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CREDIT NUMBER 7482-KG

# Project Agreement

(Additional Financing for Central Asia South Asia Electricity Transmission and Trade Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NATIONAL ELECTRIC GRID OF KYRGYZSTAN JOINT STOCK COMPANY

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## **PROJECT AGREEMENT**

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and NATIONAL ELECTRIC GRID OF KYRGYZSTAN JOINT STOCK COMPANY (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between the Kyrgyz Republic (“Recipient) and the Association, concerning Credit No. 7482-KG. The Association and the Project Implementing Entity hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

### **ARTICLE II — PROJECT**

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

### **ARTICLE III — TERMINATION**

- 3.01. For purposes of Section 10.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

### **ARTICLE IV — REPRESENTATIVE; ADDRESSES**

- 4.01. The Project Implementing Entity’s Representative is its Director General.
- 4.02. For purposes of Section 11.01 of the General Conditions: (a) the Association’s address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America; and

(b) the Association’s Electronic Address is:

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

- 4.03. For purposes of Section 11.01 of the General Conditions: (a) the Project Implementing Entity's address is:

National Electric Grid of Kyrgyzstan  
Zhibek Zholu St., 326  
Bishkek, Kyrgyz Republic

AGREED as of the later of the two dates written below.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



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

**Name:** Naveed Hassan Naqvi

**Title:** Country Manager, world Bank Office in The Kyrgyz

**Date:** 06-Mar-2024

**NATIONAL ELECTRIC GRID OF KYRGYZSTAN JOINT  
STOCK COMPANY**

**By**



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

**Name:** Altynbek Rysbekov

**Title:** General Director

**Date:** 06-Mar-2024

## SCHEDULE 1

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

1. The Project Implementing Entity shall be responsible for overall Project management and coordination, including, *inter alia*:
  - (a) preparation of withdrawal applications under the Financing;
  - (b) maintenance of records and accounts related to the Project and arranging for the audit thereof;
  - (c) participation in administration of bidding procedures and of contracts under the Project; and
  - (d) preparation of quarterly Project Reports pursuant to paragraph A of Section II of this Schedule.
3. The Project Implementing Entity shall maintain, until the completion of the Project, a project implementation unit to coordinate the implementation of the Project within the Recipient's territory.
2. The Project Implementing Entity shall not amend the Project Implementing Entity's Legislation without prior approval by the Association.
3. The Project Implementing Entity shall not take any actions to modify the legal character, ownership, control, or structure of the Project Implementing Entity that might adversely affect the implementation of the Project, without the prior consent of the Association.
4. The Project Implementing Entity shall: (a) take all actions, including ensuring the provision of funds, facilities, services, and other resources, necessary or appropriate for the carrying out of the Project; and (b) not take or permit to be taken any action which would prevent or interfere with the carrying out of the Project.

##### B. Project Covenants.

1. The Project Implementing Entity shall not amend, suspend, abrogate or waive any of the Core Construction Agreements or Core Commercial Agreements to which it is a party in a manner that would affect materially and adversely the carrying out of the Project.
2. The Project Implementing Entity shall implement the revenue management program. Except as the Association shall otherwise agree, the Project Implementing Entity shall not amend, suspend, abrogate or waive the revenue management program or any of its provisions.

**C. Safeguards.**

1. The Project Implementing Entity shall ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments.
2. The Project Implementing Entity shall take all measures to implement the Resettlement Action Plan in a manner and timeframe satisfactory to the Association. To this end, the Project Implementing Entity shall ensure that:
  - (a) sufficient funds are made available to cover all the costs of implementing the Resettlement Action Plan.
  - (b) prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with assistance in accordance with the Resettlement Action Plan, as applicable; and
  - (c) the implementation, monitoring and evaluation of such Resettlement Action Plan is completed and reported in a manner satisfactory to the Association.
3. The Project Implementing Entity 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 Safeguard Instruments; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx; (c) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, gender-based violence and violence against children; all as applicable to such civil works commissioned or carried out pursuant to said contracts.
4. The Project Implementing Entity shall ensure, that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall:
  - (a) take all measures necessary on its part to regularly collect, compile, and submit to the Association on a quarterly basis and promptly in a separate report whenever the Association may require, information on the status of compliance with the Safeguards Instruments, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguards Instruments; and (iii) corrective and preventive measures taken or required to be taken to address such conditions;

- (b) promptly furnish to the Association a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and
  - (c) 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.
6. The Project Implementing Entity shall maintain throughout Project implementation, 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**

**A. Project Reports.**

- 1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 (b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than one month after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
- 2. Notwithstanding the provisions of paragraph 1 above, the Project Implementing Entity shall:
  - (a) commencing for the calendar quarter that includes the date six (6) months after the Effective Date, prepare and submit to the Recipient, for forwarding to the IGC and the Association, Implementation Reports for each quarter in form and substance satisfactory to the Association, which shall include recommended actions to ensure timely implementation of specific targets and milestones relating to the Project; and
  - (b) thereafter carry out specific actions and recommendations, as agreed with the Recipient, the Association and IGC respectively.

**Section III. Other Undertakings**

- 1. The Project Implementing Entity and the Association hereby agree to amend the Original Project Agreement as reflected in Schedule 2 to this Agreement.

## SCHEDULE 4

### Amendments to the Original Project Agreement

Section I.D of Schedule to the Original Project Agreement shall be replaced in its entirety by the following:

**“D. Safeguards.**

1. *The Project Implementing Entity shall ensure that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the Safeguards Instruments.*
2. *The Project Implementing Entity shall take all measures to implement the Resettlement Action Plan in a manner and timeframe satisfactory to the Association. To this end, the Project Implementing Entity shall ensure that:*
  - (a) *sufficient funds are made available to cover all the costs of implementing the Resettlement Action Plan.*
  - (b) *prior to carrying out activities which involve displacement, Affected Persons shall be compensated at full replacement cost, resettled and provided with assistance in accordance with the Resettlement Action Plan, as applicable; and*
  - (c) *the implementation, monitoring and evaluation of such Resettlement Action Plan is completed and reported in a manner satisfactory to the Association.*
3. *The Project Implementing Entity 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 Safeguard Instruments; (b) adopt and implement measures to assess and manage the risks and impacts of labor influx; and (c) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures on environmental, social, health and safety, gender-based violence and violence against children; all as applicable to such civil works commissioned or carried out pursuant to said contracts.*
4. *The Project Implementing Entity to ensure, that none of the provisions of the Safeguard Instruments is abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.*
5. *Without limitation upon its other reporting obligations under this Agreement, the Project Implementing Entity shall:*
  - (a) *take all measures necessary on its part to regularly collect, compile, and submit to the Association on a quarterly basis and promptly in a separate report whenever the Association may require, information on the status of compliance with the*



*Safeguards Instruments, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the Safeguards Instruments; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the Safeguards Instruments; and (iii) corrective and preventive measures taken or required to be taken to address such conditions;*

- (b) promptly furnish to the Association a copy of each progress report prepared and submitted by any entity (including any engineer) supervising the Project's civil works, the Project's contractors and/or subcontractors; and*
- (c) 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.*

*6. The Project Implementing Entity shall maintain, throughout Project implementation, 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."*