Dear Mr. Sultanov:

We refer to the Loan Agreement between the Republic of Kazakhstan ("Borrower") and the International Bank for Reconstruction and Development ("Bank") dated October 10, 2012, ("Loan Agreement"). We also refer to a letter from the Borrower’s Ministry of Finance, dated February 10, 2017 requesting the Bank to restructure the Project and to make certain amendments to the Loan Agreement in view of the proposed restructuring.

We are pleased to inform you that, after due consideration, the Bank proposes to amend the Loan Agreement as follows:

1. The objective of the Project, as set forth in Schedule 1 to the Loan Agreement, shall be amended as follows:

   "The objective of the Project is to increase transport efficiency and modernize highway management along the Selected Road Sections of the Western Europe – Western China Road Corridor and the Center-South Corridor."

2. Part 1 of the Project, as set forth in Schedule 1 to the Loan Agreement, shall be amended to read as follows:

   "Part 1: Upgrade and construction of the Selected Road Sections
   (a) Provision of consultants’ services and carrying out works to support the upgrade and construction of Selected Road Sections within the Western Europe – Western China Road Corridor and the Center-South Corridor, including associated bypasses, bridges, interchanges, and ancillary facilities."

   (b) Provision of consulting services for management and supervision of civil works activities under the Project."

3. The title of Part 2 of the Project as set forth in Schedule 1 to the Loan Agreement, shall be amended to read as follows (modifications are shown in italics):

   "Part 2: Modernize highway management along the Western Europe-Western China Road Corridor and Center-South Corridor."
4. Section I.B.1 (b) in Schedule 2 to the Loan Agreement shall be amended as follows (modifications are shown in italics):

“(b) ensure that the Project is carried out in accordance with the provisions of the ESIA, ESIA2, and any applicable EMPs; and”

5. Section I.B.4 in Schedule 2 to the Loan Agreement shall be amended to include a new paragraph (d) as follows:

“(d) shall ensure that Chance Find Procedures are followed in cases where physical cultural resources are found during the course of Project implementation. The Borrower shall further ensure that Chance Find Procedure clauses are included in civil works contracts and that such clauses are enforced during the course of Project implementation.”

6. Paragraph 6 in Section I of the Appendix to the Loan Agreement shall be amended to read as follows:

""Environmental and Social Management Plans” or “ESMPs” means the site-specific documents, adopted by the Borrower, and satisfactory to the Bank, pursuant to the ESIA, ESIA2 and pursuant to paragraph 1 of Section I.B of Schedule 2 to this Agreement, in respect of works to be undertaken by the Borrower under the Project defining inter alia: (i) detailed measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts associated with the implementation of activities under the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with; (ii) potential impacts on natural habitats and the relevant mitigation measures for contractors during works under the Project; and (iii) physical cultural resources and management plans prepared in accordance with the Borrower’s legislation, as the same may be amended and supplemented from time to time with the Bank’s prior written approval; and “ESMP” refers to one such ESMP."

The terms “Environmental Management Plans” and “EMPs” shall be replaced with “Environmental and Social Management Plans” and “ESMPs” and every reference to the Environmental Management Plans or EMPs shall be deemed to refer to Environmental and Social Management Plans or ESMPs.

7. Paragraph 11 in Section I of the Appendix to the Loan Agreement is hereby amended and replaced in its entirety to read as follows, and every reference to MoTC, or to the Ministry of Transport and Communication in the Agreement, shall be deemed to refer to MOID:

""MOID” means the Ministry of Investments and Development of the Borrower, or any successor thereto.”

8. Paragraph 20 in Section I of the Appendix to the Loan Agreement shall be amended to read as follows:

""Resettlement Policy Framework” or “RPF” means the document that the Borrower prepared, endorsed and disclosed on May 1, 2008, updated and disclosed on March 18, 2009 (disclosed through Bank’s Infoshop on March 25, 2009), and revised and disclosed on April 29, 2016 (disclosed through Bank’s Infoshop on May 9, 2016), satisfactory to the Bank, setting forth resettlement procedures, institutional arrangements, eligibility criteria, entitlements and compensation, including valuation procedures, public consultation and participation, monitoring and evaluation, disclosure criteria to be applied in preparing a site-specific Resettlement Action Plan (RAP) and all the required due diligence tasks to mitigate adverse social impacts under the Project.”
9. The following definitions are hereby added to Section I of the Appendix to the Loan Agreement, in alphabetical order, to read as follows and the remaining definitions in the Appendix are re-numbered accordingly:

(i) "Center-South Corridor" means the existing road corridor between Astana and Almaty.”

(ii) “Chance Find Procedures” means the procedures to be followed in cases where Physical Cultural Resources are found during the course of Project implementation the Project which require that the Borrower take the appropriate safeguarding measures, including temporary suspension of activity in the site and reporting to the public entity in charge of cultural property.”

(iii) “Environmental and Social Impact Assessment 2” or “ESIA2” means the Environmental and Social Assessment for Balkhash-Burylbaital section of the Center-South corridor, that the Borrower prepared and disclosed on May 26, 2017 (published on the Bank’s external website on May 26, 2017) satisfactory to the Bank, consisting of, inter alia: (i) a detailed description of the sites where the Project activities are to be carried out; (ii) the potential and actual adverse environmental and social impacts of the activities referred to under paragraph (i) above; and (iii) procedures for the preparation of site-specific ESMPs setting out measures to be taken during the implementation and operation of the Project to mitigate, eliminate or otherwise offset adverse environmental impacts under the Project.”.

(iv) “Selected Road Sections” means the Almaty-Khorgos section and the Balkhash-Burylbaital section of the road Astana-Karaganda-Balkhash-Kurty-Kapshagai-Almaty of the Center-South Corridor within the Borrower’s territory and any other section as may be selected by the Borrower and approved by the Bank on the basis of agreed technical, environmental, social and economic analysis.”

All the provisions of the Loan Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing amendment on behalf of the Borrower, by signing, dating, and returning to us the enclosed copy of this letter. The amendment will become effective on the date upon which the Borrower dispatches to the Bank notice that the execution and delivery of this amendment on behalf of the Borrower have been duly authorized or ratified by all necessary governmental actions.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Lilia Burunciuc
Regional Director
Central Asia
CONFIRMED:

REPUBLIC OF KAZAKHSTAN

By: 

Authorized Representative

Name: Bakhyt Sultanov

Title: Minister of Finance

Date: May 23, 2018
Cc:

Mr. Timur Suleimenov, Minister of National Economy
Mr. Marat Beketayev, Minister of Justice
Mr. Kairat Abdakhmanov, Minister of Foreign Affairs
Mr. Zhenis Kassymbek, Minister of Investments and Development
Mr. Ruslan Beketayev, Vice-Minister of Finance
Mr. Mereke Pshembayev, Chairman of the Committee for Roads
Mr. Werner Gruber, Executive Director, the World Bank
Mr. Cyril Prissette, Senior Advisor to Executive Director, the World Bank
Ms. Ainur Yertlessova, Advisor to Executive Director, the World Bank