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CONFORMED COPY

LOAN NUMBER 4840-CHA

Loan Agreement

(Fujian Highway Sector Investment Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated August 30, 2007

LOAN AGREEMENT

Agreement dated August 30, 2007, 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 three hundred twenty million Dollars (\$320,000,000) to assist in financing of 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 Commitment Charge payable by the Borrower shall be equal to three-fourths of one percent ($\frac{3}{4}$ of 1%) per annum on the Unwithdrawn Loan Balance, subject to any waiver of a portion of such charge as may be determined by the Bank from time to time.
- 2.04. The Front-end Fee payable by the Borrower shall be equal to one percent (1.0%) of the Loan amount, subject to any waiver of a portion of such fee as may be determined by the Bank from time to time. The Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

- 2.05. 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, subject to any waiver of a portion of such interest as may be determined by the Bank from time to time.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 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 Additional Legal Matters consists of the following.
 - (a) The Project Agreement has been duly authorized or ratified by the Project Implementing Entity, and is legally binding upon the Project Implementing Entity in accordance with its terms.
- 4.02. 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 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 China, as of the day and year first above written.

PEOPLES'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 the Borrower in increasing the effective use of the road infrastructure in Fujian Province to support its social and economic development by: (i) enhancing its rural roads network; (ii) reducing transport costs; and (iii) facilitating the interconnection across the Borrower's coastal provinces.

The Project consists of the following parts:

Part A: Rural Roads Improvement Program

Construction of selected road sections of the Rural Roads Improvement Program, including provision of technical assistance for the supervision thereof.

Part B: Yong'an – Wuping Expressway

Construction of about 195 km long four lanes new highway section of the Changchun–Shenzhen expressway between Yong'an (Sanming City) and Yanqian in Wuping (Longyan City), including the acquisition and installation of electrical and mechanical facilities, the construction of buildings and annex areas for service and safety operations, and provision of technical assistance for the supervision thereof.

Part C: Highway Maintenance Pilot Program

Development and implementation on a pilot basis of a program for sourcing out periodic and routine highway maintenance in selected sections of Fujian Province highway road networks, including staff training and provision of technical assistance therefor.

Part D: Institutional Strengthening Program

Carrying out of an institutional strengthening program for FPCD, including: (i) staff training on activities such as road asset management, operational management of roads and expressways, construction quality control, road safety, and design and operational safety considerations for tunnels; (ii) a comprehensive study on toll rates across Fujian Province to evaluate their influence on traffic demand, maximize the use of the expressway network and optimize its economic

value, and on impact evaluation and monitoring to establish a knowledge base of the impacts of the RRIP on rural livelihoods to provide an analytical base for the design of future interventions on those types of roads across Fujian Province; and (iii) provision of technical assistance for the design and implementation of the Highway Maintenance Pilot under Part C of the Project.

SCHEDULE 2

Project Execution

Section I. Financing Arrangement; Institutional and Other Arrangements

A. 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, and the following principal terms:

- (i) 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.
- (ii) The following shall be recovered over a period of twenty (20) years, inclusive of a grace period of five (5) years: (A) the principal amount so made available; and (B) an amount equal to the fee paid pursuant to Section 2.04 of this Agreement.
- (iii) 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 2.05 of this Agreement.
- (iv) The Borrower shall charge the Project Implementing Entity: (A) a commitment fee on the principal amount of the Loan so made available and not withdrawn from time to time at a rate equal to three fourths of one percent ($\frac{3}{4}$ of 1%) per annum; and (B) an additional fee in an amount equal to the amount payable by the Borrower pursuant to Section 2.04 of the Agreement.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports.

1. The Borrower shall 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 Annex 1 to this Schedule. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

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 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. 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. The audit of the Financial Statements shall include verification of compliance by FPCD of the procedures for the certification referred to in paragraph B.1.(b) of Section IV, Schedule 2 of this Agreement.

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 and National 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 and National Competitive Bidding procedures subject to the following additional procedures:

(a) 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 Guidelines:

- (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.
- (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.
- (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.
- (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.
- (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.

- (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.
- (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: (i) are legally and financially autonomous; (ii) operate under commercial law; and (iii) are not a dependent agency of the agency conducting the procurement.
- (xii) Re-bidding should not be allowed solely because the number of bids is less than three (3).

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International and National Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) 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.

<u>Procurement Method</u>
(a) Selection based on Consultant's Qualifications
(b) Individual Consultant

D. Review by the Bank of Procurement Decisions

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 works under Part B of the Project estimated to cost the equivalent of US\$4 million or more; (b) each contract for works under Part C of the Project regardless of its method of procurement and contract value; and (c) each contract for consultants' services estimated to cost the equivalent of US\$200,000 or more for firms, and US\$50,000 or more for individuals. 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>	Loan Allocated (Expressed in Dollars)	Amount of the % of Expenditures to be financed
(1) CIVIL WORKS		
(a) under Part A of the Project	98,260,000	100%
(b) under Part B of the Project	216,558,000	33%
(c) under Part C of the Project	180,000	30%
(2) CONSULTANT SERVICES		
(a) under Part A	250,000	100%
(b) under Part B	1,992,000	100%
(c) under Part C	60,000	100%
(3) TRAINING under Part D	2,700,000	100%
TOTAL	320,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

- (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$15,000,000 equivalent may be made for payments made prior to this date but on or after April 30, 2006, for Eligible Expenditures under Category (1)(a);
- (b) in respect of expenditures under Category 1(a) unless:
 - (i) the Borrower, through FPCD, on the basis of reports issued by the DOFWPB, has certified in a form and substance satisfactory to the Bank of the following:
 - (a) quality and number of kilometers rehabilitated of each Local Section Road under Part A of the Project (hereinafter called “Output” and collectively “Outputs”);
 - (b) compliance with the provisions of the RRIP Framework, including road selection criteria, quality of construction and type of road, and with the RPF, MNDF, and EMP, as the case may be;
 - (c) the amount so calculated does not exceed the actual costs of the rehabilitation works of each such Output; and
 - (d) the said Output or Outputs have not already been claimed by the Borrower to support previous withdrawal applications from the Loan Account;
 - (ii) the amount to be so withdrawn is equal to the amount resulting from multiplying the Output or Outputs times the relevant Unit Costs set forth in Annex 2 of this Schedule.

2. The Closing Date is June 30, 2012.

ANNEX 1
Performance Indicators

The performance indicators referred to above in paragraph A.1, Section II of this Schedule consist of the following:

PDO	Project Outcome Indicators	Use of Project Outcome Information
To increase the effective use of the road infrastructure in Fujian Province to support its social and economic development	Reduction of freight rates on Yong'an-Wuping Corridor Reduction of travel times on rural roads	Assess impact of improved expressway and rural infrastructure on users' behaviors and the effective transfer of benefits to road users
Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
(a) Transport flows on rural roads improved: rehabilitation of about 3,500 kms of rural roads under the Project Implementing Entity's Rural Roads Improvement Program (RRIP)	Traffic volumes on rural roads increased Supply of bus passenger services enhanced Pace of loan disbursements under RRIP component accelerated	Assess level of use of upgraded infrastructure, including increased provision of passenger services, and reduction in travel access to social services and economic activities Verify and evaluate applicability of framework for the RRIP that will lead to the self-selection of roads eligible for World Bank financing and enhanced capacity at the local level
(b) Transport conditions enhanced on the corridor between Yong'an and Wuping (border with Guangdong Province): construction of the 195-km Yong'an-Wuping Expressway (YWE)	Traffic volumes on YWE and G205 increased Average travel times on YWE and G205 decreased at the opening of the YWE Accident rates on corridor (YWE and G205) reduced at	Assess level of use of upgraded road conditions on the Yong'an-Wuping corridor, in a faster and safe manner.

	the opening of the YWE	
(c) Alternative maintenance mechanisms tested and applied to provincial road network: two pilot initiatives of maintenance by contract in two segments of the provincial road network.	Contract maintenance approaches in Fujian Province applied	Verify applicability of alternative maintenance mechanisms for road maintenance, through the contracting out maintenance activities
(d) Road management capacities at FPCD strengthened: institutional strengthening component	Enhanced knowledge and application of updated road management approaches including: (a) toll rate setting; and (b) measurement of impacts. Effective completion of training programs.	Continued knowledge acquisition of updated approaches on road management topics, building on previous institutional development actions, towards ensuring enhanced technical and management capacity at FPCD.

ANNEX 2

Unit Cost

- (a) The Unit Cost per kilometer of rural roads rehabilitated is as follows:
- County roads in counties in poverty-stricken regions: US\$100,000;
 - County roads in counties in other under-developed regions: US\$75,000;
 - County roads in counties in other regions - mountainous counties, or other regions – coastal counties: US\$37,500;
 - Township/village roads in counties in poverty-stricken regions: US\$28,800;
 - Township/village roads in counties in other under-developed regions: US\$25,000;
 - Township/village roads in counties in other regions - mountainous counties: US\$18,800;
 - Township/village roads in counties in other regions - coastal counties: US\$12,500.
- (b) For purposes of paragraph (a) of this Annex the above-mentioned classification of counties by region relates to the following counties:
- “Poverty-stricken regions” (17 counties): Ping Tan, Yong Tai,, Xian You, Ping He, Hua An, Chang Ding, Lian Cheng, Shang Hang, Wu Ping, Da Tian, Jian Ning, Ning Hua, Guang Ze, Zheng He, Ping Nan, Shou Ning, Zhou Ning;
 - “Other under-developed regions” (29 counties): Min Qing, Chang Tai, Dong Shan, Long Hai, Nan Jing, Yun Xiao, Zhang Pu, Zhao An, Yong Ding, Zhang Ping, Jiang Le, Ming Xi, Qing Liu, Tai Ning, You Xi, Jian Ou, Jian Yang, Pu Cheng, Shao Wu, Shun Chang, Wu Yi Shan, Fu An, Fu Ding, Gu Tian, Jiao Cheng, Xia Pu, Cheng Xiang, Han Jiang, Xiu Yu;
 - “Other regions - mountainous counties” (3 counties): Xin Luo, Yong An, Yan Ping;
 - “Other regions - coastal counties” (4 counties): Jin An, Lian Jiang, Min Hou, Mei Zhou;
- (c) On April 30 of each year commencing on April 30, 2007, the Borrower and the Bank shall review, and if required revise, the Unit Costs under paragraph (a) of this Annex with a view of determining that they are maintained at levels

which are cost effective and lower than the actual contractual costs for construction of roads with similar characteristics in the relevant region.

SCHEDULE 3
Amortization Schedule

Date Payment Due	Payment of Principal
April 15, 2012	6,890,000
October 15, 2012	7,090,000
April 15, 2013	7,290,000
October 15, 2013	7,495,000
April 15, 2014	7,710,000
October 15, 2014	7,930,000
April 15, 2015	8,155,000
October 15, 2015	8,390,000
April 15, 2016	8,630,000
October 15, 2016	8,875,000
April 15, 2017	9,125,000
October 15, 2017	9,385,000
April 15, 2018	9,655,000
October 15, 2018	9,930,000
April 15, 2019	10,215,000
October 15, 2019	10,505,000
April 15, 2020	10,805,000
October 15, 2020	11,110,000
April 15, 2021	11,430,000
October 15, 2021	11,755,000
April 15, 2022	12,090,000
October 15, 2022	12,435,000
April 15, 2023	12,790,000
October 15, 2023	13,150,000
April 15, 2024	13,525,000
October 15, 2024	13,910,000
April 15, 2025	14,310,000
October 15, 2025	14,715,000
April 15, 2026	15,135,000
October 15, 2026	15,570,000

APPENDIX

Section I. Definitions

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
2. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
3. “DOFWBP” means the Director’s Office for World Bank Project, established under Fujian Provincial Communications Department on January 11, 2006 to coordinate the preparation of the Project and supervise and monitor its implementation, and referred to in paragraph 1, Section I of the Schedule to the Project Agreement, and any successor thereto.
4. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005.
5. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and “Displaced Persons” means collectively, all such Displaced Persons.
6. “EMPs” means, collectively: (i) the environmental management plan in respect of the RRIP and the road sections under Part A of the Project duly adopted by the Project Implementing Entity on April 30, 2006, and referred to in paragraph 2, Section I of the Schedule to the Project Agreement, as the same may be revised from time to time with the prior agreement of the Bank, and; (ii) the environmental management plan in respect of the Yong’an – Wuping Expressway under Part B of the Project duly adopted by the Project Implementing Entity on May 30, 2006, and referred to in paragraph 2, Section I of the Schedule to the Project Agreement, as the same may be revised from time to time with the prior agreement of the Bank; and “EMP” means any of the EMP.

7. “Financial Management Manuals” means collectively: (i) the financial management manual in respect of the RRIP and the road sections under Part A of the Project duly adopted by the Project Implementing Unit on April 30, 2006 and referred to in paragraph B.2., Section II of the Schedule to the Project Agreement; and (ii) the financial management manual in respect of Yong’an – Wuping Expressway under Part B of the Project duly adopted by the Project Implementing Unit on May 30, 2006 and referred to in paragraph B.2., Section II of the Schedule to the Project Agreement; as the same may be revised from time to time with the agreement of the Bank; and “Financial Management Manual” means any of the Financial Management Manuals.
8. “FPCD” means the Fujian Provincial Communications Department, and any successor thereto.
9. “Local Road Section” means any road section out of the 10,000-km of rural roads set forth in the RRIP, which is selected by the Project Implementation Entity to be improved and rehabilitated under Part A of the Project in accordance with paragraph 4(b) of Section I of the Schedule to the Project Agreement, and the term “Local Road Sections” means collectively all the Local Road Section.
10. “Minority Nationality Development Framework” and the acronym “MNDF” means the minority nationality development framework dated March 2006 duly adopted by the Project Implementing Entity on April 30, 2006, as the same may be amended with the prior agreement by the Bank.
11. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
12. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated March 2006 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 Agreement” means the agreement between the Bank and the Project Implementing Entity of even date herewith, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the Project Agreement.

14. “Project Implementing Entity” means the Borrower’s Provincial Government of Fujian and any successor thereto.
15. “RAP” means, the resettlement action plan dated March 2006, with respect to Part B of the Project, duly adopted by the Project Implementing Entity on May 30, 2006, which set out the principles and procedures governing land acquisition, resettlement, compensation and rehabilitation of Displaced Persons on account of the execution of such Part of the Project, as well as reporting and monitoring arrangements to ensure compliance with said plan, as the same may be revised from time to time with the prior agreement of the Bank; and such term includes all attachments and annexes supplemental to said plans.
16. “RAPs” means collectively the RAP, as so defined, and the resettlement action plans to be prepared and adopted by the Project Implementing Entity for Part A of the Project pursuant to the RPF and the provisions of paragraph 2 (c), Section I of the Schedule to the Project Agreement.
17. “Resettlement Policy Framework” and “RPF” mean the resettlement policy framework dated March 2006, with respect to Part A of the Project, duly adopted by the Project Implementing Entity on April 30, 2006, that sets forth the resettlement principles, organizational arrangements, and design criteria in accordance with which resettlement action plans are prepared and submitted to the Bank for approval in accordance with the provisions of paragraph 2(c), Section I of the Schedule to the Project Agreement.
18. “Rural Roads Improvement Program” and the acronym “RRIP” means the program adopted by the Project Implementing Entity, through its Provincial Development and Reform Commission, on January 24, 2006, under Directive 39, 2006, aimed at the improvement and rehabilitation of lower class rural roads (Class III and IV), consistent mostly of resurfacing the unpaved roads with concrete pavement, in selected rural areas in Fujian Province.
19. “RRIP Framework” means the framework for implementing Part A of the Project, adopted by the Project Implementing Entity on April 30, 2006, and to be implemented pursuant to paragraph 4(a) of Section I of the Schedule to the Project Agreement, as the same may be revised with the prior agreement by the Bank.

20. “Unit Cost” means each of the associated costs per kilometer of improvement and rehabilitation works of the various classes of roads under Part A of the Project to be applied as the multiplier for determining the eligible amount of financing out of the proceeds of the Loan for each Local Road Section, as such unit costs are set forth in Annex 2 to Schedule 2 to this Agreement and may be reviewed and revised pursuant to paragraph (c) of such Annex, and the term “Unit Costs” means collectively all the Unit Cost.