

August 29, 2001

Mr. Mazhit Esenbaev
Minister of Finance
Ministry of Finance
Astana
Kazakhstan

KAZAKHSTAN: Irrigation and Drainage Project (Loan 4041-KZ)
Amendment to the Loan Agreement

Dear Mr. Esenbaev:

We refer to the Loan Agreement (Irrigation and Drainage Project) between Republic of Kazakhstan and International Bank for Reconstruction and Development (the Bank) dated June 25, 1996. We also refer to your request made on July 24, 2001 and the letter of Mr. Dunaev dated August 16, 2001, to amend the Loan Agreement. We are pleased to inform you that the Bank has agreed to your request and the Loan Agreement is amended as follows:

1. In the table set forth in paragraph 1 of Schedule 1, Categories (3) and (5) are revised to read as follows:

Category	Amount of the Loan Allocated (Expressed in Dollar Equivalent)	% of Expenditures to be Financed
(3) Consultants' services and training	12,600,000	100%
(5) Unallocated	2,000,000	

2. Sub-paragraph 1(c) of Schedule 6 is amended to read as follows:

"1(c) the term "Authorized Allocation" means an amount equivalent to \$1,500,000 to be withdrawn from the Loan Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$750,000 until the aggregate amount of withdrawals from the Loan Account plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of \$3,000,000."

Please confirm your agreement to the foregoing amendment by signing, dating and returning to us the attached copy of this letter. This amendment will become effective as of the date of your countersignature, upon receipt of your countersigned copy by the Bank. A signed duplicate of the letter is enclosed for your records.

Sincerely,

By /s/ Kadir Tanju Yurukoglu
Acting Country Director
Country Department IV
Europe and Central Asia Region

CONFIRMED:

REPUBLIC OF KAZAKHSTAN

By /s/ Mazhit Esenbaev

Date: October 11, 2001



