
LOAN NUMBER 8770-UZ

Loan Agreement

(Livestock Sector Development Project)

between

REPUBLIC OF UZBEKISTAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated September 20, 2017

LOAN NUMBER 8770-UZ

LOAN AGREEMENT

Agreement dated September 20, 2017, between REPUBLIC OF UZBEKISTAN (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of thirty million Dollars (\$30,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore that, upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance

remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are May 15 and November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through RRA in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

- 4.01. The Additional Events of Suspension consist of the following:
- (a) the Bank has received evidence, that it considers credible, of the use of child or forced labor in connection with the Project activities; and
 - (b) the RRA's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the RRA to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of the following: an event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Project Operational Manual, including the Credit Line Investment Guidelines, has been adopted by the Recipient in a form and substance satisfactory to the Bank;
 - (b) the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled; and
 - (c) the implementation capacity of RRA has been strengthened by employment of financial management, procurement and safeguard specialists, and by updating of its accounting software in accordance with the technical requirements and specifications set forth in the Project Operational Manual.
- 5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister of Finance.

6.02. The Borrower's Address is:

Ministry of Finance
Mustakilik Square 5
Tashkent 100008
Republic of Uzbekistan

Telex:

11 6360 IK BOL

Facsimile:

(998-71) 233-7073
(998-71) 239-1259

6.03. The Bank's Address is:

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

Telex:

248423(MCI) or
64145(MCI)

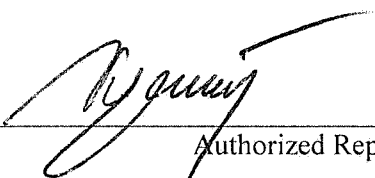
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AGREED at New York City, United States of America, as of the day and year first above written.

REPUBLIC OF UZBEKISTAN

By

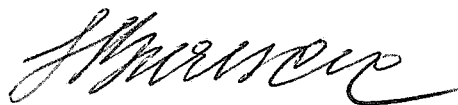

Authorized Representative

Name: DJAMSHID KUCHKAROV

Title: DEPUTY PRIME MINISTER

INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT

By


Authorized Representative

Name: LILIA BURUNCIUC

Title: COUNTRY DIRECTOR
EUROPE AND CENTRAL ASIA REGION

SCHEDULE 1

Project Description

The objective of the Project is to improve livestock sector productivity and access to market in selected regions of the Borrower.

The Project consists of the following parts:

Part A: Livestock Sector Public Investment Framework and Public Services

Veterinary services improvement, including: (i) provision of technical assistance to improve the legal framework and strategy for development of the veterinary services; (ii) provision of Training and equipment to selected public veterinary agencies to improve disease surveillance and reporting systems, veterinary diagnostics laboratories and standard operating procedures, vaccine storage and distribution facilities, public awareness, and rapid response capacity; (iii) carrying out minor works and provision of equipment for rehabilitation of selected laboratory facilities; and (iv) provision of technical assistance for studies on border control and quarantine, veterinary drug regulation and on animal identification, registration and movement control.

Part B: Credit Line for Private Investments

1. Provision, through selected PFIs, of Sub-credits to Beneficiaries.
2. Provision of technical assistance and Training to PFIs on sector-specific loan product development, loan appraisal and monitoring.

Part C: Project Coordination, Management, Monitoring and Evaluation

1. Strengthening the RRA's capacity for Project management, monitoring and evaluation, through provision of goods, consultants' services, Training, and financing of Incremental Operating Costs.
2. Conducting Project impact assessments at mid-term Project review and prior to the Project closure.
3. Provision of Training to Beneficiaries on Project related safeguards requirements and carrying out public awareness campaign on labor practices in agriculture.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. For the purposes of overall Project management, implementation and coordination the Recipient shall maintain the RRA until completion of the Project, with staff, resources and terms of reference satisfactory to the Bank and adequate for successful implementation of the Project.
2. The Borrower, through RRA, shall: (i) adopt the Project Operational Manual, including the Credit Line Investment Guidelines, satisfactory to the Bank, and setting out, *inter alia*, the institutional, disbursement, procurement and financial management (including Project-related internal control, budgeting, external auditing, financial reporting and accounting policies and procedures) arrangements for the implementation of the Project; (ii) carry out the Project in accordance with the Project Operational Manual; and (iii) not amend, suspend, repeal or waive any of the provisions of the Project Operational Manual without the Bank's prior written agreement. In case of any discrepancy between the provisions of the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.
3. For the purposes of carrying out Part B.1 of the Project the Borrower, through RRA, shall: (i) adopt, as a part of the Project Operational Manual, the Credit Line Investment Guidelines, satisfactory to the Bank, and setting out, *inter alia*, eligibility criteria and selection procedures for PFIs, eligibility criteria and selection procedures for Beneficiaries, financing terms and conditions for Subsidiary Loans and Sub-credits, fiduciary and reporting requirements applicable to PFIs and Beneficiaries, procurement procedures and safeguard requirements applicable to Sub-projects; (ii) carry out Part B.1 of the Project in accordance with the Credit Line Investment Guidelines; and (iii) not amend, suspend, repeal or waive any of the provisions of the Credit Line Investment Guidelines without the Bank's prior written agreement. In case of any discrepancy between the provisions of the Credit Line Investment Guidelines and those of this Agreement, the provisions of this Agreement shall prevail.

B. Subsidiary Agreements

1. To facilitate the carrying out of Part B.1 of the Project, the Borrower shall make part of the proceeds of the Financing allocated from time to time to Category (2) of the table set forth in Section IV.A.2 of this Schedule available to each PFI under a subsidiary agreement between the RRA and the respective PFI ("Subsidiary

Agreement”), under terms and conditions approved by the Bank, which shall include, *inter alia*, the following:

- (a) a Subsidiary Loan shall be made available to each PFI in Dollars;
 - (b) the principal amount of a Subsidiary Loan shall be repaid by the respective PFI in Dollars or in Soums in semi-annual installments over a period of up to twenty (20) years, including a grace period of five (5) years;
 - (c) interest on the outstanding balances of a Subsidiary Loan and other charges, if applicable, shall be charged at rates acceptable to the Bank;
 - (d) each PFI shall carry out activities under the respective Subsidiary Agreement in accordance with the Anti-corruption Guidelines; and
 - (e) each PFI shall be responsible for monitoring of Sub-project implementation and ensuring compliance by Beneficiaries with any applicable laws and regulations on child and forced labor. In case of established non-compliance with laws and regulations on child and forced labor by a Beneficiary utilizing a Sub-credit, said Sub-credit shall be refunded to the RRA, such a Beneficiary shall be barred from further borrowings under Part B.1 of the Project, and the respective PFI shall be disqualified from providing further Sub-credits under Part B.1 of the Project.
2. The RRA shall exercise its rights and carry out its obligations under each Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Financing.

C. Sub-credits

1. The Borrower, through the RRA, shall ensure that each PFI provides Sub-credits to Beneficiaries in accordance with terms and conditions, eligibility criteria and procedures set forth in the Credit Line Investment Guidelines. Such procedures shall include, *inter alia*, environmental screening of the proposed activities and determining what type of environmental impact assessment has to be carried out by the Beneficiary, as well as the screening aimed to ensure compliance with applicable laws and regulations of the Borrower, including those related to child and forced labor.
2. Each Sub-credit shall be provided by a PFI to a Beneficiary under a Sub-credit Agreement on terms and conditions satisfactory to the Bank and set forth in the Credit Line Investment Guidelines, which shall, *inter alia*, include the following:
 - (a) each Sub-credit shall be denominated in Dollars or in Soums;

- (b) interest on the principal amount of each Sub-credit withdrawn and outstanding from time to time shall be charged by a PFI at the prevailing interest rate under the respective Subsidiary Agreement of said PFI plus a market-based spread determined by the PFI in accordance with its investment and lending policies and practices, and the provisions of the Credit Line Investment Guidelines;
- (c) each Sub-credit Agreement shall include provisions adequate to protect the interests of the Borrower and the Bank, including the right of the RRA or a PFI to suspend or terminate the right of a Beneficiary to use the proceeds of the Sub-credit, or declare to be immediately due and payable all or any part of the amount of the Sub-credit then withdrawn, upon a Beneficiary's failure to perform any of its obligations under the Sub-Credit Agreement;
- (d) each Beneficiary shall:
 - (A) carry out its Sub-project: (i) with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental, health and social standards and practices, satisfactory to the Bank; (ii) in compliance with the requirements of the Borrower's applicable laws and regulations, including those on child and forced labor; (iii) in accordance with the provisions of the Anti-Corruption Guidelines; and (iv) in accordance with the Environmental and Social Management Framework;
 - (B) provide, promptly as needed, the resources required for the purposes of a Sub-project;
 - (C) procure the goods, works and services to be financed out of the proceeds of a Sub-credit in accordance with the provisions of this Agreement;
 - (D) (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to a Sub-project; and (ii) at the Bank's request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and promptly furnish the statements as so audited to the Borrower and the Bank;

- (E) enable the Borrower and the Bank to inspect a Sub-project, its operation and any relevant records and documents; and
 - (F) prepare and furnish to the Borrower and the Bank all such information related to a Sub-project as they shall reasonably request.
3. The Borrower, through RRA, shall ensure that the activities to be financed from a Sub-credit do not include any land acquisition, displacement of people, and construction of new or rehabilitation of existing dams.

D. Anti-Corruption

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

E. Third Party Monitoring and Feedback Mechanism

1. The Borrower shall carry out the Project in compliance with this Agreement, appropriate social standards and practices and any applicable laws and regulations on child and/or forced labor, including such compliance by PFIs and Beneficiaries, and shall, at the beginning of the cotton harvesting season during each year of the Project implementation, instruct any involved local authorities to ensure strict compliance with such laws and regulations while organizing cotton harvesting.
2. The Borrower shall take all necessary actions, and ensure that necessary actions are taken, to enable the TPM Consultant to perform monitoring activities in accordance with the applicable terms of reference, including, but not limited to allowing and facilitating for the TPM Consultant to visit sites where the Project is being carried out, collect relevant data and communicate with Project stakeholder and participants.
3. The Borrower shall: (a) review and discuss with the Bank monitoring reports prepared by the TPM Consultant; and (b) promptly take any actions, as may be requested by the Bank upon its review of said reports, with respect to compliance with the undertakings relating to child and/or forced labor as set forth in this Agreement and the Project Operational Manual.
4. The Borrower: (a) shall and shall cause respective local authorities to fully collaborate with the TPM Consultant in developing an effective grievance redress mechanism in connection with the Project activities, as set forth in the TPM Consultant's terms of reference; (b) shall review biannual reports of the TPM Consultant on grievances received, redress mechanism and any feedback provided; and (c) shall promptly implement or cause relevant local authorities to implement the recommendations provided in said reports.

F. Safeguards

The Borrower, through RRA, shall ensure that the Project, including Sub-projects under Part B.1 of the Project, is implemented pursuant to the provisions of the Environmental and Social Management Framework, and a site specific Environmental Management Plan, if/when necessary, in a manner satisfactory to the Bank and shall provide the Bank with a summary status of the implementation, including results from environmental monitoring, as part of Project Reports or when specifically requested by the Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Borrower 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 Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Bank 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 Borrower 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 Borrower shall prepare and furnish to the Bank 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 Bank.
3. The Borrower 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 Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services, consultants' services and expenditures included in the Incremental Operating Costs category required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

Section IV. Withdrawal of the Proceeds of the Loan

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Bank 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 Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (exclusive of Taxes, other than Withheld Taxes)
(1) Sub-credits under Part B.1 of the Project	29,925,000	100%
(2) Front-end Fee	75,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	<u>30,000,000</u>	

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 date of this Agreement.
2. The Closing Date is June 30, 2022.

SCHEDULE 3

Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each May 15 and November 15, the first installment to be payable on the eleventh (11th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the fiftieth (50th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-fortieth (1/40) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.
2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after May 15, 2044, the Borrower shall also pay on such date the aggregate amount of all such installments.
3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency.

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 and as of July 1, 2016.
2. “Beneficiary” means any individual farmer, dekhan farm, farmers’ association, private livestock farm, agro-firm or agro-processing enterprise that either engages in or intends to engage with support of Sub-credit in any livestock production activity, including processing, marketing, distribution, trade, service and production activities, duly registered pursuant to the laws of the Borrower, selected to receive a Sub-credit under Part B.1 of the Project in accordance with the criteria and procedures set forth in the Credit Line Investment Guidelines, and “Beneficiaries” means the plural thereof.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “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 (revised July 2014).
5. “Credit Line Investment Guidelines” means the guidelines to be adopted by the Borrower, through RRA, as a part of the Project Operational Manual, for the purposes of carrying out Part B.1 of the Project, pursuant to Section 5.01 of this Agreement and referred to in paragraph 3 of Section I.A of Schedule 2 to this Agreement, as the same may be amended from time to time with the agreement of the Bank.
6. “Environmental and Social Management Framework” or “ESMF” means the Environmental and Social Management Framework adopted by the RRA on April 10, 2017 for the purposes of the Project that outlines environmental assessment procedures and mitigation requirements to avoid, minimize or mitigate potential negative environmental and related social impacts caused by implementation of the Project, as well as the procedures for: (a) screening Sub-projects based on their expected impacts on the natural and social environment; (b) evaluating Sub-project-related risks; and (c) defining a need for preparation and parameters of a site specific EMP, as may be updated as necessary during the Project implementation with the Bank’s prior written approval.
7. “Environmental Management Plan” or “EMP” means a site specific environmental management plan as may be required pursuant to ESMF to avoid, minimize or

mitigate potential negative environmental and related social impacts caused by implementation of the Project or a Sub-project.

8. “FBM” or “Feedback Mechanism” means the system aimed to receive grievances on alleged child and forced labor occurrences that might be associated with the Project activities or within the Project Area, to be carried out by the TPM Consultant in accordance with the relevant terms of reference approved by the Bank.
9. “Financing Agreement” means the financing agreement for the Project between the Borrower and the Association, dated the same date as this Agreement, as such financing agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.
10. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
11. “Incremental Operating Costs” means incremental costs incurred by RRA on account of the Project coordination, implementation and monitoring, including expenditures for vehicles operation and maintenance, office supplies and consumables, utilities, communication, translation and interpretation, bank charges, Project related travel, including per diem and accommodation (but excluding salaries of the Borrower’s civil servants) and other miscellaneous costs directly associated with the Project implementation, all based on periodic budgets acceptable to the Bank.
12. “MAWR” means the Ministry of Agriculture and Water Resources of the Recipient, or any successor thereto.
13. “Participating Financial Institution” or “PFI” means a commercial bank or other financial institution of the Borrower selected to participate in Part B.1 of the Project in accordance with the eligibility criteria and procedures set forth in the Credit Line Investment Guidelines, and “Participating Financial Institutions” or “PFIs” means the plural thereof.
14. “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 (revised July 2014).
15. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated April 27, 2017 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

16. “Project Operational Manual” or “POM” means the Project Operational Manual, which shall include the Credit Line Investment Guidelines, to be adopted by the Borrower for the purposes of the Project pursuant to Section 5.01 of this Agreement, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project, data collection and reporting, and which includes a manual of financial management procedures that sets out procedures for Project accounting, reporting and audit, disbursements, flow of funds and management of the designated account as the same may be amended from time to time with the agreement of the Borrower.
17. “RRA” means the Rural Restructuring Agency, an independent administrative body operating under the Borrower’s Ministry of Agriculture and Water Resources, or any successor thereto.
18. “RRA’s Legislation” means the Decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 356 dated August 19, 1998.
19. “Soum” means the lawful currency of the Borrower.
20. “Sub-credit” means a financing provided or to be provided by a PFI to a Beneficiary under a Sub-credit Agreement under Part B.1 of the Project for the purpose of financing of all or a portion of a Beneficiary’s expenditures under a Sub-project, and “Sub-credits” means the plural thereof.
21. “Sub-credit Agreement” means an agreement entered or to be entered between a PFI and a Beneficiary for the purposes of provision of a Sub-credit under Part B.1 of the Project, and “Sub-credit Agreements” means the plural thereof.
22. “Sub-project” means a set of livestock related investment activities to be implemented by a Beneficiary and selected to be financed by a Sub-credit in accordance with the criteria and procedures set forth in the Credit Line Investment Guidelines, and “Sub-projects” means the plural thereof.
23. “Subsidiary Agreement” means any agreement between the RRA and a PFI referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make part of the proceeds of the Financing available to a PFI for the purposes of provision of Sub-credits to Beneficiaries, and “Subsidiary Agreements” means the plural thereof.
24. “Subsidiary Loan” means any loan made by the RRA to a PFI under a Subsidiary Agreement, and “Subsidiary Loans” means the plural thereof.
25. “TPM” or “Third Party Monitoring” means monitoring activity (including, *inter alia*, periodic site visits; assessments of local context and conditions; interviews, awareness raising and training preparation of report) to be carried out by the TPM

Consultant with the purpose of detecting any occurrence of child or forced labor in connection with the Project activities, and confirming compliance with applicable laws and regulations on child and forced labor, all in accordance with the relevant terms of reference approved by the Borrower.

26. "TPM Consultant" means an entity with internationally recognized expertise in social audit and monitoring and evaluation of development projects, to be procured by the Borrower for carrying out the TPM and FBM in accordance with relevant terms of reference approved by the Bank.
27. "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.
28. "Withheld Taxes" means the following taxes withheld at source: taxes for social charges; income taxes for residents and non-residents; and custom registrations duties withheld at the source.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

 - (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").
 - (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”

