

LOAN NUMBER 8465-UZ

Project Agreement

(Pap-Angren Railway Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

UZBEKISTAN TEMIR YULLARI

Dated *March 4*, 2015

LOAN NUMBER 8465-UZ

PROJECT AGREEMENT

Agreement dated March 4, 2015, entered into between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and UZBEKISTAN TEMIR YULLARI (“Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement (“Loan Agreement”) of same date between the Republic of Uzbekistan (“Borrower”) and the Bank. The Bank 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 Loan 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 Loan Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objective of the Project. To this end, the Project Implementing Entity shall carry out Parts I, II, IV, V, and VI of the Project (hereinafter referred to as “Respective Parts of the Project”) in accordance with the provisions of Article V of the General Conditions and the UTY Subsidiary Agreement, and shall provide, promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity’s Representative is the Chairperson of its Board.

3.02. The Bank's Address is:

International Bank for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

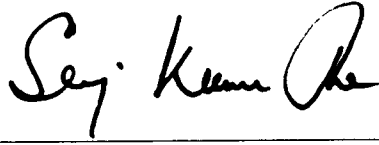
3.03. The Project Implementing Entity's Address is:

Uzbekistan Temir Yullari
7 Taras Shevchenko St.
Tashkent, Republic of Uzbekistan,
700060

Telephone:	Facsimile:
(99871) 2388007	(99871) 2388028 (99871) 2336924

AGREED at Tashkent, Republic of Uzbekistan, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By 

Authorized Representative

Name: Saroj Kumar Jha

Title: Country Director

UZBEKISTAN TEMIR YULLARI

By 

Authorized Representative

Name: Achilbay Ramatov

Title: Chairman

SCHEDULE

Execution of the Project Implementing Entity's Respective Parts of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

The Project Implementing Entity shall maintain its PIU at all times during Project implementation, with terms of reference, adequate funds, facilities, services and resources satisfactory to the Bank, and with competent staff in adequate numbers and with qualifications acceptable to the Bank.

B. Subsidiary Agreements

1. To facilitate the carrying out of its Respective Parts of the Project, the Project Implementing Entity shall enter into a subsidiary agreement with the Borrower pursuant to which the Borrower shall on-lend to the Project Implementing Entity a portion of the Loan allocated to Category (1) under terms and conditions satisfactory to the Bank ("UTY Subsidiary Agreement"), which shall include the responsibility of the Project Implementing Entity to carry out its Respective Parts of the Project in accordance with, *inter alia*: (i) the provisions set forth in the Loan Agreement (including compliance with the pertinent provisions set forth in the Safeguards, Procurement and Financial Management sections and the provisions of Article V of the General Conditions); and (ii) the Anti-Corruption Guidelines.
2. The Project Implementing Entity shall exercise its rights and carry out its obligations under the UTY Subsidiary Agreement in such a manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Project Implementing Entity shall not assign, amend, abrogate, waive, terminate, or fail to enforce the Subsidiary Agreement or any of its provisions.

B. Anti-Corruption

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

C. Safeguards

1. The Project Implementing Entity shall carry out its Respective Parts of the Project in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the RAP, RPF, RAP(s), the site specific SAP, EMF, EIA(s), EMPs, and the Action Plan for Physical and Cultural Resources.
2. The Project Implementing Entity shall:

- (a) when applicable: (i) prepare and disclose, prior to the commencement of any works under the Project, the site-specific EIAs and EMPs, each and all acceptable to the Bank, in accordance with the EMF, the EIA dated September 15, 2014, and the Action Plan for Physical and Cultural Resources; and (ii) immediately thereafter, carry out the works in accordance with the provisions of said site-specific EIAs and EMPs and the Action Plan for Physical and Cultural Resources, all in a manner acceptable to the Bank.
 - (b) when applicable: (i) prepare and disclose, prior to the commencement of any works under the Project site-specific RAPs, each and all acceptable to the Bank, in accordance with the RPF; and (ii) immediately thereafter, carry out the works in accordance with the provisions of said site-specific RAPs and in a manner acceptable to the Bank, including full payment of compensation and/or the provision of relocation assistance to Displaced Persons prior to their displacement.
3. The Project Implementing Entity shall facilitate the maintenance by the Borrower of a socially inclusive grievance redress mechanism in such a manner as to enable the implementation of the Project in accordance with the RAP, RPF, RAP(s), the site specific SAP, EMF, EIA(s), EMPs, and the Action Plan for Physical and Cultural Resources.
4. The Project Implementing Entity shall not amend, suspend or abrogate any of the provisions of the RAP, RPF, RAP(s), the site specific SAP, EMF, EIA(s), EMPs, and the Action Plan for Physical and Cultural Resources without prior approval of the Bank.
5. The Project Implementing Entity shall ensure that each contract procured under its Respective Parts of the Project includes the obligation of the relevant contractor to comply with the relevant RAP, RPF, RAP, the site specific SAP, EMF, EIA, EMP, and the Action Plan for Physical and Cultural Resources, as applicable to the respective activities commissioned or awarded pursuant to said contract.

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 the Project in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of indicators acceptable to the Bank. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Bank and the Borrower not later than forty-five (45) days after the end of the period covered by such report.

2. The Project Implementing Entity shall provide to the Bank and the Borrower not later than six (6) months after the Closing Date the report referred to in Section 5.08(c) of the General Conditions, including all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Project Implementing Entity shall prepare and furnish to the Bank and the Borrower not later than forty-five (45) days after the end of each calendar semester, consolidated interim unaudited financial reports for the Project, covering the semester, in form and substance satisfactory to the Bank.
3. The Project Implementing Entity shall have the Financial Statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of the Financial Statements shall cover the period of one fiscal year of the Project. The Project Implementing Entity shall ensure that the audited Financial Statements for each period shall be: (a) furnished to the Borrower and the Bank not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Bank.

Section III. Procurement

All goods, works and services required for the Project Implementing Entity's Respective Parts of the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.

Section IV. Other Undertakings

1. Except as the Bank shall otherwise agree, the Project Implementing Entity shall maintain a ratio of current assets to current liabilities of not less than 1.5.
2. Before April 1 in each of its fiscal years, the Project Implementing Entity shall, on the basis of forecasts prepared by the Project Implementing Entity and satisfactory to the Bank, review whether it would meet the requirements set forth in paragraph (1) above in respect of such year and the following fiscal year and shall furnish to the Bank the results of such review upon its completion.
3. If any such review shows that the Project Implementing Entity would not meet the requirements set forth in paragraph (1) above for the Borrower's fiscal years covered by such review, the Project Implementing Entity shall promptly take all necessary measures (including, without limitation, adjustments of the structure or levels of its rates) in order to meet such requirements.

4. For the purposes of this Section:

- (a) The term “current assets” means cash, all assets which could, in the ordinary course of business, be converted into cash within twelve months, including accounts receivable, marketable securities, inventories and pre-paid expenses properly chargeable to operating expenses within the next fiscal year.
- (b) The term “current liabilities” means all liabilities which will become due and payable or could, under circumstances then existing, be called for payment within twelve months, including accounts payable, customer advances, debt service requirements, taxes and payments in lieu of taxes, and dividends.
- (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) Whenever for the purposes of this Section it shall be necessary to value, in terms of the currency of the Borrower, 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.