and conservation; and enhance the interpretation and presentation of cultural and natural heritage assets.

(b) Infrastructure, Tourism Services and Environmental Protection

Carry out investments in high priority physical infrastructure that raise local standards of living and that have a high potential for promoting local economic development through tourism, including the construction of access roads, tourist service facilities and facilities for the provision of utility services such as water supply, power supply and management of wastewater and solid waste.

Part 2. Institutional Strengthening and Capacity Building

Strengthening institutional capacity to implement and manage the Project, including:

(a) Provision of technical assistance to the PPMO, MPMOs and PIUs for the implementation of the Project, including design review, construction supervision and progress reporting.

(b) Provision of technical assistance and training to implementing agencies, relevant government staff, and communities within Selected Sites in heritage conservation, site management, and tourism development.

(c) Carrying out of a province-wide study on tourism market development and of site-specific studies and plans on tangible and intangible heritage.

Part 3. Resettlement

Carrying out resettlement and rehabilitation of Displaced Persons in connection with the implementation of Part 1 of the Project.

SCHEDULE 2**Project Execution****Section I. Financing Arrangements**

1. The Borrower shall make available the proceeds of the Loan to the Project Implementing Entity, under terms and conditions satisfactory to the Bank, including the following principal terms:
 - (a) The principal amount shall be made available in Dollars (determined on the date, or respective dates, of withdrawal from the Loan Account) of the value of the currency or currencies so withdrawn.
 - (b) The principal amount so made available, including an amount equal to the fee paid pursuant to Section 2.03 of this Agreement, shall be recovered over a period of twenty (20) years, inclusive of a grace period of seven (7) years.
 - (c) Interest shall be charged on such principal amount withdrawn and outstanding from time to time at a rate equal to the rate of interest applicable from time to time to the Loan pursuant to the provisions of Section 2.04 of this Agreement.

Section II. Project Monitoring, Reporting, Evaluation**A. Project Reports**

1. The Borrower shall monitor and evaluate, and cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in the Annex of the Schedule to the Project Agreement. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than February 15 and August 15 each year.
2. For purposes of Section 5.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain, or cause to be maintained, a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish, or cause to be prepared and furnished, to the Bank as part of the Project Report by not later than February 15 and August 15 each year, interim un-audited financial reports for the Project covering the preceding calendar semester, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Schedule.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Schedule.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower (other than goods manufactured in the Hong Kong Special Administrative Region or the Macau Special Administrative Region of the Borrower).
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	<p>National Competitive Bidding.</p> <p>In addition, the procedures to be followed for National Competitive Bidding shall be those set forth in the Law on Tendering and Bidding of the People's Republic of China promulgated by Order No.21 of the President of the People's Republic of China on August 30, 1999, with the following clarifications required for compliance with the Procurement Guidelines:</p> <ul style="list-style-type: none"> (i) All invitations to prequalify or to bid shall be advertised in a newspaper of national circulation in the Borrower's country, except for civil works contracts that are estimated cost less than \$2,000,000 equivalent each and for goods contracts that are estimated to cost less than \$300,000 equivalent each, which may be advertised in a provincial daily newspaper. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum of thirty (30) days shall be given to bidders between the date of advertisement in such newspaper and the deadline for submission of bids, and the advertisement and bidding documents shall specify the deadline for such submission. (ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents. (iii) All bidders that meet the qualification criteria set out in the pre-qualification document shall be allowed to bid and there shall be no limit on the number of pre-qualified bidders. (iv) All bidders shall be required to provide security in an amount sufficient to protect the Borrower or the Project Implementing Entity, as the case may be, in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such security. (v) Bidders will be allowed to submit bids by mail or by hand. The time for opening of all bids shall be the same as the deadline for receipt of such bids.

	<ul style="list-style-type: none"> <li data-bbox="487 283 1331 420">(vi) All bids shall be opened in public; all bidders shall be offered an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening. <li data-bbox="487 451 1331 556">(vii) All bid evaluation criteria shall be disclosed in the bidding documents and quantified in monetary terms or expressed in the form of pass/fail requirements. <li data-bbox="487 588 1331 724">(viii) No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower or the Project Implementing Entity, as the case may be. <li data-bbox="487 756 1331 1060">(ix) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined: (A) to be substantially responsive to the bidding documents; and (B) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted. <li data-bbox="487 1092 1331 1291">(x) Each contract financed with the proceeds of the Loan shall provide that the suppliers and contractors shall permit the Bank, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by the Bank. <li data-bbox="487 1323 1331 1522">(xi) Government owned enterprises in the Borrower's country may be permitted to bid or submit a proposal of goods and works if they can establish that they: (A) are legally and financially autonomous; (B) operate under commercial law; and (C) are not a dependent agency of the agency conducting the procurement. <li data-bbox="487 1554 1331 1627">(xii) Re-bidding should not be allowed solely because the number of bids is less than three (3).
(b)	Shopping

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	Quality-based Selection
(b)	Single-source Selection
(c)	Selection based on Consultants’ Qualifications
(d)	Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(e)	Sole Source Procedures for the Selection of Individual Consultants

D. Review by the Bank of Procurement Decisions

1. Except as the Bank shall otherwise determine by notice to the Borrower, the following contracts shall be subject to Prior Review by the Bank:
 - (a) each contract for goods estimated to cost the equivalent of \$250,000 or more;
 - (b) each contract for works estimated to cost the equivalent of \$1,000,000 or more;
 - (c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of \$100,000 or more;
 - (d) each contract, regardless of value, for consultants’ services provided by a firm procured using Single-source Selection; and
 - (e) each contract, regardless of value, for goods, works and consultants’ services relating to heritage conservation or to presentation and exhibitions.

The following prior review procedures shall apply to each contract for the employment of individual consultants to be selected on a sole source basis: (i) the qualifications, experience, terms of reference and conditions of employment of the consultants shall be furnished to the Bank for its prior review and approval; (ii) the contract shall be awarded only after the Bank’s approval shall have been given; and (iii) the provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank shall specify by notice to the Borrower to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category (inclusive of Taxes).

<u>Category</u>	<u>Amount of the Loan Allocated (expressed in Dollars)</u>	<u>Percentage of Expenditures to be financed (inclusive of Taxes)</u>
(1) Goods and works for Project implementation in Jiuquan Municipality	5,080,000	90%
(2) Goods and works for Project implementation in Jiayuguan Municipality	4,840,000	80%
(3) Goods and works for Project implementation in Zhangye Municipality	1,830,000	95%
(4) Goods and works for Project implementation in Baiyin Municipality	3,280,000	99%

(5) Goods and works for Project implementation in Lanzhou Municipality	6,150,000	99%
(6) Goods and works for Project implementation in Tianshui Municipality	15,734,000	99%
(7) Consultants' services, training and workshops	1,390,000	100%
(8) Front-end Fee	96,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
TOTAL AMOUNT	38,400,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$7,000,000 equivalent may be made for payments made prior to this date but on or after October 1, 2007, for Eligible Expenditures.
2. The Closing Date is December 31, 2013.

SCHEDULE 3**Amortization Schedule**

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
June 15, 2015	3.85%
December 15, 2015	3.85%
June 15, 2016	3.85%
December 15, 2016	3.85%
June 15, 2017	3.85%
December 15, 2017	3.85%
June 15, 2018	3.85%
December 15, 2018	3.85%
June 15, 2019	3.85%
December 15, 2019	3.85%
June 15, 2020	3.85%
December 15, 2020	3.85%
June 15, 2021	3.85%
December 15, 2021	3.85%
June 15, 2022	3.85%
December 15, 2022	3.85%
June 15, 2023	3.85%
December 15, 2023	3.85%
June 15, 2024	3.85%
December 15, 2024	3.85%
June 15, 2025	3.85%
December 15, 2025	3.85%
June 15, 2026	3.85%
December 15, 2026	3.85%
June 15, 2027	3.85%
December 15, 2027	3.75%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
 - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3.
 - (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

APPENDIX**Section I. Definitions**

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

“Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.

“Cultural Heritage Conservation Plans” means, collectively: (a) the plans set forth in Chapter 6 of the Consolidated Environmental Assessment and Environmental Management Plan for Gansu Cultural and Natural Heritage Protection and Development Project dated July 20, 2007, for the management of cultural resources in the Suoyang Town Tourism Scenic Area, Lutusi Ancient Government Center Tourism Scenic Area, Qingcheng Ancient Town Heritage Protection and Tourism Scenic Area, Great Wall Cultural Tourism Scenic Area, Weijin Tombs Cultural Tourism Scenic Area, and Mati Temple Scenic Area; and (b) the plan to be prepared for the Maijishan Scenic Area under Part 2(c) of the Project.

4. “Displaced Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a “Displaced Person” means any of such Displaced Persons.
5. “Environmental Management Plan” means the Consolidated Environmental Assessment and Environmental Management Plan for Gansu Cultural and Natural Heritage Protection and Development Project dated July 20, 2007, prepared on behalf of Gansu Province, which sets out the environmental protection measures in respect of the Project, as well as monitoring and reporting arrangements to ensure compliance with said plan, as the same may be revised from time to time with the prior agreement of the Bank.
6. “Gansu” means the Borrower’s Province of Gansu, and any successor thereto.
7. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008), with the modifications set forth in Section II of this Appendix.

8. “Minority Development Plan” means the Indigenous Peoples Plan for Mati Temple Scenic Area in Sunan County dated July 12, 2007, setting out measures to mitigate possible negative impacts of the Project on minority nationalities living in and around the Mati Temple Scenic Area site in Sunan County, Zhangye Municipality, as such plan may be amended from time to time with the agreement of the Bank.
9. The acronym “MPMOs” means, collectively, the project management offices established and maintained by the Selected Municipalities in accordance with the provisions of Section I, paragraph 1(b)(ii) of the Schedule to the Project Agreement, and any successors thereto; and a “MPMO” means any of said MPMOs.

The acronym “PIUs” means, collectively, the units established for the Selected Sites and maintained in accordance with the provisions of Section I, paragraph 1(b)(iii) of the Schedule to the Project Agreement, and any successors thereto; and a “PIU” means any of said PIUs.

The acronym “PPMO” means the project management office established and maintained by Gansu Province in accordance with the provisions of Section I, paragraph 1(a)(ii) of the Schedule to the Project Agreement, and any successors thereto.

12. “Procurement Plan” “Procurement Plan” means the Borrower’s procurement plan for the Project, dated July 23, 2007, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
13. “Project Dams” means the Yinyue Lake Dam and the Xianren Lake Dam located in the Maijishan Scenic Area in Tianshui Municipality.
14. “Project Implementing Entity” means the Borrower’s Gansu Province and any successor thereto.
15. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
16. “Resettlement Action Plan” means the Resettlement Action Plan for Gansu Cultural and Natural Heritage Protection and Development Project dated July 23, 2007, prepared on behalf of and adopted by Gansu Province, which sets out the principles and procedures governing the acquisition of land and other assets, and the resettlement, compensation and rehabilitation of Displaced Persons on account of the carrying out of Project activities in the Lutusi Ancient Government Center Tourism Scenic Area and Qingcheng Ancient Town Heritage Protection and Tourism Scenic Area, both located in Lanzhou Municipality, as

well as monitoring and reporting arrangements to ensure compliance with said plan, as the same may be revised from time to time with the prior agreement of the Bank.

17. “Resettlement Policy Framework” means, the resettlement policy framework included in the Resettlement Action Plan for Gansu Cultural and Natural Heritage Protection and Development Project dated July 23, 2007, and adopted by Gansu Province, which framework sets out the policies and procedures for the acquisition of land and other assets, resettlement, compensation and rehabilitation of Displaced Persons, and for the preparation of resettlement action plans whenever required during the implementation of the Project, as said framework may be amended from time to time with the prior concurrence of the Bank.
18. “Selected Municipalities” means, collectively, the Municipalities of Jiuquan, Jiayuguan, Zhangye, Baiyin, Lanzhou and Tianshui in Gansu Province, any other municipalities selected by agreement among the Borrower, Gansu and the Bank, and the successors thereto; and “Selected Municipality” means, individually, any of such Selected Municipalities.
19. “Selected Sites” means in respect of:
 - (a) Jiuquan Municipality: Yadan National Geological Park and Suoyang Town Tourism Scenic Area.
 - (b) Jiayuguan Municipality: Great Wall Cultural Tourism Scenic Area and Weijin Tombs Cultural Tourism Scenic Area.
 - (c) Zhangye Municipality: Mati Temple Scenic Area.
 - (d) Lanzhou Municipality: Lutusi Ancient Government Center Tourism Scenic Area and Qingcheng Ancient Town Heritage Protection and Tourism Scenic Area.
 - (e) Baiyin Municipality: Yellow River Stone Forest National Geological Park.
 - (f) Tianshui Municipality: Maijishan Scenic Area.

20. “Xianren Lake Dam Safety Report” means the Xianren Lake Dam Site Visit Report dated May 11, 2007, set forth in Annex F of the Consolidated Environmental Assessment and Environmental Management Plan for Gansu Cultural and Natural Heritage Protection and Development Project dated July 20, 2007, which said report sets out the remedial works and measures to be carried out at the Xianren Lake Dam in Tianshui Municipality.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Loans of the Bank, dated July 1, 2005, (as amended through February 12, 2008) are as follows:

1. The first paragraph under Section 7.02 of the General Conditions is modified to read as follows:

“Section 7.02. *Suspension by the Bank*

If any of the events specified in paragraphs (a) through (k) of this Section occurs and is continuing, the Bank may, by notice to the Loan Parties, suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account. Such suspension shall continue until the event (or events) which gave rise to the suspension has (or have) ceased to exist, unless the Bank has notified the Loan Parties that such right to make withdrawals has been restored.”

2. Paragraphs (c) and (l) under Section 7.02 are deleted in their entirety and paragraphs (d) through (m) under Section 7.02 are re-number accordingly.
3. Paragraph (c) under Section 7.03 is modified to read as follows:

“(c) *Fraud; Corruption; Collusion; Coercion.* At any time, the Bank: (i) determines, with respect to any contract to be financed out of the proceeds of the Loan, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Borrower or the Project Implementing Entity (or other recipient of the Loan proceeds) during the procurement or the execution of such contract, without the Borrower or the Project Implementing Entity (or other recipient of the Loan proceeds) having taken timely and appropriate action satisfactory to the Bank to remedy the situation; and (ii) establishes the amount of expenditures under such contract which would otherwise have been eligible for financing out of the proceeds of the Loan.”

4. Paragraphs (c), (d), and (e) under Section 7.06 are modified to read as follows:

“(c) *Co-financing.* The event specified in sub-paragraph (g) (ii) (B) of Section 7.02 has occurred, subject to the proviso of paragraph (g) (iii) of that Section.

(d) Assignment of Obligations; *Disposition of Assets*. Any event specified in paragraph (h) of Section 7.02 has occurred.

(e) Condition of Borrower or Project Implementing Entity. Any event specified in sub-paragraph (j) (ii), (j) (iii), (j) (iv) or (j) (v) of Section 7.02 has occurred.”

5. Paragraphs 3, 15, 16, 17, 18 under Appendix (Definitions) are modified to read as follows:

“3. “Additional Event of Suspension” means any event of suspension specified in the Loan Agreement for the purpose of Section 7.02(k).”

“15. “Co-financier” means the financier (other than the Bank or the Association) referred to in Section 7.02(g) providing the Co-financing. If the Loan Agreement specifies more than one such financier, “Co-financier” refers separately to each of such financiers.”

“16. “Co-financing” means the financing referred to in Section 7.02(g) and specified in the Loan Agreement provided or to be provided for the Project by the Co-financier. If the Loan Agreement specifies more than one such financing, “Co-financing” refers separately to each of such financings.”

“17. Co-financing Agreement” means the agreement referred to in Section 7.02(g) providing for the Co-financing.”

“18. Co-financing Deadline” means the date referred to in Section 7.02(g)(i) and specified in the Loan Agreement by which the Co-financing Agreement is to become effective. If the Loan Agreement specifies more than one such date, “Co-financing Deadline” refers separately to each of such dates.”