PROJECT CO-LENDERS’ AGREEMENT

Between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

ASIAN INFRASTRUCTURE INVESTMENT BANK

WITH RESPECT TO

NUREK HYDROPOWER REHABILITATION PROJECT, PHASE I

Dated March 5th, 2018
AGREEMENT dated March 5th, 2018 between the Asian Infrastructure Investment Bank ("AIIB") and the International Development Association ("IDA" or "World Bank") ("Project Co-lenders’ Agreement").

WHEREAS:

(A) The Republic of Tajikistan ("Recipient") has requested the World Bank and AIIB to assist in financing the Nurek Hydropower Rehabilitation Project – Phase I described in Section 1.02 of this Agreement ("Project");

(B) The World Bank provided to the Recipient a grant in an amount equal to forty-one million eight hundred thousand Special Drawing Rights (SDR 41,800,000) and credits in an amount equal to one hundred sixty-nine million one hundred thirty-five thousand United States (US) Dollars (US$169,135,000) ("World Bank Financing"), all to assist in the financing of the Project on the terms and conditions set forth in a loan agreement dated June 2, 2017 between the Recipient and the World Bank ("World Bank Financing Agreement");

(C) AIIB provided to the Recipient a loan in an amount equal to sixty million US Dollars (US$60,000,000), ("AIIB Financing") to assist in financing the Project; and

(D) The World Bank and AIIB entered into a co-financing framework agreement ("Framework Agreement") dated April 13, 2016, setting forth the basis on which they will co-finance the Project,

NOW THEREFORE, AIIB and the World Bank hereby agree as follows:

Article 1
Definitions; Co-financing

Section 1.01. Definitions. As used in this Project Co-lenders’ Agreement, the capitalized terms have the meanings ascribed to them in the Framework Agreement. In addition, the following capitalized terms have the meanings set forth below:

(a) “Incremental Operating Costs” means incremental operating costs incurred by the Project Implementing Entity on account of Project implementation, management, monitoring and coordination, including office equipment maintenance and repair, local travel, communication, translation and interpretation, bank charges, and other miscellaneous costs of similar nature directly associated with the Project, all based on periodic budgets acceptable to the Association.

(b) “Nurek HPP” means Nurek Hydropower Plant.

(c) “Project Implementing Entity”, “Barqi Tojik” or “BT” means the Recipient’s national energy company Barqi Tojik, an open joint stock holding company established and operating pursuant to the Statute of the Open Joint Stock Holding Company Barqi Tojik approved by the Government of Tajikistan Decree No. 537 dated October 31, 2008, or any successor thereto.
“Project Management Consultant” means an internationally recognized consulting company employed by the Project Implementing Company pursuant to paragraph 2 of Section I. A of Schedule 2 to this Agreement to assist with the detailed design of the rehabilitation and dam safety works, the tendering processes, and the supervision of the works.

“Safeguard Policies” means the Association’s operational policies and procedures set forth in the Association’s Operational Manual under OP/BPs 4.01, 4.04, 4.07, 4.09, 4.10, 4.11, 4.12, 4.36 and 4.37, as said manual is published under www.WorldBank.org/opmanual.

“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.

Section 1.02. Description of Co-financed Project. AIIB and the World Bank intend to co-finance the Project, whose objective is to rehabilitate and restore the generating capacity of three power generating units of Nurek HPP, improve their efficiency, and strengthen the safety of the Nurek dam, and which consists of the following parts:

Part 1: Rehabilitation of three generating units and key infrastructural components of Nurek HPP (US$270 million).

(a) Rehabilitation of three power generating units, including generators, turbines, main inlet valves and transformers, auxiliary systems and other key equipment of the plant.

(b) Provision of spare parts and operations and maintenance equipment.


(a) Rehabilitation of spillway tunnels, refurbishment of spillway gates/hoisting system, improvement of protection on permeable zone of the embankment dam above the core zone crest.

(b) Implementation of measures to enhance safety against seismic hazards following the completion of: (i) seismic hazard assessment and stability analyses of the Nurek dam; and (ii) the drilling of five boreholes on the downstream part of the left bank to check the slope stability.

(c) Introduction of an advanced flood forecasting/warning system and preparation of optimized reservoir operating rules to enhance the flood-handling capacity of the dam.

(d) Refurbishment and upgrade of monitoring instruments and management system to improve the collection and analysis of the safety monitoring data.


(a) Provision of technical assistance: (i) to assist with the review of designs, bidding, quality control and construction supervision of the Project through engagement of the Project Management Consultant; (ii) on matters related to dam safety and other critical aspects of the Project through engagement of the
Panel of Experts; (iii) to carry out technical and other engineering studies, which may be required during Project implementation; (iv) to facilitate citizens' engagement; and (v) aimed at improvement of BT's financial standing.

(c) Strengthening the capacity of Nurek HPP and BT in dam safety, operation and management of hydro facilities, Project management, including fiduciary and safeguards aspects and audit, including through the provision of Training and financing Incremental Operating Costs.

Section 1.03. Method of Co-financing. AIIB and the World Bank intend to co-finance the Project as a Joint Co-financing as follows:

AIIB will finance 100% of the design, model testing and installation of turbines under the Plant supply, design, and installation (PSDI) contract for refurbishment of the power plant under Part 1 of the Project, in an amount of US$44.85 million. Furthermore, AIIB and IDA will jointly co-finance the civil works contract for Enhancement of dam safety under Part 2 of the Project, at 50:50 ratio, up to an amount of US$15 million each. IDA will finance 100% of all other contracts under the Project.

Article 2
Framework Agreement; Provision of Services and Fees

Section 2.01. Framework Agreement Undertakings. Except as otherwise specifically provided in this Project Co-lenders' Agreement, AIIB and the World Bank will cooperate with each other in co-financing the Project in accordance with the applicable provisions of the Framework Agreement.

Section 2.02. Services.
(a) The World Bank will provide the following Services described in Article 3 of the Framework Agreement in accordance with the provisions of the Framework Agreement: Environmental and Social Services, Procurement Services under Joint Co-financing, Investigative Services, Financial Management Services, and Disbursement Services.
(b) The World Bank will serve as the focal point for AIIB vis-à-vis the Recipient and other parties in all matters relating to technical aspects of the Project.
(c) The Disbursement Notice provided by the World Bank will be in substantially the form set forth in Attachment 1 to this Project Co-lenders' Agreement.

Section 2.03. Fees. The annual Fee to be paid by AIIB for the Services performed by the World Bank pursuant to this Project Co-lenders' Agreement will be as determined in accordance with Section 3.07(a) of the Framework Agreement. To that end, the Parties have agreed: (a) on the budget for the Project for the Fiscal Year ending on June 30, 2018, as set forth in Attachment 2 to this Project Co-lenders’ Agreement; and (b) that the amount of the Fee to be paid by AIIB for the actual Cost incurred by the World Bank in relation to the Project during all Fiscal Years ending prior to July 1, 2017 is equal to US$139,993.

Article 3
Miscellaneous

Section 3.01. Execution; Effectiveness; Modification. This Project Co-lenders’ Agreement will be signed in two counterparts, each of which will be an original, and will enter into force
and effect upon its signature by an authorized representative of each Party. It may be modified from time to time by further agreement in writing signed by an authorized representative of each Party.

Section 3.02. Termination. This Project Co-lenders' Agreement may be terminated at any time upon sixty (60) days' advance notice given in writing by either Party to the other. Upon such notice, the Parties will consult with a view to agreeing on the most practical arrangements to effect such termination. Notwithstanding any such termination, the provisions of Section 2.03 this Project Co-lenders' Agreement relating to payments to the World Bank for Services performed prior to the date of such termination, shall continue in full force and effect.

Section 3.03. Notices. Any notice or request required or permitted to be given or made under this Co-lenders' Agreement will be in writing, and will be deemed to have been duly given when delivered by hand, mail, facsimile or electronic mail to the Party to which it is required or permitted to be given or made at such Party's address specified below:

For the World Bank:
International Bank for Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.
Fax number: +1 (202) 477-6391
Tel. number: +1 (202) 473-3556
Attention: Country Director for Tajikistan

For AIIB:
Asian Infrastructure Investment Bank
19F, West Tower, B-9 Financial Street
Xicheng District
Beijing 100033
People's Republic of China
Fax number: +86 (10) 8358-0007
Tel. number: +86 (10) 8358 0062
Attention: Mr Yee Ean Pang

(b) Any notice (including without limitation a Disbursement Notice) or request required or permitted to be given or made under this Project Co-lenders' Agreement relating to Disbursement Services will be in writing and will be deemed to have been duly given when delivered by hand, mail, facsimile or electronic mail to the Party to which it is required or permitted to be given or made at such Party's address specified below:
For the World Bank:
International Bank for Reconstruction and Development
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.
Fax number: +1 (202) 477-6391
Tel. number: +1 (202) 473-3556
Attention: WFALN Loan Operations Manager

For AIIB:
Asian Infrastructure Investment Bank
19F, West Tower, B-9 Financial Street
Xicheng District
Beijing 100033
People’s Republic of China
Fax number: +86 (10) 8358-0007
Tel. number: +86 (10) 8358 0062
Attention: Mr Yee Ean Pang Teravaninthorn

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement in duplicate in the English language.

ASIAN INFRASTRUCTURE INVESTMENT BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: ________________________________  By: ________________________________

Name: Yee Ean Pang  Name: Lilia Burunciuc

Title: Director General of Investment Operations  Title: Regional Director
ATTACHMENT 1 TO PROJECT CO-LENDERS’ AGREEMENT:
FORM OF DISBURSEMENT NOTICE – SAMPLE

Date: [Insert Date]

Dear Sir/Madam,

This is to confirm that the withdrawal application, a copy of which is attached, is in proper order, that the amount requested is eligible for financing under AIIB’s Financing Agreement for the Project noted, and has been approved by the World Bank on [date]. AIIB may, if it agrees, proceed to make the disbursement in accordance with the details included below.

If AIIB agrees, please proceed with disbursement and confirm the value date, currency paid, amount paid and cost currency details so that we may update our records with the actual payment details.

Please contact [XXXXX] in case of any questions pertaining to this notice.

Sincerely,
Loan Department
The World Bank

Attachment - Details of Disbursements¹

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<tbody>
<tr>
<td>001</td>
<td>ATTN:</td>
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<tr>
<td>002</td>
<td>AIIB</td>
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<td>APPLICATION NO:</td>
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<tr>
<td>009</td>
<td>[currency and amount in figures]</td>
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<td>010</td>
<td>[amount in words]</td>
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<td>011</td>
<td>PROJECT REFERENCE:</td>
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<tr>
<td>012</td>
<td>[project name]</td>
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<tr>
<td>013</td>
<td>OUR TN: [number]</td>
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<tr>
<td>014</td>
<td>ON THE BASIS OF FOREGOING WE HEREBY NOTIFY YOU</td>
</tr>
<tr>
<td>015</td>
<td>THE AMOUNT OF DISBURSEMENT TO BE MADE BY YOU:</td>
</tr>
<tr>
<td>017</td>
<td>[currency and amount in figures]</td>
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</tbody>
</table>

¹ All elements of this notice, which are known at the time the Project Co-lenders’ Agreement is signed, need to be completed prior to signing of that agreement (e.g., addressee, name of Project, category details, etc).
PAY TO: [project name]

ADDRESS OF PAYEE

PAYEE ACCOUNT NO:

PAYEE BANK NAME AND ADDRESS:

INTERMED BANK NAME AND ADDRESS:

DA-C RECOVERY AMOUNT USD 0.00 (ZERO)

WE HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING REQUEST FOR DISBURSEMENT:

CATEGORY DETAILS (CATEGORY, AMOUNT)

[xxxxxx]

[xxxxxx]

[xxxxxx]

[xxxxxx]

[xxxxxx]

[xxxxxx]

[xxxxxx]

[xxxxxx]

[xxxxxx]

[xxxxxx]

TOTAL: [currency and amount in figures]

PAYMENT REFERENCE: COFN [xxxxxx]

FOR DISBURSEMENT DIVISION,

WORLD BANK.

NOTE: ALL THE DETAILS STATED ABOVE ARE AS PER THE CURRENT STATUS OF THE APPLICATION
ATTACHMENT 2 TO PROJECT CO-LENDERS’ AGREEMENT:
WORLD BANK’S
ESTIMATED BUDGET FOR THE PROJECT
FOR FISCAL YEAR 2018

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Amount in USD</th>
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<tbody>
<tr>
<td>Staff Costs</td>
<td>110,000</td>
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<tr>
<td>Consultant Costs</td>
<td>67,185</td>
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<tr>
<td>Travel Costs</td>
<td>19,107</td>
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<tr>
<td>Contracting Costs (such as those associated with consultations, training and workshops required for the Project)</td>
<td>5,636</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>201,928</strong></td>
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