BT Project Agreement

(Energy Emergency Recovery Assistance Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

BARKI TAJIK

Dated September 30, 2008

ARTICLE I - GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II - PROJECT

2.01. BT declares its commitment to the objectives of the Project. To this end, BT shall carry out Part 1 of the Project, through BT PMG, in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its respective part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and BT shall otherwise agree, BT, through the BG PMG, shall carry out its respective part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III - REPRESENTATIVE; ADDRESSES

3.01. BT’s Representative is the Chairman of Barki Tajik.

3.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America
Cable: Telex: Facsimile:
INDEVAS 248423(MCI) 1-202-477-6391
Washington, D.C.

3.03. BT’s Address is:

Ministry of Energy
734026 Dushanbe
Dushanbe
Republic of Tajikistan

Facsimile:
992 372 35 86 94

AGREED at Dushanbe, Republic of Tajikistan, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Jariya Hoffman
Authorized Representative

BARKI TAJIK

By: /s/ Sharif Samiev
Authorized Representative
SCHEDULE

Execution of BT’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

BT shall carry out its respective part of the Project in accordance with the following institutional arrangements:

1. Part 1 of the Project shall be carried out by BT, through the BT PMG, in accordance with the terms and conditions of the Financing Agreement.

2. BT, through the BT PMG, shall:

   (i) take all measures necessary to perform its respective obligations under the Project Operational Manual and the EMP in a timely manner and in accordance with its respective terms, and apply and implement, as the case may be, the actions, criteria, policies, procedures and arrangements therein set forth; and

   (ii) not amend or waive, or permit to be amended or waived the Project Operational Manual or the EMP or any provisions of any one thereof, except with the prior written approval of the Association.

3. Prior to the commencement of any works under Part 1.A of the Project, BT shall ensure that the Recipient has prepared an EMP in a manner satisfactory to the Association.

4. BT shall maintain the BT PMG at all times during Project implementation, with staff and resources satisfactory to the Association.

5. Not later than October 31, 2008, BT shall appoint an accountant for the BT PMG, whose qualifications and terms of reference shall be satisfactory to the Association.

6. Not later than October 31, 2008, BT, through the BT PMG, shall adopt the Project Operational Manual, as satisfactory to the Association.

7. Not later than November 30, 2008, BT, through the BT PMG, shall install and adopt modified accounting software, as satisfactory to the Association.
B. Anti-Corruption

BT shall ensure that its respective part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

Section II. Subsidiary Agreement

1. To facilitate the carrying out of Part 1 of the Project, the Recipient shall make part of the proceeds of the Grant available to BT under a subsidiary credit agreement between the Recipient and BT ("BT Subsidiary Credit Agreement"), under terms and conditions approved by the Association, which shall include the following:

(i) the Recipient shall on-lend to BT, an amount in Dollars allocated from time to time to Categories (1), (4) and (5) set forth in the table in Part A.2 of Section IV of Schedule 2 to the Financing Agreement;

(ii) the principal amount of the Subsidiary Credit shall be repaid by BT to the Recipient in Dollars and shall be the equivalent in SDRs (determined as of the date or respective dates of repayment) of the value of the currency or currencies withdrawn from the Financing Account on account of the BT Subsidiary Credit Agreement;

(iii) the term of the Subsidiary Credit shall be twenty (20) years, including a five (5) year grace period;

(iv) the Recipient shall charge BT a commitment charge on the Unwithdrawn Credit Balance for the Subsidiary Credit at a rate equal to the rate payable under Section 2.03 of the Financing Agreement; and

(v) interest on the amount of the Subsidiary Credit withdrawn and outstanding from time to time shall be at a rate equal to six percent (6%) per annum.

2. BT shall exercise its rights under the BT Subsidiary Credit 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, BT shall not assign, amend, abrogate or waive the BT Subsidiary Credit Agreement or any of its provisions.

Section III. Project Monitoring, Reporting and Evaluation

A. Project Reports

BT shall monitor and evaluate the progress of its respective part of the Project and prepare Project Reports for its respective part of the Project in accordance with the
provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each such Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Recipient not later than forty-five (45) days after the end of the period covered by such Report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

B. Financial Management, Financial Reports and Audits

1. BT shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of BT including the operations, resources and expenditures related to its respective part of the Project.

2. BT shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering such quarter, in form and substance satisfactory to the Association.

3. BT shall 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 (1) fiscal year of BT, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. 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 IV. Procurement

All goods, works and services required for BT’s respective part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III, Schedule 2 to the Financing Agreement.