

Public Disclosure Authorized

OFFICIAL DOCUMENTS

CREDIT NUMBER 6083-UZ

Financing Agreement

(Ferghana Valley Water Resources Management Project – Phase II)

between

REPUBLIC OF UZBEKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 20, 2017

CREDIT NUMBER 6083-UZ

FINANCING AGREEMENT

AGREEMENT dated September 20, 2017, entered into 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) 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 — CREDIT

- 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 the amount of one hundred forty-four million nine hundred thousand Dollars (\$144,900,000) (“Credit”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Credit 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 Credit 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be at a rate equal to the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum.

- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project, through MAWR, in accordance with the provisions of Article IV of the General Conditions.
- 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 Event of Suspension consists of the following: the Association has received evidence, that it considers credible, of the use of child or forced labor in connection with the Project activities or within the Project Area.
- 4.02. The Additional Event of Acceleration consists of the following: the 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 Project Operational Manual satisfactory to the Association has been adopted by the Recipient.
 - (b) The implementation capacity of the PIU has been strengthened by employment of additional financial management, monitoring and evaluation and safeguards specialists, and updating of its accounting software in accordance with the technical requirements and specifications set forth in the Project Operational Manual.

- (c) The Procurement Panel has been established by the Recipient in accordance with the provisions of paragraph 4 of Section I.A of Schedule 2 to this Agreement.
- 5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.
- 5.03. 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 its Minister of Finance.

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) 233-7073

(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

Telex:

248423 (MCI)

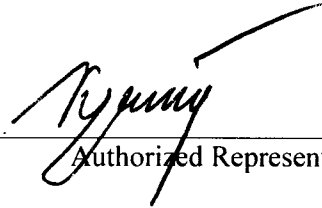
Facsimile:

1-202-477-6391

AGREED at New York City, United States of America, as of the day and year first above written.

REPUBLIC OF UZBEKISTAN

By



Authorized Representative

Name: DJAMSHID KUCHKAROV

Title: DEPUTY PRIME MINISTER

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: LILIA BURUNCIUC

Title: COUNTRY DIRECTOR
EUROPE AND CENTRAL ASIA REGION

SCHEDULE 1

Project Description

The objective of the Project is to improve the quality of irrigation and drainage service delivery to agricultural users within the Project Area.

The Project consists of the following parts:

Part A: Irrigation Modernization

1. Rehabilitation of surface irrigation system, including canal lining of main and inter-farm canals, and associated control structures, and installation of SCADA system to monitor water flow in key diversion points along the main canals.
2. Rehabilitation of existing pump stations, including installation of smaller energy-efficient pumps, replacement of electrical systems, repair of pump station buildings and repair of water intake structures and water control equipment, and construction of one new pump station and associated delivery pipeline in the Isfayram-Shahimardan project site.
3. Drilling of new wells in two Project Oblasts and carrying out activities aimed at the sustainability of ground water use and monitoring of ground water.
4. Modernization and upgrading the Kandiyon mud flow reservoir in Namangan Oblast and conversion it into a water storage reservoir.

Part B: Support for Agricultural Modernization

1. Agricultural intensification and diversification, including:
 - (a) Assisting farmers to access available lines of credit through dissemination of information and provision of training.
 - (b) Implementation of activities supporting cotton harvest mechanization in selected fields, including farmer training, interaction with research and demonstrations in appropriate crop husbandry measures, with a focus on suitable varieties, seeding rate, row spacing, optimal fertilization, plant growth regulators and chemical defoliation applications.
 - (c) Assistance with the adoption of internationally recognized environmentally sustainable and socially responsible cotton practices and standards.

2. Water management improvement, including provision of training to the water management staff of district, region and basin water management institutions of the Project Oblasts in modern methods of asset management.

Part C: Project Management

1. Strengthening the capacity of MAWR and PIU for Project management, monitoring and evaluation (including, inter alia, development of a comprehensive management information and data collection and reporting system on key performance outputs and impact indicators through, inter alia, baseline surveys, participatory assessments, mid-term reviews and final evaluations), and for the preparation of feasibility studies and bidding documents for follow-up investment activities through the provision of goods, consultants' services, Training, and financing of Incremental Operating Costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Ministry of Agriculture and Water Resources of the Recipient shall be responsible for overall Project supervision and policy guidance, and shall maintain, until the completion of the Project implementation, the Project Implementation Unit with regional offices in all Project Regions, with functions and responsibilities (including responsibility for Project management and fiduciary functions, and monitoring and evaluation), adequate funds, facilities, services and resources, and with competent staff, in adequate numbers, qualifications, and experience, all acceptable to the Association.
2. Not later than 30 days after the Effective Date, the Recipient shall establish and thereafter maintain until completion of the Project, an OCC in each of the Project Oblasts, all with functions, composition and terms of reference set forth in the Project Operational Manual and satisfactory to the Association.
3. The Recipient, through MAWR, shall: (a) adopt the Project Operational Manual, satisfactory to the Association, and thereafter carry out the Project in accordance with the provisions set out in the Project Operational Manual; and (b) not amend, suspend, abrogate, repeal or waive any provision of said Manual without the prior written approval of the Association, provided, however, that in case of any conflict between the provisions set out in the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient, through MAWR, shall establish and thereafter maintain until the completion of the Project implementation, the Procurement Panel consisting of two international and one national procurement experts with the terms of reference and responsibilities satisfactory to the Association and set forth in the Project Operational Manual.
5. Not later than ninety (90) days after the Effective Date, the Recipient, through MAWR, shall appoint, in accordance with the provisions of Section III.C of Schedule 2 hereof, and thereafter maintain at all times during the implementation of the Project, the Works Verification Agent with the terms of reference and responsibilities satisfactory to the Association and set forth in the Project Operational Manual. The Works Verification Agent shall periodically audit and verify the volume and quality of works to be carried out under the Project and shall prepare Technical Audit Reports. Unless otherwise has been agreed with the Association, each Technical Audit Report shall cover the period of one fiscal year

of the Recipient, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Third Party Monitoring and Feedback Mechanism

1. The Recipient shall carry out the Project in accordance with this Agreement, appropriate social standards and practices and any applicable laws and regulations on child and/or forced labor, and shall, at the beginning of the cotton harvesting season during each year of Project implementation, instruct any involved local authorities within the Project Area to ensure strict compliance with such laws and regulations while organizing cotton harvesting.
2. The Recipient shall take all necessary actions, and ensure that necessary actions are taken, to enable the TPM Consultant to perform monitoring activities in accordance with the applicable terms of reference, including, but not limited to allowing and facilitating for the TPM Consultant to visit sites where the Project is being carried out, collect relevant data and communicate with Project stakeholder and participants.
3. The Recipient shall: (a) review and discuss with the Association monitoring reports prepared by the TPM Consultant; and (b) promptly take any actions, as may be requested by the Association upon its review of said reports, with respect to compliance with the undertakings relating to child and/or forced labor as set forth in this Agreement and the Project Operational Manual.
4. The Recipient: (a) shall and shall cause respective local authorities to fully collaborate with the TPM Consultant in developing an effective grievance redress mechanism in connection with the Project activities, as set forth in the TPM Consultant's terms of reference; (b) shall review biannual reports of the TPM Consultant on grievances received, redress mechanism and any feedback provided; and (c) shall promptly implement or cause relevant local authorities to implement the recommendations provided in said reports.

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, through MAWR, shall implement the Project in accordance with the relevant Safeguards Instruments, and, to that end, shall:
 - (a) if any activity under the Project would require the adoption of any Supplemental Social and Environmental Safeguard Instrument:

- (i) prepare: (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with EAMP and RPF; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activity; and
 - (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument;
 - (b) if any activity under the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under the Podshaota-Chodak RAP or the respective Supplemental Social and Environmental Safeguard Instrument, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented.
2. Without limitation to the provisions of paragraph 1 above, prior to contracting of works for each proposed site within the Project Area, the Recipient, through MAWR, shall: (a) submit to the Association for its prior approval: (i) the proposed design and site for said works and, where required by the respective Safeguards Instrument or local legislation, as applicable, any related environmental licenses and permits; and (ii) the proposed contract for said works to ensure that the provisions of the respective Supplemental Social and Environmental Safeguard Instrument are adequately included in said contract; and (b) ensure that such works are carried out in accordance with the respective Safeguards Instrument.
 3. The Recipient shall ensure that no works for a specific part of the Project Area requiring resettlement and/or land acquisition are commenced until the Podshaota-Chodak RAP or the respective Supplemental Social and Environmental Safeguard Instrument for said part of the Project Area is fully implemented.
 4. The Recipient shall not amend, suspend or waive, or permit to be amended, suspended or waived, the Safeguard Instruments, or any provision thereof without the prior written approval of the Association.
 5. In the event of a conflict between the provisions of any of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports, including a section on EAMP implementation, in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

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 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, through MAWR, shall have Project Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Project Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Project Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period, and shall be made publicly available in a timely fashion and in a manner satisfactory to the Association.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Credit 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 Credit 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
- B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**
1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
 2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2; (b) Shopping; (c) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (d) Direct Contracting; (e) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; and (f) Community Participation procedures which have been found acceptable to the Association.
- 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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. 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.

E. Procurement of Incremental Operating Costs

Expenditures included in the Incremental Operating Costs category may be procured in accordance with the established administrative procedures of the Recipient acceptable to the Association.

Section IV. Withdrawal of the Proceeds of the Credit

A. General

The Recipient may withdraw the proceeds of the Credit 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 Investment Project Financing" dated February 2017, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance 100% (exclusive of Taxes, other than Withheld Taxes) of Eligible Expenditures, consisting of goods, works, non-consulting services, consultants' services, including audit, Training and Incremental Operating Costs for the Project.

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, except that withdrawals up to an aggregate amount not to exceed \$500,000 may be made for payments for Eligible Expenditures made prior to this date but on or after May 1, 2017.
2. The Closing Date is August 31, 2024.

ANNEX TO SCHEDULE 2

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

1. (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 declared the lowest evaluated bidder shall be given a reasonable opportunity to register.
2. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper allowing a minimum of thirty (30) days for the preparation and submission of bids.
3. 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 thirty (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.
4. 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.
5. Bidders shall use the appropriate standard bidding documents for the procurement of goods, works non-consulting services or consultants' services, acceptable to the Association.
6. (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 shall not be applied to Association-financed contracts.
- 7. Civil works contracts of long duration (e.g. more than eighteen (18) months) shall contain an appropriate price adjustment clause acceptable to the Association.
- 8.
 - (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 (3), 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, 2022 to and including May 15, 2032	1.65%
commencing November 15, 2032 to and including May 15, 2042	3.35%

* 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. “Affected Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and “Affected Persons” means the plural thereof.
2. “Andijan Project Oblast” means a part of the Andijan Oblast of the Recipient consisting of parts of Kurgantepa, Jalalkuduk, Hujaobod and Bulokboshi districts located on the left bank of the Karadarya River.
3. “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 and revised in January 2011.
4. “Basis Adjustment to the Interest Charge” means the Association’s standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
5. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
7. “Dam Operation and Maintenance Plan” means a detailed plan, prepared by the Recipient and dated September 27, 2016, that covers organizational structure, staffing, technical expertise, and training required, equipment and facilities needed to operate and maintain dams (including dams of Andijan and Kerkidon reservoirs and Kandiyon mudflow reservoir), as well as operating and maintenance procedures, and arrangements for funding dam operation and maintenance, including long-term maintenance and safety inspections.

8. "Emergency Preparedness Plan" means a plan, prepared by the Recipient for Andijan and Kerkidon reservoirs and Kandiya mudflow reservoir, and dated September 27, 2016, that specifies the roles of responsible parties when the respective dam failure is considered imminent, or when expected operational flow release threatens downstream life, property, or economic operations that depend on water flow levels, and which includes the following items: clear statements on the responsibility for dam operations decision making and for the related emergency communications, maps outlining inundation levels for various emergency conditions, flood warning system characteristics, and procedures for evacuating threatened areas and mobilizing emergency forces and equipment.
9. "EMP" means a site specific environmental management plan, satisfactory to the Association, to be prepared by the Recipient pursuant to the provisions of EAMP, as such plan may be amended from time to time with the prior written approval of the Association, and "EMPs" means the plural thereof.
10. "EAMP" means the Environmental Assessment and Management Plan prepared and adopted by the Recipient for the purposes of the Project and disclosed in the Recipient's country and in the Association's Infoshop on April 15, 2016, which (i) contains, inter alia, the environmental protection measures in respect of the Project, including measures for chance finding of cultural property, pest management, protection of natural habitats, identification of existing environmental conditions and potential direct and indirect environmental and social impacts resulting from the carrying out of the Project, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact; (ii) identifies social problems and risks related to the Project, assesses potential impact on various groups and analyzes the role of beneficiaries and stakeholders in the Project, as well as attainment of social development outcomes; and (iii) includes the Annex focusing on child and forced labor issues; as such plan may be amended from time to time with the Association's prior approval.
11. "FBM" or "Feedback Mechanism" means the system aimed to receive grievances on alleged child and forced labor occurrences that might be associated with the Project activities or within the Project Area, to be carried out by the TPM Consultant in accordance with the relevant terms of reference approved by the Association.
12. "Ferghana Project Oblast" means a part of the Ferghana Oblast of the Recipient consisting of the Ferghana and Kuvasay districts in their entirety, Ferghana City, and parts of Kuva, Altirik and Tashlak districts.
13. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

14. “Incremental Operating Costs” means incremental costs incurred by MAWR and PIU on account of the Project coordination, implementation and monitoring, including expenditures for vehicles operation and maintenance, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Project related travel, including per diem and accommodation (but excluding salaries of the Recipient’s civil servants) and other miscellaneous costs directly associated with the Project implementation, all based on periodic budgets acceptable to the Association.
15. “MAWR” means the Ministry of Agriculture and Water Resources of the Recipient, or any successor thereto.
16. “Namangan Project Oblast” means a part of the Namangan Oblast of the Recipient consisting of the Yangikurgan district in its entirety and part of Chodak district located on the right bank of Syrdarya River.
17. “OCC” means an Oblast Coordination Committee to be established in each of the Project Oblasts pursuant to paragraph 2 of Section I.A of Schedule 2 to this Agreement for the purposes of supervision and coordination of the Project implementation within the respective Project Oblast.
18. “Podshaota-Chodak RAP” means a RAP prepared and adopted by the Recipient for the purposes of implementation of the Project activities in Namangan Project Oblast and disclosed in the Recipient’s country on February 1, 2016 and in the Association’s Infoshop on February 25, 2016, as such plan may be amended from time to time with the Association’s prior approval.
19. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
20. “Procurement Panel” means the panel to be established by the Recipient pursuant to paragraph 4 of Section I.A of Schedule 2 to this Agreement.
21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 5, 2017 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
22. “Project Area” means the area consisting of Andijan Project Oblast, Ferghana Project Oblast and Namangan Project Oblast.
23. “Project Implementation Unit” or “PIU” means the project implementation unit established within MAWR for the purposes of day to day Project management,

monitoring and evaluation and referred to in paragraph 1 of Section I.A of Schedule 2 to this Agreement.

24. "Project Operational Manual" or "POM" means the Project Operational Manual to be adopted by the Recipient for the purposes of the Project pursuant to Section 5.01(a) of this Agreement, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project, data collection and reporting, and which includes a manual of financial management procedures that sets out procedures for Project accounting, reporting and audit, disbursements, flow of funds and management of the designated account as the same may be amended from time to time with the agreement of the Association.
25. "Project Oblast" means any of the following: Andijan Project Oblast, Ferghana Project Oblast and Namangan Project Oblast; and "Project Oblasts" means the plural thereof.
26. "RAP" means a site specific resettlement action plan, satisfactory to the Association, to be prepared by the Recipient pursuant to the provisions of RPF for compensation, resettlement and rehabilitation of Affected Persons, in connection with the works to be implemented under the Project, as such plan may be amended from time to time with the prior written approval of the Association, and "RAPs" means the plural thereof.
27. "RPF" or "Resettlement Policy Framework" means the resettlement policy framework, prepared and adopted by the Recipient for the purposes of the Project and disclosed in the Recipient's country on December 22, 2015 and in the Association's Infoshop on December 24, 2015, satisfactory to the Association, setting forth, *inter alia*: (i) the description of areas covered by the Project; (ii) the legal basis and screening process for land acquisition, resettlement and land use in connection with the works to be carried out under the Project; (iii) the resettlement principles and entitlements of Affected Persons based on different categories of impact; (iv) the procedures for valuation, compensation and other assistance provided to the Affected Persons, including the grievance process; (v) the responsibilities, procedures and requirements for the development and implementation of site specific resettlement action plans; and (vi) an estimate of cost of compensation.
28. "Safeguards Instruments" means EAMP, RPF, Podshaota-Chodak RAP, Dam Operation and Management Plan, Emergency Preparedness Plan and all Supplemental Social and Environmental Safeguard Instruments, and "Safeguards Instrument" means any one of these instruments.
29. "Supplemental Social and Environmental Safeguard Instrument" means any EMP, RAP, or other site specific supplemental social and environmental safeguard instruments as may be required under the terms of EAMP or RPF, and

“Supplemental Social and Environmental Safeguard Instruments” means the plural thereof.

30. “Technical Audit Report” means a report to be prepared by the Works Verification Agent pursuant to paragraph 5 of Section I.A of Schedule 2 to this Agreement, and “Technical Audit Reports” means the plural thereof.
31. “Training” means Project related study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, 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.
32. “TPM” or “Third Party Monitoring” means monitoring activity (including, *inter alia*, periodic site visits; assessments of local context and conditions; interviews, awareness raising and training preparation of report) to be carried out by the TPM Consultant with the purpose of detecting any occurrence of child or forced labor in connection with the Project activities, and confirming compliance with applicable laws and regulations on child and forced labor, all in accordance with the relevant terms of reference approved by the Association.
33. “TPM Consultant” means an entity with internationally recognized expertise in social audit and monitoring and evaluation of development projects, to be procured by the Bank for carrying out the TPM and FBM in accordance with relevant terms of reference approved by the Association.
34. “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.
35. “Works Verification Agent” means a company to be employed by the Recipient pursuant to paragraph 5 of Section I.A of Schedule 2 to this Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

“Section 3.02. *Service Charge and Interest Charge*

(a) *Service Charge*. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually

in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) *Interest Charge.* The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”

2. Paragraph 28 of the Appendix (“Financing Payment”) is modified by inserting the words “the Interest Charge” between the words “the Service Charge” and “the Commitment Charge”.

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of “Interest Charge”, and renumbering the subsequent paragraphs accordingly:

“32. “Interest Charge” means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b).”

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix (“Payment Date”) is modified by inserting the words “Interest Charges” between the words “Service Charges” and “Commitment Charges”.

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix (“Service Charge”) is modified by replacing the reference to Section 3.02 with Section 3.02 (a).