The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
1818 H Street N.W.
Washington, D.C. 20433
U.S.A.
(202) 477-1234
Cable Address: INTBAFRA
Cable Address: INDEVAS

December 19, 2013

H.E. Abdusalom Kurbonov
Minister of Finance
Ministry of Finance
Dushanbe, Republic of Tajikistan

Re: Republic of Tajikistan
Multi-Donor Trust Fund Grant (TF016022)

as the Basis for the Conceptual Design for Integrated Payroll and Human Resource Management
and Automation Project

Excellency:

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 Bank for Reconstruction and Development and the International Development Association (“World Bank”), acting as administrator of grant funds provided under the Multi-Donor Programmatic Trust Fund for Europe and Central Asia Public Finance Management, proposes to extend to the Recipient a grant in an amount not to exceed four hundred twenty eight thousand nine hundred and ninety-three United States Dollars (US$428,993) (“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. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds 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. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date specified by the World Bank in accordance with Section 5.01 of the Annex to this Agreement; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this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 (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 BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]
Marsha Olive
Country Manager
World Bank Tajikistan Country Office

AGREED:

REPUBLIC OF TAJIKISTAN

By: [Signature]
Authorized Representative

Name: Abdusalom Kurbanov
Title: Minister of Finance
Date: 10.12.13

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012; and

Multi-Donor Trust Fund Grant No TF016022
ANNEX

Article I
Standard Conditions; Definitions

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 and the following additional terms have the following meanings:

1. "APST" means the administrative and procurement support team under the MoF responsible for financial management and procurement for the Project and which includes the following staff, whose qualifications and terms of reference shall be satisfactory to the World Bank: (i) a Project coordinator; (ii) a financial manager; and (iii) a procurement specialist.

2. "HR" means human resources.


4. "PIP" means the Project Implementation Plan, adopted by the Recipient on October 11, 2011, and satisfactory to the Association, setting forth a plan of activities for the Project.

5. "PFM" means Public Finance Management.

6. "POM" means the manual, adopted by the Recipient, on April 16, 2009 and satisfactory to the Association, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project, including a manual of financial procedures, which shall document, inter alia, budgeting, flows of funds, audit, financial reporting, accounting and internal control procedures of the MoF, all consistent with the provisions of this Agreement and with the national laws and regulations of the Recipient, as the same may be amended and supplemented from time to time with the Association’s prior written approval.

7. "Procurement Plan" means the Recipient’s procurement plan for the Project, and referred to in 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.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to design an automated payroll management system which is integrated with Recipient’s HR system, maintains accurate and
consistent personnel data in the Civil Service Registry, and brings uniformity in the management of personnel records and wages in the civil service organizations.

The Project consists of the following parts:

Part 1: Study of Existing Payroll Processes and Systems

Provision of consultants' services to carry out a study of the existing HR records contained in the Civil Service Registry and payroll processes in the Government of the Republic of Tajikistan including state, republican and local budget organizations. The study will review existing legal and institutional arrangements for payroll and HR management; existing resources, business processes, systems and documentation of the same;

Part 2: Conceptual Design for Reformed Structure for Payroll and HR Management and Workshops

Preparation of a preliminary design for reformed structure for payroll and HR management based on Part 1 activities and outputs. Carrying out of workshop to present the preliminary design proposals to stakeholders in order to seek their input on final design of the reformed structure for payroll and HR management.

Part 3: Provision of a Study Tour

Carrying out of study tours for government officials to a selected regional countries to study HR and payroll approaches.

Part 4: Preparation of Documentation for Implementation Phase

Developing detailed documentation and analysis based on Part 1 and 2 activities which will focus on: (i) preparatory actions to be taken by the Recipient; (ii) overall design of the technical assistance; (iii) technical support for development of the new payroll and HR management systems.

Part 5: Grant Audit

Carrying out the Grant audit.

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 Finance 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 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. Institutional and Other Arrangements. The Recipient shall carry out the Project in accordance with the following institutional arrangements:

(a) The Recipient shall carry out the Project, through the MoF, in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the
POM and the PIP and shall not assign, amend, abrogate or waive any provisions of the POM or the PIP without prior approval of the World Bank.

(b) At all times during the implementation of the Project, the Recipient shall maintain the APST with a composition, resources and terms of reference satisfactory to the World Bank.

(c) The Recipient shall ensure that adequate access to the database of the Civil Service Registry is provided for implementation of this Project.

(d) To support implementation of Part 1 of the Project and ensure it is consistent with the Recipient’s HR policies, Recipient shall form a working group, comprising of representatives of the President’s Administration, Civil Service Department and Ministry of Finance, and any other representatives deemed necessary.

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 Donors’ 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, 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 agreed with the World Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than forty five (45) days 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 (6) 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 quarterly 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 quarter, 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 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 (6) months after the closing date of the Grant.

2.07. Procurement
(a) **General.** 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 "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 in the provisions of this Section.

(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 Section II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (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) Least Cost Selection; (C) Selection based on Consultants’ Qualifications; (D) Selection under a Fixed Budget; (E) Single-source Selection; and (F) 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) 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, exclusive of VAT and customs duties</th>
</tr>
</thead>
</table>

- [Table content]

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Note: The table content is not included in the text for brevity, but should be referenced as part of the full document.
Consultants’ Services, Study Tour and Workshop(s) for the Project, including Audit | 428,993 | 100%

TOTAL AMOUNT | 428,993

For the purposes of this section, “Study Tour and Workshop(s)” means a Project related study tour and workshops, not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel, per diem costs of trainees, trainers and trainers’ fees, and interpretation and translation services.

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 December 31, 2014.

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

Cable: Telex: Facsimile:

INTBAFRAD
INDEVAS 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)