
LOAN NUMBER 9307-CN
LOAN NUMBER 9308-CN

Loan Agreement

(Yangtze River Protection and Ecological Restoration Program)

between

PEOPLE'S REPUBLIC OF CHINA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date 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) apply to and form 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the following amounts to assist in financing the program as described in Schedule 1 to this Agreement ("Program"):
 - (a) the amount of one hundred ninety-six million two hundred fifty thousand Dollars (\$196,250,000), as such amount may be converted from time to time through a Currency Conversion ("Loan A"), to assist in financing Jiangxi Province's Respective Part of the Program; and
 - (b) the amount of one hundred sixty-eight million five hundred thousand Euros (€168,500,000), as such amount may be converted from time to time through a Currency Conversion ("Loan B"), to assist in financing Hunan Province's Respective Part of the Program.
- 2.02. The Borrower may withdraw the proceeds of Loan A and Loan B in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Loan Account shall be deposited by the Bank into an account specified by the Borrower and acceptable to the Bank.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the amount of each of Loan A and Loan B.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are:
 - (a) with respect to Loan A, March 15 and September 15 in each year; and
 - (b) with respect to Loan B, June 15 and December 15 in each year.

- 2.07. The principal amount of Loan A and Loan B shall be repaid in accordance with Schedule 3 to this Agreement.

ARTICLE III — PROGRAM

- 3.01. The Borrower declares its commitment to the objectives of the Program. To this end, the Borrower shall cause the Program to be carried out by the Program Implementing Entities in accordance with the provisions of Article V of the General Conditions and the respective Program Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:
- (a) Hunan Province has adopted a successor program to the Integrated Water Environment Management Plan for Dongting Lake Basin, which will materially and adversely affect its ability to achieve the objective of the Program and/or perform any of its obligations under the respective Program Agreement; or
 - (b) Jiangxi Province has adopted a successor program to the Five Rivers and One Lake Plan, which will materially and adversely affect its ability to achieve the objective of the Program and/or perform any of its obligations under the respective Program Agreement.
- 4.02. The Additional Event of Acceleration is that any of the events specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness is that the Program Implementing Entities have adopted their respective Program Implementation Plan, in form and substance acceptable to the Bank.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister, or a Vice Minister, of Finance.
- 6.02. For purposes of Section 10.01 of the General Conditions:
- (a) the Borrower's address is:

Ministry of Finance
Sanlihe
Xicheng District
Beijing 100820
People's Republic of China; and

(b) the Borrower's Electronic Address is:

Facsimile:

(86-10) 6855-2077

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Facsimile:

1-202-477-6391

AGREED as of the Signature Date.

PEOPLE'S REPUBLIC OF CHINA

By



Authorized Representative

Name: Zhang Bo _____

Title: Deputy Director General _____

Date: 20-Aug-2023 _____

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By



Authorized Representative

Name: Mara K. warwick _____

Title: Country Director _____

Date: 18-Aug-2023 _____

SCHEDULE 1

Program Description

The objective of the Program is to improve institutional coordination, enhance ecological protection and reduce water pollution loads in select regions of the Yangtze River basin.

The Program consists of the following activities which are a subset of the Five Rivers and One Lake Plan and the Integrated Water Environment Management Plan for Dongting Lake Basin:

1. *Improving Institutions and Innovations.* Supporting institutional improvements for inter-jurisdictional cooperation and cross-sectoral coordination, through: (a) strengthening the river chief system coordination by integrating county, municipal, provincial, and basin-level river chief system information platforms; (b) developing provincial level policies, regulations and guidelines on integrated water environment, ecological protection and plastic waste management; and (c) supporting public engagement in water management, through pollution awareness campaigns, participatory management and river cleanup activities, development and dissemination of public engagement manuals for the river chief system.
2. *Advancing Ecological Protection through Integrated River Basin Management.* Supporting ecological protection and climate resilience of river and lake ecosystems in the Gan River basin and the Yuan River basin, through: (a) strengthening integrated water environment management systems, including water environment management plans; (b) developing river health assessment(s) and ecological flow guidelines; (c) implementing water allocation schemes; and (d) determining ecological flow requirements and incorporating them into county water allocations.
3. *Reducing Water Pollution and Transmission of Plastic Waste.* Supporting reduction of point- and non-point-source pollution in the Demonstration Counties, through: (a) improving integrated wastewater management services and collection systems at the township level; (b) preventing plastics from entering waterbodies through collection and recycling of agricultural plastic film; and (c) reducing nutrient runoff through improved management and utilization of livestock/poultry manure.

SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Financing Arrangements

1. For the purposes of carrying out the Program, the Borrower shall make available to the Program Implementing Entities the proceeds of Loan A and Loan B, under terms and conditions acceptable to the Bank, including the following principal terms:
 - (a) The principal amount shall be made available in: (i) Dollars (with respect to Loan A); (ii) Euros (with respect to Loan B); or (iii) any other Currency as Loan A or Loan B may be converted from time to time through a Currency Conversion of the value of the currency or currencies so withdrawn (such principal amount determined on the date, or respective dates, of withdrawal from the Loan Account).
 - (b) The principal amount so made available shall be recovered as follows: (i) with respect to Loan A, over a period of twenty-eight (28) years, inclusive of a grace period of eight (8) years; and (ii) with respect to Loan B, over a period of twenty-eight (28) 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 each of Loan A and Loan B pursuant to the provisions of Section 2.05 of this Agreement.
 - (d) A Commitment Charge shall be charged equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
2. The Borrower shall cause the Program Implementing Entities to: (a) manage, operate, monitor, transfer and reconcile the proceeds of Loan A and Loan B made available to them pursuant to paragraph 1 above in accordance with arrangements and procedures acceptable to the Bank; (b) take all required actions, including provision of timely consents and approvals as may be necessary, to facilitate the utilization of the proceeds of Loan A and Loan B and the implementation of the Program and, to enable the Program Implementing Entities to comply with their undertakings under the respective Program Agreement; and (c) maintain all relevant records and documents related to Loan A, Loan B and the Program and provide promptly such documents and records, including all other information related to Loan A, Loan B and the Program, as may be requested by the Borrower or the Bank from time to time.

B. Implementation Arrangements

For the purpose of carrying out the Program, the Borrower shall by no later than three (3) months after the Effective Date establish, and thereafter maintain, and cause to be maintained the Program Steering Committee chaired by the YREB Coordination Office with composition, powers, functions, staffing, facilities and other resources acceptable to the Bank, responsible for providing overall coordination and guidance.

C. Program Action Plan

The Borrower shall take, and shall cause the Program Implementing Entities to take, all measures necessary to comply with, or all measures necessary to enable the Program Implementing Entities to comply with the provisions of Section I.B.2 of the Schedule to the respective Program Agreement.

Section II. Excluded Activities for the Program

The Borrower shall ensure that the Program excludes any activities which:

- (a) in the opinion of the Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or
- (b) involve the procurement of: (1) works, estimated to cost \$75 million equivalent or more per contract; (2) goods, estimated to cost \$50 million equivalent or more per contract; (3) non-consulting services, estimated to cost \$50 million equivalent or more per contract; or (4) consulting services, estimated to cost \$20 million equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation

- 1. The Borrower shall cause the Program Implementing Entities to furnish to the Borrower and the Bank each Program Report not later than sixty (60) days after the end of each period of six (6) months, covering the said period.

Section IV. Withdrawal of Proceeds of Loan A and Loan B

A. General

- 1. Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of Loan A and Loan B to finance Program Expenditures (inclusive of Taxes), on the basis of the results (“Disbursement Linked Results” or “DLRs”) achieved by the Program Implementing Entities, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”) up to the amount allocated against Categories (1) through (5); as set forth in paragraph 2 of this Part A.
- 2. The following table specifies each category of withdrawal of the proceeds of Loan A and Loan B (including the Disbursement Linked Indicators as applicable) (“Category”), and the allocation of the amounts of Loan A and Loan B to each Category:

Category (including Disbursement Linked Indicator as applicable)	Amount of Loan A Allocated (expressed in USD)	Amount of Loan B Allocated (expressed in EUR)
(1) DLI #1: River chief system platforms integrated	39,830,114	34,724,788
(2) DLI #2: Improved water environment management in the demonstration sub-basins	39,000,000	34,000,000
(3) DLI #3.1: Improved township domestic wastewater service system	58,940,212	49,560,400
(4) DLI #3.2: Plastic waste (agricultural plastic film) prevented from entering water bodies	29,229,674	25,102,200
(5) DLI #3.3: Demonstration Counties meeting Annual Targets for Manure Utilization	29,250,000	25,112,612
TOTAL AMOUNT	196,250,000	168,500,000

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section IV, with respect to Categories (1) through (5), no withdrawal shall be made:
 - (a) on the basis of DLRs achieved prior to the Signature Date;
 - (b) for any DLR under Categories (1) through (5), until the respective Program Implementing Entity has furnished evidence in accordance with the provisions of the Verification Protocol and acceptable to the Bank showing that the said DLR has been achieved; and
 - (c) for any DLR under Category (1) achieved in any CY above the Maximum Annual DLR Allocation.

2. Notwithstanding the provisions of Part B.1(b)-(c) of this Section IV, with respect to Categories (1) through (5), the Borrower may withdraw an amount not to exceed \$49,062,500 (with respect to Loan A) and €42,125,000 (with respect to Loan B) as an advance; provided, however, that if the DLRs in the opinion of the Bank, are not achieved (or only partially achieved) by the Closing Date, the Borrower shall refund such advance (or portion of such advance as determined by the Bank in accordance with the Disbursement Calculation Formula (if applicable)) to the Bank promptly upon notice thereof by the Bank. Except as otherwise agreed with the Borrower, the Bank shall cancel the amount so refunded. Any further withdrawals requested as an advance under any of the Categories (1) through (5) shall be permitted only on such terms and conditions as the Bank shall specify by notice to the Borrower.

3. Notwithstanding the provisions of Part B.1(b)-(c) of this Section IV, with respect to Categories (1) through (5), if any of the DLRs under said Category has not been achieved by: (a) the date by which the said DLR is set to be achieved with respect to DLRs#1.1, 2.3

and 3.3; or (b) the Closing Date with respect to DLRs #1.2, 2.1, 2.2, 3.1 and 3.2; the Bank may, by notice to the Borrower:

- (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of Loan A or Loan B then allocated to said Category which, in the opinion of the Bank, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the Disbursement Calculation Formula;
 - (b) reallocate all or a portion of the proceeds of Loan A or Loan B then allocated to said DLR to any other DLR; and/or
 - (c) cancel all or a portion of the proceeds of Loan A or Loan B then allocated to said DLR.
4. The Closing Date is June 30, 2027.
5. For purposes of, *inter alia*, Section 2.03 and 7.04 of the General Conditions, the term “Program Expenditures” means those expenditures incurred by the Program Implementing Entities under the budget codes and/or the accounts specified under selected fund programs as set forth in the Program Implementation Plan, and the expenditures financed out of the proceeds of Loan A or Loan B, but excluding any expenditures associated with the Excluded Activities.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

1. Repayment of the principal amount of Loan A

The following table sets forth the Principal Payment Dates of Loan A and the percentage of the total principal amount of Loan A payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each March 15 and September 15 Beginning March 15, 2030 through September 15, 2049	2.5%

2. Repayment of the principal amount of Loan B

The following table sets forth the Principal Payment Dates of Loan B and the percentage of the total principal amount of Loan B payable on each Principal Payment Date (“Installment Share”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each June 15 and December 15 Beginning June 15, 2029 through June 15, 2049	2.38%
On December 15, 2049	2.42%

SCHEDULE 4

Disbursement Linked Results

A. Jiangxi Province

DLI#	DLRs Expected to be Achieved in CY22	DLRs Expected to be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
DLI #1: River chief system platforms integrated	1.1. Jiangxi Province has established or maintained 58 Functional Connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	1.1 Jiangxi Province has established or maintained 65 Functional Connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	1.1 Jiangxi Province has established or maintained 85 Functional Connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	1.1 Jiangxi Province has established or maintained 97 Functional Connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	1.1 Jiangxi Province has established or maintained 111 Functional Connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	\$135,300 per Functional Connection in CY22; \$120,727 per Functional Connection in CY23; \$92,320 per Functional Connection in CY24; \$80,900 per Functional Connection in CY25; \$70,696 per Functional Connection in CY26

DLI#	DLRs Expected to be Achieved in CY22	DLRs Expected to be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
			1.2. Jiangxi Province has connected its provincial level river chief platform with the Yangtze River basin river chief system platform under CWRC	1.2. Jiangxi Province has maintained its provincial level river chief platform connected with the Yangtze River basin river chief under CWRC	1.2. Jiangxi Province has maintained its provincial level river chief platform connected with the Yangtze River basin river chief under CWRC	\$197,903 for connection establishment; and \$197,900 per CY for the maintenance of the connection after its establishment
DLI #2: Improved water environment management system in the demonstration sub-basins	2.1. Jiangxi Province has approved an Integrated Water and Environment Management Plan for the Gan River basin					\$12,000,000
		2.2. Jiangxi Province has established a water environment information platform for the Gan River basin				\$12,000,000

DLI#	DLRs Expected to be Achieved in CY22	DLRs Expected to be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
			2.3. The Ecological Flow Requirements at approved control sections on the mainstream and major tributaries of the Gan River have been complied with for at least 90% of the days of the CY (excluding the days of Eligible Emergencies)	2.3. The Ecological Flow Requirements at approved control sections on the mainstream and major tributaries of the Gan River have been complied with for at least 90% of the days of the days of the CY (excluding the days of Eligible Emergencies)	2.3. The Ecological Flow Requirements at approved control sections on the mainstream and major tributaries of the Gan River have been complied with for at least 90% of the days of the CY (excluding the days of Eligible Emergencies)	\$5,000,000 per CY
DLI #3.1: Improved township domestic wastewater service system	3.1.1. 3 Demonstration Counties have issued an Integrated Wastewater Management Strategy	3.1.1. 3 Demonstration Counties have issued an Integrated Wastewater Management Strategy				\$1,000,000 per Demonstration County issuing an Integrated Wastewater Management Strategy
	3.1.2. 2 Demonstration Counties have established a Wastewater Treatment Plant and	3.1.2. 2 Demonstration Counties have established a Wastewater Treatment Plant and Network Integration Arrangement	3.1.2 2 Demonstration Counties have established a Wastewater Treatment Plant and Network Integration Arrangement			\$1,000,000 million per Demonstration County establishing a Wastewater

DLI#	DLRs Expected to be Achieved in CY22	DLRs Expected to be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
	Network Integration Arrangement					Treatment Plant and Network Integration Arrangement
	3.1.3. 3,931.98 tons of COD have been reduced at township-level wastewater treatment plants in the Demonstration Counties	3.1.3. 4,082.87 tons of COD have been reduced at township-level wastewater treatment plants in the Demonstration Counties	3.1.3. 4,307.88 tons of COD have been reduced at township-level wastewater treatment plants in the Demonstration Counties	3.1.3. 4,440.17 tons of COD have been reduced at township-level wastewater treatment plants in the Demonstration Counties	3.1.3. 4,573.56 tons of COD have been reduced at township-level wastewater treatment plants in the Demonstration Counties	\$2,200 per ton of COD reduced
DLI #3.2: Plastic waste (agricultural plastic film) prevented from entering water bodies	3.2. 342,650 kg of agricultural plastic film have been collected in the Demonstration Counties	3.2. 359,520 kg of agricultural plastic film have been collected in the Demonstration Counties	3.2. 388,500 kg of agricultural plastic film have been collected in the Demonstration Counties	3.2. 414,550 kg of agricultural plastic film have been collected in the Demonstration Counties	3.2. 430,520 kg of agricultural plastic film have been collected in the Demonstration Counties	\$15.1 per kg of agricultural plastic film collected
DLI #3.3: Demonstration Counties meeting Annual Targets for	3.3. 6 Demonstration Counties have met their respective Annual Targets for Manure Utilization	3.3. 6 Demonstration Counties have met their respective Annual Targets for Manure Utilization	3.3. 6 Demonstration Counties have met their respective Annual Targets for Manure Utilization	3.3. 6 Demonstration Counties have met their respective Annual Targets for Manure Utilization	3.3. 6 Demonstration Counties have met their respective Annual Targets for Manure Utilization	\$975,000 per Demonstration County meeting its respective Annual

DLI#	DLRs Expected to be Achieved in CY22	DLRs Expected to be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
Manure Utilization						Targets for Manure Utilization

B. Hunan Province

DLI#	DLRs Expected be Achieved in CY22	DLRs Expected be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
DLI #1: River chief system platforms integrated	1.1. Hunan Province has established 68 connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	1.1. Hunan Province has established 68 connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	1.1. Hunan Province has maintained 136 Functional Connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	1.1. Hunan Province has maintained 136 Functional Connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	1.1. Hunan Province has maintained 136 Functional Connections between county- or municipal-level river chief system platforms and the provincial river chief system platform	€100,000 per connection established; €48,320 per Functional Connection maintained annually after CY23
			1.2. Hunan Province has connected its provincial level river chief platform with the Yangtze River basin river chief system platform under CWRC	1.2. Hunan Province has maintained its provincial level river chief platform connected with the Yangtze River basin river chief system platform under CWRC	1.2. Hunan Province has maintained its provincial level river chief platform connected with the Yangtze River basin river chief system platform under CWRC	€ 470,076 for the connection establishment; and €470,076 per CY for the maintenance of the connection after its establishment

DLI#	DLRs Expected be Achieved in CY22	DLRs Expected be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
DLI #2: Improved water environment management system for the demonstration sub-basins	2.1. Hunan Province has approved an Integrated Water and Environment Management Plan covering, among others, the Yuan River basin					€11,000,000
		2.2. Hunan Province has issued technical guidelines on data connection for the river chief system information platform				€11,000,000
			2.3. The Ecological Flow Requirements at approved control sections on the mainstream and major tributaries of the Yuan River have been complied with for at least 90% of the days of the CY (excluding the days of Eligible Emergencies)	2.3. The Ecological Flow Requirements at approved control sections on the mainstream and major tributaries of the Yuan River have been complied with for at least 90% of the days of the CY (excluding the days of Eligible Emergencies)	2.3. The Ecological Flow Requirements at approved control sections on the mainstream and major tributaries of the Yuan River have been complied with for at least 90% of the days of the CY (excluding the days of Eligible Emergencies)	€4,000,000 per CY

DLI#	DLRs Expected be Achieved in CY22	DLRs Expected be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
DLI #3.1: Improved township domestic wastewater service system	3.1.1. 1 Demonstration County has issued an Integrated Wastewater Management Strategy	3.1.1. 3 Demonstration Counties have issued an Integrated Wastewater Management Strategy				€1,250,000 per Demonstration County issuing an Integrated Wastewater Management Strategy
	3.1.2. 1 Demonstration County has established a Wastewater Treatment Plant and Network Integration Arrangement		3.1.2 1 Demonstration County has established a Wastewater Treatment Plant and Network Integration Arrangement	3.1.2 2 Demonstration Counties have established a Wastewater Plant and Network Integration Arrangement		€1,250,000 million per Demonstration County establishing a Wastewater Treatment Plant and Network Integration Arrangement
	3.1.3. 3,451 tons of COD have been reduced at township-level wastewater treatment plants in	3.1.3. 4,480 tons of COD have been reduced at township-level wastewater treatment plants in	3.1.3. 4,982 tons of COD have been reduced at township-level wastewater treatment plants in	3.1.3. 5,356 tons of COD have been reduced at township-level wastewater treatment plants in	3.1.3. 6,151 tons of COD have been reduced at township-level wastewater treatment plants in	€1,620 per ton of COD reduced

DLI#	DLRs Expected to be Achieved in CY22	DLRs Expected to be Achieved in CY23	DLRs Expected to be Achieved in CY24	DLRs Expected to be Achieved in CY25	DLRs Expected to be Achieved in CY26	Disbursement Calculation Formula
	the Demonstration Counties	the Demonstration Counties	the Demonstration Counties	the Demonstration Counties	the Demonstration Counties	
DLI #3.2: Plastic waste (agricultural plastic film) prevented from entering water bodies	3.2. 250,000 kg of agricultural plastic film have been collected in the Demonstration Counties	3.2. 372,500 kg of agricultural plastic film have been collected in the Demonstration Counties	3.2. 389,000 kg of agricultural plastic film have been collected in the Demonstration Counties	3.2. 400,500 kg of agricultural plastic film have been collected in the Demonstration Counties	3.2. 407,000 kg of agricultural plastic film have been collected in the Demonstration Counties	€13.8 per kg of agricultural plastic film collected
DLI #3.3: Demonstration Counties meeting Annual Targets for Manure Utilization	3.3. 4 Demonstration Counties have met their respective Annual Targets for Manure Utilization	3.3. 4 Demonstration Counties have met their respective Annual Targets for Manure Utilization	3.3. 4 Demonstration Counties have met their respective Annual Targets for Manure Utilization	3.3 4 Demonstration Counties have met their respective Annual Targets for Manure Utilization	3.3. 4 Demonstration Counties have met their respective Annual Targets for Manure Utilization	€1,255,630.6 per Demonstration County meeting its respective Annual Targets for Manure Utilization

APPENDIX

Definitions

1. “Annual Targets for Manure Utilization” means the annual target ratio (%) of the amount (in tons) livestock and poultry manure utilized (for organic fertilizer, biomass energy, or other means) by farms to the total amount (in tons) generated annually by large-scale pig, cow or chicken farms (or such other farms described in the Program Implementation Plan) in each Demonstration County, as set forth in the Program Implementation Plans.
2. “Anti-corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the Bank’s “Guidelines on Preventing and Combating Fraud and Corruption in Program-for-Results Financing,” dated February 1, 2012, and revised July 10, 2015.
3. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
4. “CWRC” means the Yangtze River (Changjiang) Water Resources Commission established under MWR, or any successor thereto.
5. “COD” means chemical oxygen demand.
6. “CY” means any calendar year starting on January 1 and ending December 31 within the period of Program implementation.
7. “CY22” means the calendar year starting on January 1, 2022, and ending December 31, 2022.
8. “CY23” means the calendar year starting on January 1, 2023, and ending December 31, 2023.
9. “CY24” means the calendar year starting on January 1, 2024, and ending December 31, 2024.
10. “CY25” means the calendar year starting on January 1, 2025, and ending December 31, 2025.
11. “CY26” means the calendar year starting on January 1, 2026, and ending December 31, 2026.
12. “Demonstration Counties” means: (a) with respect to Jiangxi Province, the Dayu county, the Chongyi county and the Yudu county of Ganzhou municipality, the Yongfeng county of Ji’an municipality, the Yugan county of Shangrao municipality, the Fuliang county of Jingdezhen municipality, and any successor thereto; (b) with respect to Hunan Province, the Miluo county-level city of Yueyang municipality, the Ziyang district of Yiyang municipality, the Shimen county of Changde municipality, the Yuanling county of Huaihua municipality, and any successor thereto; or (c) such other county as may be agreed between

- the Bank and the respective Program Implementing Entity. Each of the Demonstration Counties is referred to as a “Demonstration County”, as applicable.
13. “Disbursement Calculation Formula” means in respect of any DLR, the disbursement calculation formula set forth in the column entitled “Disbursement Calculation Formula” in each of the tables in Schedule 4 to this Agreement.
 14. “Disbursement Linked Indicator” or “DLI” means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.
 15. “Disbursement Linked Result” or “DLR” means the results/targets set forth in each of the tables in Schedule 4 to this Agreement, in the columns entitled “DLRs Expected to be Achieved in CY22”, “DLRs Expected to be Achieved in CY23”, “DLRs Expected to be Achieved in CY24”, “DLRs Expected to be Achieved in CY25”, “DLRs Expected to be Achieved in CY26” on the basis of the achievement of which, the amount of Loan A or Loan B allocated to the Category of the corresponding DLI of said result may be withdrawn in accordance with the provisions of Section IV of Schedule 2 to this Agreement.
 16. “Ecological Flow Requirements” means the minimum and sensitive ecological flow targets set from time to time by the Program Implementing Entities in accordance with the Borrower’s prevailing technical standards and/or guidelines, including the targets for control sections in the Gan River and in the Yuan River, as set forth in the respective Integrated Water and Environment Management Plan.
 17. “Eligible Emergencies” means emergencies duly declared by the Program Implementing Entities due to severe droughts, extreme water pollution events, or such other event specified in the Program Implementation Plan, all in accordance with the Borrower’s and the Program Implementing Entities’ prevailing laws and procedures, specified in the Program Implementation Plan.
 18. “Excluded Activities” means the activities that are referred to in Section II of Schedule 2 to this Agreement and Section II of the Schedule to the respective Program Agreement.
 19. “Five Rivers and One Lake Plan” means Jiangxi Province’s plan titled “Plan of Jiangxi Province for Protecting and Managing Basins of Five Rivers, Poyang Lake and Yangtze River Jiangxi Section” dated March 2019, aimed at promoting coordinated socio-economic development and natural ecosystem protection for supporting a rich, beautiful, happy and modern Jiangxi Province.
 20. “Functional Connection” means a connection between a county- or municipal-level river chief system platform and the provincial river chief system platform, through which the county or municipal platform: (a) uploads on a monthly basis (or such other frequency established in the Program Implementation Plan for the specific data category) multi-sectoral data to the provincial platform; (b) is updated on a monthly basis (or such other frequency established in the Program Implementation Plan for the specific data category) with data from sectoral agencies; and (c) makes selected data publicly-available; all in accordance with data-related protocols and procedures, acceptable to the Bank, as set forth in the Program Implementation Plan.

21. “Gan River” means a river of the same name in Jiangxi Province.
22. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Program-for-Results Financing”, dated December 14, 2018 (revised on August 1, 2020, December 21, 2020, April 1, 2021, and January 1, 2022).
23. “Hunan Province” means the Borrower’s province of the same name represented by its people’s government, or any successor thereto.
24. “Integrated Water Environment Management Plan for Dongting Lake Basin” means Hunan Province’s plan titled “Integrated Water Environment Management Plan for Dongting Lake Basin” (2018-2025) dated September 2019, aimed at ensuring water security in the Dongting Lake area, enhancing management of agricultural, industrial and municipal pollution, systematically protect and restore water ecological environment of the Dongting Lake.
25. “Integrated Wastewater Management Strategy” means a county-level strategy, acceptable to the Bank, to be issued by each of Demonstration Counties, that sets out institutional arrangements, financial sustainability, performance-based measures for integrated operation and maintenance, including considerations on employment equity and a workforce roadmap for addressing gender gaps, measures to increase climate resilience and promote low-carbon technologies.
26. “Integrated Water and Environment Management Plan” means a provincial plan, acceptable to the Bank, to be adopted by each of the Program Implementing Entities that sets out requirements on, *inter alia*, water quantity, water environment, water ecology, water security for a specific river basin, incorporating the Ecological Flows Requirements based on a water balance analysis.
27. “Jiangxi Province” means the Borrower’s province of the same name represented by its people’s government, or any successor thereto.
28. “Loan A” means the loan described in Section 2.01(a) of this Agreement; and the Loan for purposes of paragraph 69 of the Appendix to the General Conditions.
29. “Loan B” means the loan described in Section 2.01(b) of this Agreement; and the Loan for purposes of paragraph 69 of the Appendix to the General Conditions.
30. “Maximum Annual DLR Allocation” means the amount of each of Loan A and Loan B corresponding to the DLRs expected to be achieved under DLI#1 in each CY calculated in accordance with the Disbursement Calculation Formula.
31. “MWR” means the Ministry of Water Resources, or any successor thereto.
32. “NDRC” means the National Development and Reform Commission, or any successor thereto.
33. “Program Action Plan” means the Program Implementing Entities’ plan dated November 16, 2021, and referred to in Section I.C of Schedule 2 to this Agreement and Section I.B.2

- of the Schedule to the respective Program Agreement, as may be amended from time to time with the agreement of the Bank.
34. “Program Implementing Entity” means Hunan Province or Jiangxi Province; and “Program Implementing Entities” means, collectively, Hunan Province and Jiangxi Province.
 35. “Program Implementation Plan” means the plan, acceptable to the Bank, to be adopted by each of the Program Implementing Entities, setting forth, among other things: (a) guidelines, policies, procedures and requirements for the implementation of the Program, including the Program Action Plan, the Verification Protocol, and additional measures to strengthen the Program Implementing Entities’ procurement, financial management, anti-corruption, environmental and social systems; (b) the institutional arrangements for the implementation of the Program, and the roles and responsibilities of the entities involved in Program implementation; and (c) monitoring and evaluation, reporting, auditing, and information disclosure arrangements, and the indicators and targets for purposes of monitoring and evaluation of the progress of the Program.
 36. “Program Steering Committee” means the steering committee to be established and maintained in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.
 37. “Provincial Program Management Office” means the management office established by each of the Program Implementing Entities within their respective provincial development and reform commission (or such other provincial department agreed with the Bank), and to be maintained in accordance with the provisions of Section I.B.1(a)(ii) of the Schedule to the respective Program Agreement.
 38. “Provincial Program Steering Committee” means the steering committee established by each of the Program Implementing Entities and to be maintained in accordance with the provisions of Section I.B.1(a)(i) of the Schedule to the respective Program Agreement.
 39. “Respective Part of the Program” means: (a) with respect to Hunan Province, the activities under Program to be implemented within its respective jurisdiction; and (b) with respect to Jiangxi Province, the activities under Program to be implemented within its respective jurisdiction.
 40. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
 41. “Verification Protocol” means the protocol setting forth the actions and mechanism required for verification of DLRs, agreed with the Bank, dated November 16, 2021, and referred to in Section IV.B.1(b) of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the Bank.
 42. “Yangtze River” means the river of the same name (also known as Changjiang), that flows through the territory of the Borrower.
 43. “Yuan River” means Yangtze River’s tributary of the same name.

44. “YREB Coordination Office” means the coordination office on the Yangtze River economic belt under NDRC, or any successor thereto.
45. “Wastewater Treatment Plant and Network Integration Arrangement” means an arrangement, acceptable to the Bank, to be established by each Demonstration County in the form of a contract, an agreement or such other instrument set forth in the Program Implementation Plan, specifying the roles, responsibilities and performance standards for the provision of integrated wastewater services by service provider(s) assigned with the operation and maintenance of wastewater treatment plants and/or the sewage network.