Financing Agreement

(Strengthening Critical Infrastructure Against Natural Hazards Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 15, 2017
FINANCING AGREEMENT

AGREEMENT dated August 15, 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 eighteen million three hundred thousand Special Drawing Rights (SDR 18,300,000) ("Grant"); and

(b) an amount equivalent to twenty-five million Dollars ($25,000,000) ("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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service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.

2.05. The Payment Dates are May 15 and November 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 Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts A and D (i) of the Project through MOF; Parts B.1 and D (ii) of the Project through MOT; Parts B.2 and D (iii) of the Project through ALRI, and Part C of the Project through the Coordinating Authority, in accordance with the provisions of Article IV of the General Conditions.

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 — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient has adopted the Project Operational Manual, including the IRM Operational Manual, in form and substance acceptable to the Association.

4.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.

4.03. 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 V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient’s Address is:

Ministry of Finance
3 Akademikov Rajabovykh Ave.
Dushanbe, 734025
Republic of Tajikistan

Facsimile:

(992-372) 213329

5.03. The Association’s Address is:

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

Telex: 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

Authorized Representative
Name: Abdusalom Qurbaniyon
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION
By

Authorized Representative
Name: Robojon Jafarov
Title: Acting Country Manager
SCHEDULE 1

Project Description

The objectives of the Project are to strengthen the Recipient’s disaster risk management capacities, enhance the resilience of its critical infrastructure against natural hazards and improve its capacity to respond to disasters.

The Project consists of the following parts:

Part A: Strengthening of Disaster Risk Management (DRM) Capacity

Strengthening the Recipient’s DRM capacity on disaster risk identification, disaster preparedness, and financial protection against disasters through:

1. Modernizing crisis management centers and systems for improved disaster preparedness, including: (a) building and rehabilitation of national crisis management centers and installation of necessary equipment for early warning and disaster response management and communications systems; (b) purchasing mobile command and communication vehicles for crisis management centers and systems at the regional and local levels; (c) preparation of an operational manual for the crisis management centers and systems; and (d) carrying out staff Training on disaster management and communication.

2. Installation of equipment to conduct probabilistic seismic hazard assessment and development of new seismic micro zoning selected areas of the Recipient’s territory.

3. (a) Carrying out of a fiscal risk diagnostics and assessment to identify contingent liabilities, resources available, and funding gaps; (b) preparation of a financial protection strategy to mitigate fiscal shocks caused by natural disasters; and (c) building capacity of key participating stakeholders on the implementation of such strategy.

Part B: Making Critical Infrastructure Resilient Against Natural Hazards

1. Reconstruction and strengthening of selected bridges related to transportation network in the districts of GBAO, including river training and bank protection upstream and downstream of the bridges’ location as well as slope and embankment protection of access roads to such bridges, and procurement of heavy specialized machinery.
2. Rehabilitation and strengthening of flood protection and river bank erosion protection infrastructure in the Khatlon Oblast, including damaged river embankments, flood protection dykes and infrastructure for the prevention of riverbank erosion, irrigation and drainage intakes and outlets, and procurement of heavy specialized machinery.

**Part C: Contingency Emergency Response**

Providing immediate response to an Eligible Crisis or Emergency, as needed.

**Part D: Project Management**

Strengthening the Recipient's Project coordination, supervision, financial management, procurement, and implementation capacity through the provision of goods, consultant services, Training, and financing of Operating Costs for: (i) MOF-PIU; (ii) MOT-PIG; and (iii) ALRI-PMU.
SCHEDULE 2

Project Execution

Section I. **Implementation Arrangements**

A. Institutional Arrangements

1. The Recipient shall carry out the Project in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in this Agreement and in the POM and shall not amend, suspend, abrogate or waive any provisions of the POM without prior written approval of the Association. In case of any inconsistency between the provisions of the POM and those of this Agreement, those of this Agreement shall prevail.

2. The Recipient shall, until completion of the Project, maintain the ALRI-PMU, MOF-PIU, and MOT-PIG (Project Management Units), and shall ensure that the ALRI-PMU, MOF-PIU, and MOT-PIG are adequately staffed by personnel and consultants with qualifications and under terms of reference and functions, at all times, in a manner acceptable to the Association.

3. The Recipient shall cause each Project Management Unit to recruit, within thirty (30) days of the Effective Date, and thereafter maintain at all times during Project implementation, a financial management specialist or an accountant, as the case might be, for the Project, with qualifications and terms of reference acceptable to the Association.

4. The Recipient shall cause the Project Management Units to upgrade and/or modify, within thirty (30) days of the Effective Date, their accounting and financial management systems, in order to be able to generate Project financial statements, in form and substance satisfactory to the Association.

B. Annual Work Plan and Budget

1. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not later than January 31 in each calendar year, for the Association’s consideration, a proposed work plan of activities to be included in the Project for the following calendar year, such plan to include an implementation schedule and budget and financing plan therefor.
2. The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on each such proposed plan and budget, and thereafter shall ensure that the Project is implemented with due diligence and efficiency in accordance with such work plan and budget as shall have been approved by the Association (“Annual Work Plan and Budget”).

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 ensure that the Project is carried out 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) prepare: (A) such Supplemental Social and Environmental Safeguard Instrument in accordance with EMF and 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;

   (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 Supplemental Social and Environmental Safeguard Instrument, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented.

2. Without limitation to the provisions of paragraph 1 above, prior to contracting of works for each proposed site, the Recipient, through the respective Project Management Unit, shall: (a) submit to the Association for its prior approval: (i) the proposed design and site for said works and,
where required by the respective Safeguard Instrument or local legislation, as applicable, any related environmental licenses and permits; and (ii) the proposed contract for said works to ensure that the provisions of the respective Supplemental Social and Environmental Safeguard Instrument are adequately included in said contract; and (b) ensure that such works are carried out in accordance with the respective Supplemental Social and Environmental Safeguard Instrument.

3. Without limitation to the provisions of paragraph 2 above, the Recipient shall ensure that: (a) no works for any part of the Project requiring resettlement and/or land acquisition are commenced until the respective Supplemental Social and Environmental Safeguard Instrument for said part of the Project is fully implemented; and (b) to the extent that works have already commenced, an Environmental and Social Audit of such works was completed, under terms of reference and by an independent entity satisfactory to the Association, and the recommendations under said Environmental and Social Audit have been implemented in a manner satisfactory to the Association.

4. The Recipient shall not amend, suspend or waive, or permit to be amended, suspended or waived, the Safeguard Instruments, or any provision thereof without the prior written approval of the Association.

5. In the event of a conflict between the provisions of any of the Safeguard Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

6. Without limitation to its other reporting obligations under this Agreement and under Section 4.08 of the General Conditions, the Recipient, through Project Management Units, shall include in the Project Reports referred to in Section II.A of this Schedule adequate information on the implementation of the Safeguard Instruments, giving details of:

   (a) measures taken in furtherance of such Safeguard Instruments;

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

   (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments.

E. Immediate Response Mechanism

In order to ensure the proper implementation of Part C of the Project ("IRM Part"), the Recipient shall take the following measures.
1. The Recipient shall:

(a) prepare and furnish to the Association for its review and approval: (i) a designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the IRM Part ("Coordinating Authority"); (ii) specific activities which may be included in the IRM Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the IRM Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the IRM Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) Supplemental Social and Environmental Safeguard Instruments required for the IRM Part, consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the IRM Part;

(c) ensure that the IRM Part is carried out in accordance with the IRM Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the IRM Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and

(d) not amend, suspend, abrogate, repeal or waive any provision of the IRM Operational Manual without prior approval by the Association.

2. The Recipient shall, throughout the implementation of the IRM Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the IRM Part (and no activities shall be included in the IRM Part) unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the IRM Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has prepared and disclosed all Safeguard Instruments required for said activities, in accordance with the
IRM Operational Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and 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 (1) calendar semester, and shall be furnished 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 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 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 the Recipient, 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 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: (a) Limited International Bidding; (b) National Competitive Bidding (subject to the additional provisions set forth in the Annex to this Schedule 2); (c) Shopping; and (d) Direct Contracting.

**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: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection; and (f) Selection of Individual Consultants.
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 Emergency Expenditures under the IRM Part of the Project

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for the IRM Part of the Project shall be procured in accordance with the procurement methods and procedures set forth in the IRM Operations Manual.

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 Financing 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 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, excise 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, consultants’ services, including audit, Training and Operating Costs under Parts A and D (i) of the Project</td>
<td>2,200,000</td>
<td>1,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs under Parts B.1 and (D) (ii) of the Project</td>
<td>9,900,000</td>
<td>5,065,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs under Parts B.2 and D (iii) of the Project</td>
<td>9,900,000</td>
<td>5,065,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Emergency Expenditures under Part C of the Project.</td>
<td>3,000,000</td>
<td>2,190,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refund of Preparation Advances</td>
<td>0</td>
<td>4,380,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>25,000,000</strong></td>
<td><strong>18,300,000</strong></td>
<td></td>
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</table>
B. Withdrawal Conditions; Withdrawal Period

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

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount of the Credit not to exceed USD5,000,000, and up to an aggregate amount of the Grant not to exceed SDR 3,660,000 may be made for payments made prior to this date but on or after August 1, 2016 for Eligible Expenditures under Categories (1), (2), (3) and (4); or

   (b) under Category (4), for Emergency Expenditures under Part C of the Project, unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

      (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the IRM Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

      (ii) the Recipient has prepared and disclosed all Safeguard Instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.D of Schedule 2 to this Agreement; and

      (iii) the Recipient’s Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.E of this Schedule 2 to this Agreement, for the purposes of said activities.

2. The Closing Date is December 31, 2023.
ANNEX TO SCHEDULE 2
ADDITIONAL PROVISIONS APPLICABLE TO NATIONAL COMPETITIVE BIDDING PROCEDURES

The procurement procedure to be followed for National Competitive Bidding shall be the tendering with unlimited participation procurement method set forth in the Law of the Republic of Tajikistan “On Public Procurement of Goods, Works and Services”, # 168 dated March 3, 2006 (as amended by Law #815, the “Law of the Republic of Tajikistan on ‘Introduction of Amendments and Additions to the Law of the Republic of Tajikistan on ‘Public Procurement of Goods, Works and Services’’ dated April 16, 2012) (“the PPL”); provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011) (the “Procurement Guidelines”) (as required by paragraphs. 3.3 of the Guidelines) and the following paragraphs additional provisions:

Participation in bidding

1. **Eligibility**: Eligibility of bidders to participate in a procurement process and to be awarded an Association-financed contract shall be as defined under Section I of the Procurement Guidelines; 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 Procurement Guidelines.

2. **Domestic Preference**: No domestic preference may be applied in bid evaluation on the basis of bidder nationality, the origin of goods, services or labor, and/or preferential programs.

3. **Bidding Documents**: Procuring entities shall use the appropriate standard bidding documents acceptable to the Association, which documents shall be prepared so as to ensure economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines. Until a modified version of the Recipient's standard bidding documents has been approved by the Association, the Association's sample NCB bidding documents for the Europe and Central Asia Region shall be used.

4. **Bid Validity**: The bid validity period required by the bidding documents shall be sufficient to account for any period that may be required for the approval and registration of the contract as contemplated in the PPL. An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the
minimum period required to complete the evaluation, award a contract, and/or complete the registration process. No further extensions shall be requested without the prior written concurrence of the Association.

5. **Qualification**: Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a “pass or fail” basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder’s or prospective bidder’s capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (a) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (b) financial position; and where relevant (c) capability of construction and/or manufacturing facilities.

Prequalification procedures and documents acceptable to the Association shall be used for large, complex and/or specialized works contracts. Verification of the information upon which a bidder was prequalified, including current commitments and the bidder’s capability with respect to personnel and equipment, shall be carried out at the time of contract award. In the procurement of goods and works where prequalification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying the qualification criteria stated in the bidding documents.

6. **Guarantees**: Guarantees shall be in the format specified in the bidding documents. The bid guarantee shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested.

7. **Bid Submission and Bid Opening**: Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids may be delivered by mail or by hand. Bids shall be opened in public immediately after the deadline for their submission. The minutes of bid opening shall be signed by the members of the bidding committee immediately after bid opening. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the Association with respect to contracts subject to the Association’s prior review. No bids shall be rejected at bid opening.
8. **Bid Evaluation and Award of Contracts:** Bidders shall not be allowed to be present during bid evaluation, and no information relating to the evaluation of bids shall be disclosed to bidders until the bidders are notified of the contract award.

Evaluation criteria shall be clearly specified in the bidding documents. Evaluation of bids shall be made in strict adherence to the criteria specified in the bidding documents. All bid evaluation criteria other than price shall be quantifiable in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation. Bidders shall not be eliminated on the basis of minor, nonmaterial deviations. Contracts shall be awarded to the qualified bidder whose bid has been determined: (i) to be substantially responsive to the bidding documents; and (ii) to offer the lowest-evaluated cost.

A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify the bid as originally submitted.

9. **Cost Estimates:** Cost estimates shall be confidential and shall not be disclosed to prospective bidders. No bids shall be rejected on the basis of comparison with the cost estimates and/or budget ceiling without the Association's prior written concurrence.

10. **Rejection of Bids and Re-bidding:** No bids shall be rejected solely because they exceed the estimated cost. All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Association's prior written concurrence.

11. **Contract Modifications:** With respect to contracts subject to the Association's prior review, the Borrower shall obtain the Association's no objection before agreeing to: (i) a material extension of the stipulated time for performance of a contract; (ii) any substantial modification of the contract scope of services or other significant changes to the terms and conditions of the contract; (iii) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than fifteen percent (15%); or (iv) the proposed termination of the contract. A copy of all contract amendments shall be provided to the Association.

12. **Fraud and Corruption:** The bidding documents and contract as deemed acceptable by the Association shall include provisions stating the
Association's policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.

13. **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Association to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Association. Acts intended to materially impede the exercise of the Association's inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.
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 commencing November 15, 2023 to and including May 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.
APPENDIX

Definitions

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

2. "ALRI" means the Recipient's Agency for Land Reclamation and Irrigation, or any legal successor thereto.

3. "ALRI-PMU" means the Project Management Unit established within ALRI and assigned to work on implementation of Parts B.2 and D (iii) of the Project, comprising of civil servants and consultants, including the Project coordinator, and other specialized staff, and consultants that may be specifically retained to work on Project implementation.

4. "Annual Work Plan and Budget" means the Recipient's annual work plan and budget approved by the Association in accordance with the provisions of Section I.B of Schedule 2 to this Agreement, as said work plan and budget may be modified from time to time with the prior written agreement of the Association.


6. "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.

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

8. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and

9. "Coordinating Authority" means the entity or entities designated by the Recipient in the IRM Operational Manual and approved by the Association pursuant to Section I.E of Schedule 2 to this Agreement, to be responsible for coordinating and carrying out Part C (the IRM Part) of the Project.

10. "DRM" means disaster risk management.

11. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

12. "Emergency Expenditure" means any of the Eligible Expenditures, including goods, works, non-consulting services, consultants' services, Training, and Operating Costs, set forth in the IRM Operations Manual in accordance with the provisions of Section I.E of Schedule 2 to this Agreement and required for the activities included in the IRM Part of the Project.

13. "Environmental and Social Audit" or "ESA" means each site specific environmental and social audit to be prepared, adopted and disclosed by the Recipient, and acceptable to the Association, to determine the nature and extent of all environmental and social impacts caused by an activity, identifying and justifying appropriate measures to mitigate and/or remediate said impacts, estimating the cost of the measures, and recommending a schedule for implementing such measures.

14. "Environmental and Social Impact Assessment" or "ESIA" means each site specific environmental and social impact assessment to be prepared, adopted, consulted upon and disclosed by the Recipient, and acceptable to the Association, in each case identifying and assessing the potential environmental and social impacts of a proposed Project activity, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures, as the same may be amended from time to time with the prior written agreement of the Association.

15. "Environmental Management Framework" or "EMF" means the environmental management framework, adopted by the Recipient for the purposes of the Project, published in Tajikistan on March 7, 2017 and disclosed by the Association on April 25, 2017, satisfactory to the Association, and describing, inter alia, the modalities to be followed in screening Project activities in order to assess and determine the need to prepare a site specific EMP, including the measures to be taken to offset,
reduce, or mitigate adverse environmental and social impact, procedures for the management of chance finds of physical cultural resources and procedures to ensure protection, maintenance, and rehabilitation of natural habitats, as the same may be amended from time to time with the prior written agreement of the Association.

16. "Environmental Management Plan" or "EMP" means an environmental management plan, to be prepared, adopted and disclosed by the Recipient, and acceptable to the Association, and giving details of the magnitude of the environmental and social impacts, including procedures for the management of chance finds of physical cultural resources and procedures to ensure protection, maintenance, and rehabilitation of natural habitats, as well as the specific actions, measures and policies designed to facilitate the achievement of the objective of the EMF, including the budget and cost estimates, and sources of funding, along with the institutional and procedural measures needed to implement such actions, measures and policies, as the same may be amended from time to time with the prior written agreement of the Association.

17. "GBAO" means Gorno-Badakhshan Autonomous Oblast.


19. "IRM Operational Manual" means the manual, to be adopted by the Recipient, as a part of the Project Operational Manual, pursuant to Section 4.01 of this Agreement and further referred to in Section I.E of Schedule 2 to this Agreement for the purposes of coordination and implementation of IRM Part of the Project, as such Manual may be amended from time to time with a prior written approval of the Association.

20. "IRM Part of the Project" or "IRM Part" means Part C of the Project.

21. "MOF" means the Recipient’s ministry responsible for finance, or any successor thereto.

22. "MOF-PIU" means the Project implementation unit established within MOF assigned to work on implementation of the Parts A and D (i) of the Project, comprising of civil servants and consultants, including the Project coordinator, and other specialized staff, and consultants that may be specifically retained to work on Project implementation.

23. "MOT" means the Recipient’s ministry responsible for transport, or any successor thereto.
24. "MOT-PIG" means the Project implementation group established within MOT assigned to work on implementation of the Parts B.1 and D (ii) of the Project, comprising of civil servants and consultants, including the Project Coordinator, and other specialized staff, and consultants that may be specifically retained to work on Project implementation.

25. "Operating Costs" means incremental operating costs incurred by the Project Management Units on account of Project implementation, management, monitoring and coordination, including office consumables, office equipment maintenance and repair, local travel, operation and maintenance of vehicles (including fuel and insurance), communication, translation and interpretation, bank charges, printing, publications and advertisements (electronic or paper), and other miscellaneous costs of similar nature directly associated with the Project, all based on periodic budgets acceptable to the Association.


27. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 11, 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.

28. "Preparation Advances" means the advances referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to:
   (a) the letter agreement signed on behalf of the Association on May 5, 2016 and on behalf of the Recipient on May 30, 2016 (Letter Agreement); and
   (b) an amendment to the Letter Agreement signed on behalf of the Association on April 14, 2017 and on behalf of the Recipient on April 17, 2017.

29. "Project Management Units" means, jointly ALRI-PMU, MOF-PIU, and MOT-PIG and "Project Management Unit" means any one of these units.

30. "Project Operational Manual" or "POM" means the manual to be adopted by the Recipient pursuant to Section 4.01 of this Agreement, describing procedures for implementation of the Project, consistent with the provisions of this Agreement and with the national laws and regulations of the Recipient and including, inter alia: (i) procedures governing administrative, procurement, accounting, financial management, safeguards compliance, adequate measures for audits and
complaint mechanisms in case of misuse of the proceeds of the Financing, and monitoring and evaluation arrangements; and (ii) sample formats of Annual Work Plan and Budget and annual reports, as such Manual may be amended from time to time with a prior written approval of the Association.

31. “Resettlement Action Plan” or “RAP” means in respect of any activity involving resettlement, a resettlement plan for such activity prepared, adopted, disclosed and implemented by the Recipient, and acceptable to the Association, such resettlement plan to include a program of actions, measures and policies for compensation and resettlement of Affected Persons, and setting forth the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements designed to ensure proper implementation of, and regular feedback on, compliance with such RAP, as the same may be amended from time to time with the prior written agreement of the Association.

32. “Resettlement Policy Framework” or “RPF” means the resettlement policy framework adopted by the Recipient for the purposes of the Project, satisfactory to the Association, published in Tajikistan on March 7, 2017 and disclosed by the Association on April 24, 2017, and setting forth the modalities for resettlement and compensation of Affected Persons under the Project, as the same may be amended from time to time with the prior written agreement of the Association.

33. “Safeguard Instruments” means EMF, RPF, and all Supplemental Social and Environmental Safeguard Instruments, and “Safeguard Instrument” means any one of these instruments.

34. “Supplemental Social and Environmental Safeguard Instrument” means any ESIA, EMP, RAP, ESA or such other site specific supplemental social and environmental safeguard instrument as may be required under the terms of EMF or RPF, and “Supplemental Social and Environmental Safeguard Instruments” means the plural thereof.

35. “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, all based on the Annual Work Plan and Budget.

36. “VAT” means a value added tax.