

CONFORMED COPY

GRANT NUMBER TF 096109

Project Agreement

**(Netherlands Trust Fund
for Strengthening Rights and Protection
of Migrant Workers Project)**

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

**(acting as administrator
for the Netherlands Trust Fund for Strengthening
Rights and Protection of Migrant Workers)**

and

SHANDONG PROVINCE

Dated March 24, 2010

PROJECT AGREEMENT

AGREEMENT dated March 24, 2010, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as administrator for the Netherlands Trust Fund for Strengthening Rights and Protection of Migrant Workers, and SHANDONG PROVINCE (“Project Implementing Entity”) (“Netherlands Project Agreement”) in connection with the Grant Agreement (“Grant Agreement”) of the same date between PEOPLE’S REPUBLIC OF CHINA (“Recipient”) and the World Bank, acting as administrator for the Netherlands Trust Fund for Strengthening Rights and Protection of Migrant Workers. The World Bank, acting as administrator for the Netherlands Trust Fund for Strengthening Rights and Protection of Migrant Workers and the Project Implementing Entity hereby agree as follows:

ARTICLE I – STANDARD CONDITIONS; DEFINITIONS

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

ARTICLE II – PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall (a) carry out the Project in accordance with the provisions of Article II of the Standard Conditions, as well as the Project Implementation Plan; and (b) provide, or cause to be provided, 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 World Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III – REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity’s Representative is Governor or a Vice Governor or such other person or persons as said Governor or a Vice Governor shall designate in writing, and the Project Implementing Entity shall furnish to the World Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

3.02. The World 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. The Project Implementing Entity's Address is:

Shandong Provincial Bureau of Human Resources and Social Security
No. 9, Gong He Jie
Jinan, Shandong, 250001
People's Republic of China

Facsimile:
0531-86912568

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

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
acting as administrator of grant funds provided by the Netherlands

By Klaus Rohland, Country Director, China
Authorized Representative

SHANDONG PROVINCE

By /s/ Zheng Xiaosong
Authorized Representative

SCHEDULE

Execution of The Project

Section I. Implementation Arrangements

A. Project Management

1. The Project Implementing Entity shall maintain, and cause each of its Respective Project Municipalities to maintain, as the case may be, for purposes of carrying out the Project, the following organizations, with terms of reference, staffing and other resources acceptable to the World Bank, throughout the period of implementation of the Project:
 - (a) The Project Steering Committee (“PSC”) at the provincial level, responsible for providing guidance on implementing the Project and facilitating inter-agency coordination, coordinating cross-sectoral policy issues related to rural migrants training and employment, supervising Project implementation and assisting in the dissemination of learning and experience sharing.
 - (b) The Project Management Office (“PMO”) at the provincial and municipal levels, responsible for providing support for the implementation of the Project.
 - (c) The Project Technical Team (“PTT”) at the provincial level, responsible for identifying specific needs for technical assistance in implementing the Project, assessing investment decisions, developing terms of reference for consultants’ services, reviewing and evaluating consultant proposals, monitoring Project progress, assisting with the dissemination of the lessons and experiences, and assessing outputs under the Project.

B. Financial Arrangements

1. The Project Implementing Entity shall allocate to its Project Municipalities an amount of the Grant under arrangements satisfactory to the World Bank.

C. Anti-Corruption

The Project Implementing Entity shall carry out the Project, and cause its Respective Project Municipalities to carry out Project, all in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports for the Project 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 to this Schedule. Each such Project Report shall cover the period of one (1) calendar semester, and shall be furnished by to the Bank by February 15 and August 15 each year, starting August 15, 2010.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project.
2. The Project Implementing Entity shall have its financial statements referred to above audit by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The audited financial statements for each period shall be furnished to the Borrower and the World Bank not later than six (6) months after the end of the period.
3. Without limitation on the provisions of Part B of this Section, the Project Implementing Entity shall prepare and furnish to the Borrower for onward transmission to the World Bank by not later than February 15 and August 15 in each year interim un-audited financial reports for the Project covering the calendar semester, in form and substance satisfactory to the World Bank.

Section III. Procurement

All services required for the Project to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of the Grant Agreement.

Section IV. Other Undertakings

1. The Project Implementing Entity shall:
 - (a) carry out the Project, and shall cause its Respective Project Municipalities to carry out their Respective Parts of the Project, all in accordance with the Project Implementation Plan and in a manner satisfactory to the World Bank; and
 - (b) by August 15 in each year, commencing on August 15, 2010, prepare and furnish to the World Bank for concurrence, an update of said Project Implementation Plan (including, an annual work program, procurement plan and budget for Project activities in the following calendar year).

**Annex
to
SCHEDULE**

Indicators

PDO	Project Outcome Indicators	Use of Project Outcome Information
The objective of the Project is to support the efforts of the Recipient in improving working conditions and protecting the rights of migrant workers in urban China.	<p><u>Component One</u></p> <p>1. # of migrant workers registered in pilot municipalities</p> <p>2. % of migrant workers with written contracts in pilot municipalities</p> <p>3. # of firms in project localities where collective bargaining took place during a year</p> <p><u>Component Two</u></p> <p>4. # of migrant workers received legal counseling at the station</p> <p>5. # of migrant workers whose complains were resolved with the help of the work station</p>	<ul style="list-style-type: none"> • Beginning of Year 1. Baseline data will be used to look at differences before and after project interventions take place. • End of year 1 (midterm). Follow-up data collection to evaluate intermediate outcomes of the project, in order to refine project design during implementation. • End of year 2 (by the end of project implementation). Follow-up data report to evaluate the project outcomes
Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
<u>Component One:</u> Improve employment conditions	<p><u>Component One</u></p> <p>6. # of workers registration system pilots carried out in the province</p> <p>7. # of new contract templates disseminated</p> <p>8. # of training sessions organized by the project, and # people trained on collective bargaining.</p> <p>9. # of labor inspectors trained</p> <p>10. study visit reports</p>	<p><u>Component One:</u></p> <p>6. Track the compliance of the worker registration system</p> <p>7. Track the use of labor contract templates</p> <p>8. Track the coverage of training activities to strengthen collective bargaining</p> <p>9. Track the coverage of the training sessions</p> <p>10. Track the outputs of the experience learning</p>
<u>Component Two:</u> Increase awareness of worker right and support legal services	<p><u>Component Two</u></p> <p>11. # of information campaigns organized</p> <p>12. # of training workshops, and # of migrants trained</p>	<p><u>Component Two:</u></p> <p>11-12 Track the coverage of rights awareness of migrant workers of the project.</p>

	13. # of right protection work stations established	13. Track the provision of legal service to migrant workers
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