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**CREDIT NUMBER 7482-KG**

# **Financing Agreement**

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

**between**

**KYRGYZ REPUBLIC**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between KYRGYZ REPUBLIC (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project. 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 credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount of eighteen million three hundred thousand Dollars (US\$ 18,300,000) (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 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 February 15 and August 15 in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.06. 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 cause the Project to be carried out within the Recipient's territory by the Project Implementing Entity, in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

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

- 4.01. The Additional Events of Suspension consist of the following:
- (a) Any party to the Subsidiary Agreement has failed to perform any of its obligations under the Subsidiary Agreement.
  - (b) 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.
  - (c) Any of the Host Government Agreements, the Coordination Agreement, the Inter-Governmental Agreement, or any IGC Resolution has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient or the IGC to carry out their respective responsibilities in connection with the Project.
  - (d) The right of any Participating Country under any of the Core Financing Agreements to withdraw the proceeds of such financing is suspended, canceled or terminated, in whole or in part, pursuant to the terms of such agreement.
  - (e) Any of the Core Commercial Agreements or Core Construction Agreements has been amended, suspended, abrogated or waived by any party thereto in a manner that would affect materially and adversely the carrying out of the Project.
- 4.02. The Additional Events of Acceleration consist of the following: any 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, namely that the Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.

- 5.02. The Effectiveness Deadline is the date one hundred eighty (180) 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  
58 Erkindik Blvd.  
Bishkek City, 720040  
Kyrgyz Republic; and

(b) the Recipient's Electronic Address is:

Telex:	Facsimile:
245-156 NUR KH	(996-312) 661645

- 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.

**KYRGYZ REPUBLIC**

**By**



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**Authorized Representative**

**Name:** Almaz Baketaev

**Title:** Minister of Finance of the Kyrgyz Republic

**Date:** 06-Mar-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



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**Authorized Representative**

**Name:** Naveed Hassan Naqvi

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

**Date:** 06-Mar-2024

## SCHEDULE 1

### Project Description

The objective of the Project is to create the conditions for sustainable electricity trade between the Central Asian countries of Tajikistan and Kyrgyzstan and the South Asian countries of Afghanistan and Pakistan.

The Project consists of the following parts:

#### **Part A. Construction of High Voltage Transmission Infrastructure**

1. **High Voltage DC Transmission Line.** Construction of about 750 km of 500 kV high voltage DC overhead transmission line to interconnect the electricity network of Tajikistan, from the Sangtuda converter station, to the Pakistan network, at the Peshawar converter station, and the Afghanistan network at the Kabul converter station.
2. **High Voltage DC Converter Stations.** Engineering design, construction, and commissioning of three high voltage DC converter stations: (i) Sangtuda converter station (1,300 MW) in Tajikistan; (ii) Kabul converter station (300 MW) in Afghanistan; and (iii) Peshawar converter station (1,300 MW) in Pakistan, including specialized AC and DC equipment.
3. **High Voltage AC Transmission Interconnection between Kyrgyzstan and Tajikistan.** Construction of about 475 km of 500 kV high voltage AC overhead transmission line to interconnect the electricity network of Kyrgyzstan, from Datka substation, to the Tajikistan network, at the Khujand substation, along with associated substation equipment.
4. **Tajikistan Grid Reinforcement.** Reinforcements, including construction of 500 kV line from Regar substation to Sangtuda converter station and other parts of the network necessary to ensure transfer of Tajikistan and Kyrgyz export power to Sangtuda.

#### **Part B. Technical Assistance and Project Implementation Support**

1. **High Voltage DC and High Voltage AC Owner's Engineers.** Provision of consultancy services of two owner's engineers for the high voltage DC and high voltage AC portions of the Project, including for third-party monitoring and supervision during construction.
2. **Environment and Social Management Support.** Strengthening of the Project Implementing Entities' capacity to develop and supervise environmental and social safeguards documents, including country-specific Environmental and Social Impact Assessments and Resettlement Action Plans.

3. **Audits and Financial and Revenue Management.** Carrying out of annual audits of the Project accounts in the four Participating Countries and of entity audits of the Project Implementing Entities where such audits are not financed from other sources, and supporting transparent financial management of revenues generated by the Project, including the implementation of a financial management improvement program.
4. **Project Management Support.** Provision of: (i) Project management support to Project Implementing Entities, including procurement and contract management, financial management, monitoring and evaluation of Project performance and results as well as Incremental Operating Costs; (ii) training and capacity building focusing on High Voltage DC operations and maintenance, power dispatch; and (iii) commercial and legal advisory services on the commercial transactions.
5. **Coordination.** Strengthening of the Inter-Governmental Council through financing of technical, commercial and legal services and Incremental Operating Costs.
6. **Project Communications.** Carrying out of communications campaign and information-sharing activities directed at relevant stakeholders, particularly communities, within the Project area.
7. **Capacity building.** Building capacity of personnel of the Project Implementing Entities and relevant government officials in order to develop a regional electricity market.

**Part C. Community Support Program**

Carrying out the Community Support Program for the benefit of the communities living in the area of the Project.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

1. The Recipient shall assign to the Project Implementing Entity the responsibility 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 contracts under the Project; and
  - (d) preparation of quarterly Project Reports pursuant to paragraph A of Section II of this Schedule.
2. The Recipient 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 by the Project Implementing Entity;
  - (b) take all actions necessary to ensure the timely provision of External Financing; and
  - (c) not take or permit to be taken any action which would prevent or interfere with the carrying out of the Project.
3. The Recipient shall participate in the work of the IGC, its secretariat and its committees through a designated representative or representatives and shall take all necessary actions to enable the IGC to: (a) provide overall strategic guidance for the Project; (b) serve as a liaison between the Participating Countries and the Project Implementing Entities; and (c) monitor the Project activities and consolidate progress reporting.

##### B. Project Covenants.

1. The Recipient 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 Recipient shall implement the revenue management program. Except as the Association shall otherwise agree, the Recipient shall not amend, suspend, abrogate or waive the revenue management program or any of its provisions.

**C. Subsidiary Agreement.**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association (“Subsidiary Agreement”).
2. The Recipient shall exercise its rights under the Subsidiary Agreement 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 Agreement or any of its provisions.

**D. Safeguards.**

1. The Recipient shall ensure, and cause the Project Implementing Entity to 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 Recipient shall, and cause the Project Implementing Entity to take all measures to implement the Resettlement Action Plan in a manner and timeframe satisfactory to the Association. To this end, the Recipient 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 Recipient and 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. Except as the Recipient shall otherwise agree, the Recipient shall ensure, and cause 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 Recipient shall, and cause the Project Implementing Entity to:
  - (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 Recipient shall, and shall cause the Project Implementing Entity to, 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**

1. The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.
2. Notwithstanding the provisions of paragraph 1 above, the Recipient shall:

- (a) prepare and submit 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, or shall cause the Project Implementing Entity to carry out, specific actions and recommendations, as agreed with the Association and IGC respectively.

**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: (a) finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
Goods, works, non-consulting services, consultants' services, Training and Operating Costs for activities for Part A.3 and Part B of the Project within the territory of the Recipient	18,300,000	100%
<b>TOTAL AMOUNT</b>	18,300,000	

**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 March 31, 2025.

**Section IV. Other Undertakings**

1. The Recipient and the Association hereby agree to amend the Original Financing Agreement as reflected in Schedule 4 to this Agreement.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each February 15 and August 15:	
Commencing February 15, 2034, to and including August 15, 2073	<b>1.25%</b>

\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to renumbered Section 3.03 (b) (originally numbered Section 3.05 (b)) of the General Conditions.

## SCHEDULE 4

### Amendments to the Original Financing Agreement

1. Section I.E of Schedule 2 to the Original Financing Agreement shall be replaced in its entirety by the following:

**“E. Safeguards.**

1. *The Recipient shall ensure, and cause the Project Implementing Entity to 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 Recipient shall, and cause the Project Implementing Entity to take all measures to implement the Resettlement Action Plan in a manner and timeframe satisfactory to the Association. To this end, the Recipient 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 Recipient and 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. *Except as the Recipient shall otherwise agree, the Recipient shall ensure, and cause 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 Recipient shall, and shall cause the Project Implementing Entity to:*

(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 Recipient shall, and cause the Project Implementing Entity to, 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. ”*

2. The definition “Displaced Persons” in the Appendix Definitions to the Original Financing Agreement shall be replaced by the following:

*“Affected Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas,*

*resulting in adverse impacts on the livelihood of such persons; and “Affected Person” means any of such Affected Persons.*

3. The definition “Environmental Management Plan” or “ESIA” in the Appendix Definition to the Original Financing Agreement shall be replaced by the following:

*“Environmental and Social Management Plan” or “ESMP” means the environmental and social management plan or plans prepared by the Project Implementing Entity that set out the environmental and social protection measures, including measures for the protection of physical cultural resources, in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the prior written agreement of the Association, and such term includes all schedules and agreements supplemental thereto.*

4. The definition “Safeguard Instruments” in the Appendix Definitions to the Original Financing Agreement shall be replaced by the following:

*“Safeguards Instruments” means the ESIA, the ESMP and the RAP.*



## APPENDIX

### Section I. Definitions

1. “Account Bank” means the bank or financial institution appointed by the Parties to carry out the functions of the account bank as provided for in this Agreement.
2. “Account Bank Agreement” means the agreements between the Account Bank and the parties to the PPAs (as hereinafter defined).
3. “Affected Persons” means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons; and a “Affected Person” means any of such Affected Persons.
4. “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.
5. “Barki Tojik” means the national transmission company of Tajikistan, a joint stock company, and the Project Implementing Entity for the Project on behalf of Tajikistan, or any successor thereto.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “Community Support Program” means a series of sub-Projects in the Participating Countries for Part C of the Project to be implemented in accordance with the Operational Manual for the Community Support Program.
8. “Coordination Agreement” means the agreement between the entities designated by the governments of the Recipient and Tajikistan to provide for all technical and commercial aspects of the wheeling of power for the Project and for operational coordination with the operator of the DC facilities.
9. “Core Commercial Agreements” means the following:
  - (a) a PPA between EPP and NTDC/CPPA;
  - (b) a PPA between EPP and DABS;
  - (c) a PPA between Barki Tojik and NTDC/CPPA;

- (d) a PPA between Barki Tojik and DABS;
  - (e) a PPA between DABS and NTDC/CPPA;
  - (f) the Master Agreement between the parties to the PPAs and NEGK;
  - (g) the Account Bank Agreement between the Account Bank and the parties to the PPAs;
  - (h) the Technical Code;
  - (i) the Coordination Agreement; and
  - (j) the Host Government Agreements between each of the Participating Countries and its project implementing entity.
10. “Core Construction Agreements” means the contracts between the respective contracting companies and the respective Project Implementing Entities for: (a) the HVDC converter stations under Part A.2 of the Project; (b) the HVDC transmission lines under Part A.1 of the Project; (c) the HVAC transmission lines under Part A.3 of the Project, and (d) the operations and maintenance operator.
11. “Core Financing Agreements” means the four separate Financing Agreements between the Association and the Islamic Republic of Afghanistan, the Kyrgyz Republic, the Islamic Republic of Pakistan, and the Republic of Tajikistan respectively.
12. “CPPA” means Pakistan’s Central Power Purchasing Agency (Guarantee) Ltd., established and operating under the laws of Pakistan, or any successor thereto.
13. “Da Afghanistan Breshna Sherkat of Afghanistan” or “DABS” means the national transmission company of Afghanistan and the Project Implementing Entity for the Project on behalf of Afghanistan, or any successor thereto.
14. “Electric Power Plants Open Joint Stock Company” or “EPP” means the electric generation company of the Recipient, or any successor thereto.
15. “Environmental and Social Impact Assessment” or “ESIA” means the country-specific report prepared by the Project Implementing Entity, in form and substance satisfactory to the Association, containing (a) the policy, legal and administrative framework within which the ESIA is carried out; (b) the Project description; (c) baseline data; and (d) an assessment of the potential environmental and social impacts of the activities to be undertaken under the Project, including an evaluation of the alternatives therefor, and designing appropriate mitigation, management, and monitoring measures.
16. “Environmental and Social Management Plan” or “ESMP” means the environmental and social management plan or plans prepared by the Project

Implementing Entity that set out the environmental and social protection measures, including measures for the protection of physical cultural resources, in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the prior written agreement of the Association, and such term includes all schedules and agreements supplemental thereto.

17. “External Financing” means any additional financing by any institution other than the Association for the Project.
18. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023), with the modifications set forth in Section II of this Appendix.
19. “Host Government Agreements” or “HGAs” means the agreements between each of the Participating Countries and its designated entities, which, reflecting the obligations of the Participating Countries to each other under the IGA, includes, *inter alia*, provisions:
  - (a) for maintenance of land rights and rights of way;
  - (b) for non-interruption of activities relating to the Project;
  - (c) for non-discrimination in relation to all goods, works, technology, and services associated with any activities relating to the Project;
  - (d) on information to lenders, international financial institutions, and insurers; and
  - (e) for carrying out of the Project in accordance with applicable technical, safety, and environmental standards.
20. “IGC Resolution” means any resolution agreed to by the Inter-Governmental Council.
21. “Implementation Reports” means reports prepared by the Project Implementing Entity pursuant to Section II.2(a) of Schedule 2 to this Agreement, which shall include specific actions, milestones and dates with respect to procurement of goods, works and services under the Project, implementation of Core Construction Agreements and prepared in a format agreed upon with the Association.
22. “Incremental Operating Costs” means incremental expenditures incurred by the Project Implementing Entity on account of Project implementation, management and monitoring, including: dissemination of Project related information, travel costs, lodging and *per diem* for field trips related to Project implementation; vehicle rent; supplies and utilities; salaries of contractual staff; mail, advertisement costs, translation costs, commercial bank charges, communication costs, office

equipment and maintenance, hardware and software, as such costs shall be agreed with the Association on an annual basis, but excluding salaries of officials and/or employees of the Recipient's civil service as well as any contributions by employers to the Social Fund.

23. "Inter-Governmental Agreement" or "IGA" means the agreement among the Islamic Republic of Afghanistan, the Kyrgyz Republic, the Islamic Republic of Pakistan, and the Republic of Tajikistan for the Development of the CASA 1000 Power Transmission Project and the Further Development of a Central Asia-South Asia Regional Electricity Market dated August 4, 2008.
24. "Inter-Governmental Council" or "IGC" means the Inter-Governmental Council established pursuant to the Inter-Governmental Agreement and including representatives of the Participating Countries (as hereinafter defined).
25. "Master Agreement" means the Agreement between the parties to the PPAs (as hereinafter defined) and NEGK to provide for, *inter alia*:
  - (a) the standard terms and conditions to apply to all the PPAs;
  - (b) provisions relating to the operation and maintenance of the AC facilities that are part of the project by each of the NTCs;
  - (c) the allocation of transmission capacity on the DC facilities for each supply period;
  - (d) any capacity that the parties do not use may be allocated to other parties subject to open access rules, with the resulting revenues from fees to be shared between the parties;
  - (e) safeguards to mitigate against any adverse impact of change of law and change of tax; and
  - (f) a set of principles on which certain costs and risks will be allocated between the parties.
26. "National Electric Grid of Kyrgyzstan Open Joint Stock Company" or "NEGK" means the national transmission company of the Recipient, an open joint stock company established pursuant to Resolution #239 of the Government of the Kyrgyz Republic dated April 23, 1997 "On the Program for denationalization and privatization of JSC Kyrgyzenergo" and the NEGK OJSC Charter approved on September 7, 2001, and the Project Implementing Entity for the Project on behalf of the Recipient, or any successor thereto.
27. "National Transmission and Despatch Company Ltd. of Pakistan" or "NTDC" means an electricity transmission and dispatch utility established and operating under the laws of Pakistan, and the Project Implementing Entity for the Project on behalf of Pakistan, or any successor thereto.

28. “National Transmission Companies” or “NTCs” are the national transmission companies of the Participating Countries.
29. “Operational Manual for the Community Support Program” means the operational manual, satisfactory to the Association, detailing the eligible activities to be financed by the Community Support Program and how such activities will be selected and implemented.
30. “Original Financing Agreement” means the Financing Agreement for the Central Asia South Asia Electricity Transmission and Trade Project between the Recipient and the Association, dated April 24, 2015 (Credit No. 5438-KG and Grant No H942-KG) as amended from time to time.
31. “Original Project Agreement” means the Project Agreement for the Original Project entered into between the Project Implementing Entity and the Association on May 8, 2015.
32. “Original Project” means the Project described in the Original Financing Agreement.
33. “Participating Countries” means the Islamic Republic of Afghanistan, the Kyrgyz Republic, the Islamic Republic of Pakistan, and the Republic of Tajikistan, all participating in the CASA-1000 Project.
34. “Power Purchase Agreements” or “PPAs” means collectively the following:
  - (a) a PPA entered into between EPP and NTDC/CPPA;
  - (b) a PPA entered into between EPP and DABS;
  - (c) a PPA entered into between Barki Tojik and NTDC/CPPA;
  - (d) a PPA entered into between Barki Tojik and DABS; and
  - (e) a PPA entered into between DABS and NTDC/CPPA.
35. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
36. “Project Agreement” means the agreement between the Association and the Project Implementing Entity for the Project, as the same may be amended from time to time; and such term includes all schedules and agreements supplemental to the Project Agreement.
37. “Project Implementing Entities” means the implementing entities designated by the Participating Countries, namely:

- (a) Da Afghanistan Breshna Sherkat of Afghanistan;
  - (b) National Electric Grid of Kyrgyzstan Joint Stock Company;
  - (c) National Transmission and Despatch Company Ltd. of Pakistan; and
  - (d) Barki Tojik of Tajikistan.
38. “Project Implementing Entity” means National Electric Grid of Kyrgyzstan Joint Stock Company.
39. “Project Implementing Entity’s Legislation” means Resolution #239 of the Government of the Kyrgyz Republic dated April 23, 1997 “On the Program for denationalization and privatization of JSC Kyrgyzenergo” and the NEGK OJSC Charter approved on September 7, 2001.
40. “Resettlement Action Plan” or “RAP” means the resettlement action plan prepared by the Project Implementing Entity, in form and substance acceptable to the Association and in accordance with the RPF, setting forth the measures necessary to ensure that the Affected Persons under the Project are:
- (a) informed about their options and rights pertaining to resettlement;
  - (b) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives;
  - (c) provided:
    - (i) prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project;
    - (ii) assistance (such as moving allowances) during relocation; and
    - (iii) with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site;
  - (d) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and
  - (e) provided with development assistance in addition to the aforementioned compensation measures, such as land preparation, credit facilities, training, or job opportunities.

41. “Resettlement Policy Framework” or “RPF” means the Resettlement Policy Framework dated February 19, 2014, prepared and adopted by the Project Implementing Entity, in form and substance acceptable to the Association; said framework setting out the policies and procedures for the acquisition of land and other assets, compensation, resettlement and rehabilitation of Affected Persons, and for the preparation of Resettlement Action Plans as may be required for Project activities, as said framework may be revised from time to time with the prior written concurrence of the Association; and such term includes all schedules and agreements supplemental to said framework.
42. “Safeguards Instruments” means the ESIA, the ESMP and the RAP.
43. “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.
44. “Subsidiary Agreement” means the agreement referred to in Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.
45. “Taxes” includes imposts, levies, fees and duties of any nature, whether in effect at the date of this Agreement or imposed after.
46. “Technical Code” means the technical code providing for the operating procedures and principles governing the relationship between the DC Operator, each National Transmission Company and all other users of the CASA 1000 transmission system, as such code as may be amended from time to time in accordance with its terms.
47. “Training” means expenditures (other than those for consulting services) incurred in connection with 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, per diem costs for trainees and trainers and trainers’ fees (as applicable), all based on an annual budget satisfactory to the Association.

**Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. Section 3.03 (Service Charge) and Section 3.04 (Interest Charge) are deleted in their entirety and the remaining Sections in Article III are renumbered accordingly, and all references to the Sections of Article III in any provision of the General Conditions are understood to be to such renumbered Sections.
2. Paragraph 66 (Interest Charge) in the Appendix is modified to read as follows:  
  
“66. “Interest Charge” means the interest charge for the purpose of Section 3.07.”
3. Paragraph 100 (Service Charge) in the Appendix is deleted in its entirety and the subsequent paragraphs are renumbered accordingly, and any reference to “Service Charge” or “Service Charges” in any provision of the General Conditions is deleted.