OFFICIAL DOCUMENTS

CREDIT NUMBER 6175-TJ
GRANT NUMBER D270-TJ

Financing Agreement

(Additional Financing for Social Safety Net Strengthening Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF TAJIKISTAN ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for purposes of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 General Conditions, in the Original Financing Agreement, or in the Appendix to this Agreement, as the case may be.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a grant and a credit, both deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement (collectively, "Financing") in the following amounts, to assist in financing the project described in Schedule 1 to this Agreement ("Project"):

   (a) an amount equivalent to seven hundred thousand Special Drawing Rights (SDR 700,000) ("Grant"); and

   (b) the amount of nine hundred thousand Dollars ($900,000) ("Credit").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b)
three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall ensure that the Project is carried out by SASP in accordance with the provisions of Article V of the General Conditions.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspensions consist of the following:

(a) the Targeted Social Assistance Program shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of the Recipient to perform any of its obligations under this Agreement; or

(b) the SASP’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of the SASP to perform any of the Recipient’s obligations under this Agreement in respect to SASP.

4.02. The Additional Event of Acceleration consists of the following, namely that an event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Recipient has established the PGC, within the SASP, with composition, resources and terms of reference satisfactory to the Association.

5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
5.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister of Finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

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

and

(b) the Recipient’s Electronic Address is:

    Facsimile:

    (992-372) 213329

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association’s address is:

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

(b) the Association’s Electronic Address is:

    Telex: Facsimile:

    248423 (MCI) 1-202-477-6391
AGreed as of the Signature Date.

REPUBLIC OF TAJIKISTAN

By

Authorized Representative

Name: Faiziddin Gakhrozzada
Title: Minister of Finance
Date: 06.03.2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: [Signature]
Title: Country Manager
Date: 06.03.2018
SCHEDULE 1

Project Description

The objectives of the Project are (i) to achieve national geographic coverage of the Targeted Social Assistance Program, and (ii) to ensure integrated delivery of services.

The Project consists of the following parts:

Part A: Establishing the National Registry of Social Protection and Supporting Development of the Targeted Social Assistance Program

1. Establishing a National Registry of Social Protection (NRSP) for administering Targeted Social Assistance (TSA) program, including: (i) determining eligibility for benefits; (ii) registering for benefit; (iii) managing payments; and (iv) monitoring, planning and budgeting of the TSA benefits. The activities will include assessing system requirements; developing system specifications; developing the software and database; installing the hardware; establishing an NRSP data center; implementing the new NRSP system to be accessible and operable at the central, regional and district levels; providing training in NRSP operation; and providing for NRSP system maintenance.

2. Developing policy, legal, administrative, and institutional framework for operation and rollout of the TSA program, including: (i) strengthening capacity of the SASP; (ii) developing a legal and regulatory framework to enable the administration of the TSA benefits; (iii) preparing various operational procedures, manuals, methodology, and guidelines for the new program; (iv) establishing, improving and rehabilitating physical facilities of SASP in Dushanbe to enable SASP to operate the TSA program, including data center to host the NRSP; (v) establishing at least one regional data processing center on a pilot basis; (vi) developing and initiating implementation of a national roll-out strategy for the TSA program.

Part B: Capacity-Building for Launching and Initiating the Rollout of the Targeted Social Assistance Program

1. Designing and implementing training programs, workshops and seminars for management and staff on social protection policies, service delivery and modernization reforms, and specific guidelines and procedures of the TSA program, in order to build the capacity of MLSPP (until August 31, 2014), MHSSP (after September 1, 2014), MoF and community stakeholders to launch and implement a nation-wide system of the TSA as well as to maintain and operate said system, including the NRSP;

2. Implementing public awareness campaign, including preparation and dissemination of all required training, awareness materials, and Operating Costs.
Part C: Project Implementation Support

Providing support for overall management and coordination of the Project, through the PCG, for carrying out fiduciary responsibilities, including procurement, financial reporting and accounting activities, audit, other reporting for the Project and Project's Operating Costs.

Part D: Supporting National Rollout of the Targeted Social Assistance Program, including the National Registry of Social Protection

1. Providing support to the SASP to roll out the TSA Program, including:

   (i) establishing additional regional coordination centers under SASP;
   (ii) upgrading work places for district and Jamoat level staff, ensuring connectivity and stable electricity supply, and office logistics;
   (iii) conducting public awareness and information campaigns of the TSA Program, including design of a communication strategy and production of information materials;
   (iv) improving the mechanisms of the TSA Program beneficiary selection and benefit delivery;
   (v) strengthening the TSA Program grievance redressal mechanism;
   (vi) establishing mechanisms for participatory decision making by local communities for the TSA Program eligibility;
   (vii) conducting gender analysis of the TSA Program;
   (viii) conducting impact evaluation and beneficiary satisfaction survey of the TSA Program; and
   (ix) providing training to the regional, district and Jamoat staff, including central level staff of SASP and other relevant branches of the Recipient’s executive branch in new procedures of the TSA Program.

2. Provide support to the SMSES to: (i) design and implement new mechanism and database of electronic disability certification; and (ii) invest in the capacity of SMSES.

3. Provide support to SASP for the development of an integrated model of public service delivery through: (i) integrating the full process of disability certification into the NRSP; and (ii) supporting the transition from paper to a centralized electronic registration of beneficiaries for at least three different programs of social benefits and services, to enhance the management and monitoring of said programs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall carry out the Project in accordance with the following institutional arrangements:

1. The Recipient shall ensure that SASP shall: (i) carry out the Project, through PCG, in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the POM, and shall not assign, amend, abrogate or waive any provisions of the POM without prior approval of the Association; (ii) no later than thirty (30) days after Effective Date, update, in a manner satisfactory to the Association, the POM to reflect the new institutional arrangements under this Agreement.

2. The Recipient shall ensure that SASP maintain, during the entire Project implementation, the PCG for the purposes of day-to-day Project management, monitoring and supervision with a composition, resources and terms of reference satisfactory to the Association.

3. The Recipient shall ensure that no Project activity involves Resettlement.

4. For purposes of carrying out the Project, the Recipient shall ensure that the proceeds of the Financing are transferred to SASP in a manner and on terms and conditions acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) 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 Credit Allocated (expressed in USD)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (exclusive of VAT and custom taxes, including imposts, levies, fees, excise and duties of any nature in effect at the time of each Financing withdrawal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Parts C and D of the Project</td>
<td>900,00</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>900,000</strong></td>
<td><strong>700,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 53,000 may be made under the Grant for payments made prior to this date but on or after October 1, 2017, for Eligible Expenditures.

2. The Closing Date is December 31, 2019.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15, commencing May 15, 2024 to and including November 15, 2055</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

*The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.
APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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. "Basis Adjustment to the Service Charge" means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.


5. "Jamoaat" means a local self-governance unit of a town or a village within the Recipient’s territory, established pursuant to Article 78 of the Recipient’s Constitution.

6. "National Registry of Social Protection" or "NRSP" means the Recipient’s national registry established pursuant to the Recipient’s Law No.1396 dated 24 February 2017.

7. "Operating Costs" means incremental operating costs incurred by the SASP on account of Project implementation, Project’s audits, management and monitoring, including equipment maintenance and repair, office supplies for the operation, vehicle maintenance and repair, local travel, communication, internet connectivity, translation and interpretation, bank charges, social charges with the exclusion of social charges assessed on salaries of the civil servants, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the Association.


9. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement.
10. "PCG" means the Recipient’s Project Coordinating Group within SASP, originally established and operating within the Recipient’s Executive Office of the President, until August 31, 2014; and from September 1, 2014 within MHSPP respectively.

11. "POM" means the Project Operational Manual adopted by the Recipient pursuant to Section 4.01 of the Original Financing Agreement on March 27, 2012, as amended to the date of this Agreement.

12. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016.

13. "Resettlement" means: (i) the involuntary (i.e. an action that may be taken without a person’s informed consent or power of choice) taking of land, including anything growing on or permanently affixed to such land, such as buildings and crops, resulting in: (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 persons must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the affected persons, and encompassing restrictions on the use of resources imposed on people living outside a park or protected area, or on those who continue living inside the park or protected area during and after Project implementation.

14. "SASP" means the Recipient’s State Agency for Social Protection established under the control of MHSPP pursuant to Recipient’s Governments Decree No.168 dated 4 March, 2014 and responsible for administration of the TSA Program.

15. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

16. "SMSES" means the State Medical and Social Expertise Service of the Recipient.

17. "Targeted Social Assistance Program" or "TSA Program" means the Recipient’s program which provides for targeted social assistance established pursuant to the Recipient’s Law No.1396 dated 24 February, 2017.

18. "Training" means expenditures for Project related study tours, training courses, seminars, workshops and other training activities not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel and per diem costs of trainees and trainers.