

Public Disclosure Authorized

CONFORMED

GRANT NUMBER H244-TJ

Financing Agreement

**(Avian Influenza Control and Human Pandemic Preparedness
and Response Project)**

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 27, 2006

Public Disclosure Authorized



GRANT NUMBER H244-TJ

FINANCING AGREEMENT

AGREEMENT dated July 27, 2006, between REPUBLIC OF TAJIKISTAN (“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 the Financing 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, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to three million four hundred thousand Special Drawing Rights (SDR 3,400,000) (“Grant”) 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 IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is Dollars.

ARTICLE III - PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project which is part of the Association's Global Program for Avian Influenza Control and Human Pandemic Preparedness and Response designed to help countries in prevention, containment, control and eradication of avian influenza. To this end, the Recipient shall carry out the Project 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 - EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The NSC with the composition and terms of reference satisfactory to the Association has been established by the Recipient;
 - (b) project implementation coordinators have been designated in the Ministry of Health, Veterinary Department of the Ministry of Agriculture, Ministry of Emergency Situations and Civil Defense, Institute of Foot and Mouth Disease and Institute of Zoology and Parasitology of the Recipient;
 - (c) additional PMU staff, as agreed upon with the Association, have been employed by the PMU;
 - (d) the Project Operational Manual, satisfactory to the Association, has been adopted by the Recipient; and
 - (e) the EMP, satisfactory to the Association, has been adopted by the Recipient.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

- 4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under Schedule 2 to this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V - REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister of Finance.

- 5.02. The Recipient's Address is:

Ministry of Finance
3, Akademik Rajobovkho Street
Dushanbe, 734025
Republic of Tajikistan

Facsimile:

(992-372) 213329

- 5.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

AGREED at Dushanbe, Republic of Tajikistan, as of the day and year first above written.

REPUBLIC OF TAJIKISTAN

By /s/ Safarali Najmuddinov

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Aziz Khaidarov

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to minimize the threat posed to humans by highly pandemic avian influenza infection and other zoonoses in domestic poultry and prepare for, control, and respond to an influenza pandemic and other infectious disease emergencies in humans.

The Project consists of the following parts:

Part I. Public Awareness and Information

Support in development and implementation of HPAI public awareness and information program, including (i) policy advocacy and support for crisis communication management; (ii) public education through mass media; and (iii) social mobilization through community and school-based targeted interventions.

Part II. Animal Health

Support in prevention, control and total eradication of HPAI through: (i) enhancing animal health planning and coordination capability for HPAI prevention; (ii) strengthening field disease surveillance and laboratory diagnostic capacity; (iii) strengthening HPAI outbreak containment plans, including establishment and operation of the Compensation Fund; and (iv) financing of eligible goods and commodities as specified in Section III.C of Schedule 2 to this Agreement.

Part III. Human Health

Support in reduction of the impact of a pandemic influenza virus through: (i) enhancing public health program planning and coordination; (ii) strengthening of national public health surveillance systems; (iii) strengthening health care system's response capacity; and (iv) financing of eligible goods and commodities as specified in Section III.C of Schedule 2 to this Agreement.

Part IV. Implementation Support, Monitoring and Evaluation

Strengthening the Recipient's capacity for Project implementation, monitoring and evaluation, including audit, procurement, disbursement and financial management activities, through financing of Operating Costs incurred by the PMU on account of Project implementation.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

1. The Recipient shall maintain the NSC, throughout the implementation of the Project, to approve annual work programs for the Project and to provide inter-agency coordination, oversight and policy guidance for overall implementation of the Project.
2. The Recipient shall ensure that overall responsibility for day to day implementation and management of the Project, including procurement and financial management activities, are entrusted to the PMU. To that end, the Recipient shall maintain the PMU throughout the implementation of the Project with sufficient and suitable human, financial and technical resources and under terms of reference satisfactory to the Association.
3. The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Project Operational Manual and the Compensation Procedures Manual. The Recipient shall maintain the Project Operational Manual and the Compensation Procedures Manual in form and content satisfactory to the Association and shall not assign, amend, abrogate or waive the Project Operational Manual or the Compensation Procedures Manual without the prior approval of the Association.
4. The Recipient shall take all measures necessary to carry out the EMP in a timely manner, ensuring that adequate information on the implementation of the said measures is suitably included in the Project Reports referred to in Part A of Section II of this Schedule.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports.

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month 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 un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General.

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing 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 Schedule.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing 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 Schedule.
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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding. Goods and commodities listed in Part C of this Section may be procured under contracts awarded on the basis of Modified International Competitive Bidding according to paragraphs 2.66, 2.67 and 2.68 of the Procurement Guidelines.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<u>Procurement Method</u>
(a) Limited International Bidding
(b) Shopping (Goods and Works)
(c) Direct Contracting
(d) Procurement from United Nations Agencies

C. List of Eligible Goods and Commodities to be Financed Under Parts II and III of the Project

1. Protective clothing and gear
2. Pharmaceuticals and vaccines
3. Medical and veterinary supplies and equipment
4. Communication equipment and supplies
5. Food and water containers

D. 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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Selection Based on Consultants' Qualification
(b) Individual Consultants
(c) Single Source Selection

E. Review by the Bank 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.

Section IV. Withdrawal of the Proceeds of the Financing

A. General.

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Recipient, to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed
(1) Goods, works and consultants' services for the Project	2,451,000	100%
(2) Compensation Fund under Part II of the Project	204,000	100%
(3) Eligible Imported Goods and Commodities listed in Section III C of Schedule 2	476,000	100%
(4) Operating Costs	269,000	100%
TOTAL AMOUNT	<u>3,400,000</u>	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR250,000 equivalent may be made for payments made prior to this date but on or after June 1, 2006, for Eligible Expenditures under Categories (1) and (4);
 - (b) under Category (2) unless: (i) the Compensation Fund has been established in a manner satisfactory to the Association; (ii) the Compensation Procedures Manual, satisfactory to the Association, has been adopted by the Recipient; and (iii) the Compensation Fund payments are being made in accordance with criteria and procedures set forth in the Compensation Procedures Manual; and
 - (c) under Category (3): (i) unless a national emergency on avian influenza has been declared by the Recipient and a well-defined emergency recovery program, satisfactory to the Association, has been adopted by the Recipient; (ii) for goods supplied under a contract which any national or international financing institution or agency other than the Association shall have financed or agreed to finance or which the Association has financed or agreed to finance under another Grant or Credit; and (iii) in excess of an aggregate amount equivalent to 50% of the amount allocated to this Category (3) for any group of eligible imports listed in Section III.C of Schedule 2 to this Agreement without prior approval by the Association.
2. The Closing Date is December 1, 2009.

APPENDIX

Definitions

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
2. “Compensation Fund” means the separate account to be established by the Recipient out of the proceeds of the Financing under Part II of the Project to be utilized to pay cash compensation to poultry owners for poultry culled.
3. “Compensation Procedures Manual” means the manual to be prepared and adopted by the Recipient setting forth principles and procedures for operating of the Compensation Fund and referred to in paragraph 3 of Section I of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
5. “Environmental Management Plan” or “EMP” means the Environmental Management Plan describing procedures for the safe management and disposal of animal carcasses, laboratory waste, and waste from health care facilities to be adopted by the Recipient pursuant to Section 4.01 (d) of this Agreement.
6. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
7. “HPAI” means Highly Pathogenic Avian Influenza.
8. “NSC” means the National Steering Committee established by the Recipient to provide inter-agency coordination, oversight and policy guidance for overall implementation of the Project and referred to in paragraph 1 of Section I of Schedule 2 to this Agreement.
9. “Operating Costs” means incremental operating costs incurred by the PMU (as defined thereafter) and various ministries and agencies of the Recipient on account of Project implementation, management and monitoring, procurement and financial management, including the PMU staff salaries, provision of necessary equipment, training, consultants’ services, office and equipment maintenance and minor repair, equipment rental, vehicle maintenance and repair, local travel, communication, translation and interpretation, bank charges, social charges, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the Association.

10. "PMU" means the Project Management Unit designated by the Recipient for day to day implementation and management of the Project and referred to in paragraph 2 of Section I of Schedule 2 to this Agreement.
11. "Procurement Guidelines" means the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004.
12. "Procurement Plan" means the Recipient's procurement plan for the Project, dated June 7, 2006 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
13. "Project Operational Manual" or "POM" means the manual, satisfactory to the Association, adopted by the Recipient and setting out the operational and administrative procedures for the implementation of the Project, as the same may be amended from time to time by agreement between the Association and the Recipient, and referred to in paragraph 3 of Section I of Schedule 2 to this Agreement.