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**LOAN NUMBER 7909-CN**

# **Project Agreement**

**(Henan Ecological Livestock Project)**

**between**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**and**

**HENAN PROVINCE**

**Dated July 26, 2010**

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## **PROJECT AGREEMENT**

AGREEMENT dated July 26, 2010, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”) and HENAN PROVINCE (“Henan” or the “Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement of same date between PEOPLE’S REPUBLIC OF CHINA (“Borrower”) and the Bank (“Loan Agreement”) for the Henan Ecological Livestock Project (the “Project”). The Bank and Henan hereby agree as follows:

### **ARTICLE I – GENERAL CONDITIONS; DEFINITIONS**

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

### **ARTICLE II – PROJECT**

- 2.01. Henan declares its commitment to the objective of the Project. To this end, Henan shall:
  - (a) carry out the Project in accordance with the provisions of Article V of the General Conditions; and
  - (b) provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and Henan shall otherwise agree, Henan shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

### **ARTICLE III – REPRESENTATIVE; ADDRESSES**

- 3.01. Henan’s Representative is its Governor or Vice Governor or such other person or persons as the Governor or Vice Governor shall designate in writing.
- 3.02. 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:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. Henan's Address is:

Financial Department, International Division  
No. 25, Jingsan Road  
Zhengzhou, 450008  
Henan Province  
Zhengzhou  
People's Republic of China

Facsimile:

(86-371) 65808723

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

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Klaus Rohland  
Authorized Representative

HENAN PROVINCE

By /s/ Li Ke  
Authorized Representative

## SCHEDULE

### Execution of the Project

#### Section I. Institutional and Other Arrangements

1. In order to ensure the proper carrying out of the Project, Henan shall maintain, throughout the period of implementation of the Project, with membership, terms of reference, staffing and other resources acceptable to the Bank the Provincial Project Leading Group, the Provincial Project Management Office, Local Project Leading Groups and Local Project Management Offices, as set out in the Project Implementation Manual. For these purposes the:
  - (a) Provincial Project Leading Group shall be responsible for: (i) providing overall policy guidance and support for the Project; (ii) providing coordination among relevant line agencies and bureaus of Henan as the case may be; (iii) ensuring provision of timely and budgeted amounts of counterpart funding for each of the Project components from various agencies and sources; (iv) approval of municipalities, counties, districts and cities, as the case may be, to participate in the Project in accordance with criteria set out in the Project Implementation Manual; and (v) reviewing the Project's annual work plans and the Project's progress reports;
  - (b) Provincial Project Management Office shall be responsible for the day-to-day management of the Project implementation, including preparation of annual work programs, review of local level work programs, financial management, procurement of goods, works and services, overall supervision of implementation, organization of training, and monitoring and evaluation, and reporting of progress in implementing the Project;
  - (c) Local Project Leading Groups shall be responsible at the municipal, county, district and city level, as the case may be, for: (i) providing overall policy guidance and support; (ii) providing coordination among relevant line agencies and bureaus; (iii) ensuring provision of timely and budgeted amounts of counterpart funding for each of the Project components from various agencies and sources; and (iv) reviewing the Project's annual work plans and the Project's progress reports within the said groups' respective jurisdiction; and
  - (d) Local Project Management Offices at the municipal, county, district and city level, as the case may be, shall be responsible for coordination and supervision of the Project activities included within said offices' respective jurisdictions, including consultations with farmers, identification of participating farmers, coordinating investment planning,

supervising implementation, ensuring quality, and monitoring and evaluation of the progress in implementing the Project within said offices' respective jurisdictions.

2. Henan shall prepare, under guidelines acceptable to the Bank, and furnish to the Bank not later than December 15 in each calendar year during the implementation of the Project for the Bank's review, beginning on December 15, 2010:
  - (a) an annual work program setting forth the activities proposed to be implemented under the Project during the following calendar year; and
  - (b) a proposed detailed budget for the financing of the Project activities during the following calendar year included in the annual work program prepared pursuant to clause (a) of this paragraph, which proposal shall include counterpart funds and sources thereof for each activity.

Thereafter, Henan shall ensure that said annual work program, as shall have been approved by the Bank, shall be implemented with due diligence and efficiency during said following calendar year. Henan shall further finalize the proposed budget required for financing said annual work program taking into account the Bank's comments and ensure the prompt and timely delivery of such budgetary allocations.

3. Henan shall apply in the implementation of the Project, and shall cause the Beneficiary Farms/parks to apply in the implementation of Farm/park Packages, the Project Implementation Manual, in a manner satisfactory to the Bank. Henan shall not amend, suspend, or waive said Project Implementation Manual or any provision thereof, without the prior written approval of the Bank.
4. Henan shall, in carrying out the Project, apply the measures and actions set forth in the Environmental Assessment, the Environmental Management and Monitoring Plan, and the Policy Framework for Resettlement and Land Acquisition. In addition, in carrying out the activities under the Project, Henan shall:
  - (a) take measures to avoid or minimize the acquisition of land or assets of people and to avoid the displacement of said people;
  - (b) where the acquisition of land or assets or the displacement of people is unavoidable, provide to such people compensation in accordance with the Policy Framework for Resettlement and Land Acquisition before commencing any of the works which would result in such acquisition or displacement; and

- (c) in the event that two hundred (200) or more people are to be displaced by any given activity under Parts A or B of the Project: (A) prepare a Resettlement Action Plan in accordance with the Policy Framework for Resettlement and Land Acquisition and furnish such Plan to the Bank for approval prior to commencing any such activity; and (B) prior to commencing any such activity, ensure that all Displaced Persons shall have been compensated in accordance with the provisions of said Plan.
- 5. Henan shall not amend, suspend, or waive the Environmental Assessment, the Environmental Management and Monitoring Plan, the Policy Framework for Resettlement and Land Acquisition, any Resettlement Action Plan or any provision thereof, without the prior written approval of the Bank.
- 6.
  - (a) For the purpose of carrying out Part B.1 of the Project, the Project Implementing Entity shall make available a portion of the proceeds of the amount allocated from time to time under Category 1 set forth in the table in paragraph A.2 of Section IV of Schedule 2 to the Loan Agreement to a Beneficiary Farm/park as a Sub-financing under a Farm Implementation Agreement with the respective Beneficiary Farm/park in accordance with procedures and on terms and conditions satisfactory to the Bank, which shall include the provisions set forth in Annex 2 to this Schedule.
  - (b) Henan shall exercise its rights under each Farm Implementation Agreement in such manner as to protect its interests and the interests of the Bank and to accomplish the purposes of the Sub-financing. Except as the Bank shall otherwise agree, Henan shall not assign, amend, abrogate or waive any Farm Implementation Agreement or any of its provisions.
- 7. For the purpose of carrying out Parts A.1 and C.1 of the Project, Henan shall:
  - (a) carry out training of trainers and cause the Counties, Districts and Cities included in the Project Area to carry out training for Beneficiary Farm/park in the areas of animal health and waste management, all in accordance with methodology, scope and time schedule satisfactory to the Bank; and
  - (b) ensure that no international study tours to be financed out of the proceeds of the Loan shall be undertaken without the prior approval of the Bank.
- 8. For the purpose of carrying out Part B.1 of the Project, Henan shall:
  - (a) engage suitably qualified engineering consultants to prepare the detailed design packages for the facilities to be constructed by Beneficiary Farms/parks under Farm/park Packages, in accordance with the concept models approved by the Bank, including detailed designs, construction

- drawings, technical standards, bill of quantities, and layout plans, satisfactory to the Bank;
- (b) ensure that Farm/park packages are carried out in conformity with the concept models approved by the Bank;
  - (c) provide to the Bank for its approval the construction design of the first facility to be constructed under a Farm/park package in each Project county included in the Project Area; and
  - (d) engage suitably qualified engineering consultants to carry out construction supervision in order to ensure that the construction of facilities under Farm/park packages are carried out in accordance with approved design standards and specifications.
9. For the purpose of carrying out Part B.1 of the Project, Henan shall:
- (a) within ninety (90) days of the Effective Date of the Loan Agreement, adopt and furnish to the Bank, the Farm Management Manual, satisfactory to the Bank;
  - (b) ensure that a Beneficiary Farm/park implements the relevant Farm/park Package in accordance with the said Farm Management Manual; and
  - (c) not amend, waive, suspend, abrogate or cancel the Farm Management Manual or any provision therein without the prior written approval of the Bank.
10. The Project Implementation Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
11. In the event of any inconsistency between the provisions of any of the Project Implementation Manual, the Financial Management Manual and the Farm Management Manual, with the provisions of the Loan Agreement or the Project Agreement, the latter shall prevail.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

1. Henan shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of the indicators set forth in the Annex 1 to this Schedule. Each such Project Report shall cover the period of one (1) calendar

semester, and shall be furnished to the Bank not later than sixty (60) days after the end of the period covered by such report.

2. Without limitation to paragraph 1 above, Henan shall provide to the Bank no later than March 31, 2013, a detailed mid-term report assessing the outcome achieved from implementing the respective activities under the Project on the basis of the indicators set forth in Annex 1 to this Schedule, including progress made in achieving the Project objectives. In preparing said report, the Project Implementation Entity shall follow, *inter alia*, the monitoring and evaluation methodology agreed with the Bank and set forth in the Project Implementation Manual.
3. Without limitation to paragraph 1 above, Henan shall: (a) carry out on a semi-annual basis until December 31, 2012 and on an annual basis thereafter, under terms of reference, satisfactory to the Bank, a special review of the implementation of activities for Farm/park Packages under Part B.1 of the Project including use of the proceeds of the Loan for said activities, and provide a report of said review to the Bank within sixty (60) days of the end of the period covered by said report; and (b) publicly disclose on a semi-annual basis in a manner satisfactory to the Bank all information relating to Sub-financings provided to Beneficiary Farms/parks, including their name, location, use of funds, and progress and completion date of the activities financed.
4. Henan shall provide to the Borrower not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 5.08(c) of the General Conditions, all such information as the Borrower or the Bank shall reasonably request for the purposes of such Section.

**B. Financial Management, Financial Reports; Audits**

1. Henan shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of Henan including the operations, resources and expenditures related to its Respective Part of the Project.
2. Henan shall adopt and thereafter apply in the implementation of the Project a manual for implementing the financial management system referred to in B.1 above including financial management reports, satisfactory to the Bank. Henan shall not amend, waive, suspend, abrogate or cancel the Financial Manual or any provision therein without the prior approval by the Bank.
3. Henan shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial



statements shall cover the period of one (1) fiscal year of Henan. The audited financial statements for each period shall be furnished to the Borrower and the Bank not later than six (6) months after the end of the period.

**Section III. Procurement**

All goods, works and services required for Henan's Respective Part of the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.

**Section IV. Project Area**

Henan shall carry out the Project in the Project Area comprising the Counties, Districts and Cities that have been selected for participation in the Project with the approval of the Bank and set out in Annex 3 to this Schedule. No Counties, Districts and Cities included in said Annex shall be excluded from participation in the Project and no additional Counties, Districts and Cities shall be included for participation in the Project by Henan without the prior written approval of the Bank.

## ANNEX 1

## Results Framework

Project Development Objective	Project Outcome Indicators	Use of Project Outcome Information
<p>The objective of the Project is to improve environmental health management practices on targeted livestock farms in the Yellow River Belt in Henan Province of the Borrower.</p>	<p>Improved capacity of public institutions (municipal, county, district and city levels) to facilitate environmentally sound livestock industry development.</p> <p>Reduced nutrient output of target farms.</p> <p>Improved perception of people in villages surrounding the livestock farms about the quality of their living environment, measured by survey.</p>	<p>Justifies use of public funds and subsidies for environmental management.</p>
Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
<p><b>OUTCOME 1</b></p> <p>A. Institutional training and capacity building programs developed and implemented</p>	<p>A.1. Number of training days for policy and decision makers at different government levels on environmental impacts of the livestock sector and related mitigation measures.</p> <p>A.2. Number of training days for Animal Husbandry Bureau staff to undertake spatial planning for livestock sector development (including whole farm nutrient balance accounting).</p> <p>A.3. Number of training days for Animal Husbandry and Environmental Protection Bureau staff to monitor and evaluate livestock sector impact on the environment.</p>	<p>A.1 – A.3 indicators will be used to measure the progress of capacity building program for public sector employees.</p>
<p><b>OUTCOME 2:</b></p> <p>B. Livestock production is managed in an environmentally sound manner on participating farms</p>	<p>B.1. Number of farm technicians' training days in improved livestock production and waste management methods.</p> <p>B.2. Percentage of farms operating and maintaining improved livestock production and waste management infrastructure.</p> <p>B.3. Percentage of farms that meet the required environmental protection regulations.</p> <p>B.4. Quantity (kg) of waste produced per unit of livestock product in the target farms.</p>	<p>Indicators B1 and B2 tell us that the project provided the skills and infrastructure to manage livestock production in an environmentally sound manner</p> <p>Indicators B.3 – B.4 show the effectiveness and impact of technologies and project interventions on project farms</p>

<p><b>OUTCOME 3:</b> C. Productivity is improved on the targeted livestock farms</p>	<p>C.1. Milk yield (kg/year) per dairy cow on project farms.</p> <p>C.2. Length of fattening period on project farms to achieve market weight: 500 kg for beef cattle, 100 kg for pigs.</p> <p>C.3. Reduced livestock morbidity on project farms<sup>1</sup></p>	<p>Improved productivity will be a partial measure of sustainability of project activities. If productivity increases the likelihood of adoption of waste management practices will be high.</p>
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<sup>1</sup> Disease epidemics are not counted in estimating morbidity rates

### Arrangements for Results Monitoring

Outcome Indicators	Baseline	Target Values		Data Collection and Reporting		
		Mid-term	End-project	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Improved capacity of public institutions (municipal, county, district and city levels) to facilitate environmentally sound livestock industry development.	N/A	N/A <sup>2</sup>	N/A <sup>2</sup>	Mid-term, end-project	Survey	PPMO
Nutrient output reduction on project farms (measured through animal park nutrient balance accounting)	*	7%	15%	Semi-annual	Farm survey	PPMO
Percentage of people in villages surrounding the livestock farms perceive that the quality of their living environment has improved due to the project. <sup>3</sup>	N/A	60%	60%	Mid-term, end-project	Survey	PPMO
<b>Intermediate Outcome Indicators</b>						
<b>A. Institutional training and capacity building program developed and implemented</b>						
A1. Number of training days for policy and decision makers at different government levels on environmental impacts of the livestock sector and related mitigation measures	0	1,400	2,800	Semi-annual	Progress reporting	PPMO
A2. Number of training days for Animal Husbandry Bureau staff to undertake spatial planning for livestock sector development.	0	550	1,100	Semi-annual	Progress reporting	PPMO
A3. Number of training days for Animal Husbandry and Environmental Protection Bureau staff to monitor and evaluate livestock sector impact on the environment.	0	600	1,200	Semi-annual	Progress reporting	PPMO
<b>B. Livestock production is managed in an environmentally sound manner on participating farms</b>						
B1. Number of farm technicians' training days in improved livestock production and waste management methods	0	30,000	60,000	Semi-annual	Progress reporting	PPMO
B2. Percentage of farms operating and maintaining improved livestock production and waste management infrastructure	0	40%	80%	Semi-annual	Farm survey	PPMO
B3. Percentage of farms that meet the required livestock waste management/environmental protection regulations	0	30%	60%	Mid-term, end-project	Farm survey	PPMO
B4. Reduction of waste produced per unit of livestock product on the project farms.	*	3%	5%	Mid-term, end-project	Farm survey	PPMO
<b>C. Productivity is improved on the targeted livestock farms</b>						
C1. Milk yield (kg/year) per dairy cow on project farms	4000	4800	5400	Annually	Progress reporting	PPMO
C2. Fattening period for beef cattle (number of days it takes to reach 500 kg from 350 kg)	120	110	100	Annually		PPMO
C3. Fattening period for pigs (number of days to reach 100 kg)	180	165	160	Annually		PPMO
C4. Livestock morbidity decrease on project farms	*	10%	15%	Annually		PPMO

<sup>2</sup> Assessment of quality improvements will be included in the surveys.

<sup>3</sup> Survey will define what is meant by "living environment improvement", which shall be attributed primarily due to livestock disturbance. At mid-term survey shall be implemented only in villages where project has already been implemented, i.e. farmers already moved their livestock to farms/parks.

\* The values will be determined from surveys to be completed by September 30, 2010.

**ANNEX 2****Procedures and Terms and Conditions of providing  
Sub-financing for Farm/park Packages****Section A. Procedures**

1. Beneficiary Farms/parks eligible for receiving Sub-financings for a Farm/park Package shall be those as set out in the Project Implementation Manual and updated from time to time through the annual work programs referred to in paragraph 2 of Section I of the Schedule to this Agreement, all of which shall be selected in accordance with criteria set out in the Project Implementation Manual.
2. Henan shall select and approve for financing activities under Part B.1 of the Project to be included in a Farm/park Package to be implemented by a Beneficiary Farm/park based on an appraisal carried out under arrangements and standards satisfactory to the Bank, and as set out in the Project Implementation Manual, including a participatory planning process and taking into account the priorities of the Beneficiary Farm/park and technical quality requirements.
3. The detailed design of the Farm/park Package shall be based on the concept model approved by the Bank as referred to in paragraph 8 of Section I of the Schedule to this Agreement.
4. The cost ceiling for a Farm/park Package shall be determined based on the appraisal and design as referred to above, and said ceiling shall be set out in the Farm Implementing Agreement providing the Sub-financing for the Farm/park Package.
5. The amount of a Sub-financing shall not exceed fifty one percent (51%) of the cost ceiling of a Farm/park Package determined as set out in paragraph 4 above of this Section A.

**Section B. Terms and Conditions of Farm Implementation Agreements**

Each Farm Implementation Agreement shall include the following terms and conditions:

1. The cost ceiling for a Farm/park Package and the amount of the Sub-financing to be provided to a Beneficiary Farm/park for carrying out activities under said Package.
2. The Sub-financing shall: (a) be denominated in Chinese Yuan; (b) be provided as a grant without requiring any repayment or other charges; (c) be made available in the form of cash; and (d) be utilized to finance goods, works and services required for a Farm/park Package.

3. Henan may provide an initial advance payment to the Farm/park Beneficiary equivalent to no more than thirty percent (30%) of the amount of the Sub-financing referred to in paragraph 1 above if required by said Farm/park Beneficiary in order to enable it to carry out the activities under Part B.1 of the Project included in a Farm/park Package. Such payment shall be based on the receipt by Henan of a request for said advance payment from the Beneficiary Farm/park together with satisfactory evidence showing that the detailed design of the Farm/park Package: (a) conforms to the concept model approved by the Bank and meets the requirements set out in the Farm Implementation Agreement; (b) has been prepared by a qualified engineer; and (c) environmental clearance has been provided by the appropriate authorities of Henan in accordance with applicable law. The provision of the initial advance payment may be suspended or terminated, and any advanced amount may be required to be refunded, if the activities are not initiated or carried out in a timely manner or in accordance with the provisions of the Farm Implementation Agreement.
4. The Farm Implementation Agreement shall describe the activities under the Farm/park Package approved for financing under the Agreement, including the total cost of goods, works, and services required for carrying out the activities, the amount to be contributed by the Beneficiary Farm/park and the timing of payment thereof, the quality standards, technical specifications, implementation schedule, supervision and acceptance procedures, disbursement schedule and other requirements. Each Beneficiary shall undertake to carry out the activities with due diligence and efficiency and in accordance with sound technical, economic, financial, management, social and environmental standards and practices acceptable to the Bank, and as set out in the Project Implementation Manual, and provide, promptly as needed, the funds, facilities and other resources required for the purpose.
5. Each Beneficiary Farm/park shall undertake to procure the goods, works and services to be financed out of the proceeds of the Sub-financing in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement and the provisions of this paragraph, and utilize such goods, works and services exclusively in the carrying out of its respective activities under Part B.1 of the Project.
6. Each Beneficiary Farm/park shall undertake to provide its counterpart contribution for the Farm/park Package in a timely manner.
7. Each Beneficiary Farm/park shall undertake to enable the Bank and Henan to inspect its operations and any relevant records and documents in respect of the respective activities carried out under the Farm/park Package. If the Bank determines at anytime that any proceeds of a Sub-financing have been utilized by a Beneficiary Farm/park to finance expenditures which are not eligible to be financed under the terms, conditions and procedures set out in the relevant Farm

Implementation Agreement or the Project Agreement, said Beneficiary Farm/park shall undertake to refund said proceeds to Henan promptly upon notification from the Bank.

8. Each Beneficiary Farm/park shall undertake to:
  - (a) maintain records and accounts of its expenditures for the approved activities under the Farm/park Package and provide this information to Henan and the Bank as and when requested; and
  - (b) implement its activities under the Farm/park Package in accordance with the Farm Management Manual, the Financial Management Manual, the Project Implementation Manual, the Environmental Management and Monitoring Plan, the Policy Framework for Resettlement and Land Acquisition, and any Resettlement Action Plan.
9. Henan shall carry out inspections of the Farm/park Package after its completion to determine if the activities have been completed in conformity with the agreed quality, technical standards and specifications. Based on the inspections, Henan shall issue verification certificates.
10. Henan shall make payments under the Sub-financing, other than for the initial payment referred to in paragraph 3 above, upon satisfactory determination from inspections and supported by appropriate documents from the Beneficiary Farm/park evidencing eligible expenditures in respects of the Farm/park Package, in accordance with the following two stage process:
  - (a) the first stage process shall verify that: (i) the procurement of all goods, works and services to be financed by the Sub-financing for the Farm/park Package has been carried out in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement; (ii) the construction under the Farm/park Package has been completed according to the detailed design approved by the Bank; (iii) all the other old (or new) infrastructure detailed in the farm layout design is in place; and (iv) goods that have to be physically installed together with the infrastructure has been procured, delivered to the farm and installed. Upon completion of the first stage verification, seventy percent (70%) of the Sub-financing, based on the actual eligible expenditures, after deducting the initial advance, if any, may be disbursed; and
  - (b) the second stage process shall verify that satisfactory training on the Farm Management Manual has been taken by relevant staff and that the remaining goods required for the Farm/park Package pursuant to its detailed design have been delivered. Upon completion of the second

stage verification, the remaining amount of the Sub-financing, based on the actual eligible expenditures, may be disbursed.

11. Henan shall have the right to suspend or terminate the right of each Beneficiary Farm/park to the use of the proceeds of the Sub-financing made available under the Implementing Agreement upon failure by such Beneficiary to perform any of its obligations under the Implementing Agreement or upon notice from the Bank that it intends to exercise or has exercised any remedy under Article VII of the General Conditions.



## ANNEX 3

**Project Area referred to in Section IV of the Schedule**

The Project Area comprises the following Counties, Districts and Cities in the rural areas of Henan that have been selected by the Entity for participation in the Project with the approval of the Bank and shall include or exclude Counties, Districts and Cities for participation as may be selected by said Entity with the prior written approval of the Bank

<b>Province</b>	<b>Municipalities</b>	<b>County / District / City</b>
<b>Henan</b>	1. Zhengzhou Municipality	Huiji District Xingyang City Zhongmu County Xinzheng City
	2. Kaifeng Municipality	Kaifeng County Weishi County Qi County Tongxu County Lankao County
	3. Luoyang Municipality	Mengjin County Yanshi City
	4. Jiaozuo Municipality	Mengzhou City Wen County Wuzhi County Qinyang City Bo'ai County
	5. Xinxiang Municipality	Changyuan County Fengqiu County Yuanyang County Yanjin County
	6. Puyang Municipality	Puyang County Fan County Taiqian County Qingfeng County
	7. Shangqiu Municipality	Liangyuan District Suiyang District Yucheng County Minquan County Ningling County Sui County
	8. Jiyuan Municipality	Jiyuan City

