

**FRAMEWORK AGREEMENT**

**BETWEEN**

**THE FEDERAL MINISTER OF FINANCE OF  
THE REPUBLIC OF AUSTRIA**

**AND**

**THE MINISTRY OF FINANCE OF  
THE PEOPLE'S REPUBLIC OF CHINA**

**ON**

**FINANCIAL COOPERATION**

The Federal Minister of Finance of the Republic of Austria (hereinafter referred to as "Austrian MOF") and the Ministry of Finance of the People's Republic of China (hereinafter referred to as "PRC MOF"), collectively referred to as "Parties" and individually as "Party",

**Recognizing** the long-standing friendly relationship between the two countries,

**Desiring** to further strengthen and deepen the existing relationship with a view to enhancing economic and financial cooperation building on past achievements in sectors/areas of mutual interest and/or of high technological relevance,

**Recognizing** that the promotion of financial cooperation may contribute to improving infrastructure, achieving economic, social, environmental as well as developmental goals, thereby fostering sustainable economic growth and welfare,

**Expressing** their firm intent to cooperate in a spirit of partnership and mutual respect,

have agreed as follows:

## **Article 1**

### **Objective**

The objective of this Framework Agreement is to establish a framework for a comprehensive financial cooperation strategy between the Parties supporting projects/investments in sectors of mutual interest in the People's Republic of China or abroad which are critical to national economic, social, environmental, climate protection and developmental strategies and/or the promotion of sustainable economic growth.

The financial cooperation between the Parties is conducted in accordance with their respective laws, regulations, reporting requirements to Parliament/Congress, relevant policies and mandates as well as their international obligations.

## **Article 2**

### **Scope**

The financial cooperation takes the form of a Multi-Year Credit Line Facility for a total indicative amount of EUR 500 million (five hundred million Euro), provided in individual Credit Line tranches by Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB"), acting as lender ("the Lender") by virtue of its mandate by the Austrian Federal Ministry of Finance to the PRC MOF, acting as borrower ("the Borrower") and authorizing the Export-Import Bank of China (hereinafter referred to as "China Eximbank") for on-lending, with the purpose of financing in whole or in part the procurement of goods, related services and costs from potential suppliers for public as well as private sector projects/investments particularly in sectors/areas qualified as eligible under the Financial Cooperation Framework.

## **Article 3**

### **Sectors/Areas of Cooperation**

The following sectors/areas are particularly qualified by the Parties as eligible under the Financial Cooperation Framework:

1. Infrastructure incl. environmental infrastructure (e.g. wastewater treatment, solid waste disposal, municipal water and sanitation, water supply and air pollution control systems)
2. Climate/environmental protection (e.g. renewable energy, energy efficiency and waste incineration)
3. Climate-friendly transport solutions (e.g. railways, energy efficient urban transport systems, cable cars and traffic safety technology)
4. Health/hospitals/medical equipment/training
5. Higher vocational training/dual vocational training
6. Civil protection (such as municipal/local fire fighting and emergency warning systems)
7. Tourism (including equipment for sports facilities and event locations)

Project proposals duly take account of European and Austrian expertise, know-how and technological strength in these sectors/areas.

The following sectors/areas are excluded from eligibility:

1. Nuclear power sector
2. Military sector
3. Projects/investments as well as activities generating potential reputational damage to either Party by reference to the Environmental and Social Exclusion List of the Asian Infrastructure Investment Bank (AIIB).

## **Article 4**

### **Use of Proceeds**

Unless specified or mandated otherwise, the proceeds from the Credit Line tranches shall only be used for the financing purpose and eligible sectors/areas referred to in Article 2 and 3 of the present Framework Agreement.

Equipment, consulting services, project-related civil works and capacity building may be financed out of the Credit Line proceeds.

Costs arising from official approval procedures such as site permits, approvals, authorizations or other public charges are considered to be ineligible costs.

## **Article 5**

### **Responsibilities and Communication**

Responsibilities under the Financial Cooperation Framework are as follows:

1. PRC MOF and Austrian MOF - for setting the legal framework for the implementation of Financial Cooperation under the present Framework Agreement
2. Austrian MOF - for mandating OeKB with the conclusion and execution of the Multi-Year Credit Line Facility/Credit Line tranches backed by a state guarantee issued under the Austrian MOF's Promotional Schemes
3. PRC MOF- for authorizing China Eximbank to sign financing agreements with OeKB under the Multi-Year Credit Line Facility/Credit Line tranches.

OeKB is responsible within its mandate as executive agency nominated by the Austrian MOF for concluding, executing and administering the Multi-Year Credit Line Facility. China Eximbank is authorized by the PRC MOF for concluding, executing and administering on-lending agreements by dint of on-lending operations.

Unless stated otherwise the Austrian Embassy Beijing/Commercial Section is designated as the central contact point for the exchange of correspondence and communication with the Chinese authorities as well as with companies potentially qualified for or interested in the participation in tender procedures on the basis of project proposals/lists in eligible sectors/areas covered by the Framework Agreement.

**Article 6**  
**Credit Line Facility**  
**Lending Terms**

Each Credit Line tranche extended by OeKB upon prior consultations between the Parties and approval by the Austrian MOF to China Eximbank for on-lending will specify the amount, purpose, the lending modalities and the current financial terms and conditions which will have to meet the criteria for development finance.

**Article 7**  
**On-Lending Modalities**

The PRC MOF authorizes China Eximbank with the conclusion, execution and administration of on-lending agreements for projects/investments sub-loans.

China Eximbank is authorized by PRC MOF to grant financing only for the purpose and for projects/investments in eligible sectors/areas referred to under Article 2 and 3 of the present Framework Agreement and to conduct eligible on-lending operations in conformity with sound underwriting/lending principles including effective risk management and through the application of environmental, social and other relevant safeguard/compliance policies in a manner consistent with international standards and best practice such as from the AIIB.

On-lending operations should further seek to achieve a reasonable spread among eligible sectors/areas and avoid sectoral focusing.

Projects/investments potentially generating significant environmental and social risks or irreversible adverse impacts, involving large-scale involuntary resettlement or otherwise causing reputational damage as determined through consultation between the Parties shall not be financed out of the Credit Line proceeds.

For projects/investments potentially entailing both benefits and negative impacts, the on-lending bank(s) shall exercise its/their professional judgement when balancing impacts and determination of eligibility for the use of proceeds.

Projects/investments may be financed under on-lending operations up to 100%.

**Article 8**  
**Procurement**

Procurements for projects in eligible sectors/areas referred to in Article 2 and 3 are governed by applicable local procurement laws and regulations in the People's Republic of China with due consideration of overall supplier qualification and selection criteria as well as other policy directives and requirements to be specified between the Parties.

**Article 9**  
**Tracking of the Proceeds**  
**and On-Site Visits**

Transactions financed out of the proceeds from the Credit Line Facility shall be recorded by the on-lending bank as single identifiable positions under a special account/register to be established and relevant documents be retained mainly for the following purposes:

1. traceability of the use of proceeds
2. imputation of financed transactions under the credit line facility
3. evaluation and monitoring purposes

All relevant documents and data shall be made accessible through permitted disclosure and delivered for the said purposes to the PRC MOF and the Austrian MOF via the Austrian Embassy Beijing/Commercial Section.

The PRC MOF shall ensure the possibility of site visits by representatives of the Austrian Federal Ministry of Finance and OeKB to projects financed under the Financial Cooperation Framework.

**Article 10**  
**Taxes and Duties**

Taxes and duties for all projects/investments included in the Multi-Year Credit Line Facility/Credit Line tranches shall follow relevant taxation policies applicable to foreign government loans in China.

**Article 11**  
**Settlement of Disputes**

Any dispute or difference which may arise between the Parties concerning the interpretation and/or implementation of the Framework Agreement shall be settled amicably through consultation.

**Article 12**  
**Consultation and Review of Progress**

The Parties intend to review at least on an annual basis the progress and effectiveness under the Financial Cooperation Framework and to consult on any matters/measures regarding its strategic and operational implementation, including the list of sectors/areas of cooperation and the amount of the Credit Line Tranches, with a view to ensuring effective policy direction. Further responsible or relevant entities and actors under the financial cooperation may be invited to join the consultation and review process.

**Article 13**  
**Promotional Activities**

Further to the achievement of their common objectives under the Financial Cooperation Framework, the Parties intend to promote activities which may confer an added value to the operations covered by this Framework Agreement through the organization of workshops, conferences, training seminars, exhibitions, roadshows, information sessions or any other means which the Parties may agree upon. The Parties will support each other in organizing such activities.

**Article 14**  
**Amendments to the Framework Agreement**

This Framework Agreement may only be amended by mutual written agreement of the Parties. Amendments will come into effect on the date determined by the Parties.

## Article 15

### Entry into Force, Duration and Termination

This Framework Agreement shall enter into force on the first day of the month following the month in which the Parties have notified each other of the fulfilment of all procedures necessary in their respective country. It will remain in force for a period of 5 years, extendable thereafter for further periods by mutual agreement of the Parties.

This Agreement may be terminated at any time by one of the Parties upon six-month's prior written notice. The termination shall not affect the execution of contracts already concluded.

The two originals of this Framework Agreement are written in English, and done on May 2020 in Vienna/Beijing.



The Federal Minister of Finance  
of the Republic of Austria



The Ministry of Finance  
of the People's Republic of China

*Vienna, 27<sup>th</sup> May 2020*

*Beijing, 28<sup>th</sup> June 2020*



