May 7, 2014

H.E. Abdusalom Kurbonov
Minister
Ministry of Finance
3 Akademikov Rajabovikh Ave
Dushanbe, 734025
REPUBLIC OF TAJIKISTAN

Excellency:

Re: Republic of Tajikistan: JSDF Grant for Scaling-Up of the Pilot of Nutrition Investments in Severely Food Insecure Districts Project Grant No. TF015755

In response to the request for financial assistance made on behalf of the Republic of Tajikistan (the Recipient), I am pleased to inform you that the International Development Association ("World Bank"), as administrator of grant funds provided by Japan ("Donor") under the Japan Social Development Fund, proposes to extend to the Recipient, a grant in an amount not to exceed two million eight hundred thousand United States Dollars (U.S.$2,800,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

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

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement with the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety
days (90 days) after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

[Signature]

Marsha McGraw Olive
Country Manager
Tajikistan Country Office
Europe and Central Asia Region

AGREED:

NAME OF RECIPIENT

[Signature]

Authorized Representative

Name: Abdusalom Kurbonov
Title: Minister of Finance
Date: 07.05.2014

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions


1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to improve health and nutrition status among children less than five (5) years of age and pregnant and lactating mothers in the 14 districts affected by the food price shocks in Khatlon Province. The Project consists of the following parts:

Part A. Household Gardening

Provision of high quality seeds and fertilizer packets to selected households (in ten (10) of the fourteen (14) new districts) annually for two years. Provision of consultants’ services for the carrying out of a survey to better understand household practices on gardening, and an assessment at the end of the Project to assess the changes in household gardening practices and consumption of nutritious food.

Part B. Community-Based Nutrition Improvement Interventions

Provision of training for community health nurses and primary health care providers to strengthen their skills in monitoring child growth and development, and on the prevention and management of malnutrition; training of community volunteers in monitoring of the nutrition status of vulnerable infants and children less than five (5) years of age; and training to act as liaisons between the community and the nurses.

Part C. Community Training on Management of Childhood Illnesses

Provision of training for early detection of the symptoms of common childhood diseases; training of doctors and nurses in Family Medicine to improve their ability to manage sick children and promote better women and children’s health. Provision of training for volunteers in providing families with accurate health information on common childhood illnesses.
Part D. Educational Campaign to Promote Healthy Behavior Change

Provision of goods and consultants’ services for educational activities to promote exclusive breastfeeding for infants less than six (6) months of age, and appropriate complementary feeding for infants six (6) to twenty-four (24) months of age.

Part E. Provision of Micro-Nutrient Supplements

Provision of critical micronutrients to supplement the diet of targeted groups of children aged six (6) months to two (2) years of age, and of pregnant and breastfeeding women.

Part F. Strengthening Local Capacity in Maternal and Childhood Illnesses (MCI) and Nutrition Surveillance

Provision of goods and consultants’ services to strengthen monitoring and evaluation of nutrition and child health outcomes in the project districts.

Part G. Project Management, Monitoring and Evaluation and Knowledge Dissemination

Support for the management of the Project, including costs of procurement, financial management, financial audits, and monitoring and evaluation.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Health and Social Protection (“Project Implementing Entity”) in accordance with: (a) the provisions of Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 World Bank not later than six months after the end of such period.
2.04. **Procurement**

(a) General. All goods, non-consulting services and 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:

(i) Section I of 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 ("Procurement Guidelines"), in the case of goods and non-consulting services; and

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”), in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World 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.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, subject to the following additional provisions set forth in Appendix B2; (B) Shopping; (C) Direct Contracting; and (D) Procurement from UN Agencies.

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in sub-paragraph (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
(ii) The following methods may be used for the procurement of consultants' services for those assignments 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) Selection of Service Delivery Contractors which have been found acceptable to the World Bank; and (G) Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in US$)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods</td>
<td>1,355,720</td>
<td>100%</td>
</tr>
<tr>
<td>Consultants’ Services</td>
<td>570,624</td>
<td>100%</td>
</tr>
<tr>
<td>Training</td>
<td>652,888</td>
<td>100%</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>220,768</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,800,000</td>
<td></td>
</tr>
</tbody>
</table>
For the purposes of this Section: (i) the term “Training” means expenditures, as approved by the World Bank, on the basis of budgets and training plans prepared by the MOHSP, and revised annually, satisfactory to the World Bank, and incurred in connection with Project-related training, workshops, seminars conducted in the territory of the Recipient, including purchase and publication of materials, rental of equipment and facilities, administrative support and training materials (unless otherwise indicated as separate expenditures), course fees and travel, accommodation and subsistence of trainees and trainers and other training related activities and expenditures as may be agreed with the World Bank from time to time; and (ii) the term “Operating Costs” means operating costs required for the Project including cost of warehouses, rent, transportation costs for delivery and distribution of micronutrients, repackaging of micronutrients, fuel consumption, stationery, consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation, maintenance and insurance costs, charges for the opening and operation of bank accounts required for the Project, audits, and travel, lodging, per diem and supervision costs, but excluding salaries of officials of the Recipient’s civil service.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is four years after the date of countersignature of this Agreement by the Recipient.

Article IV
Recipient’s Representative; Addresses

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

4.02. Recipient’s Address. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance
3 Akademikov Rajabovikh Ave
Dushanbe, 734025
Republic of Tajikistan

Facsimile:
(992-372) 213329
4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INDEVAS  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391
APPENDIX B2

NATIONAL COMPETITIVE BIDDING

The procurement procedure to be followed for National Competitive Bidding shall be the tendering with unlimited participation procurement method set forth in Law #168, the Law of the Republic of Tajikistan on “Public Procurement of Goods, Works and Services,” dated March 3, 2006 (as amended by Law #815, the Law of the Republic of Tajikistan on “Introduction of Amendments and Additions to the Law of the Republic of Tajikistan on ‘Public Procurement of Goods, Works and Services’” dated April 16, 2012) (“the PPL”); provided, however, that such procedure shall be subject to: (a) the provisions of Section I and paragraphs 3.3 and 3.4 of the Procurement Guidelines (as required by paragraph 3.3 of the Guidelines) and (b) the following paragraphs:

Participation in Bidding

1. **Eligibility:** Eligibility of bidders to participate in a procurement process and to be awarded a World Bank financed contract 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 World Bank for reasons other than those provided in Section I of the Procurement Guidelines.

2. **Domestic Preference:** No domestic preference may be applied in bid evaluation on the basis of bidder nationality, the origin of goods, services or labor, and/or preferential programs.

3. **Bidding Documents:** Procuring entities shall use the appropriate standard bidding documents acceptable to the World Bank, which documents shall be prepared so as to ensure economy, economy, efficiency, transparency, and broad consistency with the provisions of Section I of the Procurement Guidelines. Until a modified version of the Recipient’s standard bidding documents has been approved by the World Bank, the World Bank’s sample NCB bidding documents for the Europe and Central Asia Region shall be used.

4. **Bid Validity:** The bid validity period required by the bidding documents shall be sufficient to account for any period that may be required for the approval and registration of the contract as contemplated in the PPL. An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation, award a contract, and/or complete the registration process. No further extensions shall be requested without the prior written concurrence of the World Bank.
5. **Qualification:** Qualification criteria shall be clearly specified in the bidding documents. All criteria so specified, and only such specified criteria, shall be used to determine whether a bidder is qualified. Qualification shall be assessed on a “pass or fail” basis, and merit points shall not be used. Such assessment shall be based entirely upon the bidder’s or prospective bidder’s capability and resources to effectively perform the contract, taking into account objective and measurable factors, including: (i) relevant general and specific experience, and satisfactory past performance and successful completion of similar contracts over a given period; (ii) financial position; and where relevant (iii) capability of construction and/or manufacturing facilities. Prequalification procedures and documents acceptable to the World Bank shall be used for large, complex and/or specialized works contracts. Verification of the information upon which a bidder was prequalified, including current commitments and the bidder’s capability with respect to personnel and equipment, shall be carried out at the time of contract award. In the procurement of goods and works where prequalification is not used, the qualification of the bidder who is recommended for award of contract shall be assessed by post-qualification, applying the qualification criteria stated in the bidding documents.

6. **Guarantees:** Guarantees shall be in the format specified in the bidding documents. The bid guarantee shall be valid for twenty-eight days (28) beyond the original validity period of the bid, or beyond any period of extension if requested.

7. **Bid Submission and Bid Opening:** Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids may be delivered by mail or by hand. Bids shall be opened in public immediately after the deadline for their submission. The minutes of bid opening shall be signed by the members of the bidding committee immediately after bid opening. A copy of the bid opening minutes shall be promptly provided to all bidders who submitted bids, and to the World Bank with respect to contracts subject to the World Bank’s prior review. No bids shall be rejected at bid opening.

8. **Bid Evaluation and Award of Contracts:** 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 bidders are notified of the contract award. Evaluation criteria shall be clearly specified in the bidding documents. Evaluation of bids shall be made in strict adherence to the criteria specified in the bidding documents. All bid evaluation criteria other than price shall be quantifiable in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation. Bidders shall not be eliminated on the basis of minor, nonmaterial deviations. Contracts shall be awarded to the qualified bidder whose bid has been determined: (i) to be substantially responsive to the bidding documents; and (ii) to offer the lowest-evaluated cost. 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.
9. **Cost Estimates:** Cost estimates shall be confidential and shall not be disclosed to prospective bidders. No bids shall be rejected on the basis of comparison with the cost estimates and/or budget ceiling without the World Bank’s prior written concurrence.

10. **Rejection of Bids and Re-bidding:** No bids shall be rejected solely because they fall outside a pre-determined margin or “bracket” of prices. 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 World Bank’s prior written concurrence.

11. **Contract Modifications:** With respect to contracts subject to the World Bank’s prior review, the Recipient shall obtain the World Bank’s no objection before agreeing to: (i) a material extension of the stipulated time for performance of a contract; (ii) any substantial modification of the contract scope of services or other significant changes to the terms and conditions of the contract; (iii) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; or (iv) the proposed termination of the contract. A copy of all contract amendments shall be provided to the World Bank.

12. **Fraud and Corruption:** The bidding documents and contract as deemed acceptable by the World Bank shall include provisions stating the World Bank’s policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.

13. **Inspection and Audit Rights:** In accordance with 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 World 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 World Bank. Acts intended to materially impede the exercise of the World Bank’s inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.