

**CONFORMED COPY**

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**GRANT NUMBER H358 KG**

# **Project Agreement**

**(Bishkek and Osh Urban Infrastructure Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**COMMUNITY DEVELOPMENT AND INVESTMENT AGENCY OF THE  
KYRGYZ REPUBLIC**

**Dated April 30, 2008**

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**GRANT NUMBER H358 KG**

**PROJECT AGREEMENT**

Agreement dated April 30 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and COMMUNITY DEVELOPMENT AND INVESTMENT AGENCY OF THE KYRGYZ REPUBLIC (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the KYRGYZ REPUBLIC (“Recipient) and the Association. 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) 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 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 IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

**ARTICLE III - TERMINATION**

- 3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.

**ARTICLE IV - REPRESENTATIVE; ADDRESSES**

- 4.01. The Project Implementing Entity’s Representative is its Executive Director.

4.02. The Association's Address is:

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

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

4.03. The Project Implementing Entity's Address is:

102, Bokonbaeva Street  
Bishkek  
Kyrgyz Republic

Facsimile:  
996-312-624-748

AGREED at Bishkek, Kyrgyz Republic, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Roger Robinson  
Authorized Representative

COMMUNITY DEVELOPMENT AND INVESTMENT  
AGENCY OF THE KYRGYZ REPUBLIC

By: /s/ Elmira Ibraimova  
Authorized Representative

## SCHEDULE

### Execution of the Project Implementing Entity's Respective Part of the Project

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

1. The Project Implementing Entity shall implement the Project in accordance with the provisions of the Project Operational Manual, and shall coordinate with the Coordination Council and other stakeholders, including community participants, in carrying out the Project.
2. The Project Implementing Entity shall enter into a Cooperation Agreement, satisfactory to the Association, with the executive body of Bishkek Municipality for the purposes of carrying out Parts 1(a), 2(a), and 3(a) of the Project.
3. The Project Implementing Entity shall enter into a Cooperation Agreement, satisfactory to the Association, with the executive body of Osh Municipality for the purposes of carrying out Parts 1(b), 2(b) and 3(b) of the Project.
4. The Project Implementing Entity shall enter into implementation arrangements, satisfactory to the Association, with the Territorial Organizations of Self-Governance of the *novostroiki* for the purposes of carrying out Part 2 of the Project.
5. Except as the Association shall otherwise agree, the Project Implementing Entity shall not amend or waive any provision of the Project Operational Manual, the respective Cooperation Agreements or the implementation arrangements entered into with the Territorial Organizations of Self-Governance of the *novostroiki*, if, in the opinion of the Association, such amendment or waiver may materially or adversely affect the carrying out of the Project or the achievement of the Project objectives.
6. The Project Implementing Entity shall maintain adequate functions, staffing and resources, satisfactory to the Association, for the overall purpose of carrying out the Project.
7. The Project Implementing Entity shall cause the executive body of Bishkek Municipality to maintain the Bishkek Municipal Project Unit with adequate functions, staffing and resources, satisfactory to the Association, for the purposes of carrying out Parts 1(a), 2(a) and 3(a) of the Project.
8. The Project Implementing Entity shall cause the executive body of Osh Municipality to maintain the Osh Municipal Project Unit with adequate functions, staffing and resources, satisfactory to the Association, for the purposes of carrying out Parts 1(b), 2(b) and 3(b) of the Project.

9. The Project Implementing Entity shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Association, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about January 31, 2010, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, by March 31, 2010, or such later date as the Association shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

**B. Anti-Corruption**

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

**C. Safeguards**

The Project Implementing Entity shall: (i) carry out the Project in accordance with the provisions of the Environmental Management Framework; (ii) take all action relating to the carrying out of the Project, including the preparation and submission of Environmental Management Plans acceptable to the Association; and (iii) not take or permit to be taken any action which would prevent or interfere with the carrying out of the Project.

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

**A. Project Reports**

1. The Project Implementing Entity shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later forty-five (45) days after the end of the period covered by such report.

2. The Project Implementing Entity shall provide to the Recipient not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

**B. Financial Management, Financial Reports and Audits**

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Parts of the Project.

2. The Project Implementing Entity shall have its financial statements referred to above, audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made. The audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of the period.

3. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Association as part of the Project Report 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.

**Section III. Procurement**

All goods, works and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.