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**LOAN NUMBER 8059-CN**

# **Loan Agreement**

**(Shandong Energy Efficiency Project)**

**between**

**PEOPLE'S REPUBLIC OF CHINA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**Dated September 2, 2011**

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## **LOAN AGREEMENT**

AGREEMENT dated September 2, 2011, 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 this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

### **ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred and fifty million Dollars (\$150,000,000), 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 the Reference Rate 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead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(e) of the General Conditions.
- 2.05. The Payment Dates are March 15 and September 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 withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa, or from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; 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 objective of the Project. To this end, the Borrower shall cause the Project to be carried out by Shandong in accordance with the provisions of Article V of the General Conditions and the Project Agreement.
- 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; TERMINATION**

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

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Borrower's Representative is the Borrower's Ministry 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/ Chen Shixin  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Klaus Rohland  
Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve energy efficiency in selected enterprises in the Borrower's Shandong Province, particularly through financial leasing arrangements, and increase use of biomass for power and heat generation.

The Project consists of the following parts:

#### **Part A: Energy Efficiency Sub-projects**

Carrying out eligible energy efficiency Sub-projects through financial leasing and energy performance contracting arrangements.

#### **Part B: Anqiu Biomass CHP Plant**

Construction of a biomass CHP plant in Anqiu of Shandong Province, including, inter alia, the provision of relevant civil works, goods, and equipment and the construction of relevant steam network and district heating network.

#### **Part C: Project Management, Monitoring and Evaluation**

Strengthening the capacity of the Project Management Office, Rongshihua, Guotai, Luxin Energy, and ACHP in Project management, monitoring and evaluation through provision of technical assistance, training and study tours.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **Financing Arrangements**

1. The Borrower shall make available the proceeds of the Loan to Shandong under terms and conditions satisfactory to the Bank, which shall include the following:
  - (a) The principal amount shall be made available in Dollars.
  - (b) The following shall be recovered over a period of seventeen (17) years, inclusive of a grace period of four (4) years: (A) the principal amount so made available; (B) the amount of the Front-end Fee paid pursuant to Section 2.03 of this Agreement; and (C) the amount of the Premium paid pursuant to Section 2.07(c) of this Agreement.
  - (c) Interest shall be charged on such principal amount withdrawn and outstanding from time to time at a rate equal to the rate of interest applicable from time to time to the Loan pursuant to Section 2.04 of this Agreement.

#### **2. Anti-Corruption**

The Borrower shall 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 shall cause Shandong to 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 C of the Schedule to the Project Agreement. Each Project Report shall cover the period of one (1) calendar year, and shall be furnished to the Bank not later than March 15 of each calendar year, starting March 15, 2012. The Borrower shall cause Shandong to prepare and furnish to the Bank not later than September 15 and March 15 of each calendar year, commencing March 15, 2012, semi-annual Project progress reports.
2. Without limitation on the provisions in paragraph A.1 of this Section II above, the Borrower shall cause Shandong to prepare, under terms of reference

satisfactory to the Bank, and furnish to the Bank on or about December 31, 2013, a mid-term report on the progress achieved in carrying out of the Project during the period preceding such report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date.

3. 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 four (4) months after the Closing Date.

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

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause Shandong to prepare and furnish to the Bank not later than September 15 and March 15 of each calendar year, commencing March 15, 2012, and interim unaudited 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 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 Section.
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 Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular



contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

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

<b>Procurement Methods</b>	
(a)	<p>National Competitive Bidding.</p> <p>In addition, the procedures to be followed for National Competitive Bidding shall be those set forth in the Law on Tendering and Bidding of the People's Republic of China promulgated by Order No.21 of the President of the People's Republic of China on August 30, 1999, with the following clarifications required for compliance with the Procurement Guidelines:</p> <p>(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.</p>

- (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 Shandong, 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 Shandong, 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

	<p>the performance of the contract and to have said accounts and records audited by auditors appointed by the Bank.</p> <p>(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.</p> <p>(xii) Re-bidding should not be allowed solely because the number of bids is less than three (3), and rejection of all bids or rebidding shall not take place without the Bank's prior written concurrence.</p> <p>(xiii) The results of bid evaluation and contract award shall be published in the national press or provincial press (as provided under sub-paragraph (i) above) or official gazette or a free and open access website and shall identify the name and offered price of the winning bidder, as well as the duration and summary scope of the awarded contract.</p> <p>(xiv) Shandong shall have in place provisions for bidders to protest.</p>
(b)	Shopping

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality-and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$300,000 equivalent per contract may comprise entirely of national consultants.
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.

<b>Procurement Methods</b>	
(a)	Quality-based Selection
(b)	Selection based on Consultants' Qualifications
(c)	Single-source Selection
(d)	Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(e)	Sole-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, and the first contract for goods to be procured on the basis of Shopping under each Sub-project, regardless of its contract value thereof; (b) each contract for works estimated to cost the equivalent of \$5,000,000 or more, and the first contract for works to be procured on the basis of Shopping under each Sub-project, regardless of its contract value thereof; (c) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more; and each contract for consultants' services provided by a firm on the basis of Single-source Selection, regardless of its contract value thereof; and (d) each contract for consultants' services provided by an individual on the basis of Sole-source Selection, regardless of its contract value thereof. 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 shall 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 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.

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods (including supply and installation) for Sub-projects under Part A of the Project for:  (a) Rongshihua  (b) Guotai  (c) Luxin Energy	63,690,000  49,755,000  19,900,000	50%  50%  50%
(2) Goods (including supply and installation) and works under Part B of the Project	15,910,000	100%
(3) Consultants services, and Training, Study Tours, and Workshops under Part C of the Project	370,000	100%
(4) Front-end Fee	375,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
(5) Premium for Interest Rate Cap or Interest Rate Collar	0	Amount payable pursuant to Section 2.07(c) of this Agreement and Section 4.05(c) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>150,000,000</b>	

**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 \$15,910,000 equivalent may be made for payments made prior to this date but on or after November 1, 2010 for Eligible Expenditures under Category (2);
  - (b) for payments under Category (1)(a), until Shandong and Rongshihua have entered into a Subsidiary Loan Agreement under terms and conditions acceptable to the Bank;
  - (c) for payments under Category (1)(b), until Shandong and Guotai have entered into a Subsidiary Loan Agreement under terms and conditions acceptable to the Bank;
  - (d) for payments under Category (1)(c), until Shandong and Luxin Energy have entered into a Subsidiary Loan Agreement under terms and conditions acceptable to the Bank; or
  - (e) for payments under Category (2), until Anqiu Municipality and ACHP have entered into a subsidiary loan agreement under terms and conditions acceptable to the Bank.
2. The Closing Date is September 30, 2016.

### SCHEDULE 3

#### Amortization Schedule

1. 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.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each March 15 and September 15 Beginning September 15, 2015 through September 15, 2027	3.85%
On March 15, 2028	3.75%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
  - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
  - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two (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.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.



## APPENDIX

### Definitions

1. “ACHP” means Anqiu Shengyuan Biomass CHP Company, established and operating pursuant to its Charter dated May 16, 2008, and to Business License No. 370784000000102 dated September 29, 2010, issued by Anqiu City Industry and Commerce Administrative Bureau, or any successor thereto.
2. “Anqiu Municipality” means the municipality of Anqiu in the Borrower’s Shandong Province.
3. “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 and revised in January 2011.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “CHP” means Combined Heat and Power.
6. “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 and May 2010.
7. “Displaced Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a “Displaced Person” means any of such Displaced Persons.
8. “Environment Management Framework” means the Framework dated December 2010, prepared for Part A of the Project and adopted by Rongshihua, Guotai, and Luxin Energy, which sets forth policies and procedures for the preliminary screening of proposed Sub-projects, and for the preparation of environmental assessment and environment management plans therefor during the implementation of the Project, as said Framework may be amended from time to time with the prior written agreement of the Bank; and such term includes all schedules and annexes supplemental to the Environment Management Framework.

9. “Environmental Management Plan” means the Environmental Management Plan dated September 2010, prepared for Part B of the Project and adopted by ACHP, which said plan sets out the environmental protection measures in respect of said Part of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the written agreement of the Bank; and such term includes all schedules and annexes supplemental to the Environmental Management Plan.
10. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 31, 2010.
11. “Guotai” means Guotai Leasing Company Limited established and operating pursuant to its Charter dated February 3, 2007, and to Business License No. 370127000001294, dated February 12, 2007, issued by Jinan Municipality Industry and Commerce Administrative Bureau, or any successor thereto.
12. “Luxin Energy” means Shandong Luxin Energy Investment and Management Company, established and operating pursuant to its Charter dated June 30, 1994, and to Business License No. 370000018026621 dated March 9, 2011, issued by Shandong Provincial Industry and Commerce Administrative Bureau, or any successor thereto.
13. “Operational Manuals” means collectively: (i) the manuals prepared and adopted by Rongshihua and Guotai respectively, each dated December 14, 2010; and (ii) the manual prepared and adopted by Luxin Energy dated December 22, 2010; and all referred to in paragraph 5.01 of Annex A of the Schedule to the Project Agreement, as such Manuals may be amended from time to time with the prior written agreement by the Bank; and “Operational Manual” means any of the Operations Manuals; and such term includes all schedules and annexes supplemental to the Operational Manuals.
14. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006 and May 2010.
15. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated December 17, 2010 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.
16. “Project Implementing Entity” means the Borrower’s Province of Shandong and any successor thereto.
17. “Project Implementation Unit” means the unit referred to in paragraph 4 of Annex A or Annex B of the Schedule to the Project Agreement.

18. “Project Management Office” means the World Bank and Asian Development Bank Energy Conservation Project Management Office established in 2009 and referred to in paragraph 1 of Section I of the Schedule to the Project Agreement.
19. “Resettlement Policy Frameworks” means, collectively: (i) the Frameworks prepared and adopted by Rongshihua and Guotai respectively, each dated April 2010; and (ii) the Framework prepared and adopted by Luxin Energy dated August 2010; and all referred to in paragraph 7(b) of Annex A of the Schedule to the Project Agreement; said Frameworks setting out the policies and procedures for the acquisition of land and other assets, compensation, resettlement and rehabilitation of Displaced Persons, and for the preparation of resettlement action plans as may be required for Project activities, as said Frameworks may be revised from time to time with the prior written concurrence of the Bank; and such term includes all schedules and agreements supplemental to said Frameworks; and a “Resettlement Policy Framework” means, individually, any of said Resettlement Policy Frameworks.
20. “Rongshihua” means Rongshihua Leasing Company Limited, established and operating pursuant to its Charter dated May 5, 2009, and to Business License No. 370000018014799 dated February 1, 2007, issued by Shandong Municipality Industry and Commerce Administrative Bureau, or any successor thereto.
21. “Shandong” means the Borrower’s Province of Shandong, or any successor thereto.
22. “Subsidiary Loan Agreements” means, collectively: (i) the agreement to be entered into between Shandong and Rongshihua; (ii) the agreement to be entered into between Shandong and Guotai; (iii) the agreement to be entered into between Shandong and Luxin Energy; and (iv) the agreement to be entered into between Anqiu Municipality and ACHP; all pursuant to Section I, paragraph 2 of the Schedule to the Project Agreement, as the same may be amended from time to time with prior written agreement of the Bank, and such term includes all schedules and supplements to said agreements; and a “Subsidiary Loan Agreement” means, individually, any of said Subsidiary Loan Agreements.
23. “Sub-project” means an eligible energy efficiency project under Part A of the Project to be selected and carried out in accordance with the provisions of the respective Operational Manual and the relevant provisions in the Project Agreement; and the term “Sub-projects” means, collectively, all such Sub-projects.
24. “Sub-project Agreement” means in the case of Rongshihua and Guotai, a financial leasing agreement with a Sub-project Beneficiary; and in the case of Luxin Energy, an energy performance contract with a Sub-project Beneficiary, and referred to in paragraph 10 of Annex A of the Schedule to the Project

Agreement; and “Sub-project Agreements” mean, collectively, all such Sub-project Agreements; and such term includes all schedules and annexes supplemental to the Sub-project Agreement.

25. “Sub-project Beneficiary” means an enterprise or an energy service company (ESCO), established and operating pursuant to the relevant laws of the Borrower and selected pursuant to the eligibility criteria set out in the relevant Operational Manual; and “Sub-project Beneficiaries” mean, collectively, all such Sub-project Beneficiaries.
  
26. “Training, Study Tours, and Workshops” means for purposes of Section IV of Schedule 2 to the Loan Agreement, the reasonable cost of travel, lodging and per diem for trainees attending training, study tours, workshops and seminars and the cost of delivering training, such as rental of training space and training equipment and other logistical costs.