Grant Agreement

(Additional Financing for Heat Supply Improvement Project)

between

KYRGYZ REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT / INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as an administrator of Energy Sector Management Assistance Program Multi-Donor Trust Fund – TF072490, Successor of TF071398)
AGREEMENT dated as of the Signature Date between KYRGYZ REPUBLIC ("Recipient") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION ("Bank"), (acting as an administrator of funds provided by various donors (Donors) under the Energy Sector Management Assistance Program Multi-Donor Trust Fund)) for the purpose of providing additional financing for activities related to the Heat Supply Improvement Project (as defined in the Appendix to this Agreement). The Recipient and the Bank hereby agree as follows:

**Article I**
**Standard Conditions; Definitions**

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form 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 Standard Conditions or in the Appendix to this Agreement.

**Article II**
**The Project**

2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause Part B of the Project to be carried out by ARIS ("ARIS Project Implementing Entity"), all in accordance with the provisions of Article II of the Standard Conditions, and the Project Agreement.

**Article III**
**The Grant**

3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed two million six hundred sixty-one thousand United States Dollars (US$ 2,661,000) ("Grant") to assist in financing of Part B of the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donors to the trust fund. In accordance with
Section 3.02 of the Standard Conditions, the Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV**

**Additional Remedies**

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following: ARIS Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the ARIS Project Implementing Entity to perform any of its obligations under the Project Agreement.

**Article V**

**Effectiveness; Termination**

5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied:

(a) The execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the ARIS Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action.

(b) The ARIS Subsidiary Agreement referred to in Section 1.3 of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the ARIS Project Implementing Entity.

(c) ARIS has updated and adopted the ARIS Project Operational Manual, in form and content satisfactory to the Bank.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the Bank an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank or, if the Bank so requests, a certificate satisfactory to the Bank of a competent official of the Member Country, showing the following matters:

(a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms;

(b) on behalf of the ARIS Project Implementing Entity, that the Project Agreement has been duly authorized or ratified by and executed and
delivered on its behalf and is legally binding upon it in accordance with its terms; and

(c) the Subsidiary Agreement referred to in Section 1.B of Schedule 2 to this Agreement has been duly authorized or ratified by the Recipient and the ARIS Project Implementing Entity and is legally binding upon each such party in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Sections 5.01 and 5.02 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. *Termination for Failure to Become Effective*. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and eighty (180) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**

**Recipient’s Representative; Addresses**

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

6.02. For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient’s address is:

Ministry of Finance
58 Erkindik Blvd.
Bishkek City, 720040
Kyrgyz Republic; and

(b) the Recipient’s Electronic Address is:

Telex: 245-156 NUR KH
Facsimile: (996-312) 661645
6.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank’s address is:

International Bank for Reconstruction and Development and International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank’s Electronic Address is:

Telex: Facsimile:
248423 (MCI) or 1-202-477-6391
64145 (MCI)
AGREED as of the Signature Date.

KYRGYZ REPUBLIC

By

[Signature]

Authorized Representative

Name: Baktygul Teenbaeva
Title: Minister of Finance
Date: June 10, 2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/
INTERNATIONAL DEVELOPMENT ASSOCIATION (acting as an administrator of funds provided by various donors under the Energy Sector Management Assistance Program Multi-Donor Trust Fund)

By

[Signature]

Authorized Representative

Name: Bolormaa Angaaraz
Title: Country Manager
Date: June 10, 2020
The objective of the Project is to improve the efficiency and quality of heating in selected Project areas.

The Project consists of the following parts:

**Part A: Improving supply efficiency and quality of the district heating system in Bishkek**

1. Providing support to BTS for the preparation and implementation of a priority investment program for district heating rehabilitation, including:

   (i) modernization of individual (building-level) heat substations, including: (a) installation of new individual heat substations in selected buildings; (b) reparation and upgrade of existing heat substations in selected buildings; (c) installation of building-level heat and hot water meters; and (d) installation of a preventive maintenance information system; and

   (ii) replacement and/or reconstruction of selected sections along the Vostok Transmission Network.

2. Providing support to BTS:

   (i) to strengthen its technical, operational, fiduciary, customer orientation and corporate resource management functions; and

   (ii) to strengthen its capacity for Project management and implementation, including Project M&E and audits, through provision of goods and consultants' services, as well as financing of Training and Operating Costs.

**Part B: Demonstrating the benefits of energy efficiency improvements in public buildings**

1. Supporting energy efficiency investments in selected public buildings through:

   (i) preparing and implementing energy efficiency and seismic investment measures in selected public buildings;

   (ii) strengthening capacity building and raising public awareness on energy efficiency, through provision of technical assistance, Training and awareness campaigns targeting local service providers, public entities, Project beneficiaries and other stakeholders.

2. Strengthening ARIS’s capacity for Project management and implementation, including Project M&E and audits, through provision of goods, non-consulting services and consultants’ services, as well as financing of Training and Operating Costs.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient, through the State Committee for Industry, Energy and Mining, shall maintain throughout the duration of the Project, the Project Advisory Committee (PAC) with a composition, roles, responsibilities, and resources satisfactory to the Bank. The PAC shall be responsible for providing strategic guidance to the Project.

2. The Recipient shall cause ARIS to maintain ARIS Project Implementation Unit during the entire Part B of Project implementation period with the staff, functions, terms of references and resources acceptable to the Association, and as further described in the ARIS Project Operational Manual.

3. The Recipient shall cause ARIS:
   (a) (i) to update and adopt ARIS Project Operational Manual, satisfactory to the Bank, and setting out, inter alia, the institutional, disbursement, procurement, financial management (including Part B Project-related internal control, budgeting, external auditing, financial reporting and accounting policies and procedures) and environmental and social institutional safeguard arrangements for the implementation of the Project; and (ii) to carry out Part B of the Project in accordance with the ARIS Project Operational Manual; and
   (b) not to amend, suspend, repeal or waive the provisions of the ARIS Project Operational Manual without the Bank’s prior written agreement. In case of any discrepancy between the provisions of the ARIS Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

B. Subsidiary Agreement

1. To facilitate the carrying out of Part B of the Project, the Recipient shall make the proceeds of the Grant available to the ARIS Project Implementing Entity under a subsidiary agreement (“ARIS Subsidiary Agreement”) between the Recipient and the ARIS Project Implementing Entity, under terms and conditions approved by the Bank.

2. The Recipient shall exercise its rights under the ARIS Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree,
the Recipient shall not assign, amend, abrogate or waive the ARIS Subsidiary Agreement or any of its provisions.

C. **Annual Work Plans**

1. The Recipient shall cause the ARIS Project Implementing Entity to prepare, in accordance with the terms of reference acceptable to the Bank, and furnish to the Bank not later than December 1 of each calendar year during the implementation of Part B of the Project, a work plan containing all activities proposed for inclusion in the Project for the next calendar year, including: (a) a detailed timetable for the sequencing and implementation of proposed Project activities; (b) the types of expenditures required for such activities and a proposed financing plan (including the necessary funds and resources to be provided by the Recipient for such expenditures); (c) any training activities that may be required under the Project; and (d) the reference to each Safeguard Instrument applicable to said activities in accordance with the provisions of Section D of this Schedule 2 and the proposed approach to ensure preparation and implementation of said Safeguard Instrument during the relevant year.

2. The Recipient shall cause the ARIS Project Implementing Entity to afford the Bank a reasonable opportunity to exchange views with the ARIS Project Implementing Entity on each such proposed work plan; and, thereafter ensure that Part B of the Project is implemented with due diligence during said following calendar year in accordance with such work plan as shall have been approved by the Bank.

3. The Recipient shall cause the ARIS Project Implementing Entity not to make any material change to the approved Annual Work Plan without prior approval in writing by the Bank.

D. **Safeguards**

1. The Recipient shall cause the ARIS Project Implementing Entity to implement Part B of the Project in accordance with the relevant Safeguards Instruments, and, to that end, shall:

(a) if any activity under Part B of the Project would require the adoption of any Supplemental Social and Environmental Safeguard Instrument, cause ARIS Project Implementing Entity to:

(i) prepare: (A) such Supplemental Social and Environmental Safeguard Instrument for Part B of the Project in accordance with ESMF and/or RPF; (B) furnish such Supplemental Social and Environmental Safeguard Instrument to the Bank for review and approval; and (C) thereafter adopt such Supplemental Social and
Environmental Safeguard Instrument, acceptable to the Bank, prior to implementation of Part B of the Project 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 Part B of 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. The Recipient shall and shall cause the ARIS Project Implementing Entity to ensure that no works on a specific site under Part B of the Project requiring resettlement and/or land acquisition are commenced until the respective Supplemental Social and Environmental Safeguard Instrument for said site is fully implemented.

3. The Recipient shall and shall cause the ARIS Project Implementing Entity not to amend, suspend or waive, or permit to be amended, suspended or waived, any provision of Safeguard Instruments without the prior written approval of the Bank.

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

E. Project Reports

The Recipient shall ensure that each Project Report for Part B of the Project is furnished to the Bank not later than one (1) month after the end of each calendar semester, covering the calendar semester.

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 Grant 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 Grant 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 Bank 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) National Competitive Bidding subject to the additional provisions set forth in the Annex to this Schedule; (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 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 of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.
D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, including audit, Training and Operating Costs under Part B of the Project</td>
<td>2,661,000</td>
<td>29%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,661,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the Signature Date

2. The Closing Date is June 30, 2023.
ANNEX TO SCHEDULE 2

Modifications to National Competitive Bidding Procedures

The procedure to be followed for National Competitive Bidding shall be the “Single-Stage Bidding” method set forth in the Public Procurement Law of the Recipient dated April 3, 2015 No 72 (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 Procurement Guidelines and the following additional provisions:

1. Procuring entities shall use the appropriate standard bidding documents, including forms of contract acceptable to the Bank, which shall be prepared so as to ensure economy, efficiency, transparency and broad consistency with the provisions of Section I of the Procurement Guidelines.

2. The eligibility of bidders 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 Bank for reasons other than those provided in Section I of the Procurement Guidelines.

3. No restrictions in respect of eligibility to participate in bidding for contracts shall be placed on the basis of nationality of the bidder and/or the origin of goods other than those imposed by primary boycotts.

4. Foreign bidders shall be allowed to participate in National Competitive Bidding procedures without restrictions of any kind.

5. No preference of any kind shall be applied for domestic bidders and/or for domestically manufactured goods.

6. Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids.

7. Foreign firms shall not be required to associate with a local partner in order to bid as a joint venture, and joint venture partners shall be jointly and severally liable for their obligations.

8. Government-owned enterprises in the Recipient’s territory 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 dependent agencies of the Recipient or sub-recipient. Such enterprises shall be subject to the same bid and performance security requirements as other bidders.
9. Prequalification procedures acceptable to the Bank shall be used for large, complex and/or specialized projects.

10. Bidders shall be given at least thirty (30) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids.


12. An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the expiration date and for a minimum period required to complete the evaluation or award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior concurrence of the Bank.

13. Bids shall be opened in public, immediately after the deadline for their submission in accordance with procedures stated in the bidding documents. No bids should be rejected at bid opening unless they are late/submitted after the stipulated deadline.

14. Evaluation of bids shall be made in strict adherence to the quantifiable criteria declared in the bidding documents. Qualification criteria for bid evaluation shall be applied on a pass or fail basis. Evaluation criteria other than price shall be quantified in monetary terms.

15. Bids that are not substantially responsive to the technical specifications, contract conditions, or other critical requirements in the bidding documents shall be rejected.

16. Bid evaluations shall be confidential, and bidding committee meetings shall not be open to bidders and/or their representatives.

17. Post-qualification criteria shall only pertain to past contract performance, financial and technical capabilities of bidders.

18. Contracts shall be awarded to the bidder who submits the lowest-evaluated, substantially-responsive bid, and who is determined to be qualified to perform the contract in accordance with pre-defined and pre-disclosed evaluation criteria. No negotiation as to the price or substance of the bid shall take place.

19. If the procuring entity fails to conclude a contract with the lowest evaluated bidder, a contract may be awarded to the qualified bidder who is next ranked and whose bid is found substantially responsive. 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 Bank’s prior concurrence.
20. Bidders shall be given at least twenty-eight (28) days from the receipt of notification of contract award to submit performance securities.

21. Each bidding document and contract financed out of the proceeds of the Financing shall include provisions stating the Bank’s policy to sanction firms or individuals, found to have engaged in fraud and/or corruption as defined in the paragraph 1.16(a) of the Procurement Guidelines. The Bank will sanction a firm or an individual, at any time, in accordance with prevailing Bank sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded an Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded an Bank-financed contract.

22. In accordance with the paragraph 1.16(e) of 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 Bank 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 Bank. Acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.

23. Complaints related to the procurement process shall be handled in accordance with the provisions of the Procurement Guidelines.
APPENDIX

Section I. Definitions

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

2. “Annual Work Plan” means the work plan prepared annually in accordance with the provisions of Section I.C of Schedule 2 to this Agreement, as approved by the Bank.


4. “ARIS Project Implementing Entity” or “ARIS” means the Recipient’s Community Development and Investment Agency Kyrgyz Republic, or its legal successor.

5. “ARIS Project Implementation Unit” or “ARIS PIU” means the unit established at ARIS for the purposes of implementation of Part B of the Project pursuant to paragraph 2 of Section I.A of Schedule 2 to this Agreement.

6. “ARIS Project Operational Manual” means the manual adopted by ARIS for the purposes of the implementation of Part B of the Project pursuant to paragraph 3 (a) of Section I.A of Schedule 2 to this Agreement, as such manual may be amended from time to time with the Bank’s prior written concurrence.

7. “ARIS Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Grant available to the ARIS Project Implementing Entity.

8. “Category” means a category set forth in the table in paragraph 1 of Section IV of Schedule 2 to this Agreement.

“ESMF” means the Environmental and Social Management Framework prepared and adopted by the Recipient for the purposes of the Heat Supply Improvement Project, in accordance with the Bank and national environmental assessment rules and procedures, and disclosed in the Recipient’s country on April 18, 2017 and on the Bank’s website on April 25, 2017 which contains, inter alia, guidelines for undertaking site-specific environmental and social measures under the Project, including (i) guidelines for the identification of existing environmental and social conditions and potential direct and indirect environmental and social impacts and risks resulting from the carrying out of the Project; (ii) guidelines for the carrying out of the environmental assessments and the preparation of environmental and social management plans (ESMPs), when applicable; (iii) recommendations of mitigation measures for each negative impact identified; (iv) measures for enhancing each identified positive impact; and (v) guidelines for the preparation of environmental and social monitoring plans for tracking the application of the mitigation measures, as such framework may be amended from time to time with the Bank’s prior approval.

“ESMP” means a site specific environmental and social management plan, satisfactory to the Bank, to be prepared by the Project Implementing Entity pursuant to the provisions of ESMF in connection with the works to be implemented under the Project, indicating, inter alia, the necessary prevention, mitigation and monitoring activities to be followed during the implementation of Part B of the Project along with the implementing arrangements, as such plan may be amended from time to time with the prior written approval of the Bank, and “ESMPs” means the plural thereof.

“Financing Agreement” means the Financing Agreement for Heat Supply Improvement Project, between the Bank and the Recipient, dated January 26, 2018, as amended to the date of this Agreement.

“Heat Supply Improvement Project” means the project described in the Financing Agreement.

“M&E” means monitoring and evaluation.

“Operating Costs” means incremental costs incurred by the Project Implementing Entity on account of Part B of the Project coordination, implementation and monitoring, including expenditures for vehicles operation and maintenance, minor office renovations, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Part B Project related travel, including per diem and accommodation, salaries and Social Charges of contractual staff for the Recipient (but excluding salaries of the Recipient’s civil servants) and other miscellaneous costs directly associated with implementation of Part B of the Project, all based on annual budgets acceptable to the Bank.
16. “PAC” means Project Advisory Committee established by the Recipient pursuant to Section I.A.1 of Schedule 2 to this Agreement.


18. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 17, 2019 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.

19. “Project Agreement” means the agreement between the Bank and the ARIS Project Implementing Entity relating to the implementation of Part B of the Project, as such agreement may be amended from time to time. “Project Agreement” includes the Standard Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.

20. “Project Implementing Entity’s Legislation” means the Edict of the President of the Recipient No. 330, dated October 15, 2003, including any amendments thereto or any succeeding legislation.

21. “RAP” or “Resettlement Action Plan” means a site-specific resettlement action plan, satisfactory to the Bank, to be prepared by the ARIS Project Implementing Entity pursuant to the provisions of RPF for compensation, resettlement and rehabilitation of Affected Persons, in connection with the works to be implemented under Part B of the Project, as such plan may be amended from time to time with the prior written approval of the Bank, and “RAPs” means the plural thereof.

22. “RPF” or “Resettlement Policy Framework” means the resettlement policy framework, prepared and adopted by the ARIS Project Implementing Entity for the purposes of the Heat Supply Improvement Project and disclosed in the Recipient’s country and on the Bank’s website on March 27, 2017 satisfactory to the Bank, setting forth, inter alia: (i) guidelines for resettlement-related activities and for preparation of a site-specific RAP, if deemed necessary during Project implementation; (ii) the range of potential impact and an entitlement matrix; (iii) the description of areas covered by the Project; (iv) the legal basis and screening process for land acquisition, resettlement and land use in connection with the works to be carried out under the Project; (v) the resettlement principles and entitlements of Affected Persons based on different categories of impact; (vi) the procedures for valuation, compensation and other assistance provided to the Affected Persons, including the grievance process; (vii) the responsibilities, procedures and requirements for the development and implementation of site specific resettlement action plans; and (viii) an estimate of cost of compensation.
23. “Safeguards Instruments” means ESMF, RPF, and all Supplemental Social and Environmental Safeguard Instruments, and “Safeguards Instrument” means any one of these instruments.

24. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.


26. “Social Charges” means any payments or contributions for health benefits, unemployment benefits, disability insurance, workers’ compensation benefits, retirement (pension or social security) benefits, and life insurance, or any other benefits according to the Recipient’s legislation.

27. “Supplemental Social and Environmental Safeguard Instrument” means any ESMP, RAP, Safety Checklist, or other site specific supplemental social and environmental safeguard instruments as may be required under the terms of ESMF or RPF, and “Supplemental Social and Environmental Safeguard Instruments” means the plural thereof.

28. “Training” means Part B 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, course fees and other related miscellaneous costs, all based on annual budgets satisfactory to the Bank.

29. “Vostok Transmission Network” means the East transmission pipeline, one of the five transmission pipelines supplying heat from the Recipient’s Combined Heat and Power Plant (CHP-1) to the southern and eastern parts of Bishkek city, and its related network components.
Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Section 2.11, *Procurement* is deleted in its entirety and the remaining Section 2.12, *Anti-Corruption* in Article II is renumbered accordingly.

2. Paragraphs 19 (Procurement Plan) and 20 (Procurement Regulations) in the Appendix are deleted in their entirety and the subsequent paragraphs are renumbered accordingly.