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CREDIT NUMBER 6637-UZ

# **Financing Agreement**

**(Uzbekistan Emergency COVID-19 Response Project)**

**between**

**REPUBLIC OF UZBEKISTAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 6637-UZ**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date 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) 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 the amount of ninety five million Dollars (\$95,000,000) (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 Service Charge is 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plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.
- 2.05. The Interest Charge is 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percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.

- 2.06. The Payment Dates are June 15 and December 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 and the MPA Program. To this end, the Recipient shall carry out:
  - (a) Parts A and C (a) of the Project through MOH; and
  - (b) Parts B and C (b) of the Project through MOF with the assistance of:
    - (i) MELR and other Recipient's designated authority with respect to Part B.2 of the Project; and
    - (ii) the Mahallas for the selection of Eligible Beneficiaries for the Eligible Low-Income Family Cash Benefits;

in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Effectiveness Deadline is the date thirty (30) days after the Signature Date.
- 4.02. 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 V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its Minister of Finance.
- 5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Finance  
Istiqlol Street 29  
Tashkent 100017  
Republic of Uzbekistan; and

(b) the Recipient's Electronic Address is:

Telex:	Facsimile:	E-mail
11 6360 IK BOL	(998-71) 239-1569	invest@mf.uz
	(998-71) 239-1259	

5.03. 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.

**REPUBLIC OF UZBEKISTAN**

**By**



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**Authorized Representative**

**Name:** Timur Ishmetov

**Title:** Minister of Finance

**Date:** 10-Jul-2020

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



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**Authorized Representative**

**Name:** Hideki Mori

**Title:** Country Manager for Uzbekistan

**Date:** 04-May-2020

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to prevent, detect, and respond to the threat posed by COVID-19 in the Republic of Uzbekistan.

The Project constitutes a phase of the MPA Program, and consists of the following parts:

#### **Part A: Strengthening the National Health System to Respond to COVID-19**

##### ***1. Surveillance and Rapid Response Capacity Strengthening***

- (a) Strengthening laboratory, rapid response, and epidemiological capacity for case detection, contact tracing and isolation through the procurement of essential equipment, consumables and vaccines when available, communication and personal protective equipment for rapid response teams at regional and district levels within the Recipient's Agency for Sanitarian and Epidemiological Wellbeing offices and selected laboratories, and testing kits to front-line health facilities and surveillance teams.
- (b) Strengthening the Recipient's health information systems for surveillance and laboratory reporting to facilitate real-time information sharing and use of data for policy development and decision making.
- (c) Enhancing the performance of an early warning system, sentinel and event-based surveillance systems, including the deployment of health information systems for data collection, analysis and reporting to aid policy and decision-making.
- (d) Training to improve capacity for case detection and contact tracing and isolation, including training for disease surveillance.

##### ***2. Strengthening the Capacity for Management of Severely and Critically Ill COVID-19 Patients.***

- (a) Strengthening the care for severely and critically ill COVID-19 patients through the procurement of medical equipment, prevention and preparedness equipment and supplies for designated hospitals with intensive care units.
- (b) Training in severe acute respiratory infection management, the use of selected medical equipment, as well as training in acute case management.

- (c) Strengthening health information system for surveillance and laboratory reporting to facilitate real time information sharing and use of data for policy decision making.
- (d) Provision of biomedical waste management equipment to facilitate centralized biomedical waste management in Tashkent and all regional health centers.

### ***3. Strengthening Risk Communication and Community Engagement***

Expansion of existing and development of new communication strategies focused on health care workers.

## **Part B: Financial Support to Individuals and Households**

### ***1. Scaling up temporary Cash Benefits to Low-Income Families***

- (a) Provision of targeted temporary cash benefits to selected low-income families (Eligible Low-Income Family Cash Social Benefits).
- (b) Provision of technical assistance to streamline the application and delivery of assistance to low-income families, including if, proposed by the Recipient and approved by the Association, the adoption of digitized application procedures, assessment, decision, and disbursement processes where feasible.

### ***2. One-off Cash Unemployment Benefit***

- (a) Provision of one-off unemployment cash benefits for selected unemployed individuals (Eligible Unemployment Cash Benefits).
- (b) Provision of technical assistance to streamline the relevant application processes and delivery of assistance in Part B.2 of the Project in the COVID-19 environment including, if proposed by the Recipient and approved by the Association, the adoption of a more digitized application, assessment, decision, and disbursement process.

## **Part C: Implementation Management and Monitoring and Evaluation**

Support for the administrative and human resources needed by:

- (a) the MOH PIU to implement the Project activities under Part A and monitor and evaluate its progress.
- (b) the MOF PIU to implement the Project activities under Part B and monitor and evaluate its progress.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

1. The Recipient, through MoH and MoF, shall adopt, within one (1) month from the Effective Date, in form and substance satisfactory to the Association, a Project operation manual (“Project Operation Manual”) containing detailed guidelines and procedures for the implementation of the Project, including *inter alia*:
  - (a) the administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism for the Project;
  - (b) personal data collection and processing in accordance with the applicable WHO and national guidelines;
  - (c) roles and responsibilities for Project implementation, and such other arrangements and procedures as shall be required for the effective implementation of the Project; and
  - (d) the ESCP.
2. The Recipient shall prepare, and promptly adopt, through MOF and MELR, in form and substance satisfactory to the Association, a Cash Transfers Financing Manual (“CTFM”) describing the implementation arrangements for the activities under Part B of the Project, including, *inter alia*:
  - (a) the flow of funds from MOF to the Eligible Beneficiaries through the Treasury;
  - (b) eligibility criteria for the selection of Eligible Beneficiaries and amounts of Eligible Cash Benefits to be financed in accordance with the relevant Recipient’s legislation;
  - (c) arrangements to monitor said beneficiaries and track results;
  - (d) procedures and remedies when Eligible Cash Benefits’ conditions are not complied with; and
  - (e) the financial and accounting reporting terms and the financial audit requirements.



3. The Recipient shall:
  - (a) shall carry out the Project in accordance with the POM and Part B of the Project in accordance with the POM and the CTFM;
  - (b) ensure that the POM and the CTFM are not amended, suspended, repealed or abrogated without the prior written approval of the Association; and
  - (c) In the event of any conflict between the provisions of the POM or the CTFM and this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall, at all times during the implementation of the Project, through:
  - (a) MoH with respect to Parts A and C (a) of the Project, and
  - (b) MOF with respect to Parts B and C (b) of the Project

maintain respectively the MOH PIU and the MOF PIU for the purposes of day-to-day management, monitoring and supervision of their respective Parts of the Project, with a composition, staff, resources and terms of reference all satisfactory to the Association and as further described in the POM.

**B. Environmental and Social Standards**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified 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, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

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

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

**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 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 (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (exclusive of Taxes other than Withheld Taxes)</b>
(1) (a) Goods, non-consulting services, consulting services, Training and Incremental Operating Costs for Part A of the Project	37,750,000	100%
(b) Goods, consulting services, Training and Incremental Operating Costs for Part C (a) of the Project	250,000	
(c) Goods, consulting services, Training and Incremental Operating Costs for Parts C (b) of the Project	100,000	
(2) Consulting services and Payments for Eligible Cash Benefits under Part B of the Project	56,900,000	100%
<b>TOTAL AMOUNT</b>	<b>95,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$38,000,000 may be made for payments made prior to this date but on or after April 17, 2020, for Eligible Expenditures under Category (1); or
  - (b) for payments made under Category (2) until the Recipient: (i) has adopted Presidential Decree on the Eligible Cash Benefits providing for (A) simplified eligibility conditions for the Eligible Low-Income Family Cash Social Benefits; and (B) the establishment of the Eligible Unemployment Cash Benefits, its amount, eligibility conditions, and implementation arrangements and roles, all acceptable to the Association; and (ii) through MOF and MELR, has adopted the CTFM in form and substance satisfactory to the Association.
2. The Closing Date is June 30, 2022.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each June 15 and December 15:	
commencing June 15, 2025 to and including December 15, 2044	<b>1.65%</b>
commencing June 15, 2045 to and including December 15, 2049	<b>3.40%</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 Section 3.05 (b) of the General Conditions.

## APPENDIX

### Definitions

1. “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.
2. “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.
3. “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.
4. “Cash Transfers Financing Manual” or the acronym “CTFM” means the manual referred to in Section I.A.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Association.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
7. “Eligible Beneficiary” means any low-income family eligible to receive an Eligible Low-Income Cash Social Benefit, or any unemployed individual eligible to receive an Eligible Unemployment Cash Benefit; and the term Eligible Beneficiaries means collectively all such beneficiaries.
8. “Eligible Cash Benefits” means collectively any Eligible Unemployment Cash Benefits and Eligible Low-Income Family Cash Social Benefit.
9. “Eligible Unemployment Cash Benefit” means any one-off temporary benefit eligible for financing under Part B.2 of the Project in accordance with the criteria, amounts and implementation arrangements set forth in the legislation referred to in Section III.B (b) (i) in Schedule 2 to the Agreement and operating in accordance with the procedures set forth in CTFM.

10. “Eligible Low-Income Family Cash Social Benefit” means any of the following benefits eligible for financing under Part B.1 of the Project: (i) low-income family cash assistance; (ii) low-income assistance for families with children ages 0-2; and (iii) low-income assistance for families with children ages 2-14, all in accordance with the criteria, amounts and implementation arrangements set forth in The Recipient’s Cabinet of Ministries Decree No. 44 dated February 15, 2013, as further amended pursuant to the legislation referred to in Section III.B (b) (i) in Schedule 2 to this Agreement, and operating in accordance with the procedures set forth in the CTFM.
11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 17, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
13. “ESC” means any of the Recipient’s employment support centers established and operating pursuant to Recipient’s Presidential Resolution PP-3913 dated August 20, 2018.
14. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
15. ”Incremental Operating Costs” means incremental operating costs incurred by the MOH PIU and MOF PIU, on account of Project implementation, management,

monitoring and coordination, including office equipment maintenance and repair, local travel, communication, translation and interpretation, bank charges, salaries of contractual staff for the Recipient (but excluding salaries of the Recipient's civil servants) and other miscellaneous costs of similar nature directly associated with the Project.

16. "Mahalla" means Recipient's territorial self-government organization per Article 105 of Uzbekistan's Constitution, in charge of selecting Eligible Beneficiaries under Part B.1 of the Project.
17. "Ministry of Employment and Labor Relations" or "MELR" means the Recipient's Ministry of Employment and Labor Relations or any successor thereto.
18. "Ministry of Finance" or "MOF" means the Recipient's Ministry of Finance, or any successor thereto.
19. "Ministry of Health" or "MOH" means the Recipient's Ministry of Health, or any successor thereto.
20. "MOF PIU" means the unit referred to in Section 1.A.4(b) of Schedule 2 to this Agreement established pursuant to Recipient's Cabinet of Minister's Statement No. 553 dated June 29, 2019.
21. "MOH PIU" means the unit referred to in Section 1.A.4(a) of Schedule 2 to this Agreement established pursuant to the Cabinet of Ministers Statement No. 952 dated November 23, 2018.
22. "MPA Program" means the global emergency multiphase programmatic approach program designed to assist countries to prevent, detect and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness.
23. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
24. "Project Operation Manual" or "POM" means the Project Operation Manual referred to in Section I.A.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Association.
25. "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.
26. "Training" means Project related study tours, training courses, seminars, workshops and other training activities, 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.

27. "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.
28. "WHO" means the World Health Organization.