Financing Agreement

(Additional Financing for Bishkek and Osh Urban Infrastructure Project)

between

KYRGYZ REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 3, 2012
FINANCING AGREEMENT

AGREEMENT dated May 3, 2012, entered into between the KYRGYZ REPUBLIC ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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 Four Million Five Hundred Thousand Special Drawing Rights (SDR 4,500,000) ("Grant"); and

(b) an amount equivalent to Five Million Five Hundred Thousand Special Drawing Rights (SDR 5,500,000) ("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 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are January 15 and July 15 in each year.

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

2.07. The Payment Currency is US Dollars.

ARTICLE III - PROJECT

3.01. The Recipient declares its commitment to the objective 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.

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 Project Operational Manual has been revised for the purposes of this Additional Financing, satisfactory to the Association.
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 ninety (90) 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 (20) years after the date of this Agreement.

ARTICLE VI - REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of Finance of the Recipient.

6.02. The Recipient’s Address is:

Ministry of Finance  
58 Erkindik Blvd.  
Bishkek City, 720040  
Kyrgyz Republic

Telex: 245-156 NUR KH  
Facsimile: (996-312) 661645

6.03. The Association’s Address is:

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

Cable:  INDEVAS  
Telex: 248423 (MCI)  
Facsimile: 1-202-477-6391  
Washington, D.C.
AGREEAt Bishkek, Kyrgyz Republic, as of the day and year first above written.

KYRGYZ REPUBLIC

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to increase the availability of basic urban services in semi-formal settlements known as new housing developments (novostroiki) in the cities of Bishkek and Osh, as well as in selected small towns of the Kyrgyz Republic, and to increase the availability of social infrastructures in the cities of Bishkek and Osh and in both the selected small towns and other small towns.

The Project consists of the Original Project, as modified and expanded hereunder:

Part 1: Bishkek, Osh and Selected Small Towns Infrastructure Development

(a) Carrying out works and services to complete the rehabilitation of the Baskarasuu Water Intake and Treatment Plant, including procuring and installing water pumps and other technical equipment for the operation of said plant, constructing a power transmission line and transformer stations, and constructing an aqueduct to connect the plant with the Bishkek Vodokanal network.

(b) Carrying out the development of basic infrastructure for road rehabilitation and maintenance works, constructing and repairing water supply and sewerage networks and installations, and providing equipment for municipal services in Osh.

(c) Carrying out engineering and related design studies for Project activities under Parts 1(a) and 1(d) of the Project.

(d) Carrying out road rehabilitation and maintenance works, constructing and repairing water supply and sewerage networks and installations, and providing equipment for municipal services to the selected small towns in the Kyrgyz Republic.

Part 2: Community Investment Program

Carrying out small-scale investments, in accordance with criteria and procedures acceptable to the Association and set forth in the Project Operational Manual, in the city of Osh and in the novostroiki of the city of Bishkek, as well as in all small towns of the Kyrgyz Republic.

Part 3: Institutional Development

Provision of technical assistance, including such other support, to improve the institutional capacity of executive bodies of: (a) the Bishkek Municipality to manage
municipal services in the City of Bishkek; and (b) the Osh Municipality to manage municipal services in the City of Osh.

Part 4: Project Management, Coordination, Monitoring and Evaluation

Provision of support to the Project Implementing Entity in the implementation of the Project, including the financing of Operating Costs and audits, for the purpose of managing and monitoring Project activities, as well as provision of training and workshops for the purposes of improving the capacity of the Project Implementing Entity to prepare, evaluate and develop infrastructure investments.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall cause the Project to be implemented by the Project Implementing Entity in accordance with the provisions of the Project Operational Manual. Except as the Association shall otherwise agree, the Recipient shall not, and shall not cause the Project Implementing Entity to, 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 Recipient shall at all times ensure that the Project Implementing Entity has adequate functions, staffing and resources satisfactory to the Association.

3. To carry out Parts 1(a) and 1(d) of the Project, the Recipient shall cause the Project Implementing Entity to maintain or enter into, for the purposes of this Additional Financing, and satisfactory to the Association, the implementation arrangements as set forth in the Cooperation Agreements with the executive bodies of the Bishkek and Osh Municipalities, respectively, as well as with the selected small towns.

4. To carry out Part 2 of the Project, the Recipient shall cause the Project Implementing Entity to maintain or enter into, for the purposes of this Additional Financing, and satisfactory to the Association, the implementation arrangements executed under the Original Project: (i) between the Project Implementing Entity and the territorial or sub-divisional entities of the Municipalities of Bishkek, Osh and Jalalabad, respectively; and (ii) between the Project Implementing Entity and the respective municipalities of all small towns in the Kyrgyz Republic.

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, under terms and conditions approved by the Association ("Subsidiary Agreement").

2. The Recipient 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 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. Except as the Association shall otherwise agree, the Association shall, and shall cause the Project Implementing Entity to: (a) apply for the activities under Parts 1 and 2 of the Project the criteria, policies, procedures and arrangements set out in the Environmental Management Framework and the Resettlement Policy Framework; and (b) not amend or waive, or permit to be amended or waived the Environmental Management Framework and the Resettlement Policy Framework, or any provision thereof, in a manner which, in the opinion of the Association, may materially and adversely affect the implementation of the Project.

2. The Recipient shall, and shall cause the Project Implementing Entity to:

(a) ensure that: (i) civil works under Parts 1 and 2 of the Project will not start, unless an Environmental Management Plan, satisfactory to the Association, has been prepared by the Project Implementing Entity and disclosed locally, and on the Project Implementing Entity’s website, not later than thirty (30) days before the beginning of the works; (ii) the arrangements are made for public review and comment of the Environmental Management Plan, any comments received have been responded to in a manner acceptable to the Association, and the final approved version of the Environmental Management Plan has been disclosed locally; and (iii) any provision of the Environmental Management Plan is not assigned, amended, abrogated or waived without prior review and approval of the Association;

(b) ensure that all activities undertaken for the purpose of carrying out Parts 1 and 2 of the Project comply with environmental standards and guidelines satisfactory to the Association;

(c) ensure the complete implementation of the Environmental Management Plan(s) in a manner acceptable to the Association, including all necessary measures to minimize and to mitigate any adverse environmental impacts caused by the implementation of Parts 1 and 2 of the Project; and

(d) ensure that the Project Implementing Entity has appointed competent staff in adequate numbers and with such responsibilities and functions acceptable to the Association as shall enable the Project Implementing Entity to manage, coordinate and monitor the implementation of the Environmental Management Plan(s).
3. The Recipient shall, and shall cause the Project Implementing Entity to:

(a) ensure that the Resettlement Policy Framework is implemented in a manner acceptable to the Association, including all necessary measures to minimize and to mitigate any adverse impacts caused to affected people by the implementation of Parts 1 and 2 of the Project. Where the need for land acquisition or resettlement arises, a Resettlement Action Plan acceptable to the Association will be prepared, disclosed to the public and implemented, to the extent required by the Resettlement Policy Framework, not later than thirty (30) days before the beginning of civil works;

(b) maintain or cause to be maintained and publicize or cause to be publicized, the availability of grievance procedures to hear and determine fairly and in good faith, in accordance with the Resettlement Policy Framework, all complaints raised in relation to the implementation of the Resettlement Action Plans by those being affected and/or resettled (as that term is defined in the Resettlement Action Plan) or by those communities who are adversely affected by the implementation of the Resettlement Policy Framework, as the case may be, and take all measures necessary to implement the determinations made under such grievance procedures; and

(c) take all such other actions as the Association may consider necessary or desirable, including, without limitations: (i) furnish promptly to the Association the findings and recommendations for follow up action resulting from each such review; (ii) implement all such recommendations for follow-up action as agreed with the Association; and (iii) ensure that terms of reference for the supervision under Parts 1 and 2 of the Project include a requirement to conduct an ex-post review of resettlement implementation of the Resettlement Action Plans, satisfactory to 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 agreed with the Association. Each Project Report shall cover the period of one calendar
quarter, and shall be furnished by the Project Implementing Entity to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall cause the Project Implementing Entity to maintain 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 cause the Project Implementing Entity to 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.

3. The Recipient shall cause the Project Implementing Entity to 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, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished by the Project Implementing Entity to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting services. All goods, works 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 requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

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 Section.

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, Works and Non-consulting services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting services. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the following additional provisions:</td>
</tr>
<tr>
<td>1. The eligibility of bidders shall be as defined under Section I of the Guidelines Procurement under IBRD Loans and IDA credits; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Guidelines Procurement under IBRD Loans and IDA credits. Exclusion from participation as a result of debarment should result from violation of clearly identified grounds of misconduct and in accordance with a fair and transparent process;</td>
</tr>
<tr>
<td>2. Procuring entities shall use the appropriate standard bidding documents acceptable to the Association;</td>
</tr>
<tr>
<td>3. An extension of bid validity, if justified by exceptional circumstances, shall be requested in writing from all bidders before the expiration date and for a minimum period required to complete the evaluation or award contract;</td>
</tr>
<tr>
<td>4. No national preferences may be applied on the basis of the origin of products or labor;</td>
</tr>
<tr>
<td>5. Entities in which the State owns a majority shareholding shall not be invited to participate in tenders for the Government unless they are and can be shown to be legally and financially autonomous and they operate under commercial law;</td>
</tr>
<tr>
<td>6. Pre-qualification shall be conducted for large works contracts and shall be applied upon the Association’s agreement;</td>
</tr>
<tr>
<td>7. The pre- and post-qualification criteria shall only pertain to past contract...</td>
</tr>
</tbody>
</table>
Procurement Method

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>performance, financial, managerial and technical capabilities of bidders;</td>
<td></td>
</tr>
<tr>
<td>8. Joint venture partners shall be jointly and severally liable for their obligations;</td>
<td></td>
</tr>
<tr>
<td>9. State unit costs shall not be used for contract budgeting and evaluation for civil works contracts;</td>
<td></td>
</tr>
<tr>
<td>10. Bids shall be opened in public, immediately after the deadline for their submission. No bids can be rejected at bid opening and under the circumstances referred to Article 6 of the Recipient's Public Procurement Law;</td>
<td></td>
</tr>
<tr>
<td>11. No bids shall be rejected solely because they exceed the estimated price. Bids can be cancelled and new bids invited, only if the conditions of clause 2.62 of the Guidelines Procurement under IBRD Loans and IDA credits, are met;</td>
<td></td>
</tr>
<tr>
<td>12. All bid evaluation criteria shall be quantifiable in monetary term;</td>
<td></td>
</tr>
<tr>
<td>13. Qualification criteria for bid evaluation shall be applied on a pass or fail basis;</td>
<td></td>
</tr>
<tr>
<td>14. Contracts shall be awarded to qualified bidder having submitted the lowest evaluated substantially responsive bid and no negotiation shall take place;</td>
<td></td>
</tr>
<tr>
<td>15. There should be an effective and independent protest mechanist allowing bidders and interested parties to protest and to have their protest handled in a timely manner; and</td>
<td></td>
</tr>
<tr>
<td>16. Advance no objection of the Association is required for any modifications in the contract scope/conditions during contract implementation.</td>
<td></td>
</tr>
</tbody>
</table>

(b) Shopping

(c) Direct Contracting

(d) Community Participation in Procurement

C. 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.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least Cost Selection</td>
</tr>
<tr>
<td>(b) Selection Based on the Consultants’ Qualifications</td>
</tr>
<tr>
<td>(c) Single-Source Selection</td>
</tr>
<tr>
<td>(d) Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. **Review by the Association 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 Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, 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 the Credit Allocated (expressed in SDR)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and Works under Parts 1(a) and 1(d) of the Project</td>
<td>5,500,000</td>
<td>1,260,000</td>
<td>80%</td>
</tr>
<tr>
<td>(2) Goods and Works under Part 2 of the Project</td>
<td>2,610,000</td>
<td></td>
<td>95%</td>
</tr>
<tr>
<td>(3) Consultants Services, including Audit and Training for Parts 1(c), 2 and 4 of the Project</td>
<td>250,000</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>(4) Operating costs</td>
<td></td>
<td>380,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>5,500,000</strong></td>
<td><strong>4,500,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this Schedule,

(a) the term “Operating Costs” means operating expenditures incurred by the Project Implementing Entity on account of Project implementation, management and monitoring, including operation and maintenance of vehicles, Social Charges, salaries of contractual staff of the Project Implementing Entity, office equipment operation and supplies, communication costs, support for information systems, translation costs, bank charges, travel and per diem costs and other reasonable expenditures directly associated with the implementation of Project activities, as such costs shall be agreed with the Association on an annual basis, but excluding salaries of the Recipient’s civil servants as well as any contributions by employers to social funds on behalf of the Recipient’s civil servants;

(b) the term “Social Charges” means any payments, premia, or contributions for health benefits, unemployment benefits, disability insurance,
workers' compensation benefits, retirement (pension or social security) benefits, and life insurance, which constitute payment for the drawdown of future benefits to the staff concerned; and

(c) the term "Training" means expenditures incurred on account of Project related study tours, training courses, seminars, workshops and other training activities, including travel and per diem costs of trainees and trainers.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) under Category 1 for Project activities relating to Part 1(a) and 1(d) of the Project, until the Cooperation Agreements have been extended for the purposes of this Additional Financing on terms and conditions satisfactory to the Association.

(b) under Category 2 for Project activities relating to Part 2 of the Project, until the implementation arrangements executed under the Original Project: (i) between the Project Implementing Entity and the territorial or sub-divisional entities of the Municipalities of Bishkek, Osh and Jalalabad, respectively; and (ii) between the Project Implementing Entity and the respective municipalities of all small towns in the Kyrgyz Republic, have been extended for the purposes of this Additional Financing on terms and conditions satisfactory to the Association.

2. The Closing Date is June 30, 2015.
## SCHEDULE 3

### Repayment Schedule

<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 January 15 and July 15:</td>
<td></td>
</tr>
<tr>
<td>commencing January 15, 2022 to and including July 15, 2031</td>
<td>1%</td>
</tr>
<tr>
<td>commencing January 15, 2032 to and including July 15, 2051</td>
<td>2%</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.
APPENDIX

Section I. Definitions


2. “Bishkek Municipal Project Unit” means a body or unit of Bishkek Municipality, established pursuant to a Cooperation Agreement entered into between the Project Implementing Entity and the executive body of the Bishkek Municipality, dated January 30, 2009, for the purposes of carrying out the Project.

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


5. “Cooperation Agreements” means the cooperation agreements executed under the Original Project between the Project Implementing Entity and the respective executive bodies of the Bishkek and Osh Municipalities, as well as between the Project Implementing Entity and the selected small towns.

6. “Environmental Management Framework” means the Recipient’s environmental management framework for the Original Project furnished to the Association on January 28, 2008, and updated and re-disclosed on September 22, 2011 for the purposes of this Additional Financing, satisfactory to the Association, and designed to identify, avoid and mitigate potential negative environmental impacts associated with the Project.

7. “Environmental Management Plan” or “EMP” means the site-specific documents to be prepared by the Project Implementing Entity pursuant to the Environmental Management Framework and Section I.D of Schedule 2 to this Agreement, and satisfactory to the Association, in respect of works to be undertaken by the Recipient under the Project defining details of measures to manage potential environmental and social risks and to mitigate, reduce and/or offset adverse environmental and social impacts associated with the implementation of activities under the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same may be amended and supplemented from time to time with the Association’s prior written approval.

9. "Municipality" means an executive body for the local self-governance of a city in the Kyrgyz Republic, including its territorial or sub-divisional entities, established pursuant to the Recipient’s Law on Self-Government No. 101 of July 15, 2011.

10. "Original Financing Agreement" means the financing agreement for the Bishkek and Osh Urban Infrastructure Project between the Recipient and the International Development Association, dated April 30, 2008 (Grant No. H358-KG).

11. "Original Project" means the Project described in the Original Financing Agreement.

12. "Osh Municipal Project Unit" means a body or unit of the Osh Municipality, established pursuant to a Cooperation Agreement to be entered into between the Project Implementing Entity and the executive body of the Osh Municipality, for the purposes of carrying out the Project.


14. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated November 22, 2011, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

15. "Project Implementing Entity’s Legislation" means the Edict of the President of the Kyrgyz Republic, No. 330, dated October 15, 2003, including any amendments thereto or any succeeding legislation.

16. "Project Operational Manual" means the project operational manual adopted by the Recipient under the Original Project, as revised for the purposes of this Additional Financing.

17. "Public Procurement Law" means the Recipient’s Law on State Procurement, No. 69, dated May 24, 2004, including any amendments thereto or any succeeding legislation.

18. "Resettlement Action Plan(s)" means the resettlement action plan(s) to be prepared and approved by the Project Implementing Entity pursuant to Section I.D of Schedule 2 to this Agreement as implementing recommendation of the Resettlement Policy Framework for Parts 1 and 2 the Project.
19. "Resettlement Policy Framework" means the resettlement policy framework, prepared and approved by the Project Implementing Entity on November 9, 2011, defining the modalities for land acquisition (including compensation for, or reconstruction of, lost or affected assets), resettlement and rehabilitation of displaced persons under Parts 1 and 2 of the Project.

20. "Subsidiary Agreement" means the agreement 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 as a grant.