

Public Disclosure Authorized

CONFORMED COPY

LOAN NUMBER 7557-CN

Loan Agreement

(ShiZheng Railway Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated September 16, 2008

LOAN AGREEMENT

AGREEMENT dated September 16, 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 three hundred million Dollars (\$300,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead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 April 15 and October 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 carry out the Project through its Ministry of Railways 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 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/ Zheng Xiaosong

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 meet growing freight and passenger market demand in the railway corridor between Shijiazhuang and Zhengzhou, while substantially improving the level of service offered to customers.

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

Part A: Railway corridor between Shijiazhuang and Zhengzhou

1. Construction of a new 355 km high-speed electrified dedicated passenger two track rail line between Shijiazhuang in Hebei Province and Zhengzhou in Henan Province, including the provision of goods (including signaling and electrification equipment, and concrete bridge beams) and related technical assistance.
2. Construction of six new railway stations in Gaoyi, Xingtai, Handan, Anyang, Hebi and Xinxiang cities along the rail line referred to in Part A.1 of the Project including the provision of goods.
3. Resettlement and rehabilitation of Displaced Persons in connection with the carrying out of Parts A.1 and A.2 of the Project.

SCHEDULE 2**Project Execution****Section I. Institutional and Other Arrangements**

1. In carrying out Part A of the Project, the Borrower shall:
 - (a) take, or cause to be taken, all necessary actions to minimize to the extent possible any involuntary loss by persons of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently;
 - (b) carry out, or cause to be carried out, the EMP, the RAP and the RAP Arrangements, in a manner satisfactory to the Bank; and
 - (c) furnish, or cause to be furnished, any proposed revision to the EMP or the RAP or the RAP Arrangements referred to in sub-paragraph (b) above to the Bank for its approval prior to making any revision.

2. The Borrower shall:
 - (a) cause the Ministry of Railways to maintain throughout the period of the Project implementation, the independent procurement agent, referred to in paragraph A.3 of Section III of Schedule 2 to this Agreement, under terms of reference satisfactory to the Bank, for the purpose of procuring all goods and services required for the Project and to be financed out of the proceeds of the Loan; and
 - (b) cause the Ministry of Railways, with the assistance of the Beijing Railway Administration and the Zhengzhou Railway Administration, to construct the ShiZheng Railway Line, including installing the equipment procured pursuant to clause (a) of this paragraph, in accordance with:
 - (i) arrangements and a time schedule satisfactory to the Bank;
 - (ii) appropriate technical standards, alignment and specifications; and
 - (iii) appropriate international standards and practices relating to design, installation and construction supervision, including standards and practices for securing, assimilating and integrating tested, mature and safe technology and products suitable for operating high-speed passenger railway lines.

3. The Borrower shall cause the Ministry of Railways and through it the Beijing Railway Administration and the Zhengzhou Railway Administration to maintain all relevant records and documents related to the Project and provide such documents and records, including all other information, as may be requested by the Borrower or the Bank from time to time.
4. The Borrower shall take, and shall cause the Hebei Province, the Henan Province, the Ministry of Railways, the Beijing Railway Administration and the Zhengzhou Railway Administration to take all required actions, including provision of timely consents and approvals as may be necessary, to facilitate the implementation of the Project.
5. The Borrower shall ensure that the ShiZheng Railway Line is commissioned for operation no later than December 31, 2012, following appropriate testing and other procedures, and shall thereafter take all necessary measures to ensure that it is operated and maintained in a financially and administratively viable manner.
6. The Borrower shall ensure, and shall cause the Hebei Province, the Henan Province, the Ministry of Railways, the Beijing Railway Administration and the Zhengzhou Railway Administration to ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and 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 the Annex 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 forty-five (45) days 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 than March 31, 2014.

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 to the Bank as part of the Project Report not later than forty-

five (45) days after the end of each calendar semester, interim un-audited financial reports for the Project covering the 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.** All goods 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. Except as the Bank shall otherwise agree, procurement of all goods and services required for the project and to be financed out of the proceeds of the Loan shall be carried out by a qualified procurement agent engaged by the Borrower through the Ministry of Railways in accordance with the Consultant Guidelines.
4. **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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods 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, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Borrower (other than goods manufactured in the Hong Kong Special Administrative Region and the Macau Special Administrative Region of the Borrower).

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

Procurement Method
(a) National Competitive Bidding
(b) Shopping

National Competitive Bidding. (a) Goods estimated to cost less than \$100,000 equivalent per contract may be procured under contracts awarded on the basis of National Competitive Bidding and the following additional provisions.

- (b) 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:
- (i) All invitations to prequalify or to bid shall be advertised in a newspaper of national circulation in the Borrower's country, except 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 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.
- (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: (A) are legally and financially autonomous; (B) operate under commercial law; and (C) 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).

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) Selection under Fixed Budget
(c) Selection Based on Consultants’ Qualifications
(d) Selection of Individual Consultants
(e) Single Source Selection

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 goods estimated to cost the equivalent of \$500,000 or more; (b) each contract for consultants’ services provided by a firm estimated to cost the equivalent of \$100,000 or more; (c) each contract for consultants’ services provided by an individual estimated to cost the equivalent of \$20,000 or more; and (d) all consultant’s contracts procured under single source selection. 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 Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures, inclusive of taxes, 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.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed
(1) Goods	277,500,000	100%
(2) Consultants’ services, training and study tours	1,000,000	100%
(3) Front-end Fee	750,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(4) Unallocated	20,750,000	
Total	300,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for:
- (a) payments made prior to the date of this Agreement; and
 - (b) expenditures under Categories (1) and (2) unless the RAP Arrangements shall have been duly executed by the Ministry of Railways with the Hebei Province and the Henan Province respectively, in a manner and substance satisfactory to the Bank.
2. The Closing Date is December 31, 2013.

ANNEX to SCHEDULE 2

Performance Indicators

Project Outcome Indicators	Baseline 2006	Target Values			Data Collection and Reporting		
		2013 ⁽³⁾	2015	2020	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
1. Average number of pairs of trains of maximum speed of 300 km/h operated per day on the Shijiazhuang and Zhengzhou section of the new line.	0	24	77	119	On project completion and once a year thereafter.	MOR and Project Companies operating statistics	MOR
2. Average number of pairs of trains of maximum speed of 200 km/h operated per day on the Shijiazhuang and Zhengzhou section of the new line.	0	12	23	19 ⁽²⁾			
3. Average travel time of 300km/h train between Shijiazhuang and Zhengzhou (minutes) on the same section of the new line.	0	85	85	85			
4. Number of pairs of freight trains operated per day on the Xinxiang to Zhengzhou section of the existing railway line. ⁽¹⁾	56	62	67	79			

- (1) Includes through luggage, container, and coupling trains. Data on the average number of pairs of freight trains operating per day on the existing line will be collected and reported on an annual basis in the project progress reports.
- (2) The decrease in the number of pairs of trains of maximum speed of 200 km/h in the later years reflects their expected replacement by higher speed trains.
- (3) Taken as the first full year of operation.

Project Output Indicators	Baseline	Target Values				Data Collection and Reporting		
	2006	2009	2010	2011	2012	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
% of civil works completed (physical % complete)	0	10	30	75	100	Twice yearly	Project progress report	MOR
% of equipment contracted (by value)	0	5	15	50	100			

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)
October 15, 2013	2.28%
April 15, 2014	2.34%
October 15, 2014	2.40%
April 15, 2015	2.46%
October 15, 2015	2.52%
April 15, 2016	2.58%
October 15, 2016	2.64%
April 15, 2017	2.71%
October 15, 2017	2.78%
April 15, 2018	2.85%
October 15, 2018	2.92%
April 15, 2019	2.99%
October 15, 2019	3.07%
April 15, 2020	3.14%
October 15, 2020	3.22%
April 15, 2021	3.30%
October 15, 2021	3.39%
April 15, 2022	3.47%
October 15, 2022	3.56%
April 15, 2023	3.65%
October 15, 2023	3.74%
April 15, 2024	3.83%
October 15, 2024	3.93%
April 15, 2025	4.02%
October 15, 2025	4.12%
April 15, 2026	4.23%
October 15, 2026	4.33%

April 15, 2027	4.44%
October 15, 2027	4.55%
April 15, 2028	4.54%

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 (2) 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. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Beijing Railway Administration” means the Administration within the organizational structure established by the Ministry of Railways and under its administrative control, and responsible for assisting the Ministry of Railways in the management, operation and maintenance of the railway system over an assigned territory of the Borrower and in which a portion of the ShiZheng Railway Line will be constructed.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
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. “EMP” means the environmental management plan dated October 2006 and duly adopted by the Borrower in respect of the Project which sets out the environmental protection measures in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plans, as the same may be revised from time to time with the agreement of the Bank.
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).
8. “Hebei Province” means the Hebei Province of the Borrower or any successor thereto.

9. “Henan Province” means the Henan Province of the Borrower or any successor thereto.
10. “Ministry of Railways” means the Ministry of Railways of the Borrower or any successor thereto.
11. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
12. “Procurement Plan” means the Borrower’s procurement plan dated August 15, 2007, covering the initial eighteen (18) month period (or longer) of Project implementation, as the same shall be updated from time to time in accordance with the provisions of Section 3.02 to this Agreement, to cover succeeding twelve (12) month periods (or longer) of Project implementation.
13. “RAP” means the resettlement action plan in respect of the Project, duly adopted by the Borrower and the Ministry of Railways on January 5, 2007, which plan sets out the principles and procedures governing land acquisition, resettlement and compensation, 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.
14. “RAP Arrangements” means collectively the arrangements to be entered into between the Ministry of Railways and the Hebei Province and the arrangements to be entered into between the Ministry of Railways and Henan Province, as referred to in paragraph B.1(b) of Section IV of Schedule 2 to this Agreement for the purpose of causing the RAP to be carried out in accordance with paragraph 1(b) of Section I of Schedule 2 to this Agreement, as the same may be revised from time to time with the prior agreement of the Bank.
15. “Shijiazhuang” means the city of Shijiazhuang in Hebei Province.
16. “ShiZheng Railway Line” means the railway line to be constructed under Part A.1 of the Project and which is part of a 2,100 km dedicated passenger line between Beijing and Guangzhou planned to be constructed by the Borrower by 2012.

17. “Zhengzhou Railway Administration” means the Administration within the organizational structure established by the Ministry of Railways and under its administrative control, and responsible for assisting the Ministry of Railways in the management, operation and maintenance of the railway system over an assigned territory of the Borrower and in which a portion of the ShiZheng Railway Line will be constructed.
18. “Zhengzhou” means the city of Zhengzhou in Henan Province.