March 27, 2017

Mr. Abdusalom Qurboniyon  
Minister of Finance  
Ministry of Finance  
3 Akademikov Rajabovikh Street  
Dushanbe  
Republic of Tajikistan

Dear Mr. Qurboniyon,

Re: Republic of Tajikistan - ECAPDEV Grant No. TF082116 for preparation of the proposed Road Sector Investment Project

In response to the request for financial assistance made on behalf of the Republic of Tajikistan ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as an administrator of grant funds under the multi-donor Europe and Central Asia ("ECA") Capacity Development Trust Fund ("ECAPDEV") proposes to extend to the Recipient a grant from the ECAPDEV in an amount not to exceed four hundred and fifty thousand United States Dollars (US$450,000) ("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 Donors. 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 Donors 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 to 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.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Lilia Buruniuc
Regional Director
Central Asia

AGREED:
REPUBLIC OF TAJIKISTAN

By

Authorized Representative
Name: Abdusalam Gurbaniyon
Title: Minister of Finance
Date: April 12, 2017

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

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.

   (a) "ESIA" means the Environmental and Social Impact Assessment to be prepared by the Recipient for the Project.

   (b) "MOT" means the Recipient’s Ministry of Transport or any legal successor thereto.

   (c) "Project Operational Manual" or "POM" means the manual to be prepared by the Recipient, satisfactory to the Associations, setting forth the administrative guidelines, including procurement, financial management and the environmental and social safeguards, for implementing the RSIP, as the same may be amended from time to time with the Association’s prior written concurrence.

   (d) "Project Implementation Group" or "PIG" means an internally established project implementation unit within the MOT to carry out the proposed RSIP.

   (e) "RAP" means the Resettlement Action Plan to be prepared by the Recipient for the Project.

   (f) "RPF" means the Resettlement Policy Framework to be prepared by the Recipient for the Project.

   (g) "RSIP" means the proposed Road Sector Investment Project.

**Article II**

**Project Execution**

2.01. **Project Objectives and Description.** The objective of the Project is to support the Recipient to prepare the RSIP. The Project consists of the following parts:

Part 1. **Enhancing the MOT’s capacity on investment project preparation**

   (a) Carrying out baseline technical data collection, surveys and investigation of the proposed RSIP;
(b) Validation of the feasibility studies, detailed technical designs and preparation of the bidding documents;
(c) Preparation of safeguard documents, including the ESAI, sample EMP and RAP;
(d) Carrying out cost benefit and economic analysis based on updated traffic and socio-economic data; and
(e) Preparation of the POM, including the results framework and baseline target indicators.

Part 2. Strengthening the MOT’s Capacity for Project management and Grant Audit

(a) Provision of technical support in strengthening the MOT through recruitment of a local engineer to carry out Grant coordination activities and knowledge transfer to MOT staff; and
(b) Carrying out financial audit of the use of the Grant funds.

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 PIG in accordance with the provisions of: (a) 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 and as of July 1, 2016 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Other Arrangements: The Recipient shall carry out the Project through the PIG within MOT; and contract and individual engineering consultant to support the implementation of the Project under terms and conditions satisfactory to the World Bank.

2.04. Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of six months, and shall be furnished to the World Bank not later than [one month] after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.
2.06. **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 as part of the Project Report on a semi-annual basis not later than forty-five (45) days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.07. **Procurement**

All 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 the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated February 22, 2017 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with 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) 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 USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consulting services under Part 1 of the Project</td>
<td>428,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
(2) Consulting services, including audit, under Part 2 of the Project | 22,000 | 100% |
| **TOTAL AMOUNT** | 450,000 |

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 this Agreement.

3.03. *Withdrawal Period.* The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2017.

**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 its 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 Rajabovkh 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

Telex:  
248423 (MCI) or 64145 (MCI)  
Facsimile:  
1-202-477-6391