Project Agreement

(Additional Financing for Energy Loss Reduction Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

BARKI TAJIK

Dated March 16, 2012
GRANT NUMBER H757-TJ

PROJECT AGREEMENT

Agreement dated March 16, 2012, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and the BARKI TAJIK ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the REPUBLIC OF TAJIKISTAN ("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 Parts A and C.2 of 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 the Chairman of Barki Tajik.
4.02. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423(MCI)
Facsimile: 1-202-477-6391

International Development Association

4.03. The Project Implementing Entity’s Address is:

Barki Tajik
64, I.Somoni Str,
734026 Dushanbe
Dushanbe
Republic of Tajikistan

Facsimile:
992 372 35 86 94,
992 372-35-87-64
AGREED at Dushanbe, Republic of Tajikistan, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

Authorized Representative

BARKI TAJIK

By:

Authorized Representative
SCHEDULE

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. Except as the Association shall otherwise agree, the Project Implementing Entity shall not amend or waive any provision of the Project Operational Manual, 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.

2. The Project Implementing Entity shall at all times maintain adequate functions, staffing and resources satisfactory to the Association.

3. (a) To facilitate the carrying out and financing of Parts A and C.2 of the Project, the Project Implementing Entity shall enter into a Subsidiary Agreement with the Recipient pursuant to which the Recipient shall provide a portion of the proceeds of the Grant allocated to Category (1), set forth in the table in paragraph 1 of Section IV of Schedule 2 to the Financing Agreement to the Project Implementing Entity under terms and conditions which shall have been approved by the Association.

(b) The Project Implementing Entity shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Grant, and, except as the Association shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Agreement or any provision thereof.

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, jointly with the Recipient, carry out TEAS and ESIA under Part C of the Project in accordance with the terms of reference agreed upon with the Association and in compliance with the Association’s applicable safeguard policies. For the purposes of carrying out TEAS and ESIA, the Recipient shall: (a) fully participate in the work of the Engineering and Dam Safety Panel and the Environmental and Social Panel (collectively, the “Panels”), including participating in the Panels’ meetings and riparian consultation meetings; (b) provide supporting services to said Panels as agreed with the Association; and (c) ensure that comments and recommendations of said Panels are adequately reflected in the final assessment reports.
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, services and non-consulting 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.