

Public Disclosure Authorized

CONFORMED COPY

LOAN NUMBER 7909-CN

Loan Agreement

(Henan Ecological Livestock Project)

between

PEOPLE'S REPUBLIC OF CHINA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated July 26, 2010

LOAN AGREEMENT

AGREEMENT dated July 26, 2010, between PEOPLE'S REPUBLIC OF CHINA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II – LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount equal to eighty million Dollars (\$80,000,000), 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead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.

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 Henan in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV – EFFECTIVENESS

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

ARTICLE V – REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower’s Representative is the Minister of Finance.

5.02. The Borrower's Address is:

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

Facsimile:

(86-10) 68 55 11 25

5.03. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

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

PEOPLE'S REPUBLIC OF CHINA

By /s/ Zheng Xiaosong
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Klaus Rohland
Authorized Representative

SCHEDULE 1

Project Description

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.

The Project consists of the following parts:

Part A: Institutional Strengthening, Training and Technical Support

1. Improving the technical understanding and institutional management capacity at the Province, municipal and county levels of on-farm management of livestock waste processes through, *inter alia*, strengthening of public institutions, provision of training, technical assistance and management support to livestock farms in the areas of animal health and waste management, carrying out awareness raising activities and establishment of a Geographic Information System (GIS).

Part B: Environmental Management in Existing and New Farms and Livestock Parks

1. Constructing and equipping facilities in small scale and medium size Beneficiary Farms/parks for waste minimization, animal health, waste management and waste treatment, and for demonstrating ecologically standardized livestock farming in selected Beneficiary Farms/parks, including provision of civil works, equipment and technical assistance for construction design and supervision.

Part C: Project Management, and Monitoring and Evaluation

1. Strengthening institutional capacity at the Province, municipal and county levels to implement the Project and to establish and implement an effective monitoring and evaluation system through, *inter alia*, provision of equipment, materials, vehicles, training and technical assistance, including establishment of a computerized Management Information System (MIS).

SCHEDULE 2**Project Execution****Section I. Financing and Institutional****A. Financing Arrangements**

1. The Borrower shall make available to Henan the proceeds of the Loan on the following principal terms in order to enable Henan to carry out the Project:
 - (i) The principal amount shall be made available in Dollars.
 - (ii) The following shall be recovered over a period of thirty (30) years inclusive of a grace period of five (5) years: (A) the principal amount so made available; (B) an amount equal to the 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.
 - (iii) 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.

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 set forth in Annex 1 to the Schedule to the Project Agreement. Each 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. 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 June 30, 2016.

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 Progress Report not later than sixty (60) days after the end of each calendar semester, 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 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. 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. **National Competitive Bidding (NCB).** Except as otherwise provided in paragraph 4 below, works costing less than US\$20,000,000 equivalent per contract and goods costing less than US\$1,000,000 equivalent per contract may be procured under contracts awarded under NCB procedures, subject to the additional provisions provided in paragraph 3 below.
3. **Procedures for National Competitive Bidding.** The procedures to be followed for procuring goods and works under contracts awarded on the basis of 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 works contracts that are estimated to cost more than US\$200,000 equivalent but less than US\$2,000,000 equivalent each or goods contracts that are estimated to cost more than US\$100,000 equivalent but 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 employer in case of breach of contract by the contractor, and the bidding documents shall specify the required form and amount of such security. In place of a bid security, the bidding documents may require that a bidder submit with its bid a signed declaration that, if the bidder withdraws its bid during the bid validity period or, if awarded the contract, the bidder fails to sign the contract or submit any required performance security before the deadline required in the bidding documents, the bidder will be suspended for a period of two years from being awarded any contract with the Borrower or Henan, including any of their departments, agencies or administrative units.

- (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 afforded 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 Henan.
- (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 for goods and civil 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), and rejection of all bids or rebidding shall not take place without the Bank's prior written concurrence.
- (xiii) The results of bid evaluation and contract award shall be published in the national press or provincial press (based on the criteria provided in clause (i) of this paragraph 3) or official gazette or free and open access website and shall identify: (a) the name of each bidder who submitted a

bid; (b) bid prices as read out at bid opening; (c) the name and evaluated price of each evaluated bid; (d) the name of bidders who bids were rejected and the reasons for their rejection; and (e) the name and offered prices of the winning bidder as well as the duration and summary scope of the awarded contract.

(xiv) Henan shall have in place provisions for bidders to protest.

4. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding 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)	Shopping
(b)	Direct Contracting

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 Consultants' Qualifications
(c)	Individual Consultants
(d)	Single Source Selection

D. Review by the Bank of Procurement Decisions

1. 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 civil works estimated to cost the equivalent of US\$1,000,000 or more; (b) each contract for goods estimated to cost the equivalent of US\$500,000 or more; (c) the first civil works contract procured through Shopping in a county

included in the Project Area carried out by a Beneficiary Farm/park; (d) each contract for consultants' services provided by a firm estimated to cost the equivalent of US\$100,000 or more; (e) each contract for consultants' services provided by an individual estimated to cost the equivalent of US\$50,000 or more; and (f) each contract for consultants' services procured on a Single Source Selection basis. 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 inclusive of taxes, as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (Expressed in Dollars)	% of Expenditures to be Financed (inclusive of Taxes)
1. Sub-financing for Farm/park package	74,162,500	51% of Farm/park Package cost
2. Goods	1,846,500	100%
3. Consultants' services, training and study tours	3,791,000	100%
4. Front-end Fee	200,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions
5. Premium on Interest Rate Cap or Interest Rate Collar	0	Amount payable pursuant to Section 2.07(c) of this Agreement in accordance with Section 4.05(c) of the General Conditions
TOTAL	80,000,000	

B. Withdrawal Conditions, Procedures and Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement except that withdrawals up to an amount not to exceed US\$8,000,000 equivalent may be made for payments made prior to this date but on or after April 1, 2010 for Eligible Expenditures.
2. Withdrawals under a Sub-financing to finance goods, works and services required for a Farm/park Package shall be made in accordance with the procedures and arrangements set forth in the Annex to this Schedule.
3. The Closing Date is December 31, 2015.

ANNEX**Disbursement Procedures in respect of Sub-financing for Farm/park Package**

The procedures and arrangements for withdrawing the proceeds of the Loan for providing Sub-financing to Beneficiary Farm/parks for carrying out Farm/park Packages are set out below:

1. A Sub-financing shall be eligible for financing out of the proceeds of the Loan provided it is made by Henan to a Beneficiary Farm/park pursuant to a Farm Implementation Agreement for carrying out activities under Part B.1 of the Project included in a Farm/park Package in accordance with the provisions of the Loan Agreement and the Project Agreement.
2. A Sub-financing to a Beneficiary Farm/park shall not exceed 51% of the cost of a Farm/park Package calculated as set out in Annex 2 to the Schedule to the Project Agreement.
3. An initial advance payment from a Sub-financing to a Beneficiary Farm/park may be made in an amount not exceeding thirty percent (30%) of the amount of the Sub-financing referred to in paragraph 2 above upon the signing of the Farm Implementation Agreement by Henan and said Beneficiary Farm/park as set out in Annex 2 to the Schedule to the Project Agreement and the receipt by the Bank of a request for said advance payment from the Borrower together with a certificate from Henan in form and substance satisfactory to the Bank 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.
4. The provision of the initial advance payment may be suspended or terminated, and any advance amount may be required to be refunded, if the activities under the Farm/park Package are not initiated or carried out in a timely manner or in accordance with the provisions of the Farm Implementation Agreement.
5. Withdrawals of the proceeds of a Sub-financing, other than for the initial payment referred to in paragraph 3 above, shall be made upon receipt by the Bank from Henan of verification certificates together with other supporting documents, in form and substance satisfactory to the Bank, evidencing eligible expenditures in respects of the Farm/park Package, in accordance with the following two stage process:

- (a) the first stage verification shall certify that: (i) the detailed design of the Farm/park Package conforms to the concept models approved by the Bank and meets the requirements set out in the Farm Implementation Agreement; (ii) the design of said Package has been prepared by a qualified engineer; (iii) environmental clearance for said Package has been provided by the appropriate authorities of Henan; (iv) the procurement of all goods and works 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; (v) the construction under the Farm/park Package has been completed according to its detailed design; (vi) all the other old (or new) infrastructure detailed in the farm layout design is in place; and (vii) goods that have to be physically installed together with the infrastructure have 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 expenditure incurred, after deducting the initial advance, if any, may be disbursed; and
- (b) the second stage verification shall certify that satisfactory training on the Farm Management Manual has been taken by the staff of the Beneficiary Farm/park, the remaining goods required for the Farm/park Package pursuant to its detailed design have been delivered, and the Farm/park Package has been completed in accordance with said design. Upon completion of the second stage verification, the remaining amount of the Sub-financing, based on the actual eligible expenditure incurred, may be disbursed.

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)
Each March 15 and September 15, beginning September 15, 2015 through March 15, 2040	2%

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. “Animal Husbandry Bureau” and the acronym “AHB” mean the Animal Husbandry Bureau of Henan at the provincial, municipal and county levels.
2. “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.
3. “Beneficiary Farm/park” means a farm/park established in accordance with the relevant laws and regulations of the Borrower and Henan (as hereinafter defined) and located in the Project Area (as hereinafter defined) in Henan selected in accordance with eligibility criteria referred to in Section A.1 of Annex 2 to the Schedule to the Project Agreement (as hereinafter defined) for receiving a Sub-financing (as hereinafter defined) to carry out a Farm/park Package (as hereinafter defined) pursuant to a Farm Implementation Agreement (as hereinafter defined).
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “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.
6. “Displaced Person” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person; and “Displaced Persons” means, collectively, all such Displaced Persons.
7. “Environmental Assessment” and the acronym “EA” mean the document dated February, 2010 adopted by Henan, setting forth, *inter alia*, the assessment of environmental impacts of the Project, recommendations for mitigation of adverse impacts and enhancement of positive impacts based on such assessment, and the guidelines for environmental screening and monitoring of Project implementation, and includes all schedules and annexes thereto, as said EA may be amended from time to time with the prior written agreement of the Bank.
8. “Environmental Management and Monitoring Plan” and the acronym “EMMP” mean the environmental management and monitoring plan adopted by Henan

dated February, 2010 for purposes of implementing the Project pursuant to the findings and recommendations of the Environmental Assessment, and includes all schedules and annexes thereto, as said EMMP may be amended from time to time with the prior written agreement of the Bank.

9. “Farm Implementation Agreement” means an agreement to be entered into between Henan and a Beneficiary Farm/park for the purpose of providing a Sub-financing to said Beneficiary Farm/park for carrying out a Farm/park Package (as hereinafter defined) and which shall include terms and conditions specified in the Annex to Schedule 2 to this Agreement and those in Section B of Annex 2 of the Schedule to the Project Agreement.
10. “Farm Management Manual” means the manual, to be used by a Beneficiary Farm/park in connection with a Farm/park package, providing practical on-farm guidance for the management of the farms/parks, including production and waste management methods, and adopted by Henan and furnished to the Bank pursuant to paragraph 9 of Section I of the Schedule to the Project Agreement, and includes all schedules and annexes thereto, as said manual may be amended from time to time with the prior written agreement of the Bank.
11. “Farm/park Package” means the package of activities to be carried out by a Beneficiary Farm/park under Part B.1 of the Project utilizing the proceeds of a Sub-financing made available pursuant to a Farm Implementation Agreement.
12. “Financial Bureau” and the acronym “FB” mean the Department of Finance of Henan.
13. “Financial Management Manual” means the Financial Management Manual dated February 2010 adopted by Henan and which sets out the policies and procedures for establishing and maintaining a financial management system to be implemented by Henan in the carrying out of the Project, and includes all schedules and annexes thereto, as said manual may be amended from time to time with the prior written agreement of the Bank.
14. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008).
15. “Henan” means the Borrower’s Province of Henan, and any successor thereto.
16. “Local Project Leading Group” and the acronym “LPLG” mean a group established by a municipality or a county included in the Project Area and to be maintained according to the provisions of paragraph 1(c) of Section I of the Schedule to the Project Agreement for the purposes therein referred to.

17. “Local Project Management Office” and the acronym “LPMO” mean an office established by a municipality or a county included in the Project Area and to be maintained according to the provisions of paragraph 1(d) of Section I of the Schedule to the Project Agreement for the purposes therein referred to.
18. “Policy Framework for Resettlement and Land Acquisition” means the policy framework, dated September 2009, adopted by Henan, which sets out the policies and procedures for land acquisition, resettlement, compensation and rehabilitation of Displaced Persons, and for the preparation of Resettlement Action Plans (as hereinafter defined) whenever required during the implementation of the Project, and includes all schedules and annexes thereto, as said policy framework may be revised from time to time with the prior written agreement of the Bank.
19. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
20. “Procurement Plan” means the Procurement Plan for the Project, adopted by Henan dated March, 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.
21. “Project Area” means the area comprising the Counties, Districts or Cities in the Municipalities in Henan selected for participation in the Project as set out in Section IV and Annex 3 of the Schedule to the Project Agreement.
22. “Project Agreement” means the agreement between the Bank and Henan, and any successor thereto, of even date herewith, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the Project Agreement.
23. “Project Implementing Entity” means Henan.
24. “Project Implementation Manual” means the manual dated February 2010 adopted by Henan, which includes, *inter alia*, the: (i) Project implementation arrangements, including a draft Farm Implementation Agreement; (ii) criteria and procedures for the eligibility and appraisal of Beneficiary Farm/parks under the Project; (iii) criteria, procedures and arrangements to finance the various activities under the Project; (iv) design and construction arrangements, including supervision, completion and acceptance procedures for reimbursement purposes; (v) procurement procedures to be applied pursuant to Section III of Schedule 2 to this Agreement and standard procurement documentation; (vi) reporting requirements, financial management procedures and audit procedures; (vii) the Environmental Assessment; (viii) the Financial Management Manual; (ix) the Project performance indicators set forth in Annex 1 to the Schedule to the Project

Agreement; (x) the monitoring and evaluation framework; (xi) the Policy Framework for Resettlement and Land Acquisition; (xii) the Environmental Management and Monitoring Plan; and (xiii) the Farm Management Manual once such manual has been adopted as referred to in Section I.9 of the Schedule to the Project Agreement, and includes all schedules and annexes thereto, as said Project Implementation Manual may be amended from time to time with the prior written agreement of the Bank.

25. “Provincial Project Leading Group” and the acronym “PPLG” mean the group established by Henan, and to be maintained according to the provisions of paragraph 1(a) of Section I of the Schedule to the Project Agreement.
26. “Provincial Project Management Office” and the acronym “PPMO” mean the office established within the Animal Husbandry Bureau of Henan and to be maintained according to the provisions of paragraph 1(b) of Section I of the Schedule to the Project Agreement.
27. “Resettlement Action Plan” and the acronym “RAP” means the resettlement action plan that may need to be prepared by the Project Implementing Entity pursuant to paragraph 4(c) of Section I of the Schedule to the Project Agreement, and includes all schedules and annexes thereto, as said Plan may be amended from time to time with the prior written agreement of the Bank.
28. “Sub-financing” means a grant to be made by Henan out of the proceeds of the Loan to a Beneficiary Farm/park under a Farm Implementation Agreement for carrying out activities under Part B.1 of the Project included in a Farm/park Package, which grant shall be made, inter alia, in accordance with the provisions set forth in the Annex to Schedule 2 to this Agreement and Section I.6 of the Schedule to the Project Agreement.