
GRANT NUMBER D9780-TJ

Financing Agreement

(Tajikistan Preparedness and Resilience to Disasters Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D9780-TJ

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF TAJIKISTAN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to thirty-five million eight hundred thousand Special Drawing Rights (SDR 35,800,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the MOF, in coordination with: (a) the MOT for purposes of Part 1 of the Project and (b) the CoESCD for purposes of Parts 2.2 and 2.3 of the Project; all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV— EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient, through the MOF PIU, the MOT PIG, and the CoESCD PIU has adopted the POM, in form and substance satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister of Finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Finance
3, Academic Rajobovkho Street
Dushanbe, 734025
Republic of Tajikistan; and

(b) the Recipient's Electronic Address is:

Facsimile:
(992-372) 213329

- 5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF TAJIKISTAN

By



Authorized Representative

Name: Faiziddin Qakhorzoda

Title: Minister of Finance

Date: June 29, 2022

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Ozan Sevimli

Title: Country Manager

Date: June 29, 2022

SCHEDULE 1

Project Description

The objectives of the Project are: (a) to support disaster recovery, strengthen the resilience of critical roads, and enhance disaster risk management capacity; and (b) in the case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

Part 1: Building Road Resilience

1.1. Rehabilitating Roads Damaged by the 2021 Floods

Rehabilitation of Priority Roads and associated infrastructure damaged by the 2021 Floods.

1.2. Protection and reinforcement of Priority Roads

- (a) Reinforcement and protection of one or more segments of Priority Roads at significant risk of natural hazards, including reconstruction, repair and new installation of measures; and
- (b) procurement of heavy specialized machinery for MOT to prepare for emergency response and maintenance of its infrastructure assets; and carrying out of training and capacity building to enhance MOT's and its regional and local road maintenance departments' abilities to design, implement, and maintain structural and non-structural resilience measures.

Part 2. Strengthening Disaster Risk Management Capacity

2.1. Strengthening regional crisis management centers and systems

- (a) Carrying out necessary works to build or renovate facilities to host CoESCD's regional crisis management centers ("RCMCs") in Khujand, Khorog and Bokhtar;
- (b) purchasing of required information and communication technology equipment to be installed within the RCMCs, integrated with the national systems being installed in the NCMC;
- (c) purchasing of additional mobile command and communication vehicles for the improved crisis management systems at the regional/local levels, as needed, to perform as RCMCs;
- (d) hiring of consultancy services for expanding the national operations manual for the RCMCs; and

- (e) capacity building for relevant staff and operators of the RCMC and users of mobile command and communication vehicles, as needed.

2.2. Modernizing disaster communication and information systems

- (a) Enhancement of existing radio communication networks across the country and setting up new radio communication networks at least in large cities and population centers to improve disaster risk management;
- (b) enhancement of other ICT networks such as microwave, satellite, and fiber optics used for disaster risk management;
- (c) enhancement and/or development of umbrella disaster management software integrated for current and future early warning systems and current emergency management software platforms;
- (d) enhancement and/or development of an interagency platform for data exchange to facilitate real-time data sharing between disaster monitoring, forecasting, and management agencies;
- (e) support for policy development, populating a geo-node/website for consolidated access to existing and new disaster-related geospatial data and information;
- (f) development of dissemination channels (website, SMS services, smartphone app, etc.) to facilitate real time public access to forecasts and warnings; and
- (g) support for access and use of real time products from the new CoESCD weather radar in Hissar.

2.3. Capacity building for emergency response

- (a) Provision of international community certification trainings for professional search and rescue (“SAR”) teams;
- (b) carrying out public trainings for disaster preparedness;
- (c) preparation of disaster preparedness modules for different stakeholders (e.g., public agencies, vulnerable citizens, industrial zones, small and medium enterprises, health workers);
- (d) construction, provision of equipment, and capacity building for a water rescue training center at the Recipient’s Nurek Reservoir; and

- (e) reinforcement and/or additional capacity building for the existing response training center in Karatog.

2.4. Strengthening the basis for structural and seismic resilience

- (a) Establishment of a seismic response monitoring system for Priority Structures and natural ground locations in Dushanbe;
- (b) continued updating of building standards;
- (c) carrying out relevant trainings and workshops in the application of updated building codes and standards, including energy efficiency considerations; and
- (d) building monitoring and enforcement capacities of the Recipient's Institute of Geology, Earthquake Engineering and Seismology ("IGEES").

2.5. Disaster Risk Financing

- (a) Assessing the requirements, fiscal realities, needed legislation, and regulations, and subsequently designing priority mechanisms for disaster risk financing; and
- (b) carrying out technical capacity building activities of the relevant MOF and other involved government agencies of the Recipient for disaster risk financing.

Part 3: Project Management

Financing of incremental operating costs for the MOF, MOT and CoESCD for Project execution, including overall Project administration and management, prioritization of activities under the Project, management of social and environmental issues, financial management, procurement, contract administration, Project reporting, and monitoring and evaluation.

Part 4: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional and Implementation Arrangements.

1. The Recipient shall:
 - (a) no later than two (2) months after the Effective Date establish and thereafter maintain, throughout Project implementation:
 - (i) a Project implementation unit within the MOF ("MOF PIU") with composition, resources and terms of reference acceptable to the Association, and with the following functions, as more fully described in the POM: (A) lead the overall supervision and coordination of Project implementation; (B) combine financial management, monitoring and reporting requirements; and (C) execute Parts 2.1, 2.4, 2.5, 3 and 4 of the Project, with technical inputs and supervision from relevant agencies such as IGEES, the CoESCD, the Recipient's Committee of Architecture and Construction ("CoAC") and relevant departments within the MOF; and
 - (ii) a Project implementation group within the MOT ("MOT PIG") with composition, resources and terms of reference acceptable to the Association, responsible for the execution of Part 1 of the Project and the related aspects of Project management under Part 3 of the Project; and
 - (b) no later than three (3) months after the Effective Date, establish and thereafter maintain, throughout Project implementation, a unit within the CoESCD ("CoESCD PIU") with composition, resources and terms of reference acceptable to the Association, responsible for the execution of Parts 2.2 and 2.3 of the Project, and the related aspects of Project management under Part 3 of the Project.
2. The Recipient shall:
 - (a) carry out the Project in accordance with the requirements, criteria, organizational arrangements, and operational procedures set forth in this Agreement and the Project Operational Manual ("POM"), including the CERC Manual and not assign, amend, abrogate, or waive any provisions of the POM, including the CERC Manual, without prior approval of the Association.

- (b) In case of any inconsistency between the provisions of the POM, including the CERC Manual, and those of this Agreement, the provisions of this Agreement shall prevail.

B. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
 - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Contingent Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:

- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

C. Environmental and Social Standards.

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
- (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the

ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes other than Value Added Tax (VAT) and custom taxes, imposts, levies, fees, excise and duties of any nature in effect at the time of each Financing Withdrawal
(1) Goods, works, non-consulting services, Training and Operating Costs for the Project	32,220,000	100%
(2) Consulting Services	3,580,000	100%
(3) Emergency Expenditures	0	100%
TOTAL AMOUNT	35,800,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date; or
 - (b) for Emergency Expenditures under Category 3, unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category 3;

- (ii) the Association has agreed with such determination, accepted said request, and notified the Recipient thereof; and
 - (iii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
2. The Closing Date is March 31, 2027.

APPENDIX

Definitions

1. “2021 Floods” means the floods and mudflows that occurred between May and July of 2021 in the territory of the Recipient.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CERC Manual” means the manual referred to in Section I.B.1 (a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operational Manual.
5. “CoAC” means the Recipient’s Committee of Architecture and Construction or any successor thereto acceptable to the Association.
6. “CoESCD” means the Committee of Emergency Situations and Civil Defense, the Recipient’s central state entity responsible for management of man-made and natural emergency situations and disasters or any successor thereto acceptable to the Association.
7. “CoESCD PIU” means the Project implementation unit under CoESCD referred to in Section I.A.1 (b) of Schedule 2 to this Agreement.
8. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
9. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
10. “Emergency Action Plan” means the plan referred to in Section I.B.1 (b) of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.

11. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.B.1 (a) of Schedule 2 to this Agreement and required for the Contingency Emergency Response Part.
12. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated January 26, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
13. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
14. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021 and January 1, 2022).
15. “ICT” means information and communication technologies.
16. “IGEES” means the Institute of Geology, Earthquake Engineering, and Seismology of the National Academy of Sciences of Tajikistan.
17. “MOF” means the Recipient’s Ministry of Finance or any successor thereto acceptable to the Association.
18. “MOF PIU” means the Project implementation unit under the MOF, referred to in Section I.A.1(a)(i) of Schedule 2 to this Agreement.
19. “MOT” means the Recipient’s Ministry of Transport or any successor thereto acceptable to the Association.

20. "MOT PIG" means the Project implementation group under the MOT, referred to in Section I.A.1 (a)(ii) of Schedule 2 to this Agreement.
21. "NCCMC" means the Recipient's National Crisis Management Center or any successor thereto acceptable to the Association.
22. "Operating Costs" means the incremental operating expenditures incurred by the Recipient on account of the Project implementation, management, monitoring and evaluation, including salaries of contractual staff (but excluding salaries of officials of the Recipient's civil service) and the associated Social Charges, office rent, office materials and supplies, utilities, communication costs, transport and vehicle maintenance costs (including fuel), support for information systems, translation costs, bank charges and travel and per diem costs of the Recipient's staff and other reasonable expenditures directly associated with the implementation of the Project activities, all based on an annual budget acceptable to the Association.
23. "Priority Roads" means the roads prioritized according to the criteria set out in the POM and subject to agreement with the Association.
24. "Priority Structures" means buildings and bridges prioritized according to the criteria set out in the POM and subject to agreement with the Association.
25. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
26. "Project Operational Manual" or "POM" means the Recipient's Manual, acceptable to the Association, referred to in Section 1.A.2 of Schedule 2 to this Agreement.
27. "RCCMCs" means CoESD's regional crisis management centers referred to under Part 1.1 of the Project.
28. "SAR" means search and rescue.
29. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
30. "Social Charges" means any payments or contributions for health benefits, unemployment benefits, disability insurance, workers' compensation benefits, retirement (pension or social security) benefits, and life insurance, or any other benefits according to the Recipient's legislation.
31. "SMS" means short message service, commonly known as texting.

32. "Tajikhydromet" means the Recipient's national agency for hydrometeorology.
33. "Training" means expenditures for Project-related study tours, training courses, seminars, workshops and other training activities not included under goods or service providers' contracts, including costs of training materials, space and equipment rental, travel and *per diem* costs of trainees and trainers.