Financing Agreement

(District Heating Energy Efficiency Project)

between

REPUBLIC OF UZBEKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF UZBEKISTAN ("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) apply to and form 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 a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in the amount of one hundred forty million Dollars (US$140,000,000) (variously, "Credit" and "Financing"), 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 is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is 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plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

2.05. The Interest Charge is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.
2.06. The Payment Dates are May 15 and November 15 in each year.

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

2.08. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through MHCS and the Implementing Agency under the authority of MHCS, and with technical support from the Participating DHCs, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely that the Implementing Agency’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Implementing Agency to perform any of the Recipient’s obligations to be carried out by the Implementing Agency under this Agreement.

4.02. The Additional Event of Acceleration consists of the following: an 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 Project Operational Manual has been adopted by the Recipient, through the Implementing Agency, in a form and substance acceptable to the Association.

(b) The Recipient has executed Subsidiary Agreements with each of the Participating DHCs.

(c) The Recipient, through the Implementing Agency, has established a PCU with the composition, resources and terms of references satisfactory to the Association.
5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

Ministry of Finance
Mustakilik Square 5
Tashkent 100008
Republic of Uzbekistan; and

(b) the Recipient’s Electronic Address is:

Telex: Facsimile:
11 6360 IK BOL (998-71) 239-1225
(998-71) 244-5643

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association’s address is:

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

(b) the Association’s Electronic Address is:

Telex: Facsimile:
248423 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

REPUBLIC OF UZBEKISTAN

By

Authorized Representative

Name: DJAMSHID KUCHKAROV
Title: DEPUTY PRIME MINISTER
MINISTER OF FINANCE
Date: MAY 17, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: CYRIL MULLER
Title: REGIONAL VICE PRESIDENT
EUROPE AND CENTRAL ASIA
Date: MAY 17, 2018
SCHEDULE 1

Project Description

The objective of the Project is to improve efficiency and quality of heating and hot water services in selected cities within the territory of the Recipient.

The Project consists of the following parts:

Part A. Modernization of District Heating Systems

Financing of energy efficiency investments in the renovation of heat production, transmission and distribution systems, including installation of building-level individual heating substations and heat meters.

1. The City of Andijan. Providing heat and hot water to Selected Project Buildings, including: (a) installation of three new boilers at boiler house RK-2 with a total capacity of about 110 MW; (b) replacement of about 24 km of the district heating network (trench length); (c) installation of individual heating substations in Selected Project Buildings; (d) reconstruction of electricity network; (e) reconstruction of water supply network, including replacement of existing water networks and construction of new ones; and (f) provision of maintenance tools, equipment and vehicles for the Andijan DHC.

2. The City of Bukhara. Improvement of heat and hot water supply to Selected Project Buildings, including: (a) installation of one gas-fired boiler with a total capacity of about 40 MW, and modernization of two existing boilers with total capacity of 40 MW; (b) replacement of about 5.5 km of the district heating network (trench length); (c) installation of individual heating substations in Selected Project Buildings; (d) reconstruction of electricity network; and (e) provision of maintenance tools, equipment and vehicles for the Bukhara DHC.

3. The City of Chirchik. Restoration and improvement of heat and hot water supply to Selected Project Buildings, including: (a) installation of three new boilers in Yubileynaya boiler house; (b) replacement of about 21 km of the district heating network (trench length) with pre-insulated pipes; (c) installation of individual heating substations in Selected Project Buildings; (d) reconstruction of electricity distribution network; and (e) provision of maintenance tools, equipment and vehicles for the Chirchik DHC.

4. The City of Samarkand. Restoration and improvement of heat and hot water supply to Selected Project Buildings including: (a) installation of three gas-fired boilers with a total capacity of about 100 MW; (b) replacement of about 39 km of the district heating network (trench length); (c) installation of individual heating substations in Selected Project Buildings; (d) reconstruction of electricity network;
and (e) provision of maintenance tools, equipment and vehicles for the Samarkand DHC.

5. **Sergeli District of the City of Tashkent.** Improvement of heat and hot water supply to Selected Project Buildings, including: (a) modernization of two existing gas-fired boilers with a total capacity of about 175 MW of the district boiler house No.8; (b) installation of a new hot water boiler of about 30 MW for the boiler house No.8; (c) rehabilitation of about 46 km of the district heating network (trench length); (d) installation of individual heating substations in Selected Project Buildings; (e) reconstruction of electricity distribution network; (f) upgrade of water infrastructure; and (g) provision of maintenance tools, equipment and vehicles for the Tashkent Generation Company and Tashkent DHC.

**Part B. Implementation Support and Capacity Building**

Financing capacity building and implementation support for the MHCS, the PCU and Participating DHCs, including *inter alia:*

(a) providing technical assistance for Project management, monitoring and supervision, Project financial audit, including Training and Operating Costs;

(b) providing technical assistance to: (i) assess the profitability of the Participating DHCs; (ii) develop recommendations to improve financial performance of the Participating DHCs; and (iii) strengthen the capacity building for the Participating DHCs, including workshops for the Participating DHCs and other stakeholders.

(c) development of institutional model for district heating sector regulation and management;

(d) designing and conducting social surveys of customer satisfaction in the participating cities at midterm and after the project completion with disaggregation by gender;

(e) developing and providing support for the implementation of a communication strategy and a public information campaign for the Participating DHCs;

(f) preparation of feasibility studies for future investment projects in the district heating sector.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient, through MHCS: (i) shall be responsible for overall Project oversight and policy guidance; and (ii) shall cause the Implementing Agency to maintain during the entire Project implementation period, the Project Coordination Unit for the purposes of day-to-day Project management, monitoring and supervision with functions, terms of reference and resources acceptable to the Association.

2. The Recipient shall cause each Participating DHC to establish, and thereafter to maintain during the entire Project implementation period, a technical support team for the purposes of providing technical support to the PCU in the implementation of their respective activities under the Project.

3. The Recipient shall cause the PCU, not later than thirty (30) days from the Effective Date, to update the accounting software of the PCU.

4. The Recipient shall:

   (a) (i) prepare and adopt a Project Operational Manual, satisfactory to the Association, and setting out, inter alia: (1) the institutional, disbursement, procurement and financial management (including Project-related internal control, budgeting, external auditing, financial reporting and accounting policies and procedures) arrangements for the implementation of the Project; and (2) the selection and approval criteria for the Selected Project Buildings; and

   (ii) carry out the Project in accordance with the Project Operational Manual;

   (b) 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.
B. **Subsidiary Agreements**

1. To facilitate the carrying out of the Project, the Recipient, MHCS, Khokimiyats, and the Implementing Agency shall enter into agreements with each of the Participating DHCs, under terms and conditions satisfactory to the Association ("Subsidiary Agreements") which include, *inter alia*, (a) the commitment of the Recipient to transfer the assets procured for Part A of the Project with the Credit proceeds to the respective Participating DHCs; and (b) as relevant, any terms for reimbursement by the Participating DHCs for said assets to the Recipient.

2. The Recipient, through the Subsidiary Agreements, shall obtain rights adequate to protect its interests and those of the Association, namely that each Participating DHCs shall be required to: (1) carry out or cause its respective part(s) of the Project to be carried out, with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with: (a) the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient; and (b) the Safeguard Instruments, including, if applicable, any Supplemental Social and Environmental Safeguard Instrument for any Project activities is required, all measures required to be taken pursuant to such instrument prior to the commencement of works are taken as required; (2) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of its respective part(s) of the Project and the achievement of the Project objective; (3) enable the Recipient and the Association to inspect the Participants DHC’s respective part(s) of the Project, its operation and any relevant records and documents; and (4) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

3. The Recipient shall exercise its rights under the Subsidiary Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

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 implement the Project in accordance with the relevant Safeguards Instruments, and, to that end, shall:

   (a) if any activity under the Project would require the adoption of any Supplemental Social and Environmental Safeguard Instrument:

   (i) (A) prepare such Supplemental Social and Environmental Safeguard Instrument in accordance with EIA and/or RPF; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Social and Environmental Safeguard Instrument prior to implementation of the activity; and

   (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Social and Environmental Safeguard Instrument; and

   (b) if any activity under the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under the respective Resettlement Action Plan, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been taken.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall cause the PCU to regularly collect, compile and furnish to the Association reports in form and substance satisfactory to the Association on the status of compliance with Safeguards Instruments, including each Supplemental Social and Environmental Safeguard Instrument, as part of the Project Reports, giving details of:

   (a) measures taken in furtherance of the Safeguards Instruments, including each Supplemental Social and Environmental Safeguard Instrument;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments, including each Supplemental Social and Environmental Safeguard Instrument; and

   (c) remedial measures taken or required to be taken to address such conditions.

3. In the event that any provision of the Safeguards Instruments shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.
Section II.  Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the 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 methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>
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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection based on Consultants' Qualifications</td>
</tr>
<tr>
<td>(e) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.1-5.4 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Single-source procedures for the 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.

E. **Procurement of Incremental Operating Costs**

Expenditures included in the Operating Costs category may be procured in accordance with the established administrative procedures of the Recipient acceptable to the Association.
Section IV. **Withdrawal of the Proceeds of the Financing**

A. **General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes other than Withheld Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services,</td>
<td>117,360,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Incremental Operating Costs for the Project (except for Part A.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services and consultants' services for Part A.1 of the Project</td>
<td>22,640,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>140,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
   
   (a) for payments made prior to the Signature Date; or
   
   (b) under Category (2) until the Recipient has adopted an implementation plan for the rehabilitation of the in-building heating system in Selected Project Buildings in the City of Andijan, acceptable to the Association.

2. The Closing Date is December 31, 2024.
Section V. Other Undertakings

A. Annual work program and budget

The Recipient, through the PCU, shall: (a) prepare draft annual work programs (including an annual training plan) and budgets, in accordance with terms of reference satisfactory to the Association, and furnish said drafts by September 30 each year, during Project implementation, to the Association for review and comments; (b) after incorporating the Association's comments on the draft annual work programs and budgets, approve such annual work programs and budgets; and (c) upon approval, carry out the approved annual work programs and budgets in accordance with their terms and in a manner acceptable to the Association.
ANNEX TO SCHEDULE 2

The National Competitive Bidding procedures of the Recipient may be used for procurement under the Project provided that the following provisions are complied with:

1. (a) Bidding shall not be restricted to pre-registered firms.

   (b) Where registration is required, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.

   (c) Foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register.

2. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper allowing a minimum of thirty (30) days for the preparation and submission of bids.

3. When pre-qualification shall be required for large or complex works, invitations to pre-qualify for bidding shall be advertised in at least one widely circulated national daily newspaper or other mass-media as described in paragraph 3.4 of Section III of the Procurement Guidelines a minimum of thirty (30) days prior to the deadline for the submission of pre-qualification applications. Minimum experience, technical and financial requirements shall be explicitly stated in the pre-qualification documents.

4. Government-owned enterprises in the Republic of Uzbekistan shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

5. Bidders shall use the appropriate standard bidding documents for the procurement of goods, works non-consulting services or consultants’ services, acceptable to the Association.

6. (a) Bids shall be opened in public, immediately after the deadline for submission of bids.

   (b) Evaluation of bids shall be made in strict adherence to the monetarily quantifiable criteria declared in the bidding documents.
(c) Contracts shall be awarded to the qualified bidder having submitted the lowest evaluated substantially responsive bid and no negotiation shall take place.

(d) Price verification shall not be applied to Association-financed contracts.

7. Civil works contracts of long duration (e.g. more than eighteen (18) months) shall contain an appropriate price adjustment clause acceptable to the Association.

8. (a) All bids shall not be rejected and new bids solicited without the Association’s prior concurrence.

(b) When the number of bids received is less than three (3), re-bidding shall not be carried out without the Association’s prior concurrence.
**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 May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing May 15, 2023 to and including November 15, 2042</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing May 15, 2043 to and including November 15, 2047</td>
<td>3.40%</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 3.05 (b) of the General Conditions.
APPENDIX

Section I. Definitions

1. “Affected Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood.

2. “Andijan DHC” means the State Unitary Enterprise “Issiklik Manbai” of Adjijan region established pursuant to the Recipient’s Government Resolution No. 182 dated June 2, 2016 issued in accordance with the Decree of the President of the Republic of Uzbekistan No. UP-4720 dated April 24, 2015 and organized based on its Charter dated August 12, 2016.

3. “Andijan EMP” means the Environmental Management Plan prepared by Andijan DHC and disclosed by Andijan DHC on September 13, 2017 and on the Association’s website on September 19, 2017 that describes environmental mitigation, monitoring and institutional measures for the activities financed under Part A.1 of the Project, as such plan may be amended from time to time with the agreement of the Association.

4. “Andijan Subsidiary Agreement” means the Subsidiary Agreement concluded pursuant to Section I.B in Schedule 2 to this Agreement.


7. “Bukhara EMP” means the Environmental Management Plan prepared by Bukhara DHC and disclosed by the Bukhara DHC on September 13, 2017 and on the Association’s website on September 19, 2017, that describes environmental mitigation, monitoring and institutional measures for the activities financed under Part A.2 of the Project, as such plan may be amended from time to time with the agreement of the Association.

8. “Bukhara Subsidiary Agreement” means the Subsidiary Agreement concluded pursuant to Section I.B in Schedule 2 to this Agreement.
9. "Basis Adjustment to the Interest Charge" means the Association’s standard basis adjustment to the Interest 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.

10. "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.

11. "Category" means a category set forth in the table in Section IV.A of Schedule 2 to this Agreement.


13. "Chirchik EMP" means the Environmental Management Plan prepared by Chirchik DHC and by the Chirchik DHC on September 13, 2017 and on the Association’s website on September 19, 2017 that describes environmental mitigation, monitoring and institutional measures for the activities financed under Part A.3 of the Project, as such plan may be amended from time to time with the agreement of the Association.

14. "Chirchik Subsidiary Agreement" means the Subsidiary Agreement concluded pursuant to Section I.B in Schedule 2 to this Agreement.


16. "DHC" means district heating company, and “DHCs” means the plural thereof.

17. "Environmental Impact Assessment" or “EIA” means the environmental impact assessment, disclosed within Republic of Uzbekistan on September 13, 2017 and in the Association’s website on September 19, 2017, identifying and assessing the potential environmental impacts of the activities to be undertaken under the Project, evaluating alternatives, and designing appropriate mitigation, management and monitoring measures.
“General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated July 14, 2017, with the modifications set forth in Section II of this Appendix.

“Implementing Agency” means the Kommunkhizmat Agency.


"Incremental Operating Costs" means incremental operating costs incurred by the PCU, on account of Project implementation, management, monitoring and coordination, including office equipment maintenance and repair, local travel, communication, translation and interpretation, bank charges, salaries of contractual staff for the Recipient (but excluding salaries of the Recipient’s civil servants) and other miscellaneous costs of similar nature directly associated with the Project, all based on periodic budgets acceptable to the Association.

“Khokimiyat” means the Recipient’s local authorities established pursuant to the Constitution of the Recipient dated December 8, 1992 and the Recipient’s Law on local authorities dated September 3, 1993; and “Khokimiyats” means the plural thereof.

“Kommunkhizmat Agency” or “KA” means the Recipient’s agency established under the MHCS pursuant to the Resolution of the President of the Republic of Uzbekistan No. PP-2900 dated April 18, 2017.

“MHCS” means the Recipient’s Ministry of Housing and Communal Services, or any successor thereto.

“MW” means megawatts.

“Participating DHC” means any one of the following: Andijan DHC, Bukhara DHC, Chirchik DHC, Samarkand DHC, Tashkent DHC or Tashkent Generation Company, and “Participating DHCs” means all of these DHCs jointly.


“Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 17, 2017 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.
29. "Project Coordination Unit" or "PCU" means a project coordination unit established within the Implementing Agency under the authority of the MHCS in accordance with Section 5.01(c) of this Agreement, and referred to in Section I.A.1 of Schedule 2 to this Agreement, comprising, inter alia, Project Coordinator, financial management specialist, procurement specialist, district heating engineer, environmental and social safeguard specialist, accountant, office manager.

30. "Project Operational Manual" means the Project Operational Manual referred to in paragraph 4 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.

31. "Resettlement Policy Framework" or "RPF" means the Resettlement Policy Framework prepared by the Recipient and outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, disclosed by the Recipient on October 6, 2017 and on the Association's website on October 16, 2017, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.

32. "Safeguards Instrument" means any of the following: EIA, RPF, Andijan EMP, Bukhara EMP, Chirchik EMP, Samarkand EMP, Tashkent (Sergeli) EMP, or any Supplemental Social and Environmental Safeguard Instrument, and "Safeguards Instruments" means all such instruments jointly.

33. "Samarkand DHC" means the Recipient's State Unitary Enterprise "Issiklik Manbai" established pursuant to the Decree of the President of the Republic of Uzbekistan No. UP-4720 dated April 24, 2015 and Government Resolution No. 182 dated June 2, 2016, and in accordance with its Charter dated August 31, 2016.

34. "Samarkand EMP" means the Environmental Management Plan prepared by Samarkand DHC and disclosed by the Samarkand DHC on September 13, 2017 and on the Association's website on September 19, 2017 that describes environmental mitigation, monitoring and institutional measures for the activities financed under Part A.4 of the Project, as such plan may be amended from time to time with the agreement of the Association.

35. "Samarkand Subsidiary Agreement" means the Subsidiary Agreement concluded pursuant to Section I.B in Schedule 2 to this Agreement.

36. "Selected Project Building" means any of the public or residential buildings benefitting from energy efficiency investments carried out under Part A of the Project, selected based on the selection criteria set forth in the POM, and approved by the Association; "Selected Project Buildings" means the plural thereof.
37. "Tashkent DHC" means Recipient’s Toshkent Issiqlik Markazi Joint Stock Company established pursuant to the Government Decree No.182 dated June 2, 2016 and in accordance with its Charter dated December 23, 2016.

38. "Tashkent Generation Company" means the Recipient’s State Unitary Enterprise Toshissiqquvvati established pursuant to the Decree of the Republic of President of the Republic of Uzbekistan No. PP-2900 dated April 18, 2017.

39. "Tashkent (Sergeli) EMP" means the Environmental Management Plan prepared by Tashkent DHC and disclosed by the Tashkent DHC on September 13, 2017 and on the Association’s website on September 19, 2017 that describes environmental mitigation, monitoring and institutional measures for the activities financed under Part A.5 of the Project, as such plan may be amended from time to time with the agreement of the Association.

40. "Tashkent DHC Subsidiary Agreement" means the Subsidiary Agreement concluded pursuant to Section I.B in Schedule 2 to this Agreement.

41. "Tashkent Generation Company Subsidiary Agreement" means the Subsidiary Agreement concluded pursuant to Section I.B in Schedule 2 to this Agreement.

42. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

43. "Subsidiary Agreements" means the agreements referred to in Section I.B of Schedule 2 to this Agreement, collectively, consisting of: (i) Andijan Subsidiary Agreement; (ii) Bukhara Subsidiary Agreement; (iii) Chirchik Subsidiary Agreement; (iv) Samarkand Subsidiary Agreement; (v) "Tashkent DHC Subsidiary Agreement"; or (vi) "Tashkent Generation Company Subsidiary Agreement" and "Subsidiary Agreement" means one of the above subsidiary agreements.

44. "Supplemental Social and Environmental Safeguard Instrument" means any environmental and/or social management plan, resettlement action plan, or other site specific supplemental social and environmental safeguard instrument as may be required under the terms of EIA or RPF, and "Supplemental Social and Environmental Safeguard Instruments" means all such supplemental instruments jointly.

45. "Training" means Project related study tours, training courses, seminars, workshops and other training activities, 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.
46. "Withheld Taxes" means the following taxes withheld at source: taxes for social charges; income taxes for residents and non-residents; and custom registrations duties withheld at the source.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 5.13 (Procurement) is deleted in its entirety and the remaining section in Article V is renumbered accordingly.

2. Paragraphs 86 (Procurement Plan) and 87 (Procurement Regulations) in the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.