CO-FINANCING FRAMEWORK AGREEMENT

between

ASIAN INFRASTRUCTURE INVESTMENT BANK

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

April 13, 2016
CO-FINANCING FRAMEWORK AGREEMENT ("Framework Agreement")
dated April 13, 2016 between the ASIAN INFRASTRUCTURE INVESTMENT
BANK ("AIIB") and the INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT ("IBRD") and the INTERNATIONAL DEVELOPMENT
ASSOCIATION ("IDA") (collectively, the "World Bank") (individually, a "Party"
and collectively, the "Parties").

WHEREAS:

(A) The Parties are international financial institutions concerned with the
economic development of Asia, and wish to work in close cooperation with their
respective members and with each other;

(B) The Parties consider it desirable to further their common development
objectives by providing sovereign-backed co-financing for certain development
projects and exchanging information on matters concerning such co-financings;
and

(C) AIIB may wish to request the World Bank’s services in connection with
certain of these co-financings.

NOW THEREFORE, the Parties hereby agree as follows:

ARTICLE 1
Definitions; Scope of Application

Section 1.01. Definitions. As used in this Framework Agreement, the following
capitalized terms have the meanings set forth below:

(a) "AIIB’s Pro-rata Share" has the meaning ascribed to it in Section
3.07 of this Framework Agreement;

(b) "Co-financing" means Joint Co-financing or Parallel Co-financing
(or both) of a Project;

(c) "Cost" has the meaning ascribed to it in Section 3.07 of this
Framework Agreement;

(d) "Fee" means the fee to be paid by AIIB for Services, in accordance
with Section 3.07 of this Framework Agreement;
(e) "Financing" means the financing provided by the World Bank or by AIIB for a Project to be co-financed by the Parties in accordance with this Framework Agreement;

(f) "Financing Agreement" means: (i) the agreement between the Recipient and the World Bank providing for the World Bank’s Financing; or (ii) the agreement between the Recipient and AIIB providing for AIIB’s Financing;

(g) "Fiscal Year" means a fiscal year of the World Bank, which commences on July 1 and ends on June 30;

(h) "Joint Co-financing" means a form of co-financing of a Project, whereby the Parties jointly finance the same contracts under the Project in agreed proportions;

(i) "Parallel Co-financing" means a form of co-financing of a Project, whereby the Parties finance different contracts under the Project;

(j) "Project" means the specific set of activities to be co-financed by the Parties in accordance with this Framework Agreement, as set out in the Project Co-lenders’ Agreement for the Project;

(k) "Project Co-lenders’ Agreement" means the agreement to be entered into between the Parties for a specific Project pursuant to Section 4.03 of this Framework Agreement, a form of which is attached as Annex A to this Framework Agreement;

(l) "Recipient" means the entity to which a Financing is extended;

(m) "Sanctionable Practice" means any of the following practices, as defined in the World Bank’s Guidelines on Preventing and Combatting Fraud and Corruption in Projects Financed by IBRD Loans and IDA Financings, dated October 15, 2006 and revised in January 2011: corrupt, fraudulent, collusive, coercive or obstructive practice;

(n) "Sanctions List" means any list used by the World Bank to identify those firms and individuals which are ineligible to be awarded a contract financed by the World Bank (or otherwise to participate in a project financed by the World Bank) as the result of debarment, suspension or other sanctions in accordance with the World Bank’s sanctions policy and procedures, including pursuant to any decision by the relevant decision-making authority of another international organization recognized and applied by the World Bank in accordance with the terms of the Agreement for the Mutual Enforcement of Debarment Decisions (2010); and
(o) "Services" means one or more of the packages of services described in Article 3 of this Framework Agreement, which the World Bank may provide to AIIB in connection with a Co-financing (as the description of said services may be modified, or additional services may be specified, in the Project Co-lenders' Agreement for the Co-financing); said packages referred to individually in said Article 3 as Environmental and Social Services, Procurement Services under Joint Co-financing, Procurement Services under Parallel Co-financing, Investigative Services, Financial Management Services and Disbursement Services.

Section 1.02. Scope.

(a) This Framework Agreement covers the following types of Co-financing: (i) Joint Co-financing with Services; (ii) Parallel Co-financing with Services; and (iii) Parallel Co-financing without Services.

(b) This Framework Agreement does not apply to the: (i) administration by the World Bank on behalf of AIIB of funds provided by AIIB under trust fund arrangements; or (ii) co-financing of operations for which financing is provided in the form of program for results financing or development policy financing (as defined by the World Bank under its operational policies).

ARTICLE 2
Selection of Projects for Co-financing; Exchange of Information; Consultation

Section 2.01. Project Selection.

(a) The Parties will consult with each other to: (i) identify projects that may be suitable for Co-financing and the type of Co-financing envisaged for each project; (ii) review ongoing Co-financings; and (iii) discuss other matters relating to Co-financings, as well as other opportunities for cooperation.

(b) It is expected that the Parties will hold annual consultations in March of each calendar year, or such other time as they may mutually determine, to discuss the matters referred to above in paragraph (a) of this Section 2.01. These annual consultations may, at the request of either Party, be supplemented by other meetings throughout the year, in order to further the Parties’ effective cooperation. Unless otherwise mutually determined between the Parties, consultations will be held at the World Bank’s headquarters.

(c) Prior to the annual consultations referred to above in paragraph (b) of this Section 2.01, the World Bank will provide AIIB with a list of projects that the World Bank is financing, or intends to finance, and which it considers have potential for Co-financing. AIIB will inform the World Bank of those projects which it is interested in Co-financing. If, following consultations by the World
Bank with the potential Recipient, the Recipient expresses interest in Co-financing. AIIB will communicate directly with the Recipient on this matter.

Section 2.02. General Information Sharing. Each Party will, subject to its policies on disclosure of information, share with the other Party in a timely manner, information and documents related to each Project and its progress. Neither Party will publicly disclose any information received by it from the other Party on a confidential basis, under this Framework Agreement or any Project Co-lenders’ Agreement, without obtaining the prior written consent of the providing Party. No information or documentation received by either Party from the other Party pursuant to this Framework Agreement or any Project Co-lenders’ Agreement may be: (a) relied upon by the Party receiving the information as a basis to initiate any administrative, civil or criminal action; or (b) attributed to the disclosing Party. Nothing in this Agreement will prevent either Party from using the information provided to develop independently its own evidence for use in support of corrective or remedial actions (such as sanctions).

Section 2.03. Negotiations; Missions. Each Party will: (a) promptly notify the other Party in advance, of any proposed negotiations or mission it plans to conduct for each Project; and (b) afford a reasonable opportunity to the other Party to participate in such negotiations or mission, subject to the no-objection of the Recipient. The Party conducting the negotiations or mission will notify the other Party of the main findings and results of the negotiations or mission. It is expected that each Party will, to the extent practical, conduct negotiations of its Financing Agreement for a Project, concurrently and together with the negotiations to be conducted by the other Party of its Financing Agreement for the same Project.

Section 2.04. Contractual Events. Each Party will, subject to its policies on disclosure of information, promptly notify the other Party of any of the following events in relation to each Project:

(a) any event of which the notifying Party becomes aware and which, in its opinion, is likely to materially interfere with, or seriously hinder or impair, the implementation of the Project, or to adversely and materially interfere with the performance by the Recipient of its obligations under the Financing Agreement to which the notifying Party is a party (including allegations or indications of a sanctionable practice made to the notifying Party, or complaints made by third parties to the World Bank’s Inspection Panel or AIIB’s oversight mechanism referred to in AIIB’s environmental and social policy);

(b) a determination by the notifying Party that: (i) an event of suspension, cancellation or acceleration has occurred under its Financing Agreement, and the measures it intends to take or has taken as a consequence of such event; or (ii) the disbursement of an amount of its Financing was made for any expenditure or in any amount not eligible for financing under its Financing
Agreement, or was not justified by the evidence furnished pursuant to its Financing Agreement, and the measures it intends to take or has taken as a consequence of such event; or (iii) it intends to request a refund of any amount withdrawn under its Financing; and

(c) any notice given by the Recipient to the notifying Party, of the Recipient’s intention to cancel any unwithdrawn amount, or prepay any withdrawn amount, of the notifying Party’s Financing and any amount of such Financing actually cancelled or prepaid.

Section 2.05. **Amendments; Project Changes; Extensions.** Without prejudice to its independent right of action under its Financing Agreement, and subject to its policies on disclosure of information, each Party will notify the other Party of any:

(a) proposed: (i) material amendment to the notifying Party’s Financing Agreement; or (ii) material changes to the Project; or (iii) action which might result in the termination of said Financing Agreement;

(b) extension of the deadline for withdrawal of amounts of the notifying Party’s Financing; or

(c) (i) findings: (A) of any investigations by the notifying Party under its policy and procedures on sanctionable practices, relating to the Project; or (B) by the World Bank’s Inspection Panel or AIIB’s oversight mechanism referred to in its environmental and social policy, relating to the Project; and (ii) actions related to such findings undertaken or planned to be undertaken by the notifying Party.

Section 2.06. **Implications for Co-financing Arrangements.** If any of the events or actions referred to in Section 2.04 or 2.05 of this Framework Agreement occurs or is taken, the Parties will discuss the potential implications of such event or action on the Parties’ Co-financing arrangements under this Framework Agreement or the Project Co-lenders’ Agreement, including the Services to be provided by the World Bank and the Fee for said Services, with a view to taking appropriate steps to address these implications.

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1 AIIB refers to “material changes”, which has the same general meaning as the term “Level one restructuring”, used by the World Bank in its OP 10.00.
ARTICLE 3
Services; Fees

Section 3.01. Services Generally.

(a) AIIB will determine which of the Services described below in this Article 3 it will request the World Bank to perform in connection with each Co-financing. These Services will be specified in the Project Co-lenders’ Agreement for the Co-financing. In cases of Joint Co-financing, AIIB intends to request the World Bank to perform all of the Services described below in this Article 3. Notwithstanding the description of the Services in this Framework Agreement, the Parties may, for a given Co-financing, agree to modify the details of the Services to be provided, or to provide for additional services not provided for in this Framework Agreement. In such cases, the modifications to the Services or the additional services, as the case may be, will be specified in the Project Co-lenders’ Agreement.

(b) Except as otherwise provided in this Framework Agreement or agreed in the Project Co-lenders’ Agreement: (i) the World Bank will carry out all Services (including, inter alia, Environmental and Social Services, Procurement Services under Joint Co-financing, Investigative Services, Financial Management Services and Disbursement Services) in accordance with its policies and procedures applicable to the activities for which these Services are performed; and (ii) AIIB will: (A) specify the same, as appropriate, in the Financing Agreement between AIIB and the Recipient for the Project; and (B) will require the Recipient of its Financing to develop and implement the Project in accordance with these applicable policies and procedures and all specific requirements for the Project relating thereto as reflected in the World Bank’s Financing Agreement; and (C) will rely on the World Bank’s decision as to whether these policies, procedures and requirements have been complied with.

(c) In order to ensure that the Project teams of both Parties have access to the same information regarding the activities under a Project for which Services are provided, the World Bank will provide AIIB in a timely manner with electronic or paper copies of all decisions (including notices and no-objections) made by the World Bank or the Recipient, and other documents, reports, recommendations and communications received or sent by the World Bank in connection with these activities, and to which the World Bank’s Project team has access. At a minimum, this will include the draft Project appraisal report, aide memoires, and completion reports. Additional information will be provided in relation to activities for which specific Services are provided, as set out below and in the Project Co-lenders’ Agreement. If AIIB at any time requests additional information relating to the Project, the World Bank will promptly provide such additional information, to the same extent as the Project team has access to it, in accordance with the World Bank’s policies and procedures on the matter.
(d) If the World Bank provides Services under a Project, it will afford AIIB and the authorized representatives of the Recipient specified in the AIIB Financing Agreement access to the World Bank’s Client Connection system for purposes of the Co-financing, in accordance with the World Bank’s policies and procedures relating to the World Bank’s Client Connection system.

(e) If requested by AIIB, the World Bank will promptly reply to inquiries or provide clarifications with respect to any actions taken or issues arising in connection with any aspect of the Services it provides.

(f) The World Bank will inform AIIB in a timely manner of any material changes planned to be made, or made, with respect to those World Bank policies and procedures governing a Project and on the basis of which it provides any Services. AIIB will inform the World Bank in a timely manner of any policies it adopts or material changes it plans to make to AIIB’s existing policies and procedures that would have an effect on any Services the World Bank provides.

Section 3.02. Environmental and Social Services.

(a) Environmental and Social Services under Co-financing generally. The World Bank may provide Services relating to environmental and social aspects of the Project, as follows ("Environmental and Social Services"): the World Bank will conduct the environmental and social due diligence and supervision for the Project, including:

(i) screening of the Project’s environmental and social risks and impacts;

(ii) assignment of an environmental and social category to the Project;

(iii) review and disclosure of environmental and social assessments and documents required for the Project (including, \textit{inter alia}, environmental and social management plans, resettlement plans, Indigenous Peoples plans, environmental and social management frameworks, resettlement planning frameworks and Indigenous Peoples planning frameworks), and their associated consultation processes;

(iv) appraisal and supervision of compliance with all environmental and social requirements set out in the plans, frameworks or other documents referred to above in Section 3.02(a)(iii) and in the World Bank’s Financing Agreement, and consultation with, and provision of guidance to, the Recipient in respect of these requirements; and
(v) serving as the focal point for AIIB vis-à-vis the Recipient and other parties in all matters relating to the above, including, without limitation, complaints brought to the World Bank’s Inspection Panel.

(b) Communication of Information relating to Environmental and Social Matters. If the World Bank provides Environmental and Social Services for a Project: (i) the World Bank will: (A) promptly provide AIIB with copies of all the assessments and documents referred to above in Section 3.02(a)(iii), and all periodic reports prepared by the Recipient concerning environmental and social aspects of the Project; and (B) promptly notify AIIB of any environmental or social issues it encounters or that are raised by the Recipient or other parties; and (ii) each Party will promptly inform the other of any complaints received by it in connection with environmental or social risks or impacts under the Project.

Section 3.03. Procurement Services.

(a) Procurement Services under Joint Co-Financing Generally. The World Bank may provide Services relating to procurement of contracts financed in part by AIIB under a Joint Co-financing, as follows (“Procurement Services under Joint Co-financing”): each Party will review and provide its agreement to the Recipient’s procurement strategy for development and procurement plan for the Project (including any proposed use of the Recipient’s procurement arrangements or domestic preference) before any procurement begins (and to any changes to the strategy or plan before the changes are implemented). Thereafter, the World Bank will supervise the procurement process for the contracts financed under Joint Co-financing. This includes:

(i) on the basis of the procurement plan agreed to by both Parties, review and issuance of no-objections to procurement decisions relating to individual contracts (including, inter alia, no-objections related to draft procurement documents and requests for proposals and any revisions to such documents, proposals for prequalification of bidders, bid/proposal evaluation reports, recommendations for contract award and contract modifications);

(ii) oversight of procurement implementation by the Recipient in accordance with the procurement plan (including, inter alia, handling of responses to bidder communications and procurement complaints, and determination of compliance or non-compliance with the procurement requirements); and

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2 AIIB uses the term “project delivery strategy” rather than “procurement strategy for development”; these terms have the same meaning and may be used interchangeably.

3 AIIB uses the term “tender documents” for “procurement documents” or “bidding documents”, and “tenderer” for “bidder”. These terms have the same meanings and may be used interchangeably.
(iii) serving as the focal point for AIIB vis-à-vis the Recipient and other parties in all matters relating to procurement.

(b) *Procurement Documents under Joint Co-financing.* For those contracts under the Project for which the World Bank provides Procurement Services under Joint Co-financing, AIIB will require the Recipient of the AIIB Financing to use the World Bank’s standard procurement documents or such other procurement documents as the World Bank may require or permit. In addition, the procurement documents will: (i) reflect that the Parties have agreed to co-finance the contract under a Joint Co-financing; (ii) make reference to the applicability of the Sanctions List; and (iii) contain a provision permitting each Party and the persons or entities designated by it or authorized according to its respective policies, to inspect and copy all accounts, records, and other documents relating to the procurement process and performance of the contract and to inspect or audit the records and accounts of any bidders, suppliers, contractors and consultants, and their sub-contractors agents, personnel, consultants, sub-consultants, service providers and suppliers.

(c) *Communication of Notices, Complaints under Joint Co-financing.* For those contracts under the Project for which the World Bank provides Procurement Services under Joint Co-financing: (i) the World Bank will: (A) reflect in its notices (including, inter alia, general procurement notices, special procurement notices, requests for expressions of interest, requests for proposals, and contract award results) that the Parties are Co-financing under Joint Co-financing; (B) prior to publishing these notices, provide them to AIIB so that AIIB may also publish them on its website; and (C) thereafter, publish these notices on the World Bank’s website; and (ii) each Party will promptly inform the other of any procurement-related complaints received by it in connection with these contracts.

(d) *Investigative Services under Joint Co-financing.* For those contracts under the Project for which the World Bank provides Procurement Services under Joint Co-financing, the World Bank will also provide Investigative Services as described below in Section 3.04 of this Framework Agreement.

(e) *Procurement Services under Parallel Co-financing.* The World Bank may provide Services relating to procurement of contracts financed in whole or in part by AIIB under Parallel Co-financing (“Procurement Services under Parallel Co-financing”). In such case, the Parties will set forth the terms and conditions of the Procurement Services under Parallel Co-financing in the Project Co-lenders’ Agreement.
Section 3.04. **Sanctionable Practices.**

(a) **Notification of Sanctionable Practices.** Each Party will notify the other Party in a timely manner of information about any known credible and material allegation or indication of a Sanctionable Practice under the Project.

(b) **Investigative Services.** If the World Bank provides Procurement Services under Joint Co-financing, it will take the lead in any inquiry or investigation of allegations or indications referred to above in Section 3.04(a) in accordance with its policies and procedures on Sanctionable Practices and in accordance with its own decision-making process regarding whether to pursue an investigation or not ("Investigative Services").

(c) **Enforcement of World Bank Sanctions List.** AIIB will give full force and effect to the Sanctions List under each Project co-financed under Joint Co-financing, and will reflect this in its Financing Agreement with the Recipient.

(d) **Sanctionable Practice involving Employees.** Any allegation or indication of a sanctionable practice against a Party’s employee under the Project will be handled by the Party employing such person, in accordance with that Party’s applicable policies and procedures. In the event that an allegation of a sanctionable practice concerns employees of both Parties, the Parties will coordinate and cooperate to the extent permitted by their respective applicable policies and procedures.

(e) **Investigations and Sanctions under Parallel Co-financing.** If a Project is co-financed under Parallel Co-financing, the Parties will set forth in the Project Co-lenders’ Agreement the applicability of each Party’s policies and procedures on sanctionable practices, as well as the terms and conditions under which the World Bank may provide Investigative Services.

Section 3.05. **Financial Management Services.**

(a) **Financial Management Services Generally.** The World Bank may provide Services relating to the Recipient’s financial management of a Project as follows ("Financial Management Services"): the World Bank will:

(i) review all periodic audited and un-audited financial statements (together with the auditors’ reports on these audited statements) required to be provided by the Recipient (or other project implementing entities) pursuant to World Bank’s Financing Agreement;

(ii) follow up with the Recipient on these reviews, including monitoring and consultation on the implementation of recommendations in the auditors’ reports; and
(iii) serve as the focal point for AIIB vis-à-vis the Recipient in all matters relating to financial management under the Project.

(b) **Applicability of World Bank Requirements.** If the World Bank provides Financial Management Services for a Co-financing, AIIB will require the Recipient to: (i) authorize the World Bank and the persons or entities designated by it, to inspect and copy all accounts, records, and other documents relating to the Project’s financial management; and (ii) provide a copy of all statements and reports covered by the Financial Management Services to both Parties.

Section 3.06. **Disbursement Services.**

(a) **Disbursement Services Generally.** The World Bank may provide Services relating to disbursement of AIIB’s Financing as follows ("Disbursement Services"):  

(i) The World Bank will: (A) review each such withdrawal application furnished by the Recipient to verify that the amount requested by the Recipient is eligible for financing under AIIB’s Financing Agreement; and (B) notify AIIB (through a disbursement notice substantially in the form attached to the Project Co-lenders’ Agreement ("Disbursement Notice")) that the withdrawal application is in proper order, and that it has determined that the amount requested is eligible for financing under the AIIB Financing.

(ii) If requested by AIIB, the World Bank will promptly furnish AIIB with a copy of withdrawal applications (and supporting documents) transmitted by the Recipient to the World Bank in respect of amounts of the AIIB Financing requested to be withdrawn, to the extent such information is not available to AIIB on the World Bank’s Client Connection system.

(b) **Furnishing Withdrawal Applications; Conditions of Disbursement.** If the World Bank provides Disbursement Services: (i) AIIB will require the Recipient to furnish its withdrawal applications of amounts of the AIIB Financing to the World Bank in such manner as the World Bank may require in accordance with its requirements on the matter; and (ii) the World Bank will reflect in its loan administration system any particular disbursement conditions that may be specified in AIIB’s Financing Agreement. AIIB will promptly notify the World Bank of any notice sent to the Recipient regarding the acceptance (or lack thereof) of the evidence submitted in fulfilment of said conditions.

(c) Upon receipt of a Disbursement Notice from the World Bank, AIIB will determine the amount of its Financing to be disbursed by it to the Recipient in accordance with the provisions of the AIIB Financing Agreement, and will promptly notify the World Bank of its action.
Section 3.07. **Fees.** The World Bank will charge AIIB for each Project, a fee for its Services provided to AIIB for the Project ("Fee"), as follows:

(a) The Fee will be an amount equal to a percentage of the costs incurred by the World Bank directly for preparation and supervision of the Project during each Fiscal Year (such as staff costs, consultants' costs, travel costs, and contracting costs, such as those associated with consultations, training and workshops required for the Project) ("Cost"), determined and paid as follows:

(i) The percentage is equal to the percentage of AIIB's Financing relative to the combined amount of AIIB's Financing and the World Bank's Financing for the Project ("AIIB's Pro-rata Share").

(ii) The Cost is determined as follows:

(A) For any Fiscal Year ending prior to the Fiscal Year in which the Project Co-lenders' Agreement is signed and during which the World Bank incurs an actual Cost for the Project, the Bank will furnish to AIIB prior to the signing of the Project Co-lenders' Agreement, a detailed breakdown and explanation of such actual Cost;

(B) For the Fiscal Year in which the Project Co-lenders' Agreement is signed: (1) the World Bank will furnish to AIIB prior to the signing of the Project Co-lenders' Agreement, a proposed budget covering the estimated Cost for the Project for that Fiscal Year and a detailed explanation of the proposed budget; (2) the Parties will exchange views on the proposed budget; and (3) the World Bank will finalize the budget that has been agreed between the Parties.

(C) For each subsequent Fiscal Year: (1) the World Bank will, prior to that subsequent Fiscal Year, furnish to AIIB a proposed budget covering the estimated Cost for the Project for that subsequent Fiscal Year, together with a detailed explanation of the proposed budget; (2) the Parties will exchange views on the proposed budget; and (3) the World Bank will finalize the budget that has been agreed between the Parties.

(D) If, during the course of any Fiscal Year during which Services are provided for the Project, the World Bank determines that the actual Cost may exceed the estimated
Cost for that Fiscal Year: (1) it will furnish to AIIB a proposed adjusted budget to cover this increase, together with a detailed explanation of the adjustments needed; (2) the Parties will exchange views on the adjustments; and (3) the World Bank will finalize the adjusted budget that has been agreed between the Parties.

(iii) AIIB will pay its Fee as follows:

(A) If an actual Cost has been incurred for the Project during any Fiscal Year ending prior to the Fiscal Year in which the Project Co-lenders’ Agreement is signed, AIIB will pay, upon effectiveness of the Project Co-lenders’ Agreement, an amount representing its Pro-rata Share of such actual Cost as has been agreed with the World Bank. The World Bank will deliver an invoice to AIIB for this amount upon effectiveness of the Project Co-lenders’ Agreement.

(B) Thereafter, AIIB will pay, at the end of each Fiscal Year, an annual Fee equal to the amount, within the finalized budget (or adjusted budget, as the case may be) for the Fiscal Year, representing its Pro-rata Share of the actual Cost incurred during the Fiscal Year. The World Bank will deliver an invoice to AIIB at the end of the Fiscal Year for this amount.

(b) Notwithstanding the provisions of paragraph (a) of this Section 3.07, if the Parties agree that the World Bank will provide some, but not all of the Services offered in Sections 3.01 through 3.06 of this Framework Agreement, the Fee will be determined on a case-by-case basis as set out in the Project Co-lenders’ Agreement.

ARTICLE 4
Documentation

Section 4.01. Financing Agreements. Each Party will execute a separate Financing Agreement with the Recipient for its respective Financing of the Project. To the extent practicable, each Party: (a) will share its draft Financing Agreement (or amendment thereto, if the Financing Agreement has already been signed) for such Financing with the other Party, prior to negotiations with the Recipient of Financing Agreement (or amendment), with a view to providing the other Party with an opportunity to comment on those provisions of such Financing Agreement (or amendment) that may have a bearing on the other Party’s Financing Agreement; (b) take steps to ensure that both Financing Agreements are consistent with each other, and that obligations imposed by both Financing Agreements shall,
wherever possible, be uniform and shall not impose overlapping or duplicate obligations on the Recipient; and (c) furnish to the other Party a copy of the signed version of the furnishing Party’s Financing Agreement.

Section 4.02. **Cross Default; Cross Effectiveness.** Each Party: (i) will, subject to the Recipient’s agreement, incorporate in its Financing Agreement (or amendment thereto) for a Project: (A) such provisions as may be required to reflect the Co-financing arrangements for the Project envisaged in the Project Co-lenders’ Agreement; and (B) as an event of suspension, the suspension by the other Party of the such other Party’s Financing; and (ii) may, depending on the timing of the Co-financing, include in its Financing Agreement, as a condition of effectiveness, satisfaction of the conditions of effectiveness of the other Party’s Financing Agreement. If a Party includes such an effectiveness condition, the other Party will use its best efforts to expedite the timely effectiveness of its Financing Agreement.

Section 4.03. **Project Co-lenders’ Agreement.** For each Co-financing with Services, the Parties will execute a Project Co-lenders’ Agreement, substantially in the form of *Annex A* to this Framework Agreement. For each Parallel Co-financing without Services, the Parties will determine whether any instrument in addition to this Framework Agreement is desirable, for facilitating coordination and cooperation in respect of the Project.

**ARTICLE 5**

**Independent Right of Action; No Financing Commitment; Privileges and Immunities; Degree of Care**

Section 5.01. **Independent Right of Action.** Notwithstanding any provision of this Framework Agreement or of the Project Co-lenders’ Agreement, each Party reserves the right to enforce its rights and perform its obligations under its Financing Agreement, and nothing in said agreements will be deemed to preclude or limit the right of either Party to exercise its contractual remedies under the terms set out in its Financing Agreement.

Section 5.02. **No Financing Commitment.** Neither this Framework Agreement nor any Project Co-lenders’ Agreement will be construed as representing any commitment with regard to the financing of a particular Project on the part of either Party, and no provision of any of said agreements will be construed as imposing any financial obligation to the Recipient on the part of either Party. Any such commitment and obligation will be exclusively reflected in the Party’s Financing Agreement.

Section 5.03. **No Waiver of Privileges and Immunities.** Nothing in this Framework Agreement or any Project Co-lenders’ Agreement will operate or will be construed as a waiver, renunciation or any other modification (express of
implied) of any of the privileges, immunities or exemptions of either Party under its organizational documents, or any international convention, or any applicable law, including, without limiting the generality of the foregoing, the privileges, immunities and exemptions of AIIB under its Articles of Agreement, and the privileges, immunities and exemptions of the World Bank under the Articles of Agreement of the IBRD and the Articles of Agreement of the IDA, respectively.

Section 5.04. **Degree of Care.** The Parties will each exercise the same care in the discharge of their functions under this Framework Agreement and each Project Co-lenders' Agreement as it exercises with respect to the administration and management of its own affairs, and will have no further responsibility in respect thereof to the other Party.

**ARTICLE 6**

**Execution; Effectiveness; Modifications; Termination; Disputes; Notices; Miscellaneous**

Section 6.01. **Execution; Effectiveness; Modifications.** This Framework Agreement will be signed in two counterparts, each of which will be an original, and will enter into force and effect upon its signature by an authorized representative of each Party. It may be modified from time to time by further agreement in writing signed by an authorized representative of each Party.

Section 6.02. **Termination.** This Framework Agreement may be terminated at any time upon sixty (60) days' advance notice given in writing by either Party to the other. Upon such notice, the Parties will consult with a view to agreeing on the most practical arrangements to effect such termination. Notwithstanding any termination of this Framework Agreement, the provisions of this Framework Agreement will, to the extent incorporated by reference in any Project Co-lenders' Agreement in effect as of the date of termination of this Framework Agreement, continue to apply to said Project Co-lenders' Agreement.

Section 6.03. **Initial Period.** This Framework Agreement will remain in force and effect for an initial period of one (1) year following the date on which it becomes effective, and will be automatically renewed for a subsequent period of one (1) year, unless either Party has provided a notice of termination pursuant to Section 6.02 of this Framework Agreement.

Section 6.04. **Notices.** Any notice or request required or permitted to be given or made under this Framework Agreement will be in writing. Such notice or request will be deemed to have been duly given when delivered by hand, mail, facsimile or electronic mail to the Party to which it is required or permitted to be given or made at such Party's address specified below:
Section 6.05. Disputes. The Parties agree to resolve any dispute, disagreement or claim arising out of or in relation to, this Framework Agreement or any Project Co-lenders' Agreement by means of prompt and amicable resolution.

Section 6.06. Conflicts. In the event of any conflict between the provisions of this Framework Agreement or the Project Co-lenders' Agreement, and the provisions of the Financing Agreements, the provisions in the Financing Agreements will prevail.

Section 6.07. Non Disclosure. Neither Party may disclose this Framework Agreement or any Project Co-lenders' Agreement without the prior written consent of the other Party.
IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement in duplicate in the English language.

ASIAN INFRASTRUCTURE INVESTMENT BANK

By: [Signature]
Name: JIN LIGUN
Title: PRESIDENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]
Name: JIM YONG KIM
Title: PRESIDENT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]
Name: [Signature]
Title: [Signature]
ANNEX A:

FORM OF PROJECT CO-LENDERS’ AGREEMENT


WHEREAS:

(A) ________ (“Recipient”) has requested the World Bank and AIIB to assist in financing the project described in Section 1.02 of this Agreement (“Project”);

(B) the World Bank [has agreed][intends to] make a loan to the Recipient in an amount equal to ________ (“World Bank Financing”) to assist in financing the Project [on the terms and conditions set forth in a loan agreement dated _____ between the Recipient and the World Bank (“World Bank Financing Agreement”)];

(C) AIIB [has agreed][intends to] make a loan to the Recipient in an amount equal to ________ (“AIIB Financing”) to assist in financing the Project [on the terms and conditions set forth in a loan agreement dated ______ between the Recipient and AIIB (“AIIB Financing Agreement”)]; and

(D) The World Bank and AIIB had entered into a co-financing framework agreement (“Framework Agreement”) dated April _____, 2016 setting forth the basis on which they will co-finance the Project.

NOW THEREFORE, AIIB and the World Bank hereby agree as follows:

Article 1
Definitions; Co-financing

Section 1.01. Definitions. As used in this Project Co-lenders’ Agreement, the capitalized terms have the meanings ascribed to them in the Framework Agreement. In addition, the following capitalized terms have the meanings set forth below:

(a) “___” means __________; and

(b) “___” means __________.

Section 1.02. Description of Co-financed Project. AIIB and the World Bank intend to co-finance the Project described below:

[insert Project description]

Section 1.03. Method of Co-financing. AIIB and the World Bank intend to co-finance the Project [as a Joint Co-financing as follows: each contract under the Project will be financed
Article 2
Framework Agreement; Provision of Services and Fees

Section 2.01. Framework Agreement Undertakings. Except as otherwise specifically provided in this Project Co-lenders’ Agreement, AIIB and the World Bank will cooperate with each other in co-financing the Project in accordance with the applicable provisions of the Framework Agreement.

Section 2.02. Services.

(a) [Except as otherwise provided in Section 2.02(b) of this Project Co-lenders’ Agreement, the World Bank will provide the following Services described in Article 3 of the Framework Agreement in accordance with the provisions of the Framework Agreement: [Environmental and Social Services,] [Procurement Services under Joint Co-financing, Investigative Services,] [Financial Management Services,] and [Disbursement Services].

[(b) Notwithstanding the provisions of Section ___ of the Framework Agreement, the World Bank will, in providing the [name of Services], [specify any variation or addition to the Services as described in the Framework Agreement].]

[(c) The World Bank will provide the following Services [add details of any services, such as Procurement Services under Parallel Co-financing, which are not specified in the Framework Agreement].]

[(d) The Disbursement Notice provided by the World Bank will be in substantially the form set forth in Attachment 1 to this Project Co-lenders’ Agreement.]

Section 2.03. Fees. The annual Fee to be paid by AIIB for the Services performed by the World Bank pursuant to this Project Co-lenders’ Agreement will be as determined in accordance with Section 3.07(a) of the Framework Agreement. To that end, the Parties have agreed: [(a)] on the budget for the Project for the Fiscal Year ending on June 30, 20___, as set forth in Attachment 2 to this Project Co-lenders’ Agreement[.][10]; and (b) that the amount of the Fee to be paid by AIIB for the actual Cost incurred by the World Bank in relation to the Project during all Fiscal Years ending prior to the date of this Agreement is equal to $________.]

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4 The bracketed text may be modified to reflect the specific arrangements for Joint Co-financing or Parallel Co-financing, as agreed by the Parties.
5 Use this bracketed text and add para (b) only if changes to the nature of the Services as described in the Framework Agreement are agreed.
6 Use this bracketed text only if additional services not described in the Framework Agreement are to be provided.
7 Use this bracketed text, and include the Appendix, only if the World Bank will provide Disbursement Services for the Project.
8 This formulation of Section 2.03 only applies in cases of Joint Co-financing when the World Bank provides all Services described in Article 3 of the Framework Agreement. In other cases of Co-financing, the Fee will be determined on a case-by-case basis, and this section will be drafted accordingly.
9 Include bracketed text only if (b) is included.
10 Include (b) only if the World Bank has incurred an actual Cost for the Project during FYs ending prior to the date of this Agreement.
Article 3
Miscellaneous

Section 3.01. Execution; Effectiveness; Modification. This Project Co-lenders’ Agreement will be signed in two counterparts, each of which will be an original, and will enter into force and effect upon its signature by an authorized representative of each Party. It may be modified from time to time by further agreement in writing signed by an authorized representative of each Party.

Section 3.02. Termination. This Project Co-lenders’ Agreement may be terminated at any time upon sixty (60) days’ advance notice given in writing by either Party to the other. Upon such notice, the Parties will consult with a view to agreeing on the most practical arrangements to effect such termination. Notwithstanding any such termination, the provisions of Section 2.03 this Project Co-lenders’ Agreement relating to payments to the World Bank for Services performed prior to the date of such termination, shall continue in full force and effect.

Section 3.03. Notices. Except as provided in Section 3.03 (b) of this Project Co-lenders’ Agreement, any notice or request required or permitted to be given or made under this Co-lenders’ Agreement will be in writing, and will be deemed to have been duly given when delivered by hand, mail, facsimile or electronic mail to the Party to which it is required or permitted to be given or made at such Party’s address specified below:

For the World Bank:

International Bank for Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Fax number: +1 (202) 477-6391
Tel. number: +1 (202)473-3556

Attention: __________________

For AIIB:

Asian Infrastructure Investment Bank
19F, West Tower, B-9 Financial Street
Xicheng District
Beijing 100033
People’s Republic of China

Fax number: +86 (10) 8358-0007
Tel. number: +86 (10) 8358 0066

[1] Include this bracketed text and add para (b) only if the World Bank will provide Disbursement Services and the disbursement notice will go to an individual other than the one specified in this para for receipt of notices generally.
[(b) Any notice (including without limitation a Disbursement Notice) or request required or permitted to be given or made under this Project Co-lenders’ Agreement relating to Disbursement Services will be in writing and will be deemed to have been duly given when delivered by hand, mail, facsimile or electronic mail to the Party to which it is required or permitted to be given or made at such Party’s address specified below:

For the World Bank:

International Bank for Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Fax number: +1 (202) 477-6391
Tel. number: +1 (202) 473-3556

Attention: ______________________

For AIIB:

Fax number: ______________________
Tel. number: ______________________

Attention: ______________________

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement in duplicate in the English language.

ASIAN INFRASTRUCTURE INVESTMENT BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ______________________
Name: ______________________
Title: ______________________

By: ______________________
Name: ______________________
Title: ______________________

12 Include this paragraph (b) only if the World Bank provides Disbursement Services in connection with the Project.
ATTACHMENT 1 TO PROJECT CO-LENDERS’ AGREEMENT:
FORM OF DISBURSEMENT NOTICE – SAMPLE

Date: __________

Dear Sir/Madam,

This is to confirm that the withdrawal application, a copy of which is attached, is in proper order, that the amount requested is eligible for financing under AIIB’s Financing Agreement for the Project noted, and has been approved by the World Bank on [date]. AIIB may, if it agrees, proceed to make the disbursement in accordance with the details included below.

If AIIB agrees, please proceed with disbursement and confirm the value date, currency paid, amount paid and cost currency details so that we may update our records with the actual payment details.

Please contact [XXXXX] in case of any questions pertaining to this notice.

Sincerely,
Loan Department
The World Bank

Attachment - Details of Disbursements

001 ATTN: __________
002 AIIB __________
003 __________
004 __________
005 __________
006 __________
007 APPLICATION NO: __________
009 [currency and amount in figures]
010 [amount in words]
011 PROJECT REFERENCE: __________
012 [project name]
013 OUR TN: [number]
014 ON THE BASIS OF FOREGOING WE HEREBY NOTIFY YOU
015 THE AMOUNT OF DISBURSEMENT TO BE MADE BY YOU:
017 [currency and amount in figures]
018 [amount in words]
020 PAY TO: [project name]
021 [address of Payee]
022 PAYEE ACCOUNT NO: __________
024 PAYEE BANK NAME AND ADDRESS: __________
025 __________
027 INTERMED BANK NAME AND ADDRESS: [____
028 ________________________],
029 DA - C RECOVERY AMOUNT USD 0.00 ( ZERO )
030 WE HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING

13 All elements of this notice which are known at the time the Project Co-lenders’ Agreement is signed should be completed prior to signing of that agreement (e.g., addressee, name of Project, category details, etc).
REQUEST FOR
DISBURSEMENT:
CATEGORY DETAILS (CATEGORY, AMOUNT)

[xxxxxx]
[xxxxxx]
[xxxxxx]
[xxxxxx]
[xxxxxx]
[xxxxxx]
[xxxxxx]
[xxxxxx]
[xxxxxx]
[xxxxxx]

TOTAL: [currency and amount in figures]
PAYMENT REFERENCE: COFN [xxxxxx]
FOR DISBURSEMENT DIVISION,
WORLD BANK.

NOTE: ALL THE DETAILS STATED ABOVE ARE AS PER THE CURRENT STATUS OF THE APPLICATION
ATTACHMENT 2 TO PROJECT CO-LENDERS' AGREEMENT:
WORLD BANK'S
ESTIMATED BUDGET FOR THE PROJECT
FOR FISCAL YEAR 20__