

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4633-UZ

Financing Agreement

(Bukhara and Samarkand Sewerage Project)

between

REPUBLIC OF UZBEKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 26, 2009

CREDIT NUMBER 4633 -UZ

FINANCING AGREEMENT

AGREEMENT dated November 26, entered into between the 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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to thirty five million six hundred thousand Special Drawing Rights (SDR 35,600,000) (variously, “Credit” and “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 IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is the currency of the United States of America.

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 Uzkommunkhizmat and cause Parts A.1 and B.1 of the Project to be carried out by the BVK and Parts A.2 and B.2 of the Project to be carried out by the SVK in accordance with the provisions of Article IV of the General Conditions and the BVK Project Agreement and the SVK Project Agreement, respectively.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV - REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
 - (b) The BVK Subsidiary Credit Agreement or the SVK Subsidiary Credit Agreement has been amended, suspended, abrogated, repealed or waived without the Association's prior consent.
 - (c) The Project Operational Manual has been amended, suspended, abrogated, repealed or waived without the Association's prior consent.

ARTICLE V - EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The BVK Subsidiary Credit Agreement has been executed on behalf of the Recipient and the BVK.

- (b) The SVK Subsidiary Credit Agreement has been executed on behalf of the Recipient and the SVK.
- (c) The Project Operational Manual satisfactory to the Association has been adopted by the Recipient.

5.02. The Additional Legal Matters consist of the following:

- (a) The BVK Subsidiary Credit Agreement has been duly authorized or ratified by the Recipient and the BVK and is legally binding upon the Recipient and the BVK in accordance with its terms.
- (b) The SVK Subsidiary Credit Agreement has been duly authorized or ratified by the Recipient and the SVK and is legally binding upon the Recipient and the SVK in accordance with its terms.

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

5.04. For purposes of Section 8.05 (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 years after the date of this Agreement.

ARTICLE VI - REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Minister of Finance of the Recipient.

6.02. The Recipient's Address is:

Ministry of Finance
Mustakilik Square 5
Tashkent 100008
Republic of Uzbekistan

Telex:

11 6360 IK BOL

Facsimile:

(998-71) 244-5643
(998-71) 239-1259

6.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Tashkent, Republic of Uzbekistan, as of the day and year first above written.

REPUBLIC OF UZBEKISTAN

By /s/ Rustam Azimov

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Loup Brefort

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to mitigate the environmental impact from wastewater pollution and to improve the efficiency and sustainability of wastewater management in Bukhara and Samarkand.

The Project consists of the following parts:

Part A: Physical Investments

1. Rehabilitation of Bukhara Sewerage System, including: (a) rehabilitation and replacement of existing sewers; (b) rehabilitation of existing wastewater pumping stations; (c) minor expansion of sewer system; (d) rehabilitation of the Bukhara Wastewater Treatment Plant, including rehabilitation and replacement of equipment, financing of minor civil works and enhancement of its energy efficiency; (e) provision of operational equipment; and (f) provision of engineering consultancy and other rehabilitation related technical assistance.

2. Rehabilitation of Samarkand Sewerage System, including: (a) rehabilitation and replacement of existing sewers; (b) rehabilitation of existing wastewater pumping stations and construction of an additional wastewater pumping station; (c) minor expansion of sewer system; (d) rehabilitation of the Main Wastewater Treatment Plant and the Farhad Wastewater Treatment Plant, including rehabilitation and replacement of equipment, financing of minor civil works and enhancement of their energy efficiency; (e) provision of operational equipment; and (f) provision of engineering consultancy and other rehabilitation related technical assistance.

Part B: Institutional Strengthening and Capacity Building

1. Institutional strengthening and capacity building of BVK and local communities through: (a) development of communications strategies and public awareness raising campaigns; (b) staff training in utility management with an emphasis on improving the consumer orientation; and (c) establishment of a Pilot Supervisory Control and Data Acquisition System to enhance responsiveness to emergencies and to routine maintenance.

2. Institutional strengthening and capacity building of SVK and local communities through: (a) development of communications strategies and public awareness raising campaigns; (b) staff training in utility management with an emphasis on improving the consumer orientation; and (c) establishment of a Pilot Supervisory Control and Data Acquisition System to enhance responsiveness to emergencies and to routine maintenance.

Part C: Feasibility Studies for Future Investments

Financing of feasibility studies for future priority investments in the water supply and sanitation sector of the Recipient.

Part D: Project Management

Strengthening the PCU's Project management, monitoring and coordination capacity through the provision of goods, consultant services, including Project audit, and Training, and financing of Operating Costs.

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

1. The Recipient shall maintain the ICC until completion of the Project with the composition and terms of reference satisfactory to the Association.
2. The Recipient shall maintain the PCU until completion of the Project with staff, resources and terms of reference satisfactory to the Association.
3. The Recipient shall carry out the Project in accordance with this Agreement and the Project Operational Manual and shall not amend, suspend, abrogate, repeal or waive any provision of said Manual without the prior written approval of the Association.
4. The Recipient shall streamline procedures for connecting individual households to sewerage systems in Bukhara and Samarkand, including provision of medium-term financing if necessary.
5. (a) The Recipient shall take all necessary measures, including annual adjustments of water supply and sewerage tariffs, in order to maintain for the BVK and SVK for each of their fiscal years after the fiscal year ending on December 31, 2009, a ratio of total cash operating expenses to total cash operating revenues not higher than 0.90 and to enable the BVK and SVK to collect effectively all operating revenues related to their respective operations, including (i) budgeting and paying for water supply and sewerage services that benefit their respective oblast budget organizations; and (ii) effectively support the disconnection of non-paying consumers.
 - (b) For the purposes of this paragraph:
 - (i) The term "total cash operating expenses" means all expenses related to operations, including administration, adequate maintenance, taxes and payments in lieu of taxes, but excluding interest and other charges on debt.
 - (ii) The term "total cash operating revenues" means revenues from all sources related to operations.
6. (a) Except as the Association shall otherwise agree, the Recipient shall take all measures necessary to ensure that the BVK and SVK shall not incur any debt unless a reasonable forecast of their respective revenues and expenditures shows

that the estimated net revenues of the BVK and SVK for each fiscal year during the term of the debt to be incurred shall be at least 1.2 time their estimated debt service requirements in such year on all debt of the BVK and SVK, including the debt to be incurred.

(b) For the purposes of this paragraph:

- (i) The term "debt" means any indebtedness of the BVK or SVK maturing by its terms more than one year after the date on which it is originally incurred.
- (ii) Debt shall be deemed to be incurred: (A) under a loan contract or agreement or other instrument providing for such debt or for the modification of its terms of payment on the date of such contract, agreement or instrument; and (B) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into.
- (iii) The term "net revenues" means the difference between:
 - (A) the sum of revenues from all sources related to operations and net non-operating income; and
 - (B) the sum of all expenses related to operations including administration, adequate maintenance, taxes and payments in lieu of taxes, but excluding provision for depreciation, other non-cash operating charges and interest and other charges on debt.
- (iv) The term "net non-operating income" means the difference between:
 - (A) revenues from all sources other than those related to operations; and
 - (B) expenses, including taxes and payments in lieu of taxes, incurred in the generation of revenues in (A) above.
- (v) The term "debt service requirements" means the aggregate amount of repayments (including sinking fund payments, if any) of, and other charges on, debt.
- (vi) The term "reasonable forecast" means a forecast prepared by the BVK and SVK not earlier than twelve (12) months prior to the incurrence of the debt in question, which both the Association and the BVK or SVK, respectively, accept as reasonable and as

to which the Association has notified the BVK or SVK of its acceptability, provided that no event has occurred since such notification which has, or may reasonably be expected in the future to have, a material adverse effect on the financial condition or future operating results of the BVK or SVK.

- (vii) Whenever for the purposes of this paragraph it shall be necessary to value, in terms of the currency of the Recipient, debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such other currency is, at the time of such valuation, obtainable for the purposes of servicing such debt, or, in the absence of such rate, on the basis of a rate of exchange acceptable to the Association.

B. Subsidiary Credit Agreements

1. To facilitate the carrying out of the BVK's Respective Part of the Project and the SVK's Respective Part of the Project the Recipient shall make part of the proceeds of the Financing available to the BVK and SVK under the BVK Subsidiary Credit Agreement and the SVK Subsidiary Credit Agreement, respectively. These Subsidiary Credit Agreements shall be executed under the terms and conditions approved by the Association, which shall include, inter alia, the following:
 - (a) the principal amount of the subsidiary financing shall be denominated in SDR and shall be repaid by the BVK and SVK to the Recipient in semi-annual installments over thirty five (35) years, including a grace period of ten (10) years;
 - (b) a commitment charge shall be paid on the unwithdrawn amount of the subsidiary financing at a rate equal to the rate payable by the Recipient from time to time pursuant to Section 2.03 of this Agreement; and
 - (c) a service charge shall be paid on the withdrawn amount of the subsidiary financing at a rate equal to the rate payable by the Recipient from time to time pursuant to Section 2.04 of this Agreement.
2. The Recipient shall exercise its rights under the Subsidiary Credit Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Credit Agreements or any provisions thereof.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. The Recipient shall cause the BVK and SVK to carry out their Respective Parts of the Project in accordance with the BVK Environmental Management Plan and SVK Environmental Management Plan, respectively, and with the Resettlement Policy Framework, and shall not amend, suspend, abrogate, repeal or waive any provision of said Plans or Framework without the prior written approval of the Association.
2. For purposes of Part A of the Project and prior to the commencement of works for each proposed site, the Recipient shall cause the BVK and SVK to: (a) submit to the Association for its approval: (i) the proposed design and site for said works and, where required by the respective EMP and/or RPF, the related site-specific environmental management plan, land acquisition and/or resettlement plan and environmental management checklist, said site-specific plans and checklist to be in form and substance satisfactory to the Association; and (ii) the proposed contract for said works to ensure that the provisions of said site-specific plans and checklist are adequately included in said contract; and (b) ensure that such works are carried out in accordance with the respective EMP and the Resettlement Policy Framework.

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

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months prior to the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient, through the PCU, shall prepare and furnish to the Association not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive

Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method	
(a)	National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2
(b)	Shopping

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	Least-Cost Selection
(b)	Selection Based on Consultant’s Qualifications
(c)	Single-Source Selection
(d)	Selection of Individual Consultants, including Sole-Source Selection

D. Operating Costs

Incremental expenditures included in the Operating Costs category can be procured in accordance with the established Recipient’s administrative procedures acceptable to the Association.

E. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (exclusive of Taxes)
(1) Goods, works and consultants’ services, including Training:		
(a) for Parts A.1 and B.1 of the Project	18,500,000	100%
(b) for Parts A.2 and B.2 of the Project	15,600,000	100%
(2) Goods and consultants’ services, including audit and Training, for Parts C and D of the Project, and Operating Costs	1,500,000	100%
TOTAL AMOUNT	<u>35,600,000</u>	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is December 31, 2015.

**ANNEX
to
SCHEDULE 2**

National competitive bidding procedures of the Recipient may be used for procurement under the Project provided that the following provisions are complied with:

1. General

The Recipient represents that the procedures to be followed for national competitive bidding under Section III, Part B, paragraph 2, of Schedule 2 to the Financing Agreement shall be those set forth in Council of Ministers Resolution No. 456 on Measures to Improve the Organization of Tenders for Purchases of Raw Materials, Spare Parts and Equipment, that became effective on November 21, 2000, with the clarifications set forth in the following paragraphs required for compliance with the provisions of the Procurement Guidelines.

2. Registration

(a) Bidding shall not be restricted to pre-registered firms.

(b) Where registration is required, bidders (i) shall be allowed a reasonable time to complete the registration process and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.

(c) Foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign bidder shall be given a reasonable opportunity to register.

3. Advertising

Invitations to bid shall be advertised in at least one widely circulated national daily newspaper allowing a minimum of 30 days for the preparation and submission of bids.

4. Pre-qualification

When pre-qualification shall be required for large or complex works, invitations to pre-qualify for bidding shall be advertised in at least one widely circulated national daily newspaper a minimum of 30 days prior to the deadline for the submission of pre-qualification applications. Minimum experience, technical and financial requirements shall be explicitly stated in the pre-qualification documents.

5. Participation by Government-owned enterprises

Government-owned enterprises in the Republic of Uzbekistan shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid performance security requirements as other bidders.

6. Bidding Documents

Purchasers shall use the appropriate standard bidding documents for the procurement of goods, works or services, acceptable to the Association.

7. Bid Opening and Bid Evaluation

(a) Bids shall be opened in public, immediately after the deadline for submission of bids.

(b) Evaluation of bids shall be made in strict adherence to the monetarily quantifiable criteria declared in the bidding documents.

(c) Contracts shall be awarded to the qualified bidder having submitted the lowest evaluated substantially responsive bid and no negotiation shall take place.

(d) Price verification should not be applied to Bank-financed contracts.

8. Price Adjustment

Civil works contracts of long duration (e.g. more than eighteen (18) months) shall contain an appropriate price adjustment clause.

9. Rejection of Bids

(a) All bids shall not be rejected and new bids solicited without the Association's prior concurrence.

(b) When the number of bids received is less than three, re-bidding shall not be carried out without the Association's prior concurrence.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing November 15, 2019 to and including May 15, 2029	1.25%
commencing November 15, 2029 to and including May 15, 2044	2.5%

* 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 3.03 (b) of the General Conditions.

APPENDIX**Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “BVK” means the Bukhara Regional Production Enterprise Suvokova, a legal entity established under the Law of the Borrower on Enterprises and registered by Decision No. 537, dated March 6, 1996, of the Hokim of Bukhara, or any successor thereto.
3. “BVK EMP” means the Environmental Management Plan adopted by the BVK and submitted to the Association on April 29, 2009 and consisting of the set of mitigation, monitoring, and institutional measures and procedures required under the BVK’s Respective Part of the Project in order to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, as well as actions needed to implement said measures.
4. “BVK Project Agreement” means the agreement between the Association and the BVK of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the BVK Project Agreement.
5. “BVK Subsidiary Credit Agreement” means the agreement referred to in Part B of Section I of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the BVK for the purposes of its Respective Part of the Project.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
8. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
9. “ICC” means the Interagency Council for Cooperation with International Financial Institutions, Foreign Government Agencies, and Donor Countries in Implementation of Large-scale and Strategically Important Investment Projects

established for overall Project coordination and governance by the decree of the Recipient's Government No. 229 of August 12, 2009 and referred to in paragraph 1 of Part A of Section I of Schedule 2 to this Agreement.

10. "Operating Costs" means incremental operating costs incurred by the PCU on account of Project implementation, management, monitoring and coordination, including office equipment maintenance and repair, local travel, communication, translation and interpretation, bank charges, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the Association.
11. "PCU" means the Project Coordination Unit established by the Recipient within Uzkommunkhizmat for the purposes of overall Project management and coordination, including its branches in Bukhara and Samarkand, and referred to in paragraph 2 of Part A of Section I of Schedule 2 to this Agreement.
12. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October, 2006.
13. "Procurement Plan" means the Recipient's procurement plan for the Project, dated June 11, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
14. "Project Implementing Entity" means individually BVK and SVK.
15. "Project Implementing Entity's Legislation" means the Law of the Republic of Uzbekistan on Enterprises and the Decision No. 537 of the Hokim of Bukhara, dated March 6, 1996, with regard to BVK, and the Law of the Republic of Uzbekistan on Enterprises and the Decision No. 386/1-k of the Hokim of Samarkand, dated May 1, 2001, with regard to SVK.
16. "Project Operational Manual" means the manual setting forth procedures and requirements for implementation of the Project, adopted by the Recipient through Uzkommunkhizmat pursuant to Section 5.01 (c) of this Agreement and satisfactory to the Association.
17. "Resettlement Policy Framework" or "RPF" means the Resettlement Policy Framework submitted to the Association and disclosed in the World Bank Infoshop on April 23, 2009, which establishes the potential resettlement and compensation principles, organizational arrangements and design criteria to be applied to project implementation in compliance with the laws of the Recipient and the Association's safeguards policy on involuntary resettlement.

18. “SVK” means the Samarkand Regional Production Enterprise Suvokova, a legal entity established under the Law of the Borrower on Enterprises by the decision of the Ministry of Public Utilities and Housing of the Republic of Uzbekistan No. 28 of October 2, 1992, or any successor thereto.
19. “SVK EMP” means the Environmental Management Plan adopted by the SVK and submitted to the Association on April 29, 2009 and consisting of the set of mitigation, monitoring, and institutional measures and procedures required under the SVK’s Respective Part of the Project in order to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, as well as actions needed to implement said measures.
20. “SVK Project Agreement” means the agreement between the Association and the SVK of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the SVK Project Agreement.
21. “SVK Subsidiary Credit Agreement” means the agreement referred to in Part B of Section I of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the SVK for the purposes of its Respective Part of the Project.
22. “Subsidiary Credit Agreements” means collectively the BVK Subsidiary Credit Agreement and SVK Subsidiary Credit Agreement.
23. “Training” means expenditures for Project related training courses, seminars, workshops, study tours 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.
24. “Uzkommunkhizmat” means the Uzbek Agency Uzkommunkhizmat established by the Decree of the President of the Republic of Uzbekistan dated December 19, 2000 No. 2719, or any successor thereto.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Paragraph (1) of Section 6.02 is modified to read as follows:
“Section 6.02. *Suspension by the Association*”

... (1) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank.”