

LN 7681-KZ

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
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July 26, 2012

Mr. Bolat Zhamishev
Ministry of Finance
11 Pobedy Street
Astana 010000
Republic of Kazakhstan

Re: Republic of Kazakhstan: Loan No. 7681-KZ (South-West Roads Project: Western Europe – Western
China International Transit Corridor (CAREC 1B & 6B) Project)
Amendment to Loan Agreement

Excellency:

We refer to the above-referenced Loan Agreement between the Republic of Kazakhstan (the Borrower) and the International Bank for Reconstruction and Development (the Bank) dated June 13, 2009 (the Loan Agreement). We also refer to your letter, dated November 19, 2011 requesting amendments to the Loan Agreement.

We are pleased to inform you that the Bank concurs with your request and agrees to amend the Loan Agreement as follows:

1. In Schedule 1 – Project Description, the first paragraph is amended to include the new section of road to be built outside the original Project location. Accordingly, the description of the objective of the Project in the first paragraph of Schedule 1 shall read as follows:

“The objective of the Project is to improve transport efficiency along road sections from the border of Aktobe and Kyzylorda Oblasts to the border of South Kazakhstan and Zhambyl Oblasts, improve road management and increase traffic safety in Kazakhstan.”

2. In Schedule 1, Part 2 is amended to include the additional section of road in South Kazakhstan Oblast from Shymkent to the border of Zhambyl Oblast. Accordingly, Part 2 of the Project Description shall read as follows:

“Part 2: Upgrade and reconstruction of road sections within South Kazakhstan Oblast (from Kyzylorda Oblast border to Zhambyl Oblast border, including the bypasses to Kyzylorda and Shymkent)

Provision of works to support the upgrade and reconstruction of road sections within South Kazakhstan Oblast, including the bypass to Kyzylorda and Shymkent.”

3. The table appearing in paragraph A. 2 of Section IV under Schedule 2 to the Loan Agreement is amended for the purposes of reallocating Eligible Expenditures, and shall read as follows:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Works under Part 1 of the Project	936,000,000	85%
(2) Works under Part 2 of the Project	944,850,000	85%
(3) Consultants' Services under Part 3 of the Project	7,582,000	85%
(4) Consultants' Services under Part 4 of the Project	3,140,000	85%
(5) Consultants' Services under Part 5 of the Project	52,004,000	85%
(6) Goods under Part 4 of the Project	900,000	85%
(7) Unallocated	180,524,000	
TOTAL AMOUNT	2,125,000,000	

4. Paragraph B. 2 of Section IV under Schedule 2 to the Loan Agreement is amended for the purposes of extending the Closing Date of the Project, and shall read as follows:

“2. The Closing Date is June 30, 2015.”

5. As a result of the restructuring of the Project, the Supplemental Letter No 2 to the Loan Agreement, Performance Monitoring Indicators must be amended to reflect changes to the Key Indicators. The revised Supplemental Letter No 2 has been enclosed with this Amendment Letter. If you agree with the amendments, kindly date and sign the Supplemental Letter and return to the World Bank Office in Astana.

All other provisions of the Loan Agreement, except as expressly amended herein, shall remain unamended, and are herein ratified, and shall continue to be in full force and effect.

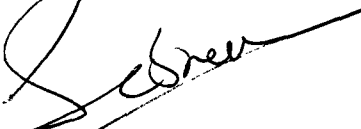
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Please confirm your agreement with the foregoing amendments on behalf of the Borrower, by signing, dating, and returning to us the enclosed copy of this Amendment Letter. The foregoing amendments will become effective upon receipt by the Bank of this letter countersigned by you, and an opinion satisfactory to the Bank showing that the execution and delivery of this Amendment Letter on behalf of the Republic of Kazakhstan have been duly authorized or ratified by all necessary governmental action, pursuant to Sections 9.01 and 9.02 of the General Conditions applicable to the Loan Agreement.

Very truly yours,

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**


By


Sebnem Akkaya
Acting Regional Director
Central Asia Regional Office
Europe and Central Asia Region

CONFIRMED AND AGREED:

REPUBLIC OF KAZAKHSTAN

By


Authorized Representative
Mr. Bolat Zhamishev

Title

Minister of Finance
of the Republic of Kazakhstan

Date

October 12, 2012