OFFICIAL DOCUMENTS

PORTION “A” CREDIT NUMBER 6024-TJ
PORTION “B” CREDIT NUMBER 6025-TJ
GRANT NUMBER D179-TJ

Financing Agreement

(Nurek Hydropower Rehabilitation Project, Phase I)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 2, 2017
FINANCING AGREEMENT

AGREEMENT dated June 2, 2017, entered into 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 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, on the terms and conditions set forth or referred to in this Agreement, a grant and a credit (collectively, "Financing") in the following amounts to assist in financing the project described in Schedule 1 to this Agreement ("Project"):  

(a) an amount equivalent to forty one million eight hundred thousand Special Drawing Rights (SDR41,800,000) ("Grant");

(b) the amount of sixty nine million one hundred thirty five thousand Dollars ($69,135,000) ("Portion A of the Credit"); and

(c) the amount of one hundred million Dollars ($100,000,000) ("Portion B of the Credit").

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 Front-end Fee payable by the Recipient shall be equal to one quarter of one percent (1/4 of 1%) of the Portion B of the Credit amount.

2.04. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Grant and Portion A of the Credit Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.05. The Commitment Charge payable by the Recipient on the Unwithdrawn Portion B of the Credit Balance shall be one-quarter of one percent (1/4 of 1%) per annum.

2.06. The Service Charge payable by the Recipient on the Withdrawn Portion A of the Credit Balance shall be the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the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.

2.07. The Interest Charge payable by the Recipient on Portion B of the Credit for each Interest Period shall be at a rate equal to four and a half percent (4.50%) per annum; provided, however, that the Interest Charge payable shall in no event be less than three quarters of one percent (3/4 of 1%) per annum.

2.08. The Payment Dates are April 15 and October 15 in each year.

2.09. The principal amount of the Portion A of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.10. The principal amount of the Portion B of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 4 to this Agreement.

2.11. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

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 Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

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 Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

(b) The Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

(c) The Project Operational Manual, satisfactory to the Association, has been adopted by the Project Implementing Entity.

5.02. The Additional Legal Matter consists of the following:

The Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

5.03. The Effectiveness Deadline is the date one hundred twenty (180) days after the date of this Agreement.
5.04. 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
    3, Akademikov Rajabovky Ave.
    Dushanbe, 734025
    Republic of Tajikistan

    Facsimile:
    (992-372) 213329

6.03. The Association’s Address is:

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

    Telex: 428423 (MCI)  1-202-477-6391
    Facsimile:
    248423 (MCI)  1-202-477-6391
AGREED at Dushanbe, Republic of Tajikistan, as of the day and year first above written.

REPUBLIC OF TAJIKISTAN

By

[Signature]

Authorized Representative

Name: Abdusalam Qurbaniyon
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Jan-Peter Utters
Title: Country Manager
SCHEDULE 1

Project Description

The objectives of the Project are to rehabilitate and restore the generating capacity of three power generating units of Nurek HPP, improve their efficiency, and strengthen the safety of the Nurek dam.

The Project consists of the following parts:

Part 1: Rehabilitation of three generating units and key infrastructural components of Nurek HPP

(a) Rehabilitation of three power generating units, including generators, turbines, main inlet valves and transformers, auxiliary systems and other key equipment of the plant.

(b) Provision of spare parts and operations and maintenance equipment.

Part 2: Enhancement of dam safety

(a) Rehabilitation of spillway tunnels, refurbishment of spillway gates/hoisting system, improvement of protection on permeable zone of the embankment dam above the core zone crest.

(b) Implementation of measures to enhance safety against seismic hazards following the completion of: (i) seismic hazard assessment and stability analyses of the Nurek dam; and (ii) the drilling of five boreholes on the downstream part of the left bank to check the slope stability.

(c) Introduction of an advanced flood forecasting/warning system and preparation of optimized reservoir operating rules to enhance the flood-handling capacity of the dam.

(d) Refurbishment and upgrade of monitoring instruments and management system to improve the collection and analysis of the safety monitoring data.


Part 3: Technical Assistance

(a) Provision of technical assistance: (i) to assist with the review of designs, bidding, quality control and construction supervision of the Project through engagement of the Project Management Consultant; (ii) on
matters related to dam safety and other critical aspects of the Project through engagement of the Panel of Experts; (iii) to carry out technical and other engineering studies, which may be required during Project implementation; (iv) to facilitate citizens' engagement; and (v) aimed at improvement of BT's financial standing.

(b) Strengthening the capacity of Nurek HPP and BT in dam safety, operation and management of hydro facilities, Project management, including fiduciary and safeguards aspects and audit, including through the provision of Training and financing Incremental Operating Costs.
SCHEDULE 2

Project Execution

Section I.  Implementation Arrangements

A. Institutional Arrangements

The Recipient shall cause the Project Implementing Entity:

1. To carry out the Project in accordance with the Project Operational Manual and not amend, suspend, repeal or waive any of the provisions of the Project Operational Manual without the Association's prior written agreement. In case of any discrepancy between the provisions of the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

2. To maintain, during the entire period of Project implementation, unless otherwise agreed with the Association, the Project Management Consultant, with the experience, competence and terms of reference satisfactory to the Association, to assist with the detailed design of the rehabilitation and dam safety works, the tendering processes, and the supervision of the works.

3. To maintain, during the entire period of Project implementation, the Dam Safety Panel, which shall include international experts with the experience, competence and terms of reference satisfactory to the Association, to provide independent review and expert advice on dam safety and other technical aspects of the Project.

4. To maintain, during the entire period of Project implementation, the Project Realization Group with functions, terms of reference and resources satisfactory to the Association for the purposes of day-to-day Project management, monitoring and evaluation.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity ("Subsidiary Agreement"), under the financing terms, including Front-end Fee, Commitment Charge, Service Charge, Interest Charge and repayment schedule applicable to the respective parts of the Financing, as set forth in Article II of this Financing Agreement, and under such other terms and conditions as shall be approved by the Association.

2. Project Implementing Entity shall bear the currency exchange risks, as well as such other risks and expenses that might be associated with payment of fees and charges
referred to in Article II of this Financing Agreement and with the repayment of the
principal amount of Portions A and B of the Credit.

3. The Recipient shall exercise its rights and carry out its obligations 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 Financing. Except as
the Association shall otherwise agree, the Recipient shall not assign, amend,
abrogate or waive the Subsidiary Agreement or any of its provisions.

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 shall cause the Project Implementing Entity to implement the
Project in accordance with ESIA, ESMP, SEP, Dam Operation and Maintenance

2. The Recipient shall cause the Project Implementing Entity, prior to contracting of
any works under the Project, to: (a) submit to the Association for its review: (i) the
proposed design, including site location, for said works; and (ii) the proposed
contract for said works to ensure that the provisions of ESIA and ESMP are
adequately included in said contract; and (b) ensure that such works are carried out
in accordance with ESIA, ESMP and the respective contract.

3. The Recipient shall cause the Project Implementing Entity to ensure that the terms
of reference for any consultancies related to the technical assistance provided
under the Project shall duly incorporate the requirement of the Association’s
Safeguard Policies then in force, as applied to the advice conveyed through such
technical assistance.

4. Without limitation upon its other reporting obligations under this Agreement, the
Recipient shall cause the Project Implementing Entity to furnish to the Association
on a semi-annual basis, reports on the status of compliance with the Safeguards
Instruments, giving details of:

(a) measures taken in furtherance of the Safeguards Instruments;

(b) conditions, if any, which interfere or threaten to interfere with the smooth
implementation of any of the Safeguards Instruments; and

(c) remedial measures taken or required to be taken to address such
conditions.
5. The Recipient shall promptly take, or cause the Project Implementing Entity to take, all remedial measures referred to in paragraph 4 (c) above, as shall have been agreed by the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and to prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to 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 unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have the Project 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 (1) 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

All goods, works, non-consulting services and consulting 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 the Procurement Regulations and the provisions of the Procurement Plan.

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 Article II of the General Conditions, this Section, and such additional
instructions as the Association shall specify by notice to the Recipient (including the “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 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 Credit and of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of Portion A of the Credit Allocated (expressed in USD)</th>
<th>Amount of Portion B of the Credit Allocated (expressed in USD)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (exclusive of VAT and customs taxes, including imposts, levies, fees and duties of any nature, whether in effect at the date of the Financing Agreement or imposed after that date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Training and Incremental Operating Costs for the Project</td>
<td>64,135,000</td>
<td>99,750,000</td>
<td>41,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance</td>
<td>5,000,000</td>
<td></td>
<td>Amount payable pursuant to Section 2.07 (a) of the General Conditions</td>
<td></td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td></td>
<td>250,000</td>
<td>Amount payable pursuant to Section 2.03 of</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Amount of Portion A of the Credit Allocated (expressed in USD)</td>
<td>Amount of Portion B of the Credit Allocated (expressed in USD)</td>
<td>Amount of the Grant Allocated (expressed in SDR)</td>
<td>Percentage of Expenditures to be Financed (exclusive of VAT and customs taxes, including imposts, levies, fees and duties of any nature, whether in effect at the date of the Financing Agreement or imposed after that date)</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>this Agreement in accordance with Section 3.01 (a) of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>69,135,000</td>
<td>100,000,000</td>
<td>41,800,000</td>
<td></td>
</tr>
</tbody>
</table>

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.

2. The Closing Date is December 31, 2023.

Section V. Other Undertakings

1. The Recipient shall gradually increase the average electricity tariff annually during the Project implementation period to reach cost recovery tariff level by December 31, 2021.

2. For the purposes of paragraph 1 above:
(a) The term “average electricity tariff” means the tariff which is computed as the formally approved tariff for various categories of electricity consumers weighted by their respective share in the total electricity consumption during one year period.

(b) The term “cost recovery tariff level” means a tariff level which generates cash revenue of the Project Implementing Entity adequate to cover the economically justified cash costs of electricity supply, and which at minimum should cover energy and fuel costs, operating and maintenance costs, staff salaries, administrative and general expenses, debt service requirements, and taxes.

(c) The term “debt service requirements” means the aggregate amount of repayments (including sinking fund payments, if any) of, and interest and other charges on, debt.

(d) The term “debt” means any indebtedness of the Project Implementing Entity maturing by its terms more than one year after the date on which it is originally incurred.

3. The Recipient shall cause the Project Implementing Entity to:

(a) Except as the Association shall otherwise agree, not incur any long-term debt unless a reasonable forecast of its revenues and expenditures shows that its estimated net revenues for each fiscal year during the term of the debt to be incurred shall be equal to at least the estimated long-term debt service requirements in such year on all debt of the Project Implementing Entity, including the debt to be incurred.

(b) Except as the Association shall otherwise agree, maintain the ratio of its operating cash flows to short-term debt service requirement at a level not less than 0.08 for the Borrower’s fiscal year 2017; 0.15 for fiscal year 2018; 0.20 for fiscal year 2019; 0.25 for fiscal year 2020; 0.31 for fiscal year 2021; and 0.52 for fiscal year 2022.

(c) Reach eighty eight percent (88%) average collection rate for billed electricity sold domestically in 2017 and ninety percent (90%) in 2018, and not to reduce such rate below ninety percent (90%) until the Project Closing Date.

4. For the purposes of paragraph 3 above:

(a) The term “long-term debt” means any indebtedness of the Project Implementing Entity maturing by its terms more than one year after the date on which it is originally incurred.
(b) Debt shall be deemed to be incurred: (A) under a loan contract or agreement or other instrument providing for such debt or for the modification of its terms of payment on the date of such contract, agreement or instrument; and (B) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into.

(c) The term “net revenues” means the difference between: (A) the sum of revenues from all sources related to operations and net non-operating income; and (B) the sum of all expenses related to operations including administration, adequate maintenance, taxes and payments in lieu of taxes, but excluding provision for depreciation, other non-cash operating charges and interest and other charges on debt.

(d) The term “net non-operating income” means the difference between: (A) revenues from all sources other than those related to operations; and (B) expenses, including taxes and payments in lieu of taxes, incurred in the generation of revenues referred to in (A) above.

(e) The term “long-term debt service requirements” means the aggregate amount of repayments (including sinking fund payments, if any) of, and interest and other charges on, long-term debt.

(f) The term “reasonable forecast” means a forecast prepared by the Project Implementing Entity not earlier than twelve (12) months prior to the incurrence of the debt in question, which both the Association and the Project Implementing Entity accept as reasonable and as to which the Association has notified the Project Implementing Entity of its acceptability, provided that no event has occurred since such notification which has, or may reasonably be expected in the future to have, a material adverse effect on the financial condition or future operating results of the Project Implementing Entity.

(g) Whenever for the purposes of this Section it shall be necessary to value, in terms of the currency of the Recipient, debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such other currency is, at the time of such valuation, obtainable for the purposes of servicing such debt, or, in the absence of such rate, on the basis of a rate of exchange acceptable to the Association.

(h) The term “operating cash flows” means the cash flows from operating activities derived from principal revenue-generating activities of the
Project Implementing Entity and as reflected in the IFRS compliant annual audited financial statements of the Project Implementing Entity.

(i) The term "IFRS" means International Financial Reporting Standards in effect.

(j) The term "short-term debt service" means the aggregate amount of repayments of, and interest and other charges on, short-term debt.

(k) The term "short-term debt" means any indebtedness of Project Implementing Entity maturing by its terms in a period of not more than one year after the date on which it is originally incurred.
**SCHEDULE 3**

**Repayment Schedule of Portion A of the Credit**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of Portion A of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15, commencing October 15, 2023 to and including April 15, 2055</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* 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.
SCHEDULE 4

Repayment Schedule of Portion B of the Credit

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 15 and October 15 commencing on October 15, 2026 to and including October 15, 2040</td>
<td>2.35%</td>
</tr>
<tr>
<td>and on April 15, 2041, to and ending on April 15, 2047</td>
<td>2.45%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid.
APPENDIX

Section I. Definitions


2. “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.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. “Co-financing” means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of sixty million Dollars ($60,000,000), to be provided by the Co-financier to assist in financing the Project.

6. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.

7. “Dam Instrumentation Plan” means the document, prepared by the Recipient in 1983 and to be updated under Part 2 (e) of the Project, which details a plan for installation of instruments to monitor and record dam condition and operation and the related hydro-meteorological, structural and seismic factors.”

8. “Dam Operation and Maintenance Plan” means a detailed plan, prepared by the Recipient in 1983 and to be updated under Part 2 (e) of the Project, that covers organizational structure, staffing, technical expertise, and training required, equipment and facilities needed to operate and maintain the dam, as well as operating and maintenance procedures; and arrangements for funding dam operation and maintenance, including long-term maintenance and safety inspections.

9. “Dam Safety Panel” means a panel of experts referred to in paragraph 3 of Section I. A of Schedule 2 to this Agreement established by the Project Implementing Entity to provide independent review and expert advice on dam safety and other technical aspects of the Project.
10. "Emergency Preparedness Plan" means a plan, prepared by the Recipient in 1983 and to be updated under Part 2 (e) of the Project, that specifies the roles of responsible parties when dam failure is considered imminent, or when expected operational flow release threatens downstream life, property, or economic operations that depend on river 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.

11. "Environmental and Social Impact Assessment" or "ESIA" means the Project-specific environmental and social impact assessment, which includes the Stakeholder Engagement Plan, prepared by the Project Implementing Entity in form and substance satisfactory to the Association, containing: (a) the policy, legal and administrative framework within which the Project is carried out; (b) the Project description; (c) baseline data; and (d) an assessment of the potential environmental and social impacts of the activities to be undertaken under the Project, including an evaluation of the alternatives therefor, and designing appropriate mitigation, management, and monitoring measures.

12. "Environmental and Social Management Plan" or "ESMP" means the Project-specific environmental and social management plan prepared by the Project Implementing Entity in form and substance satisfactory to the Association, that sets out the environmental and social protection measures, including measures for the protection of physical cultural resources, in respect of the Project, as well as administrative and monitoring arrangements to ensure the implementation of said plan, as said plan may be revised from time to time with the prior written agreement of the Association, and such term includes all schedules and agreements supplemental thereto.

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 operating costs incurred by the Project Implementing Entity on account of Project implementation, management, monitoring and coordination, including office equipment maintenance and repair, local travel, communication, translation and interpretation, bank charges, and other miscellaneous costs of similar nature directly associated with the Project, all based on periodic budgets acceptable to the Association.

15. "Interest Period" means the initial period from and including the date of this Agreement to but excluding the first Payment Date occurring thereafter, and after
the initial period, each period from and including a Payment Date to but excluding
the next following Payment Date.


17. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated
March 2, 2017 and provided for under Section IV of the Procurement Regulations,
as the same may be updated from time to time in agreement with the Association.

18. “Procurement Regulations” means the “World Bank Procurement Regulations for
Borrowers under Investment Project Financing”, dated July 1, 2016.

19. “Project Implementing Entity”, “Barqi Tojik” or “BT” means the Recipient’s
national energy company Barqi Tojik, an open joint stock holding company
established and operating pursuant to the Statute of the Open Joint Stock Holding
Company Barqi Tojik approved by the Government of Tajikistan Decree No. 537
dated October 31, 2008, or any successor thereto.

20. “Project Implementing Entity’s Legislation” means the Statute of the Open Joint
Stock Holding Company Barqi Tojik approved by the Government of Tajikistan
Decree No. 537 dated October 31, 2008.

21. “Project Management Consultant” means an internationally recognized consulting
company employed by the Project Implementing Company pursuant to paragraph
2 of Section I.A of Schedule 2 to this Agreement to assist with the detailed design
of the rehabilitation and dam safety works, the tendering processes, and the
supervision of the works.

22. “Project Operational Manual” means the Project Operational Manual referred to
in Section 5.01 (c) of this Agreement and in paragraph 1 of Section I.A of Schedule
2 to this Agreement, as the same may be amended from time to time with the
agreement of the Association.

23. “Project Realization Group” means the group established by the Project
Implementing Entity for the purposes of day-to-day Project management,
monitoring and evaluation and referred to in paragraph 4 of Section I.A of
Schedule 2 to this Agreement.

24. “Safeguard Policies” means the Association’s operational policies and procedures
set forth in the Association’s Operational Manual under OP/BPs 4.01, 4.04, 4.07,
4.09, 4.10, 4.11, 4.12, 4.36 and 4.37, as said manual is published under

25. “Safeguards Instruments” means collectively ESIA, ESMP, SEP, Dam Operation
and Maintenance Plan and Emergency Preparedness Plan, and “Safeguards
Instrument” means any one of these instruments.
26. "Stakeholder Engagement Plan" or "SEP" means the Project-specific plan prepared by the Project Implementing Entity, in form and substance satisfactory to the Association, and containing: (i) the Project description; (ii) a description of Project-relevant stakeholders; (iii) the legal framework and institutional arrangements for stakeholders consultations; (iv) a schedule of consultations; (v) administrative arrangements for implementation of such Plan; and (vi) a description of the Project related grievance redress mechanism.

27. "Subsidiary Agreement" means the agreement satisfactory to the Association and referred to in Section I.B of Schedule 2 to this Agreement, pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.

28. "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.

Section II. Modifications to the General Conditions

The following modifications to the General Conditions shall apply to Portion B of the Credit:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified, as necessary, to reflect the modifications set forth in the paragraphs below.

2. Section 2.07 (Refinancing Preparation Advance) is retitled as "Refinancing Preparation Advance; Capitalizing Front-end Fee", amended by adding a new paragraph (b), and modified to read as follows:

"Section 2.07. Refinancing Preparation Advance; Capitalizing Front-end Fee

(a) If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Bank or the Association ("Preparation Advance"), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unw withdrawn amount of the advance."
(b) Except as otherwise provided in the Financing Agreement, the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date and pay to itself the amount of the Front-end Fee payable pursuant to Section 3.01 (a).”

3. Section 3.01 (Commitment Charge) is retitled as “Front-end Fee; Commitment Charge”, amended by adding a new paragraph (a), and modified to read as follows:

   “Section 3.01. Front-end Fee; Commitment Charge

   (a) The Recipient shall pay the Association a front-end fee on the Credit amount at the rate specified in the Financing Agreement (the “Front-end Fee”).

   (b) The Recipient shall pay the Association a commitment charge on the Unwithdrawn Credit Balance at the rate specified in the Financing Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Financing Agreement to the respective dates on which amounts are withdrawn by the Recipient from the Credit Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”

4. Section 3.02 (Service Charge) is retitled as “Interest Charge” and modified to read as follows:

   “Section 3.02. 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 Charges shall be computed on the basis of a 360-day year of twelve 30-day months.”

5. Section 3.03 (Repayment of the Credit) is modified by deleting paragraph (b) in its entirety and amending the remaining paragraph (a) to read as follows:

   “Section 3.03. Repayment of the Credit

   The Recipient shall repay the Withdrawn Credit Balance to the Association in installments as provided in the Financing Agreement.”
6. In the Appendix, Definitions, all relevant references to Sections, numbers and paragraphs are modified, as necessary, to reflect the modifications set forth in paragraphs 1 through 5 above.

7. Paragraph 28 of the Appendix ("Financing Payment") is modified to read as follows:

   "28. "Financing Payment" means any amount payable by the Recipient to the Association pursuant to the Financing Agreement or these General Conditions, including (but not limited to) any amount of the Withdrawn Credit Balance, interest, the Front-end Fee and the Commitment Charge."

8. A new paragraph 30 is inserted in the Appendix with the following definition of "Front-end Fee", and the subsequent paragraphs are renumbered accordingly:

   "30. "Front-end Fee" means the fee specified in the Financing Agreement for the purpose of Section 3.01 (a)."

9. A new paragraph 33 is inserted in the renumbered Appendix with the following definition of "Interest Charge", and the subsequent paragraphs are renumbered accordingly:

   "33. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02."

10. Renumbered paragraph 38 (originally paragraph 36) of the Appendix ("Payment Date") is modified by deleting the words "Service Charges" and inserting the words "Interest Charges".

11. Renumbered paragraph 51 (originally paragraph 49) of the Appendix ("Service Charge") is deleted in its entirety, and the subsequent paragraphs are renumbered accordingly.