Global Environment Facility
Grant Agreement

(Environmental Land Management and Rural Livelihoods Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as an Implementing Agency of the Global Environment Facility

Date: June 11, 2013
GEF GRANT NUMBER TF014521

GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated June 11, 2013, entered into between the
REPUBLIC OF TAJIKISTAN ("Recipient"); and the INTERNATIONAL
DEVELOPMENT ASSOCIATION ("World Bank"), acting as an implementing agency
of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. 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. 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 meaning:

(a) "Beneficiary" means any of the following groups: (i) Common Interest Group
(as hereinafter defined), (ii) Pasture User Group (as hereinafter defined), or (iii) Water User Association (as hereinafter defined), which,
upon meeting the criteria set forth in the Project Operational Manual, is eligible to receive a Sub-grant for the carrying out of a Sub-Project.

(b) "CEP" means the Recipient's Committee on Environmental Protection or any
legal successor thereof.

(c) "Common Interest Group" means a group of households at the village level
which may be selected to be a Beneficiary under Sub-Component 1.1 of the
Project.

(d) "EAs" means the site-specific environmental assessments, including
associated site-specific EMPs, to be prepared and adopted by the Recipient
pursuant to the EMF and Schedule 2, Section I(B) of this Agreement, and
satisfactory to the World Bank, in respect of works to be undertaken by a
beneficiary under a respective Subproject defining details of 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 an environmental and social
baseline for each site, details of the relevant environmental legislative
framework, adequate institutional, monitoring and reporting arrangements
capable of ensuring proper implementation of, and regular feedback on
compliance with, its terms, as the same may be amended and supplemented
from time to time with the World Bank's prior written approval; and "EA" refers to one of the above-referenced EAs.
(e) “EMF” means the environmental management framework, dated December 18, 2012 and adopted by the Recipient, disclosed in the World Bank’s InfoShop on February 5, 2013, and published in Tajikistan on February 6, 2013, referred to in Schedule 2, Section I(B) of this Agreement, and satisfactory to the World Bank, describing the rules, guidelines and procedures to assess environmental impacts of the Project’s activities and defining measures to reduce, mitigate or offset adverse environmental impacts and enhance the positive impacts of the Project’s activities, including a section on post management-related risks and mitigation measures, as the same shall be amended from time to time with the prior approval of the World Bank.

(f) “Environmental Management Plans” or “EMPs” means the Subproject-specific documents, contained in each site-specific EA, to be prepared and adopted by the Recipient pursuant to the EMF and Schedule 2, Section I(B) of this Agreement, and satisfactory to the World Bank, in respect of works to be undertaken by the Recipient under the Project defining details of measures to manage potential environmental risks, as the same may be amended and supplemented from time to time with the World Bank’s prior written approval; and “EMP” refers to one of the above-referenced EMPs.

(g) “Implementation Group” means the group established within CEP assigned to work on implementation of the Project, comprising of civil servants including the Project Director, Project Coordinator, and other specialized staff, and consultants that may be specifically retained to work on Project implementation.

(h) “Incremental Operating Costs” means incremental operating costs incurred by the Implementation Group, as appropriate, on account of Project implementation, management and monitoring, including salaries of Implementation Group staff who are not civil servants, office and equipment maintenance and repair, vehicle maintenance and repair, local travel, communication, translation and interpretation, bank charges, social charges, and other miscellaneous costs directly associated with the Project, all based on periodic budget acceptable to the World Bank.

(i) “Jamoat” means an administrative territorial subdivision of the Recipient.

(j) “Pasture User Group” means a group of farmers established at the village or Jamoat level to develop and implement the plans under Sub-Component 1.2 of the Project which may be selected as a Beneficiary under Sub-Component 1.2 of the Project.

(k) “PPCR” means the Plot Program for Climate Resilience of the Strategic Climate Fund.

(l) “PPCR Grant Agreement” means the Grant Agreement of even date between the Recipient and the PCR provided or to be provided for the Project by the PPCR in an amount of Nine Million Four Hundred Fifty Thousand U.S. Dollars (USD 9,450,000).
(m) "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 19, 2013 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

(n) "Project NGGs" means adequately experienced and suitably qualified non-governmental organizations properly registered and operating in the territory of the Recipient, acceptable to the World Bank, selected in accordance with the Project Operational Manual, and contracted by the CEP to support common interest groups, pasture user groups, and water user associations for the purposes of the Project, and "Project NGO" means any of them.

(o) "Project Operational Manual" or "POM" means the manual, to be adopted by the Recipient, pursuant to Article V, Section 5.01(c) of this Agreement, and satisfactory to the World Bank, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project, including a manual of financial procedures, 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 World Bank's prior written approval.

(p) "Sub-grant" means a grant made by the Recipient to a Beneficiary out of the proceeds of the Grant under Component 1 of the Project under terms and conditions set forth in Section 1.D & E of Schedule 2 to this Agreement.

(q) "Subproject" means a project selected by the Recipient in accordance with the eligibility criteria and procedures set forth in the Project Operational Manual and financed by a Sub-Grant pursuant to a respective Subproject Agreement.

(r) "Subproject Agreement" means an agreement to be entered into between the Recipient and a Beneficiary for a respective Subproject pursuant to Section 1.F of Schedule 2 to this Agreement.

(s) "Training" means expenditures for the Project related to 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.

(t) "Water User Association" means a group of farmers established at the village or Jamoat level to develop and implement the plans under Sub-Component 1.2 of the Project which may be selected as a Beneficiary under Sub-Component 1.2 of the Project.
Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the CEP in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to Five Million Four Hundred Thousand United States Dollars (US $5,400,000) to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the above-mentioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 4.02 of the Standard Conditions, 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 above-mentioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02(k) of the Standard Conditions consists of the following:

(a) The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date, but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.
Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following conditions have been satisfied:

(a) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action;

(b) the execution and delivery of the PPCR Grant Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled;

(c) the Project Operational Manual, satisfactory to the World Bank, has been adopted by the Recipient;

(d) The Recipient has signed a contract for the procurement, installation and adaptation of the IC Accounting software that will be utilized by CEP for Project accounting, budgeting and reporting, and the Recipient has ensured that CEP has made provisions for adequate training on the new accounting system for the effective use by its financial management and disbursement staff; and

(e) The Recipient has recruited financial management and disbursement consultants, satisfactory to the World Bank, to support the finance staff of CEP and to be responsible for Project financial management and disbursement functions.

5.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reason for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Article VI
Recipient's Representative; Addresses

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

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

Ministry of Finance
3, Akademiic Rajohovlo Street
Dushanbe, 734025
Republic of Tajiki:stan

Facsimile:

(992-372) 213329

6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: 
INDEVAS:
Washington, D.C.

Telex: 
248423 (MCI) or 64145 (MCI)

Facsimile: 
1-202-477-6391
AGREED at Dushanbe, Republic of Tajikistan, as of the day and year first above written.

REPUBLIC OF TAJIKISTAN

By: __________________________

Authorized Representative

Name: Satarofa Najmudinov
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as a Trustee of the Global Environment Facility

By: __________________________

Authorized Representative

Name: Marsha M. Olive
Title: Country Manager
SCHEDULE 1
Project Description

The overall Project Development Objective and Global Environmental Objective is to enable rural people to increase their productive assets in ways that improve natural resource management and resilience to climate change in selected climate vulnerable sites.

The Project consists of the following three parts:

**Component 1: Rural Production and Land Resource Management Investments**

*Subcomponent 1.1 Sustainable village-based rural production and land resource management*

Providing small-scale Sub-grants at the village level to Common Interest Groups to implement: (i) rural production investments; (ii) land resource management investments, and (iii) related small-scale infrastructure investments.

*Subcomponent 1.2 Larger-scale initiatives in sustainable community land management.*

a. Providing Sub-grants to Jamoat-level Pasture User Groups to implement participatory pasture and livestock management plans and for Training and provision of office equipment and furnishings for Pasture User Groups; and

b. Providing Sub-grants to Water User Associations to implement plans for sustainable on-farm water management practices in irrigated cropland and for Training and provision of office equipment and furnishings for Water User Associations.

**Component 2: Knowledge Management and Institutional Support**

*Subcomponent 2.1 Facilitation support and technical advice.*

a. Preparation, appraisal, implementation and monitoring of rural investments and pasture and on-farm water management plans for Subprojects financed under Component 1 of the Project, and

b. Supporting community-based agencies to provide technical advisory services to farmer groups and other village-based organizations.

*Subcomponent 2.2 Training, analysis, dissemination and networking.*

a. Supporting Project orientation phase to share Project goals, approaches and activities with Project partners and key stakeholders, including field visits;

b. Improving skills and knowledge in key topics such as environmental assessment and monitoring, integrated land, water and grazing
management, integrated pest management, soil quality and climate change adaptation;

c. Supporting analytical work to provide guidance for the design and sustainability of rural investments and Project evaluation at Project midterm and completion;

d. Supporting dissemination of information through exchange and learning between Project sites and with similar initiatives by supporting the documentation, dissemination and knowledge exchanges of successful Project tools and approaches for their continued replication and support; and

e. Supporting technical assistance and related costs to carry out studies and assessments of the Project.

Component 3: Project Management and Coordination

Supporting Project implementation through financing Incremental Operating Costs of the Implementation Group within CEP and its district offices to carry out procurement, financial management, coordination, reporting, and Project monitoring and evaluation.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient, through the CEP, shall carry out the Project in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the Project Operational Manual and the EMF and shall not amend, suspend, abrogate or waive any provisions of the Project Operational Manual or the EMF without the prior approval of the World Bank.

2. Not later than 30 days from the date of the effectiveness of this Agreement, the Recipient shall establish and shall thereafter maintain during Project execution an inter-ministerial commission to support interagency coordination, monitor project progress and settle controversies that might arise during Project implementation. The commission will be chaired by the CEP Chair, and will include representatives from the Ministry of Agriculture, State Committee on Land Use and Geodesy, Committee on Women and Family Affairs, Academy of Agricultural Sciences, State Investment Committee, Ministry of Energy and Industry, and Ministry of Land Reclamation and Water Resources.

3. For purposes of implementation of Component 2.1 of the Project, the Recipient, through the CEP, shall: (i) select Project NGOs based on the criteria set forth in the Project Operational Manual; and (ii) execute a contract with each Project NGO for carrying out the activities under Component 2.1 of the Project, and such contracts shall contain terms and conditions satisfactory to the World Bank.

4. At all times during the implementation of the Project, the Recipient shall provide the Implementation Group within CEP with such funds, facilities and resources, including qualified and experienced staff and consultants in adequate numbers as set out in the Project Operational Manual, satisfactory to the World Bank.

B. Environmental and Social Safeguards

1. The Recipient, through the CEP: (i) shall prepare, prior to the commencement of any works under Subcomponent 1.1 of the Project, EAs and associated EMPs for specific Subprojects, in accordance with the EMF, which shall be subject to prior review by the World Bank; (ii) shall carry out Subcomponent 1.1 of the Project in accordance with the respective EAs and associated EMPs; and (iii) shall not amend, suspend, abrogate or waive any provisions of the respective EAs and associated EMPs without the prior approval of the World Bank.

2. The Recipient shall not undertake any Project activities that involve land acquisition or resettlement.
C. **Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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”).

D. **Small-Scale Grants under Subcomponent 1.1 of the Project**

1. To facilitate the carrying out of Subcomponent 1.1 of the Project, the Recipient shall: (a) select Subprojects in accordance with the eligibility criteria and procedures set forth in the Project Operational Manual; and (b) make part of the proceeds of the Grant available to Beneficiaries for selected Subprojects under Subproject Agreements between the Recipient and the respective Beneficiaries under terms and conditions approved by the World Bank, including those set forth in Section I.F of this Schedule and in the Project Operational Manual.

2. The Recipient shall ensure that each Subproject Agreement for carrying out a Subproject under Subcomponent 1.1 shall comply with, but not be limited to, the following terms and conditions:

   a. The amount of the Sub-grant will require the Beneficiary to provide a matching contribution – in cash or in kind – equivalent to 25% of the Sub-grant amount;

   b. Each Beneficiary shall carry out the activities under Subcomponent 1.1 of the Project in accordance with the Anti-Corruption Guidelines;

   c. Sub-grants shall not finance non-eligible activities or expenditures listed in the Project Operational Manual.

3. Recipient shall obtain the World Bank’s prior review and approval of the first three (3) Sub-grant proposals and Subproject Agreements in districts Tavildara and Jirgatol for each of the following categories of Sub-grants made under Subcomponent 1.1 of the Project:

   a. Between the Recipient and the respective Common Interest Group for rural production investments;

   b. Between the Recipient and the respective Common Interest Group for land resource management investments;

   c. Between the Recipient and the respective Common Interest Group for small-scale rural production infrastructure.

4. Recipient shall obtain the World Bank’s prior review and approval of the first three (3) Sub-grant proposals and Subproject Agreements in districts Baljuwan and Khoveling for each of the following categories of Sub-grants made under Subcomponent 1.1 of the Project:
a. Between the Recipient and the respective Common Interest Group for rural production investments;

b. Between the Recipient and the respective Common Interest Group for land resource management investments;

c. Between the Recipient and the respective Common Interest Group for small-scale rural production infrastructure.

5. Recipient shall obtain the World Bank's prior review and approval of the first three (3) sub-grant proposals and Subproject Agreements in districts Farkhor and Kulob for each of the following categories of sub-grants made under Subcomponent 1.2 of the Project:

a. Between the Recipient and the respective Common interest group for rural production investments;

b. Between the Recipient and the respective Common interest group for land resource management investments;

c. Between the Recipient and the respective Common interest group for small-scale rural production infrastructure.

E. Larger-Scale Grants under Subcomponent 1.2 of the Project

1. To facilitate the carrying out of Subcomponent 1.2 of the Project, the Recipient shall: (a) select Subprojects in accordance with the eligibility criteria and procedures set forth in the Project Operational Manual; and (b) make part of the proceeds of the Grant available to Beneficiaries for selected Subprojects under Subproject Agreements between the Recipient and the respective Beneficiaries under terms and conditions approved by the World Bank, including those set forth in Section I. F of this Schedule and in the Project Operational Manual.

2. The Recipient shall ensure that each Subproject Agreement for carrying out a Subproject under Subcomponent 1.2 shall comply with, but not be limited to, the following terms and conditions:

a. The amount of the sub-grant will require the Beneficiary to provide a matching contribution – in cash or in kind – equivalent to 25% of the sub-grant amount.

b. Each Beneficiary shall carry out the activities under Subcomponent 1.2 of the Project in accordance with the Anti-Corruption Guidelines.

c. Sub-grants shall not finance any non-eligible activities or expenditures listed in the Project Operational Manual.

3. Recipient shall obtain the World Bank's prior review and approval of the first two (2) sub-grant proposal and Subproject Agreements for each of the following categories of sub-grants made under Subcomponent 1.2 of the Project:
a. Between the Recipient and Pasture User Groups; and

b. Between the Recipient and Water User Associations.

F. Subproject Agreement under Subcomponents 1.1 and 1.2 of the Project

For the purposes of carrying out Subprojects under Subcomponent 1.1 and 1.2 of the Project, the Recipient, through CEP, shall:

1. Ensure that each Subproject Agreement is prepared based on the model form approved by the World Bank and included in the Project Operational Manual, in which the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to: (a) suspend or terminate the right of any Beneficiary to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Subproject Agreement; and (b) require each Beneficiary to: (i) carry out its pertinent Subproject with due diligence and efficiency, in compliance with any applicable national legislation on child labor and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines and the EMP; (ii) provide, promptly as needed, the resources required for the carrying out of the Subproject; (iii) procure the goods, works and Consultants’ Services to be financed out of the Sub-grant in accordance with the provisions of this Agreement; (iv) maintain procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the pertinent Subproject and the achievement of its objectives; (v) maintain a simplified financial management system and records in accordance with consistently applied accounting standards acceptable to the World Bank for community driven initiatives, both in a manner adequate to reflect the operations, resources and expenditures related to the Subproject; (vi) at the World Bank’s or the Recipient’s request, have the resulting financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank; (vii) enable the Recipient and the World Bank to inspect the Subproject, its operation and any relevant records and documents; and (viii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

2. Exercise its rights and carry out its obligations under the Subproject Agreements in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, waive, terminate or fail to enforce any Subproject Agreement or any provisions thereof.

3. Ensure that the Beneficiaries retain legal ownership and possession of the goods purchased under Subcomponents 1.1 and 1.2 at the completion of the Project.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

2. 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.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar quarter, covering the quarter, with the first reports being submitted after the end of the first full quarter following initial disbursement, in form and substance satisfactory to the World Bank.

3. 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.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works, non-consulting services and consultan
ts' 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:

(a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 (“Procurement Guidelines”) in the case of goods, works, and non-consulting services, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IIEA Credits & Grants by World Bank Borrowers" dated January 2011 (“Consultant Guidelines”) in the case of consultants' services; and
(b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.

2. **Definitions.** The capitalized terms used below in 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.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **National Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of National Competitive Bidding, subject to the additional provisions set forth in the Appendix to this Schedule 2.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than National Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

   (a) Shopping.

   (b) Direct Contracting.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection; and (f) Selection of Individual Consultants.

**D. 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.
Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article II 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 table in paragraph 2 below.

2. The following 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 beFinanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-grants for goods, works, consultants’ services, and Training for Subcomponent 1.1</td>
<td>$2,010,000</td>
<td>25%</td>
</tr>
<tr>
<td>(2) Sub-grants for goods, works, consultants’ services, and Training for Subcomponent 1.2</td>
<td>$490,000</td>
<td>25%</td>
</tr>
<tr>
<td>(3) Goods, works, consultants’ services and Training for Component 2</td>
<td>$2,400,000</td>
<td>51%</td>
</tr>
<tr>
<td>(4) Incremental Operating Costs and Training for Component 3</td>
<td>$500,000</td>
<td>26%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>$5,400,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

a. for payments made prior to the date of this Agreement;
b for payments for vehicles;

c. in respect to a particular Sub-grant under Category (1) or Category (2), unless: (i) the CEP and the relevant selected Project NGO shall have executed a contract under Component 2 of this Agreement containing terms and conditions satisfactory to the World Bank; and (ii) a Subproject Agreement for the respective Sub-grant has been entered between the Beneficiary and the CEP, on behalf of the Recipient, containing terms and conditions satisfactory to the World Bank.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is May 31, 2018.
APPENDIX

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 1, 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, 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 on 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 bid 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 Bid: 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.