



GRANT NUMBER H769-TJ

Financing Agreement

(Additional Financing for Municipal Infrastructure Development Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated *August 23*, 2012

GRANT NUMBER H769-TJ

FINANCING AGREEMENT

Agreement dated *August 23*, 2012, entered into between the REPUBLIC OF TAJIKISTAN (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to seven million seven hundred thousand Special Drawing Rights (SDR 7,700,000) (“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 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 Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is United States Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause KMK to carry out the Project in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) KMK's legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of KMK to perform any of its obligations under the Project Agreement; and
 - (b) the Subsidiary Grant Agreement, or any provision thereof, shall have been amended, suspended, abrogated, repealed, or waived in such a way as to materially and adversely affect the ability of KMK to carry out the Project.
- 4.02. The Additional Events of Acceleration consists of the following:
 - (a) Any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Subsidiary Grant Agreement, satisfactory to the Association, has been executed on behalf of the Recipient and KMK;
 - (b) a Project Implementation Agreement, satisfactory to the Association, has been entered into between KMK and the PMU; and

- (c) the updated Environmental Management Plan has been approved by the State Ecological Expertise of the Recipient.
- 5.02. The Additional Legal Matters consist of the following:
- (a) that the Subsidiary Grant Agreement has been duly authorized or ratified by the Recipient and KMK and is legally binding upon the Recipient and KMK in accordance with its terms; and
 - (b) that the Project Implementation Agreement has been duly authorized or ratified by KMK and the PMU and is legally binding upon the KMK and the PMU in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is the Minister of Finance.
- 6.02. The Recipient's Address is:

Ministry of Finance
3, Akademik Rajobovkho Street
Dushanbe, 734025
Republic of Tajikistan

Facsimile:

(992-372) 213329

- 6.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	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: S.M. Najmiddinov

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Marsha Olive

Title: Country Manager

SCHEDULE 1

Project Description

The objective of the Project is to improve the availability, quality and efficiency of basic municipal services for the population of the towns that participate in the Project. An added objective, as an urgent response to the anticipated floods of the spring of 2012, is to contribute to their mitigation with the supply of emergency materials.

The Project consists of the following parts:

Part A. Municipal Infrastructure Rehabilitation

Rehabilitation, repair, construction, and replacement of infrastructure and equipment for basic municipal services in the Participating Towns, including the following activities:

- (1) Rehabilitating, repairing, constructing and replacing infrastructure and equipment for basic municipal services in Farkhor through the provision of goods and works, including construction of a temporary waste deposit and sludge drying beds;
- (2) Rehabilitating, repairing, constructing and replacing infrastructure and equipment for basic municipal services in Vose through the provision of goods and works, including construction of a new water storage tank and ventilated improved pit latrines;
- (3) Establishing, rehabilitating, repairing, and replacing household connections to the water network in Farkhor through the provision of goods and works;
- (4) Acquiring utility services maintenance equipment, to support KMK in responding to disruption of services through the provision of goods; and
- (5) Acquiring cement, fuel and gabion wire mesh to support the Ministry of Land Reclamation and Water Resources of Recipient in preparing for flooding.

Part B. Technical and Institutional Strengthening of KMK and its local subsidiary utility enterprises

Assisting the institutional strengthening of KMK and its local subsidiary utility enterprises, including the following activities:

- (1) Installing water usage meters in Farkhor;
- (2) Installing a modern collection and billing system through the use of electronic kiosks;
- (3) Raising awareness on water conservation, solid waste disposal issues, and the advantages of metering through a public information campaign;
- (4) Installing a Monitoring Information System (MIS) at KMK to automate collection, storing, processing, and sharing data and reports related to communal services;
- (5) Installing a modern accounting and billing system in the Participating Towns;
- (6) Developing a Municipal Sector Strategy to focus on municipal issues and reforms required to improve the delivery of communal services;
- (7) Training and building technical capacity to all utilities to implement and operate newly installed metering program; and
- (8) Preparing feasibility studies to prepare investment projects identified by the Municipal Sector Strategy.

Part C. Project Management

Strengthening of the capacity of KMK and the PMU for project management, implementation, monitoring and evaluation, including the development and maintenance of a monitoring and evaluation system, periodic surveys of beneficiary satisfaction in Participating Towns, audit, procurement, disbursement and financial management activities through provision of goods, technical assistance and training, and financing of Incremental Operating Costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall cause KMK and the PMU to perform in accordance with the provisions of the Project Agreement and the Project Implementation Agreement, respectively, all the obligations of KMK and the PMU set forth therein.
2. The Recipient shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable KMK and the PMU 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 Recipient shall ensure, and shall cause KMK and the PMU to ensure, that the Project is carried out in accordance with the Operational Manual and that the Operational Manual is not amended without the approval of the Association.

B. Subsidiary Grant Agreement

1. To facilitate the carrying out of Project, the Recipient shall make the proceeds of the Financing available to KMK under a subsidiary agreement between the Recipient and KMK, under terms and conditions approved by the Association ("Subsidiary Grant Agreement"), which shall include the same grant terms as contained in this Agreement.
2. The Recipient 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 Recipient shall not assign, amend, abrogate or waive the Subsidiary Grant Agreement or any of its provisions.

C. Project Implementation Agreement

1. The Recipient shall cause KMK and the PMU to enter into a Project Implementation Agreement, 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 Recipient shall ensure that KMK and the PMU exercise their 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 Recipient shall ensure neither KMK nor the PMU assign, amend, abrogate, or waive the Project Implementation Agreement or any of its provisions.

D. Anti-Corruption

The Recipient 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 Recipient 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 Recipient shall ensure that KMK and the PMU take 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 Recipient shall ensure, and shall cause KMK and 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 Recipient shall, or shall cause the KMK 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 Recipient shall ensure, and shall cause KMK 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 Recipient shall:

- (a) notify the Association or ensure that KMK or the PMU notifies the Association, of any intended acquisition of land or resettlement, in whole or in part;
- (b) ensure, and cause KMK and 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 KMK or 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 KMK and 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

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 indicators acceptable to the Association. Each Project Report shall cover the period of one 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 as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. 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 and also at the closing of the Project. The Recipient shall disclose the audited financial statements in a manner acceptable to the Association. Following the Association's receipt of the audited financial statements from the Recipient, the Association will make them available to the public in accordance with the World Bank Policy on Access to Information.

C. Technical Audits

On an annual basis, the Recipient shall ensure that KMK:

1. engages 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. prepares a technical audit report on the conclusion of the audit carried out under sub-paragraph (a) above; and
3. provides a copy of the technical audit report prepared under sub-paragraph (b) above to the Recipient and the Association within thirty (30) days of its completion.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth

or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
 3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.
- B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**
1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
 2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:
 - (a) National Competitive Bidding for goods and works, subject to the additional provisions set forth in the Annex to this Schedule 2;
 - (b) Shopping; and
 - (c) 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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used:
 - (a) Quality-based Selection;
 - (b) Selection under a Fixed Budget;
 - (c) Least Cost Selection;

- (d) Selection based on Consultants' Qualifications;
- (e) Single-source Selection of consulting firms;
- (f) Selection of Individual Consultants; and
- (g) Single-Source 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.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (exclusive of Taxes)
(1) Goods and works for Parts A.1 and A.2 of the Project	3,530,000	84%
(2) Goods and works for Part A.3 of the Project	100,000	60%
(3) Goods for Part A.4 of the Project	640,000	100%
(4) Goods for Part A.5 of the Project	1,220,000	100%

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (exclusive of Taxes)
(5) Goods and works for Part B.1. of the Project	420,000	100%
(6) Goods, works, consultants' services, including audit, and Training under Parts B.2 – B. 8 of the Project	670,000	100%
(7) Goods, works, consultants' services, including audit, Training, and Incremental Operating Costs under Part C of the Project	1,120,000	100%
TOTAL AMOUNT	7,700,000	

3. For the purposes of this Schedule:
- (a) "Training" means expenditures for Project-related study tours, training courses, seminars, workshops and other training activities not included under goods or service providers' contracts, including costs of training materials, space and equipment rental, travel and per diem costs of trainees and trainers; and
 - (b) "Incremental Operating Costs" means incremental operating costs incurred by the KMK and the PMU on account of Project implementation, management and monitoring, including the PMU staff salaries and social charges, office and equipment maintenance and repair, vehicle maintenance and repair, local travel, communication, translation and interpretation, bank charges, consumables, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the Association.

B. Withdrawal Conditions; Withdrawal Period

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

- (a) (i) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 1,220,000 equivalent may be made for payments made prior to this date but on or after February 10, 2012, for Eligible Expenditures under Category (4);
 - (ii) for payments under Category (4), notwithstanding the provision in sub-paragraph (i) above, until the Recipient has submitted to the Association a technical audit of the purchased goods, satisfactory to the Association, based on terms of reference approved by the Association but including technical, fiduciary, and environmental aspects of the purchase and use of the goods; and
 - (iii) for payments under Category (4), notwithstanding the provisions in sub-paragraph (i) and (ii) above, if such payments are made after the date of this Agreement; or
 - (b) for payments under Category (2) unless the beneficiaries of the household connections to the water network in Farkhor have contributed 40% of the cost of said connections.
2. The Closing Date is August 31, 2015.
3. For purposes of the Original Financing Agreement, the report required by Section 4.08(c) of the General Conditions upon completion of the Project shall be submitted by the Recipient not later than six (6) months after the Closing Date of this Agreement and may be combined with the report required by the same provision of the General Conditions for this Agreement.

ANNEX TO SCHEDULE 2

National competitive bidding procedures of the Recipient may be used for procurement of goods and works under the Project provided that the following provisions are complied with:

1. Goods and works, for which this Agreement allows procurement under paragraphs 3.3 and 3.4 of the Procurement Guidelines, shall be procured in accordance with the provisions of the Law of the Republic of Tajikistan "On Public Procurement of Goods, Works and Services", dated March 3, 2006 ("the Law"). These provisions, in order to ensure economy, efficiency, transparency, and broad consistency with the provisions included in Section I of the Guidelines (as required by paragraphs 3.3 of the Guidelines), shall be modified as set forth in the following paragraphs.

Entity responsible for carrying out the procurement

2. The procurement shall be carried out by the "procuring entity" as defined in Article 9 of the Law, without any involvement of the Authorized Body on Public Procurement (as referred to in Article 3 of the Law).

Participation in bidding

3. Government-owned enterprises in Tajikistan 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 procuring entity (as defined in the Law).

4. Foreign bidders shall be eligible to participate in bidding under the same conditions as local bidders. In particular, no domestic preference over foreign shall be granted to local bidders in bid evaluation.

Advertising: time for bid preparation

5. Invitations to bid shall be advertised in at least one (1) widely circulated national newspaper, allowing a minimum of thirty (30) days for the preparation and submission of bids.

Standard bidding documents

6. 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.

Qualification criteria and evaluation criteria

7. Qualification criteria shall be clearly specified in the bidding documents, and criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. Bids of bidders not meeting such criteria shall be rejected as non-qualified. Qualifications of a bidder found to meet the specified qualification criteria shall not be taken into account in the evaluation of such a bidder's bid.

8. Evaluation criteria shall be clearly specified in the bidding documents, and evaluation criteria other than price shall be quantified in monetary terms. Evaluation criteria so specified, and only criteria so specified, shall be used in bid evaluation. Merit points shall not be used in bid evaluation.

Bid security

9. For the procurement of goods and works, bidders shall be required to submit a bid security in the amount and in the form specified in the bidding documents, unless otherwise agreed with the Association. A bid security in the form of an advance bank transfer shall not be allowed.

Bid submission and bid opening

10. Bids may be delivered by mail or by hand. Bids shall be opened immediately after the deadline for bid submission in the presence of the bidders who wish to attend. Said deadline and the place of bid opening shall be announced in the invitation to bid. The name of each bidder and the amount of its bid, shall be read aloud and recorded when opened in the minutes of bid opening. The minutes of bid opening shall be signed by the members of the bidding committee immediately after bid opening.

11. Bids received after the deadline for bid submissions shall be returned to the bidders unopened.

Bid evaluation and award of contracts

12. 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 successful bidder is notified of the award.

13. A bid containing material deviations from or reservations to the terms, conditions and specifications of the bidding documents shall be rejected as not substantially responsive. A bidder shall not be permitted to withdraw material deviations or reservations once bids have been opened.

14. Evaluation of bids shall be made in strict adherence to the criteria specified in the bidding documents, and contracts should be awarded to the qualified bidder offering the lowest evaluated and substantially responsive bid.

15. 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.

16. There shall be no post-bidding negotiations between the purchaser and the lowest or any other bidder.

APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
4. "Environmental Management Plan" or "EMP" means the Environmental Management Plan that was prepared for the Project and was disclosed in the Recipient country on January 30, 2012.
5. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
6. "KMK" means Khojagiyi Manziliyu Kommunali, the State Unitary Enterprise established by Resolution No. 357 of the Government of the Recipient, dated July 31, 2001 or any successor or successors thereto.
7. "Original Financing Agreement" means the Development Grant Agreement for the Municipal Infrastructure Development Project between the Recipient and the Association, dated February 21, 2006, as amended to the date of this Agreement, IDA Grant No. H200-TJ.
8. "Original Project" means the Project described in the Original Financing Agreement.
9. "Operational Manual" means the operational manual, satisfactory to the Association, to be adopted by KMK pursuant to Section I.A.3. of Schedule 2 to this Agreement, and setting out the operational and administrative procedures for the implementation of the Project, as the same may be amended from time to time by agreement between the Association and KMK.
10. "Participating Towns" means the towns of Dangara, Farkhor, Kulyab, Kurgan-Tyube, and Vose, or any other town selected for this Project upon agreement between Recipient and the Association.

11. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
12. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 29, 2012 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.
13. "Project Agreement" means the agreement of even date herewith between KMK and the Association, as such agreement may be amended from time to time and such term includes all schedules and agreements supplemental to the Project Agreement.
14. "Project Implementation Agreement" means the agreement to be entered into between KMK and the PMU pursuant to Section I.C. of Schedule 2 to this agreement on terms and conditions satisfactory to the Association.
15. "Project Management Unit" or "PMU" means the Municipal Infrastructure Development Project Management Center, established by the Recipient's Government Resolution No. 408, dated October 1, 2004, as amended by Resolution No. 357, dated September 28, 2005, or any successor or successors thereto.
16. "Resettlement Action Plan" means each plan relating to land acquisition and/or resettlement of Project-affected persons, as the case may be, prepared under the Project in accordance with the Resettlement Policy Framework.
17. "Resettlement Policy Framework" or "RPF" means the Resettlement Policy Framework that was prepared for the Project and disclosed in the Recipient country on January 30, 2012, prepared in accordance with the requirements of the national legislation of the Recipient, describing the process and procedures to be taken, the plans to be prepared, and the mitigation and compensation measures, and consultation and information processes to be followed in the event of land acquisition or resettlement of persons affected by the Project as a result of implementation of the Project.
18. "Site Specific EMP" means an environmental management plan consistent with the Environmental Management Plan of January 30, 2012, that addresses specific activities at an individual site or sites, as required by the EMP and disclosed in the Recipient country in a manner acceptable to the Association, and "Site Specific EMPs" means said Site Specific EMPs, collectively.

19. **“Subsidiary Grant Agreement”** means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to KMK.