

Public Disclosure Authorized

CONFORMED COPY

LOAN NUMBER 7558-CN

Loan Agreement

(Xi'an Sustainable Urban Transport Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 29, 2008

LOAN AGREEMENT

AGREEMENT dated September 29, 2008, between the 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 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead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 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 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.
- 2.08. On each of the semiannual Payment Dates specified in Section 2.05 of this Agreement, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay, on such date, the interest on the Loan accrued and payable on or before the date set forth, and up to the amount allocated in, Category (4) of the table in paragraph A.2, Section IV, Schedule 2 to this Agreement, as such Category may be amended from time to time by agreement between the Borrower and the Bank.

ARTICLE III – PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall, through Shaanxi Province, cause the Project Implementing Entity to carry out the Project 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 – REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely that, any of the parties to the Subsidiary Loan Agreement shall have failed to perform any of its respective obligations thereunder.

ARTICLE V – EFFECTIVENESS; TERMINATION

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

ARTICLE VI – REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is the Minister of Finance.

- 6.02. The Borrower's Address is:

Ministry of Finance
Sanlihe
Beijing 100820
People's Republic of China

Facsimile:

(86-10) 6855-1125

- 6.03. 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 assist the Borrower to improve transport accessibility and mobility in Xi'an Municipality while protecting its cultural heritage and reducing the environmental impact of the urban transport system.

The Project consists of the following parts:

Part A: Road Network

1. Improvements at selected sites to enhance the functionality of the First and Second Ring Roads and Taibai Nan Road as major traffic routes in Xi'an Municipality.
2. Upgrading of the road network by improvement of the existing Xincheng and Dongcheng primary roads and of the existing Meibei secondary road, and construction of the new Lvong primary road, including a rail underpass, to improve accessibility in the urban area of Hu Xian within Xi'an Municipality.

Part B: Public Transport

1. Construction of two new passenger transport terminals to be located in the: (i) eastern part of Xi'an Municipality; and (ii) southern part of Xi'an Municipality.
2. Development and implementation of integrated public transport priority and traffic management packages in about thirteen (13) selected bus corridors in Xi'an Municipality with a total length of about 130 kilometers, including provision of technical assistance therefor.
3. Construction of a bus depot at Xinzhu to enable the expansion of services in the north east sector of Xi'an Municipality between the Second and Third ring roads.

Part C: Traffic Management

Development and implementation of selected traffic management and road safety measures to enhance the operation of the existing road network in Xi'an Municipality, including enforcement of road user education programs, and provision of: (i) an area traffic control (ATC) system; (ii) road safety equipment and software; (iii) vehicle parking equipment; (iv) traffic facilities for pedestrian and cyclists; and (v) technical assistance therefor.

Part D: Air Quality Management

Implementation of Xi'an Municipality Environmental Protection Bureau's comprehensive plans for air quality improvement and reduction of vehicular emissions, including: (i) construction of Xi'an Municipality Ambient Air Supervising and Monitoring Center; (ii) provision of equipment for motor vehicle emission inspections; (iii) construction of two ambient air quality monitoring sub-stations and two traffic air pollution monitoring sub-stations and provision of equipment for those sub-stations; (iv) provision of equipment and software for air quality assessment and information publication; (v) development of a motor vehicle emission control plan; and (vi) provision of technical assistance therefor.

Part E: Cultural Heritage

1. Preservation of the cultural heritage of the Han Chang'an site by recreating about 8.4 kilometres of the old Han Dynasty road network in the area of the Weiyang Palace.
2. Construction of about 27 kilometers of bicycle routes around the main tourist sites inside the Ming Wall City.

Part F: Institutional Development

Strengthening of the institutional capacity of Xi'an Municipality in integrated public transport planning and development through, inter alia:

1. carrying out studies on: (a) strategic urban transport planning; and (b) financial planning for investments in transport infrastructure in order to develop capacity to formulate investment plans;
2. provision of technical assistance to improve capacity in the areas of traffic management and road safety; and
3. provision of domestic and international staff training.

SCHEDULE 2

Project Execution

Section I. Financing Arrangement; Institutional and Other Arrangements

A. Financing Arrangement

1. The Borrower, through Shaanxi, shall make available to the Project Implementing Entity the proceeds of the Loan under terms and conditions satisfactory to the Bank, which shall include the following:
 - (a) The principal amount shall be made available in Dollars (determined on the date, or respective dates, of withdrawal from the Loan Account) of the value of the currency or currencies so withdrawn.
 - (b) The principal amount so made available shall be recovered over a period of twenty-five (25) years, inclusive of a grace period of six (6) years.
 - (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 the provisions of Section 2.04 of this Agreement.
 - (d) A Front-end Fee shall be charged at a rate equal to the rate paid by the Borrower to the Bank pursuant to Section 2.03 of this Agreement.

B. Anti-Corruption

1. 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 prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators acceptable to the Bank. Each Project Report shall cover the period of one 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 six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. 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, interim un-audited financial reports for the Project covering the six (6) months period of each Project Report, 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 Schedule.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Schedule.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

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

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

3. **National Competitive Bidding Procedures.** Goods and Works procured under contracts awarded on the basis of National Competitive Bidding procedures shall be subject to the following additional procedures:

- (a) The procedures to be followed for National Competitive Bidding shall be those set forth in the Law on Tendering and Bidding of the People's Republic of China promulgated by Order No.21 of the President of the People's Republic of China on August 30, 1999, with the following clarifications required for compliance with the Guidelines:
 - (i) All invitations to prequalify or to bid shall be advertised in a newspaper of national circulation in the Borrower's country, except for civil works contracts that are estimated cost less than \$2,000,000 equivalent each and for goods contracts that are estimated to cost less than \$300,000 equivalent each, which may be advertised in a provincial daily newspaper. Such advertisement shall be made in sufficient time for prospective bidders to obtain prequalification or bidding documents and prepare and submit their responses. In any event, a minimum of thirty (30) days shall be given to bidders between the date of advertisement in such newspaper and the deadline for submission of bids, and the advertisement and bidding documents shall specify the deadline for such submission.
 - (ii) Qualification requirements of bidders and the method of evaluating the qualification of each bidder shall be specified in detail in the bidding documents.
 - (iii) All bidders that meet the qualification criteria set out in the pre-qualification document shall be allowed to bid and there shall be no limit on the number of pre-qualified bidders.
 - (iv) All bidders shall be required to provide security in an amount sufficient to protect the Borrower or Project Implementing Entity, as the case may be, in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such security.

- (v) Bidders will be allowed to submit bids by mail or by hand. The time for opening of all bids shall be the same as the deadline for receipt of such bids.
- (vi) All bids shall be opened in public; all bidders shall be offered an opportunity to be present (either in person or through their representatives) at the time of bid opening, but bidders shall not be required to be present at the bid opening.
- (vii) All bid evaluation criteria shall be disclosed in the bidding documents and quantified in monetary terms or expressed in the form of pass/fail requirements.
- (viii) No bid may be rejected solely on the basis that the bid price falls outside any standard contract estimate, or margin or bracket of average bids established by the Borrower, Xi'an Municipality or Project Implementing Entity, as the case may be.
- (ix) Each contract shall be awarded to the lowest evaluated responsive bidder, that is, the bidder who meets the appropriate standards of capability and resources and whose bid has been determined: (A) to be substantially responsive to the bidding documents; and (B) to offer the lowest evaluated cost. The winning bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.
- (x) Each contract financed with the proceeds of the Loan shall provide that the suppliers and contractors shall permit the Bank, at its request, to inspect their accounts and records relating to the performance of the contract and to have said accounts and records audited by auditors appointed by the Bank.
- (xi) Government owned enterprises in the Borrower's country may be permitted to bid or submit a proposal of goods and works if they can establish that they: (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 based on Consultant's Qualifications
(c) Single source selection
(d) Individual Consultants

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) all contracts for goods and civil works procured through International Competitive Bidding regardless of the contract value; (b) each contract for civil works estimated to cost the equivalent of \$4,000,000 or more; (c) all contracts for goods procured through National Competitive Bidding estimated to cost the equivalent of \$300,000 or more; (d) the first contract for each procurement method regardless of the contract value; and (e) each contract for consultants' services estimated to cost the equivalent of \$100,000 or more for firms, and \$50,000 or more for individuals. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank shall specify by notice to the Borrower to finance Eligible Expenditures, 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 (USD)	Percentage of expenditures to be financed
(1) Civil Works a) under Parts A, B, C and E.2 of the Project b) under Part D of the Project c) under Part E.1 of the Project	98,829,000 3,312,000 8,049,000	50% 55% 90%
(2) Goods a) under Parts B, D, and E of the Project b) under Part C of the Project	10,292,000 10,822,000	100% 50%
(3) Consultants' services a) under Part C of the Project b) under Parts D, F.1(b), F.2 and F.3 of the Project c) under Part F.1(a) of the Project	2,423,000 2,190,000 845,000	90% 100% 40%
(4) Interest during construction	12,863,000	Amount payable pursuant to Section 2.08 of this Agreement
(5) 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
TOTAL	150,000,000	

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), (2) and (3) unless:

- (i) the Subsidiary Loan Agreement has been executed on behalf of the Project Implementing Entity and the Infrastructure Investment Corporation of Xi'an; and
 - (ii) a legal opinion, satisfactory to the Bank, from counsel acceptable to the Bank has been provided to the Bank showing that the Subsidiary Loan Agreement has been duly authorized or ratified by the Project Implementing Entity and the Infrastructure Investment Corporation of Xi'an and is legally binding upon the Project Implementing Entity and the Infrastructure Investment Corporation of Xi'an in accordance with its terms.
2. The Closing Date is June 30, 2015.

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.

Principal Payment Date	Installment Share (Expressed as a Percentage)
September 15, 2014	1.61%
March 15, 2015	1.65%
September 15, 2015	1.69%
March 15, 2016	1.73%
September 15, 2016	1.78%
March 15, 2017	1.82%
September 15, 2017	1.87%
March 15, 2018	1.91%
September 15, 2018	1.96%
March 15, 2019	2.01%
September 15, 2019	2.06%
March 15, 2020	2.11%
September 15, 2020	2.17%
March 15, 2021	2.22%
September 15, 2021	2.27%
March 15, 2022	2.33%
September 15, 2022	2.39%
March 15, 2023	2.45%
September 15, 2023	2.51%
March 15, 2024	2.57%
September 15, 2024	2.64%
March 15, 2025	2.70%
September 15, 2025	2.77%
March 15, 2026	2.84%
September 15, 2026	2.91%
March 15, 2027	2.98%
September 15, 2027	3.06%
March 15, 2028	3.14%

September 15, 2028	3.21%
March 15, 2029	3.29%
September 15, 2029	3.38%
March 15, 2030	3.46%
September 15, 2030	3.55%
March 15, 2031	3.64%
September 15, 2031	3.73%
March 15, 2032	3.82%
September 15, 2032	3.92%
March 15, 2033	3.85%

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. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “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.
4. “EMP” means the Environmental Management Plan dated April 2008 duly adopted by Xi’an Municipality, which Plan sets out the environmental protection measures in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as the same may be revised from time to time with the prior agreement of the Bank.
5. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005, (as amended through February 12, 2008).
6. “Infrastructure Investment Corporation of Xi’an” and the acronym “IIC” means the corporation established by Xi’an as a state-owned enterprise on July 18, 2000, under business license no.6101001400306.
7. “Ming Walled City” means the area of the Ming Dynasty City demarked by a high brick wall and located in Xi’an Municipality.
8. “MOF” means the Recipient’s Ministry of Finance, and any successor thereto.
9. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
10. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated April 24, 2008, 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.
11. “Project Financial Manual” means the manual dated March 31, 2008 adopted by Xi’an Municipality, which sets out the financial management policies and

procedures to be followed in respect of Project implementation and financial management reports.

12. “Project Implementing Entity” and the acronym “PIE” means the Xi’an Municipality.
13. “Project Implementation Plan” and the acronym “PIP” means the plan dated April 30, 2008, adopted by the Project Implementing Entity for the purpose of carrying out the Project, which plan set out, inter alia: (i) an implementation schedule which will clearly identify the start and completion of each activity at the subcomponent level; (ii) Annual Works Programs (AWP); and (iii) a Financing Plan.
14. “Project Steering Committee” means the Committee established on March 29, 2005, by Xi’an Municipality, headed by a Vice-Mayor of Xi’an Municipality and composed of representatives of the following Xi’an Municipality agencies: Xi’an Development and Reform Commission, Xi’an Municipal Finance Bureau, Xi’an Municipal Planning Bureau, Xi’an Municipal Construction Bureau, Xi’an Municipal Environmental Protection Bureau, Xi’an Municipal Communication Bureau, Xi’an Municipal Civil Administration Bureau, Xi’an Municipal National Land and Resources Bureau, Xi’an Municipal Cultural Heritage Bureau, Xi’an Municipal Public Security Bureau and Xi’an Infrastructure Investment Corporation, for the purpose of providing overall policy guidance in Project preparation and implementation, and any successor thereto.
15. “RAPs” means the Resettlement Action Plans dated September 1, 2007, April 2008, June 2007, and May 31, 2007, duly adopted by Xi’an Municipality and to be implemented by the Project Implementation Entity for purposes of carrying out Parts A, B.1(ii), D and E.1 of the Project, respectively, which plans sets out the principles and procedures governing land acquisition, resettlement, compensation and rehabilitation under such Parts of the Project, as well as reporting and monitoring arrangements to ensure compliance with said plans, as the same may be revised from time to time with the agreement of the Bank; and such term includes all attachments and annexes supplemental to each said plans.
16. “RPF” means the Resettlement Policy Framework dated April 2007, duly adopted by Xi’an Municipality and to be implemented by the Project Implementation Entity for purposes of carrying out the Project and on the basis of which specific resettlement action plans shall be prepared and adopted by Xi’an Municipality and implemented by the Project Implementation Entity for carrying out Parts B.1(i), B.2 and B.3 of the Project, which Policy Framework sets out the principles and procedures governing land acquisition, resettlement, compensation and rehabilitation under such Part of the Project to be set forth in a resettlement action plan or action plans, as the case may be, as well as reporting and monitoring arrangements to ensure compliance with said Policy Framework

and plans, as the same may be revised from time to time with the agreement of the Bank; and such term includes all attachments and annexes supplemental to said RPF and action plan or action plans.

17. “Shaanxi” means the Borrower’s Shaanxi Province and any successor thereto.
18. “Subsidiary Loan Agreement” means the agreement referred to in Section I.A of Schedule 2 to this Agreement pursuant to which Xi’an Municipality shall make the proceeds of the Loan available to IIC.
19. “Xi’an Municipality” or “Xi’an” means the municipality of the Borrower’s Shaanxi Province, comprising nine districts (Baqiao, Beilin, Changan, Lianhu, Lintong, Weiyang, Xincheng, Yanliang, and Yanta) and four counties (Gaoling, Hu Xian Lantian and Zhouzhi) and any successor thereto.