



GRANT NUMBER H769-TJ

Project Agreement

(Additional Financing for Municipal Infrastructure Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

STATE UNITARY ENTERPRISE KHOJAGIYI MANZILIYU KOMMUNALI

Dated *August 23*, 2012

GRANT NUMBER H769-TJ

PROJECT AGREEMENT

Agreement dated *August 23*, 2012, entered into between the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and STATE UNITARY ENTERPRISE KHOJAGIYI MANZILIYU KOMMUNALI (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the Republic of Tajikistan (“Recipient) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the 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. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project 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 the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity’s Representative is the Director General of the Project Implementing Entity.

4.02. The Association's Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

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

4.03. The Project Implementing Entity's Address is:

State Unitary Enterprise Khojagiyi Manziliyu Kommunal
56 Karabaeva
Dushanbe
Republic of Tajikistan

Facsimile:
996 372 217798

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

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Marsha Olive

Title: Country Manager

**STATE UNITARY ENTERPRISE KHOJAGIYI
MANZILIYU KOMMUNALI**

By



Authorized Representative

Name: A. Tagojmurodov

Title: Director General

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Project Implementing Entity shall perform all of its obligations in accordance with the provisions of the Project Implementation Agreement.
2. The Project Implementing Entity shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to perform such obligations, and shall not take or permit to be taken any action that would prevent or interfere with such performance.
3. The Project Implementing Entity shall carry out the Project in accordance with the Operational Manual and shall not amend, waive or abrogate the Operational Manual without the approval of the Association.

B. Sub-Grant Agreement

1. To facilitate the carrying out of Project, the Project Implementing Entity shall enter into a subsidiary agreement with the Recipient, under terms and conditions approved by the Association ("Subsidiary Grant Agreement").
2. The Project Implementing Entity shall exercise its rights under the Subsidiary Grant 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 Project Implementing Entity shall not assign, amend, abrogate or waive the Subsidiary Grant Agreement or any of its provisions.

C. Project Implementation Agreement

1. The Project Implementing Entity shall enter into a Project Implementation Agreement with the PMU, on terms and conditions satisfactory to the Association, which shall specify the division of responsibilities and their respective roles in the implementation of the Project.
2. The Project Implementing Entity shall exercise its rights under the Project Implementation Agreement, and shall ensure that the PMU exercises its rights under the Project Implementation 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 Project

Implementing Entity shall not assign, amend, abrogate, or waive the Project Implementation Agreement or any of its provisions.

D. Anti-Corruption

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

E. Safeguards

1. Environmental Standards

- (a) The Project Implementing Entity shall ensure that all measures necessary for the carrying out of the Environmental Management Plan shall be taken in a timely manner and that all legal and administrative planning and environmental permits and authorizations necessary to carry out the Project are secured in a timely manner and with due diligence.
- (b) The Project Implementing Entity shall ensure that the PMU takes all measures necessary and identified under the Environmental Management Plan at all times in a timely manner, ensuring that adequate information on the implementation of said measures is suitably included in the Project progress reports to be prepared pursuant to the provisions of Section II.A of this Schedule.
- (c) The Project Implementing Entity shall ensure, and shall cause the PMU to ensure, that the EMP is not amended, abrogated, or waived without the approval of the Association.
- (d) For the purposes of Part A. and Part B. of the Project, the Project Implementing Entity shall, or shall cause the PMU to, prepare and submit to the Association, prior to the issuance of any bidding documents for works contracts at sites requiring a Site Specific EMP:
 - (i) the proposed design and site for said works and, the related Site Specific EMP in form and substance satisfactory to the Association and approved by the State Ecological Expertise; and
 - (ii) the draft contract for said works to ensure that the provisions of said Site Specific EMP are adequately included in said contract.
- (e) The Project Implementing Entity shall ensure, and shall cause PMU to ensure, the complete implementation of the Site Specific EMPs 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 the Project.

2. Land Acquisition and Resettlement

In the event that land acquisition or resettlement of any of the following is required for the purposes of carrying out activities under the Project: residences, agricultural holdings, commercial structures and businesses, land used by people without claim to legal title, and persons affected by Project activities, the Project Implementing Entity shall:

- (a) notify the Association or ensure that the PMU notifies the Association, of any intended acquisition of land or resettlement, in whole or in part;
- (b) ensure, and cause the PMU to ensure, that each Resettlement Action Plan (if any) is prepared in accordance with the Resettlement Policy Framework;
- (c) disclose, or ensure that the PMU discloses, each Resettlement Action Plan (if any) prepared under the Project and all relevant information relating thereto in a manner satisfactory to the Association no less than thirty (30) days prior to carrying out any land acquisition or resettlement; and
- (d) ensure, and cause the PMU to ensure, that all land acquisition and resettlement under the Project is undertaken in accordance with the provisions and procedures contained in the Resettlement Policy Framework and the respective Resettlement Action Plans, and that all relevant information is adequately provided to all affected persons, and potentially affected persons, in a timely and adequate manner

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. The Project Implementing Entity 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 indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than thirty (30) 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.

2. The Project Implementing Entity shall provide to the Recipient not later than four (4) months after the Closing Date, for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity 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 the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six (6) months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.

C. Technical Audits

On an annual basis, the Project Implementing Entity shall:

1. engage an independent external audit firm acceptable to the Association to carry out a technical audit of the Project based on a terms of reference acceptable to the Association;
2. prepare a technical audit report on the conclusion of the audit carried out under sub-paragraph (1) above; and
3. provide a copy of the technical audit report prepared under sub-paragraph (2) above to the Association within thirty (30) days of its completion.

Section III. Procurement

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