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**IDA CREDIT NUMBER 6549-UZ**  
**SCALE-UP FACILITY CREDIT NUMBER 6550-UZ**

# **Financing Agreement**

**(Agriculture Modernization Project)**

**between**

**REPUBLIC OF UZBEKISTAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF UZBEKISTAN (“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 the Recipient:
  - (a) a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of two hundred nineteen million Dollars (\$219,000,000) (“Concessional Financing”), and
  - (b) a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in the amount of one hundred million Dollars (\$100,000,000) (“Non-concessional Financing”), as such amount may be converted from time to time through a Currency Conversion, (collectively, “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. With respect to the Non-concessional Financing, the Front-end Fee is one quarter of one percent (¼ of 1%) of the Non-concessional Financing amount.
- 2.04. (a) With respect to the Concessional Financing, the Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance; and

- (b) With respect to the Non-concessional Financing, the Commitment Charge is one-quarter of one percent ( $\frac{1}{4}$  of 1%) per annum on the Unwithdrawn Credit Balance.
- 2.05. With respect to the Concessional Financing, the Service Charge is the greater of: (a) the sum of three-fourths of one percent ( $\frac{3}{4}$  of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent ( $\frac{3}{4}$  of 1%) per annum on the Withdrawn Credit Balance.
- 2.06. The Interest Charge is:
- (a) with respect to the Concessional Financing, the greater of: (i) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (ii) zero percent (0%) per annum; on the Withdrawn Credit Balance; and
- (b) with respect to the Non-concessional Financing, the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.09(e) of the General Conditions.
- 2.07. The Payment Dates are June 15 and December 15 in each year.
- 2.08. The principal amount of the Financing shall be repaid in accordance with the repayment schedules set forth in Schedule 3 to this Agreement.
- 2.09. 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 UZAIFSA under MoA, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension consists of the following, namely, that the UZAIFSA's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of UZAIFSA to perform any of its obligations under this Agreement.

- 4.02. The Additional Event of Acceleration consists of the following: an event specified in Section 4.01 of this Agreement occurs.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has adopted the POM in form and substance satisfactory to the Association.
  - (b) The Recipient has established the PIU with staff, resources and terms of reference acceptable to the Association.
- 5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.
- 5.03. 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 VI — REPRESENTATIVE; ADDRESSES**

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

- (a) the Recipient's address is:

Ministry of Finance  
Istiqlol Street 29  
Tashkent 100017  
Republic of Uzbekistan; and

- (b) the Recipient's Electronic Address is:

Telex:	Facsimile:	E-mail
1 6360 IK BOL	(998-71) 239-1569 (998-71) 239-1259	invest@mf.uz

6.03. 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 UZBEKISTAN**

**By**



\_\_\_\_\_  
**Authorized Representative**

Sardor Umurzakov

**Name:** \_\_\_\_\_

**Title:** Deputy PM  
\_\_\_\_\_

**Date:** 11-Jul-2020  
\_\_\_\_\_

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



\_\_\_\_\_  
**Authorized Representative**

Lilia Burunciuc

**Name:** \_\_\_\_\_

**Title:** Country Director  
\_\_\_\_\_

**Date:** 09-Jul-2020  
\_\_\_\_\_

## SCHEDULE 1

### Project Description

The objectives of the Project are to (i) enhance productivity-supporting agricultural services and (ii) promote market-led, high-value horticulture value chains.

The Project consists of the following parts:

#### **Part 1. Enhancing Productivity-Supporting Agricultural Services**

##### 1.1 Applied agricultural research and development

- (a) Provide support to the Participating Institutions to enhance the capacity of the national research and development system to develop new technologies, as well as to adapt existing, on-the-shelf technologies to local social and environmental conditions and to changing circumstances, through providing goods, works, training and technical assistance for *inter alia*:
  - (i) human resource development, including training, workshops, seminars, conferences and study tours;
  - (ii) construction (of new), rehabilitation/renovation (of existing), and refurbishment (of both new and existing) infrastructure for administration and research, including laboratories, offices, storage facilities, green and glass houses, lath houses, gene bank, and horticulture innovations center;
  - (iii) upgrade of irrigation infrastructure/facilities on research farms in order to reduce energy use;
  - (iv) establishment and/or upgrading of information and communications technology (ICT) infrastructure;
  - (v) establishment and/or strengthening of demonstration plots and demonstration orchards and greenhouses;
  - (vi) procurement of laboratory equipment, reagents, field equipment, farm machineries, and vehicles; and
  - (vii) procurement (acquisition) of germplasm.
- (b) Carrying out, for each of the said Participating Institutions, (i) a functional and human capacity assessment, (ii) a strategic action plan with goals and target of relevance, actions proposed and a monitoring and accountability framework, and (iii) a human resource development plan.

##### 1.2 Seed and seedling production

Provide support to MoA and the Participating Institutions to rebuild local seed and seedling production systems through provision of goods, works, training and technical assistance for *inter alia*:

- (i) human resource development, including training, workshops, seminars, conferences and study tours;
- (ii) construction (of new), rehabilitation/renovation (of existing), and refurbishment (of both new and existing) infrastructure, such as office, storage or laboratory buildings;
- (iii) upgrade of irrigation infrastructure/facilities on state seed farms;
- (iv) establishment and/or upgrading of ICT infrastructure;
- (v) procurement of laboratory equipment, reagents, field equipment, farm machineries and vehicles; and
- (vi) accreditation of laboratories.

### 1.3 Natural resource management

Provide support to MoA and the Participating Institutions to increase farmers' awareness of their soils, water situation and biohazards, through provision of goods, works, training and technical assistance for *inter alia*:

- (i) upgrading soil and water testing laboratory infrastructure;
- (ii) strengthening land mapping capacities (with investments in technical assistance, critical equipment, ICT and software) and digitalizing land/soil map information with open-data access;
- (iii) developing best practice guidelines on soil monitoring, mechanization practices/techniques, and fertilizer use adjusted to different soil types and agro-ecological zones as part of said best practice guidelines, while making this information available to farmers through field-based extension services;
- (iv) supporting design of climate-smart and small farm suitable machinery and equipment;
- (v) piloting new digital technologies for soil and water testing/scanning, specifically portable field-based soil testing equipment;
- (vi) capacity building in natural resource management through: (a) awareness creation and training; (b) provision of field and office equipment and critical supplies; (c) provision of extension services such as demonstrations, field days and 'hands-on' exercises; and (d) climate-smart agriculture practices that lead to reduction of greenhouse gas (GHG) emissions and fertilizer use.

### 1.4 Farmer adoption support

Provide knowledge and advisory support for adoption of productive and climate-smart technologies and practices to enable more reliable and higher quality outputs by farmers, through *inter alia*:

- (i) Provision of support to establish advisory/extension centers, in selected districts, to organize advisory and extension activities, including but not limited to: (a) support for development of the institutional structure, and guidelines defining roles, responsibilities, accountability, financing, and functional processes, (b) development of training materials and training of



trainers in the said advisory/extension centers; (c) construction of new, renovation/rehabilitation (of existing) and refurbishment (of both new and existing) of infrastructure, including training halls, audiovisual units, libraries and class rooms; and (d) procurement of equipment, digital tools, farm machinery, vehicles, and demonstration materials, including inputs, field equipment, and audio-visual materials;

(ii) Service provision

- (a) provision of support to transfer tested, low-cost, and scalable climate smart agriculture technologies generated under Parts 1.1-1.3 referenced immediately above and from other sources to farmers, including but not limited to carrying out the demonstrations of technologies both at the advisory and extension centers and on farmers' plots through, *inter alia*, (A) the financing of Incremental Operating Costs, (B) the procurement of seeds, fertilizer, farm machinery and other similar inputs, (C) training, workshops, and experience sharing (exchange) visits, and (D) IT equipment and internet services;
- (b) provision of support for the establishment and/or strengthening of farm cooperatives through capacity building activities; and
- (c) piloting establishment of intensive orchard farms in selected districts to assist, *inter alia*, with (A) collective organization of an interested group of farmers, and (B) build up their technical and managerial capacities.

**Part 2. Supporting Investments in High-Value Horticulture Value Chains**

Provision, through selected PFIs, of Sub-Loans for Sub-projects investments in horticulture value chains, including, but not limited to (a) intensive orchards and greenhouses; (b) energy efficient irrigation systems; (c) solar water heating systems and other climate-smart water saving and mechanization technologies; and (d) processing and storage facilities to Beneficiaries, as follows: (i) cooperatives and participants in cooperations, in horticulture sector, and (ii) members of productive partnerships, both farmers and agribusiness firms, operating in horticulture value chains.

**Part 3. Facilitating Trade and Marketing**

Support improvement of internal and external markets access for local horticulture products through:

3.1 Establishing agro-logistical centers in selected regions

- (i) Feasibility studies for selected agro-logistical centers;
- (ii) Construction of new agro-logistical centers with infrastructure for wholesale marketing and for logistical services dedicated to cross-docking, storage,

transformation, packing, and on-line platforms for exports, and provision of public services such as customs, testing, certification, banking and other services.

### 3.2 Strengthening plant protection and quarantine capacity

- (i) Human resource development on pest control, phytosanitary inspections, testing and certification actions regarding key exporting crops through training, workshops, seminars, conferences, and study tours;
- (ii) Procurement of equipment and materials for the central laboratory of State Plant Quarantine Inspection, for pest detection and eradication (plant protection) activities, and other phytosanitary activities;
- (iii) Laboratory equipment and materials for fumigation analyses for the State Plant Quarantine Inspection.

### 3.3 Strengthening market information system

- (i) Human resource development through training, workshops, seminars, conferences and study tours
- (ii) Establishment or upgrade of ICT infrastructure;
- (iii) Assessment and further improvement of the system of market information and dissemination;
- (iv) Collection and dissemination of information on agricultural prices, market developments, and other statistics.

## **Part 4. Supporting Project Management**

Provision of goods, technical assistance and Training to UZAIFSA for the implementation of the Project (including the areas of financial management, procurement, disbursement, environmental and social safeguards, monitoring and evaluation) and financing of Incremental Operating Costs.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

1. The Recipient, through MoA, shall be responsible for overall Project implementation, and shall maintain, throughout the Project implementation, the following institutional arrangements:
  - (i) The MoA shall cause UZAIFSA to maintain, throughout the Project implementation, a Project Implementation Unit with a structure, functions and responsibilities and adequate staff, all as further described in the POM and acceptable to the Association, for the purposes of day-to-day Project management, monitoring, evaluation and supervision.
  - (ii) Without limitation of Section I.A.1 (i) of Schedule 2 to this Agreement, the Recipient shall ensure that:
    - (a) Part 1 of the Project shall be implemented by the MoA, through UZAIFSA, with participation of:
      - (A) relevant agricultural research institutes under MoA and other entities, as appropriate, to carry out applied research activities, including on seed breeding, and climate-smart agriculture technologies and farming practices;
      - (B) relevant departments, agencies and centers under MoA and other entities, as appropriate, to carry out seed/seedling registration and production, quality assurance of seedlings, soil testing and scanning, development of the national good agricultural practices manuals, updating of agro-technological maps, agricultural extension services, and development of farm cooperatives;
      - (C) the Service Center in the Agro-Industrial Complex to carry out activities for seed quality assurance;
      - (D) Design and Technology Center for Agricultural Machinery to conduct research on design of agricultural machinery and equipment and develop new machine designs.

- (b) Part 2 of the Project shall be implemented by the MoA, through UZAIFSA, with the participation of the PFIs.
  - (c) Part 3.2 of the Project shall be implemented by the MoA, through UZAIFSA, with the participation of the State Plant Quarantine Inspection.
- 3. The MoA, through UZAIFSA, shall (a) prepare and adopt the POM and the Credit Line Guidelines, all in accordance with the terms and conditions of this Agreement, and satisfactory to the Association, and (b) carry out the Project in accordance with the provisions set out in the POM and the Credit Line Guidelines which shall not amended, suspended, abrogated, repealed or waived without the prior written approval of the Association. In case of any conflict between the terms and conditions of this Agreement and the document(s) referred to in paragraph 3 (a) immediately above, this Agreement shall prevail.
- 4. No later than two (2) months from the Effective Date, the PIU shall install a separate module in the current accounting software for managing the accounting and financial reporting of the Project.

**B. Subsidiary Loan Agreements.**

- 1. To facilitate the carrying out of Part 2 of the Project, the Recipient shall make a part of the proceeds of the Loan available under subsidiary agreements between the Recipient, UZAIFSA and each PFI under terms and conditions approved by the Association, including those set forth in Section B.5 below (“Subsidiary Loan Agreements”).
- 2. The Recipient shall exercise its rights under the Subsidiary Loan Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Loan. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Loan Agreements or any of its provisions.
- 3. The Recipient shall, in close cooperation with the Association, select PFIs for Part 2 of the Project in accordance with the eligibility criteria set forth in the Credit Line Guidelines.
- 4. The PFIs shall carry out appraisal of activities under Part 2 of the Project and Beneficiaries based on criteria set forth in the Credit Line Guidelines. Appraisal shall include, *inter alia*: (i) environmental screening of the proposed Sub-projects and determining what type of environmental impact assessment has to be carried out by the Beneficiary; and (ii) compliance with applicable laws and regulations on child and forced labor.

5. The Recipient shall ensure that each Subsidiary Loan Agreement with PFIs shall comply with, but not be limited to, the following terms and conditions:
  - (a) the amount and currency of the Subsidiary Loan;
  - (b) the principal amount of the Subsidiary Loan shall be repaid by the respective PFI in Dollars and/or in Soum to the Recipient in semi-annual installments in accordance with the provision of the Credit Line Guidelines;
  - (c) interest to be charged on the outstanding balances of the Subsidiary Loans;
  - (d) each PFI shall carry out Sub-projects in accordance with the Anti-Corruption Guidelines; and
  - (e) each PFI shall be responsible for monitoring implementation of Sub-projects and ensuring compliance of Beneficiaries with any applicable laws and regulations on child and forced labor. In case of established non-compliance with laws and regulations on child and forced labor by a Beneficiary utilizing Sub-loan from a respective PFI, said Sub-loan shall be refunded to the Recipient and such PFI shall be disqualified from providing Sub-loans under Part 2 of the Project, all in accordance with the relevant criteria and provisions established in the Credit Line Guidelines.

**C. Sub-loans**

1. The Recipient shall ensure that PFIs make Sub-loan to Beneficiaries in accordance with terms and conditions, eligibility criteria and procedures set forth in the Credit Line Guidelines.
2. Sub-loan shall not finance: (i) any non-eligible activities or expenditures listed in the Credit Line Guidelines; (ii) any Sub-project requiring involuntary land acquisition or resettlement or loss of assets or income; and (iii) any activity relating to cotton production.
3. The Recipient shall ensure that PFIs make each Sub-loan under a Sub-loan Agreement with each Beneficiary on terms and conditions set forth in the Credit Line Guidelines, which shall, *inter alia*, include the following:
  - (a) the Sub-loan shall be made to each Beneficiary in Dollars and/or Soum;
  - (b) interest shall be charged by a PFI on the principal amount of each Sub-loan withdrawn and outstanding from time to time, at the prevailing interest rate under the concerned Subsidiary Loan Agreement of said PFI as determined in accordance with Section B.5 above plus a market-based spread determined by the PFI making such Sub-loan;

- (c) each Sub-loan shall be made by the PFI to the Beneficiary on terms and conditions, including those relating to the maturity, currency denomination, and other charges determined in accordance with the PFI's investment and lending policies and practices, and the provisions of the Credit Line Guidelines;
- (d) the first three (3) Sub-project proposals irrespective of the amount shall be submitted by the PFI to the Association for its prior review and approval; and
- (e) each Sub-loan shall be made by the PFI to the Beneficiary on terms and conditions, including rights adequate to protect the interests of the Recipient and the Association, namely, the right to:
  - (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-loan, or declare to be immediately due and payable all or any part of the amount of the Sub-loan then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-loan Agreement;
  - (ii) in case of established non-compliance by a Beneficiary with any applicable laws and regulations on child and forced labor, suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-loan and request a refund of disbursed amounts under the Sub-loan Agreement; and
  - (iii) require each Beneficiary to:
    - (A) carry out its Sub-project: (1) with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, health and social standards and practices, satisfactory to the Association; (2) comply with the requirements of applicable laws and regulations on child and forced labor; (3) in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; and (4) in accordance with the ESCP;
    - (B) provide, promptly as needed, the resources required for the purpose;
    - (C) procure the goods, works and services to be financed out of the Sub-loan in accordance with the provisions of this Agreement;

- (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives;
- (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Association's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
- (F) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and
- (G) prepare and furnish to the Recipient and the Association all such information as the Association shall reasonably request relating to the foregoing.

**D. Annual Work Plan and Budget**

1. The Recipient, through MoA, shall prepare and furnish to the Association not later than December 31 in each calendar year, for the Association's consideration, a proposed work plan of activities proposed for inclusion in the Project for the following calendar year, containing: (a) a detailed timetable for the sequencing and implementation of proposed Project activities; (b) the types of expenditures required for such activities and a proposed financing plan (including the necessary funds and resources to be provided by the Recipient for such expenditures); (c) any training activities that may be required under the Project; and (d) the reference to implementation of said activities in accordance with the provisions of Section I.E of this Schedule 2.
2. The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on each such proposed plan and budget, and thereafter shall ensure that the Project is implemented with due diligence and efficiency in accordance with such work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget").

**E. 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, and as further specified in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
  - (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. The Recipient shall:
  - (a) take all measures necessary on its part 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 management tools and 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) promptly notify the Association 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 instruments referenced therein and the Environmental and Social Standards.



3. The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

**Section II. Project Monitoring, Reporting and Evaluation**

The Recipient cause the project Implementing Entity to furnish to the Association each Project Report not later than one (1) month 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 Credit to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category in the following table:

<b>Category</b>	<b>Amount of the Concessional Financing Allocated (expressed in USD)</b>	<b>Amount of the Non-concessional Financing Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (exclusive of Taxes other than Withheld Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for the Project	219,000,000	80,297,500	100%
(2) Sub-loans under Part 2 of the Project	0	19,452,500	100%
(3) Front-end Fee	0	250,000	Amount payable pursuant to Section 2.03 of this Agreement in

			accordance with Section 3.08 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	0	Amount due pursuant to Section 4.06 (c) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>219,000,000</b>	<b>100,000,000</b>	

**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; and
  - (b) under Category (2) unless the Recipient has prepared and approved the Credit Line Guidelines in a manner satisfactory to the Association, including the terms and conditions of the Subsidiary Loan Agreements to be entered into between MoF, UZAIFSA and each PFI pursuant to Section I.B of this Schedule.
2. The Closing Date is June 30, 2026.

**SCHEDULE 3**

**(a) With respect to Concessional Financing:**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each June 15 and December 15:	
commencing June 15, 2025 to and including December 15, 2044	1.65%
commencing June 15, 2045 to and including December 15, 2049	3.40%

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

**(b) with respect to Non-concessional Financing:**

**Commitment-Linked Amortization Repayment Schedule**

The following table sets forth the Principal Payment Dates of the Credit under Non-concessional Financing and the percentage of the total principal amount of the Credit payable on each Principal Payment Date (“Installment Share”).

**Level Principal Repayments**

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each June 15 and December 15 Beginning June 15, 2030 through December 15, 2049	2.5%

## APPENDIX

### Definitions

1. “Annual Work Plan and Budget” means the Recipient’s annual work plan and budget approved by the Association in accordance with the provisions of Section I.D of Schedule 2 to this Agreement, as said work plan and budget may be modified from time to time with the prior written agreement of the Association.
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. “Beneficiary” means any of: (a) *under Part 2 (i)*, cooperatives in horticulture sector, participants in cooperations in horticulture sector, and (b) *under Part 2 (ii)*, members of productive partnerships, both farmers and agribusiness firms, operating in horticulture value chains, all selected by a PFI in accordance with the Credit Line Guidelines, to which the PFI proposes to make or has made a Sub-loan under Part 2 of the Project; “Beneficiaries” means any two or more Beneficiaries.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Credit Line Guidelines” means the guidelines referred to in Section I.A.3 of Schedule 2 to this Agreement.
6. “Design and Technology Center for Agricultural Machinery” means the Recipient’s center established pursuant to Recipient’s Resolution of the President No. 3117 dated July 7, 2017, or any successor thereto acceptable to the Association.
7. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Association, dated January 31, 2020, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
8. “Environmental and Social Standards” 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 at <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>.

9. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
10. “Incremental Operating Costs” means incremental operating expenditures incurred on account of activities related to the management, monitoring, evaluation, coordination and implementation of the Project, including office equipment maintenance and repair, vehicles, local travel, communication, translation and interpretation, bank charges, consulting services, salaries of the PIU staff (excluding salaries of the Recipient’s civil servants) and other costs of similar nature directly associated with the Project, all based on periodic budgets acceptable to the Association.
11. “MoA” means the Recipient’s ministry of agriculture or any successor thereto acceptable to the Association.
12. “Participating Institutions” means collectively the agencies referred to under Parts 1.1, Part 1.2 and 1.3 of the Project, further listed in the POM, agreed between the Recipient and the Association and selected based on the eligibility criteria set forth in the POM.
13. “Participating Financial Institution” or “PFI” means a commercial bank of the Recipient selected by the Recipient to participate in Part 2 of the Project pursuant to the eligibility criteria set forth in the Credit Line Guidelines.
14. “Project Implementing Unit” or “PIU” means the unit to be established pursuant to Section 5.01 (b) of this Agreement and further referred to in Section I.A.4 of Schedule 2 to this Agreement and the POM, including *inter alia* Project coordinator, financial manager, accountant, procurement specialist, environmental

and social safeguard specialists, or any other specialist agreed with the Association.

15. “Project Operational Manual” or “POM” means the manual to be adopted by the Recipient pursuant to Section 5.01 (a) of this Agreement and further referred to in Section I.A.3 in Schedule 2 to this Agreement, setting forth, *inter alia*, the institutional, disbursement, procurement and financial management arrangements for the implementation of the Project.
16. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
17. “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.
18. “Service Center in the Agro-Industrial Complex” means the Recipient’s center under Inspection on the Control of Agro-Industrial Complex under the Recipient’s Cabinet of Ministers established pursuant to Recipient’s Resolution of the President No. 4241 dated March 15, 2019, or any successor thereto acceptable to the Association.
19. “State Plant Quarantine Inspection” means the Recipient’s State Plants Quarantine Inspection established under the Recipient’s Cabinet of Ministers pursuant to Recipient’s Resolution of the President No. 3249 dated August 30, 2017, or any successor thereto acceptable to the Association.
20. “Sub-loan” means a loan made or proposed to be made by a PFI to a Beneficiary out of the proceeds of the Subsidiary Loan for purposes of financing a Sub-project.
21. “Sub-loan Agreement” means a Sub-loan agreement to be entered or entered into between a PFI and a Beneficiary for provision of a Sub-loan under Part 2 of the Project, pursuant to the Credit Line Guidelines.
22. “Subsidiary Loan” means a loan made by the Recipient to a PFI under Part 2 of the Project for the purposes of onlending to a Beneficiary pursuant to a Subsidiary Loan Agreement.
23. “Subsidiary Loan Agreement” means the agreement pursuant to which the Recipient proposes to make, or has made, a part of the proceeds of the Loan available to a PFI under Part 2 of the Project, as the same may be amended from time to time, with prior approval of the Association.

24. “Sub-project” means a set of investment activities selected or proposed to be selected for financing under Part 2 of the Project in accordance with eligibility criteria and procedures acceptable to the Association, and set forth in the Credit Line Guidelines.
25. “Training” means expenditures in connection with the Project related study tours, training courses, seminars, workshops and other training activities, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs, as approved by the Association.
26. “UZAIFFSA” means the Recipient’s Agency for the Implementation of Projects in the field of Agroindustry and Food Security established pursuant to the Recipient’s Presidential Decree No. 5853 dated October 23, 2019 and the Recipient’s Governmental Resolution No.940 dated November 21, 2018, as amended, or any successor thereto acceptable to the Association.
27. “UZ Soum” means the lawful currency of the Recipient.
28. “Withheld Taxes” means the following taxes withheld at source: taxes for social charges; income taxes for residents and non-residents; and custom registrations duties withheld at the source.