



GRANT NUMBER TF 014871

Health Results Innovation Trust Fund
Grant Agreement

(Health Services Improvement Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of the
Health Results Innovation Trust Fund

Dated *September 20, 2013*

GRANT NUMBER TF014871

**HEALTH RESULTS INNOVATION TRUST FUND
GRANT AGREEMENT**

AGREEMENT dated *September 20*, 2013, entered into between:

REPUBLIC OF TAJIKISTAN ("Recipient"); and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the "Association"), acting as administrator of the Health Results Innovation Trust Fund.

The Recipient and the Association 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"), with the modifications set forth in Section I of Appendix A to this Agreement, 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.

**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 MOH, 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 Association 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 Association 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 Four Million Eight Hundred Thousand U.S. Dollars (\$4,800,000) 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 abovementioned trust fund for which the Association receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Association's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

- 4.01. This Agreement shall not become effective until:
- (a) evidence satisfactory to the Association has been furnished to the Association that the execution of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action;
 - (b) evidence satisfactory to the Association has been furnished to the Association that the IDA Financing Agreement has 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; and
 - (c) a Project Operations Manual, has been prepared, accepted by the Association, and adopted by MOH.
- 4.02. As part of the evidence to be furnished pursuant to Section 4.01(a), there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association or, if the Association so requests, a certificate satisfactory to the Association of a competent official of the Recipient, showing that, on behalf of the Recipient, this Agreement has been duly authorized or ratified and is legally binding upon it in accordance with its terms.
- 4.03. Except as the Recipient and the Association shall otherwise agree, this Agreement shall enter into effect on the date when the Association dispatches to the Recipient notice that all of the conditions specified in Section 4.01 have been met ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Association to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Association may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 4.04. *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 one hundred twenty (120) days after the date of this Agreement, unless the Association,

after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Association shall promptly notify the Recipient of such later date.

Article V
Recipient's Representative; Addresses

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

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

Ministry of Finance
3, Akademic Rajobovkho Street
Dushanbe, 734025
Republic of Tajikistan

Facsimile:

(992-372) 213329

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

International Development Association
1818 H Street, N.W.
Washington, D.C.20433
United States of America

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

AGREED at Dushanbe, Tajikistan, as of the day and year first above written.

REPUBLIC OF TAJIKISTAN

By



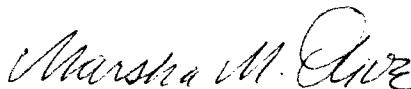
Authorized Representative

Name: Safarali Najmuddinov

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Administrator of the Health Results Innovation Trust
Fund

By



Authorized Representative

Name: Marsha M. Olive

Title: Country Manager

SCHEDULE 1

Project Description

The objective of the Project is to contribute to the improvement of the coverage and quality of basic primary care services in rural health facilities in selected districts.

The Project consists of the following parts:

Component 1: Performance-Based Financing

- a. Implementation of the PBF Scheme for Maternal and Child Health and Non-Communicable Disease services, by providing quarterly performance-based payments to Eligible PHC Facilities based on their performance on a set of criteria agreed upon in writing by the MOH and the PHCs and specified in the PBF Manual satisfactory to the Association; and
- b. Supporting PBF Scheme Costs of the first level verification and independent verification of the PBF Scheme.

Component 2: Primary Health Care Strengthening

Subcomponent 2.1: Quality Improvement

Training of primary health care doctors and nurses from the districts participating in the PBF Scheme and other selected comparison districts in the six month Family Medicine training program and providing them with continuous medical education on clinical treatment protocols for maternal and child health care and selected non-communicable diseases.

Subcomponent 2.2: Physical Infrastructure Improvements

Supporting the improvement of primary health care infrastructure in the Project districts by providing basic medical equipment and supplies, and performing rehabilitation and reconstruction works for selected primary healthcare facilities.

Component 3: Project Management, Coordination and Monitoring & Evaluation

Supporting Project implementation and management at the central, regional and district levels including the provision of Training and financing Incremental Operating Costs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall ensure that the MOH carries out Component 1 of the Project in accordance with the PBF Manual and the Project Operations Manual, and Components 2 and 3 in accordance with the Project Operations Manual.
2. The Recipient shall operate and maintain, until the completion of the Project, a Coordination Group within the MOH, responsible for the overall coordination of the Project ("CG"). Such unit shall have staff in adequate numbers and with qualifications and experience satisfactory to the Association including, *inter alia*, a Project Coordinator, a Project Officer, a monitoring and evaluation coordinator, procurement specialists, a financial management specialist, and other personnel needed for the effective implementation of the Project, all as set forth in the Project Operational Manual.
3. For purposes of implementing Component 2.2 of the Project, the Recipient shall retain a construction coordinator and an environmental consultant, who, under the oversight of the Head of Construction Department of the MOH will be responsible for (a) quality assurance of the site environmental control measures and their effectiveness; (b) coordination and reporting of the same to MOH and the Association; and (c) ensuring a third-party independent assessment is carried out eight months prior to the end of the Project life as specified in the EMF.
4. The Recipient shall:
 - a. not later than 6 months from the Effective Date, establish an Oversight Committee, responsible for overseeing and implementation of Component 1 of the Project. Such Oversight Committee shall include staff from the MOH, the Ministry of Finance, and other relevant members in adequate numbers and with qualifications and experience satisfactory to the Association, and as needed for the effective implementation of Component 1 of the Project, all as set forth in the PBF Manual;
 - b. not later than 3 months from the Effective Date, establish District PBF Verification Teams, with experience and qualifications in the health and social sectors and with terms of reference satisfactory to the Association, which will be responsible for carrying out verification of the Eligible PHC Facilities meeting the criteria referenced in the PBF Manual;
 - c. cause the District PBF Verification Teams to carry out the verification of quantity and quality of primary care services prior to the release of the PBF payments on a quarterly basis, and in accordance with the criteria referenced in the PBF Manual, and thereafter report the findings to the CG; and

- d. ensure that, not later than 6 months from the Effective Date, the MOH enters into a Memorandum of Understanding or contractual relationship, on the terms acceptable to the Association, with an independent verification organization or firm, acceptable to the Association, to implement independent verification in a sample of PBF health facilities and beneficiaries, on a semi-annual basis. The semi-annual independent verification criteria shall be specified in the PBF Manual.

B. Eligible PHC Facility PHC Performance Agreements

1. To facilitate the carrying out of Component I of the Project, the Recipient shall enter into an agreement with each of the Eligible PHC Facilities (“PHC Performance Agreements”), under terms and conditions approved by the Association and set forth in the PBF Manual, setting forth the technical, administrative and fiduciary aspects of their participation in the implementation and use of funds under Component I of the Project. Each PHC Performance Agreement shall include, without limitation, the following requirements:
 - a. that in carrying out its activities under the PHC Performance Agreements, the Eligible PHC Facility adheres to the Anti-Corruption Guidelines and the PBF Manual;
 - b. that the MOH provide quarterly incentive payments to the Eligible PHC Facility based on its score determined under the PBF Manual;
 - c. that the Eligible PHC Facility use funds made available under the PHC Performance Agreement for Eligible Expenditures pursuant to this Agreement;
 - d. that the Eligible PHC Facility maintain adequate records and accounts to reflect, in accordance with sound accounting practices, the resources, operations and expenditures received pursuant to its PHC Performance Agreement;
 - e. that the Eligible PHC Facility permit the Association, the Recipient and the organization or firm performing the semi-annual independent verification to inspect its facilities, operations and any records and documents relevant to the PHC Performance Agreement; and prepare and furnish to the Association and Recipient all such information as either shall reasonably request relating to the PHC Performance Agreement; and
 - f. that the eligible PHC Facility conduct its procurement under the PHC Performance Agreement in accordance with this Agreement, and the Procurement Manual for Health Facilities to be prepared by the MOH as part of the Project Operational Manual.
2. The Recipient shall exercise its rights under the PHC Performance Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall

otherwise agree, the Recipient shall not assign, amend, abrogate or waive the PHC Performance Agreement or any of its provisions.

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. Safeguards

1. The Recipient, through the MOH: (i) shall prepare, prior to the commencement of any works under Subcomponent 2.2 of the Project, the site-specific EMPs, in accordance with the EMF (including the requirement for consultation and disclosure), which shall be subject to prior review by the World Bank; (ii) shall carry out Subcomponent 2.2 of the Project in accordance with the EMF and associated site specific EMPs; and (iii) shall not amend, suspend, abrogate or waive any provisions of the respective EMF 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 of people.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

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 set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

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 Association not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the Association.
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 Association not later than six months after the end of such period.

4. The Recipient shall have the internal control framework, the operational processes and procedures followed under the project, audited for the fiscal year ending December 31, 2016 (or other period agreed to by the Association), in accordance with terms of reference and by independent auditors both acceptable to the Association.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting-services and 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:
 - (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 IDA 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 prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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. **International 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 International Competitive Bidding.

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

- (a) National Competitive Bidding, subject to the additional provisions set forth in Appendix B to this Schedule 2;
- (b) Shopping;
- (c) Direct Contracting; and
- (d) Procurement from United Nations Agencies.

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 contracts 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 and (g) Selection of UN Agencies following Para 3.15 of Consultant Guidelines.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

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 III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the Association 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 Association 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:

Category	Amount of the Financing Allocated (expressed in USD)	Percentage of Expenditures to be Financed inclusive of Taxes
(1) PBF Scheme under Component 1 of the Project	\$3,360,000	100%
(2) PBF Scheme Costs under Component 1 of the Project	\$1,440,000	100%
TOTAL AMOUNT	<u>\$4,800,000</u>	

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) under Category 1 and 2, unless the Recipient, through MOH, has adopted the PBF Manual satisfactory to the Association; and
 - (c) under Category 1, unless the Recipient, through MOH, has submitted evidence satisfactory to the Association that activities of and estimated performance-based payments to the PHCs have been verified by the PBF Verification Teams in accordance and in compliance with the provisions of the PHC Performance Agreements and in accordance with the procedures set forth in the PBF Manual and the additional instructions referred to in Section IV A (1) of this Schedule.

2. Notwithstanding the provisions of Part A of this Section, withdrawals under Category 1 and 2 may be made by the Recipient as follows:
 - (a) Withdrawals shall be made on a quarterly basis, or any other frequency agreed between the Recipient and the Association, based on withdrawal applications for advance into the designated account, specifying the amounts to be paid for performance-based payments for each Eligible PHC Facility in any given period. Withdrawal applications shall be accompanied by the necessary supporting documentation, as specified in the PBF Manual; and
 - (b) If, at any time, the Association determines that any portion of the amount disbursed by the Association to the Recipient under Category 1 and 2 was used for items improperly procured in violation of Section III to this Schedule, made for payment of expenditures which are not eligible under the PBF Scheme or not in compliance with the provisions of this

Agreement and the provisions in the PBF Manual, the Recipient shall promptly, as agreed with the Association, refund any such amount to the Association as the Association shall specify by notice to the Recipient.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is January 31, 2019.

APPENDIX A

Section I. Definitions

1. “Anti-Corruption Guidelines” means 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.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
4. “CG” means the Coordination Group established within MOH assigned to work on implementation of the Project, comprising of civil servants including the Project Coordinator, and other specialized staff, and consultants that may be specifically retained to work on Project implementation.
5. “District PBF Verification Committee” means a committee established to conduct the first level of verification of the Eligible PHC Facilities as provided in Section I.A.3 of Schedule 2, and comprising of the members specified in the PBF Manual.
6. “Eligible PHC Facility” means a health care facility (including Rural Health Centers and Health Houses) participating in the Project by means of an PHC Performance Agreement, as set forth in the PBF Manual.
7. “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(D) of this Agreement, and satisfactory to the Association, in respect of works to be undertaken by an Eligible PHC Facility under Subcomponent 2.2 of the Project 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 Association’s prior written approval; and “EA” refers to one of the above-referenced EAs.
8. “EMF” means the environmental management framework, dated May 10, 2013 prepared and adopted by the Recipient, published in Tajikistan on April 26, 2013, and re-published on May 28, 2013 and disclosed in the World Bank’s Infoshop on May 10, 2013, and re-disclosed on May 28, 2013, referred to in Schedule 2, Section I (D) of this Agreement, and satisfactory to the Association, 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 pest management-related risks and mitigation measures, as the same shall be amended from time to time with the prior approval of the Association.

9. "Environmental Management Plans" or "EMPs" means the site-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 (D) of this Agreement, and satisfactory to the Association, 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 Association's prior written approval; and "EMP" refers to one of the above-referenced EMPs.
10. "IDA Financing Agreement" means the Financing Agreement of even date between the Recipient and the International Development Association in an amount of Fifteen Million U.S. Dollars (USD 15,000,000).
11. "Incremental Operating Costs" means incremental operating costs incurred by (a) the Coordination Group, as appropriate, on account of Project implementation, management and monitoring, including salaries of Coordination 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, audits, and other miscellaneous costs; and all based on periodic budgets acceptable to the Association.
12. "MOH" means the Ministry of Health of the Recipient or any legal successor thereto.
13. "PBF" means Performance-Based Financing.
14. "PBF Manual" means the performance-based financing manual, satisfactory to the Association, which includes the definition of Eligible Expenditures under PBF Financing, the rules, methods, guidelines and procedures for carrying out the PBF Scheme of the Project, and sets forth the details of the PHC Performance Agreement, the criteria to be met before incentive payments can be made, and the accountability mechanism for the PBF Component of the Project.
15. "PBF Scheme" means the Recipient's program for payments to be made to the Eligible PHC Facilities, based on evaluation of their performance against the standards set forth in the PBF Manual. Such payments are to be made exclusive of the social security fund assessments.
16. "PBF Scheme Costs" means costs incurred by the District PBF Verification Teams and the independent verification provider, as appropriate, on account of verification and independent verification of Eligible PHC Facilities' performance, including cost of supplies, vehicle operation (including fuel costs), local travel, communication, costs for capacity building for key stakeholders at

the central, regional, and district levels and strengthening of the health management information system to allow for the reporting and verification of the PBF indicators; all incurred under Component 1, and all based on periodic budgets acceptable to the Association.

17. "PHC" means Primary Health Care, essential health care entities based on practical, scientifically sound, and socially acceptable methods and technology, made universally accessible to individuals and families in the community through their full participation and at an affordable cost. PHC includes Rural Health Centers and Health Houses.
18. "PHC Performance Agreement" means an agreement between the Eligible PHC Facility and the MOH, acceptable to the Association, for performance-based payments based on the PBF Manual.
19. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
20. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 28, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines and 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.
21. "Project Operational Manual" or "POM" means the manual, to be adopted by the Recipient, pursuant to Article IV, Section 4.01(b) of this Agreement, 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, 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.
22. "Standard Conditions" means the Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
23. "Training" means training activities (other than consultants' services) to be carried out under the Project, including the reasonable and necessary travel expenses incurred by participants in training workshops and study tours, and other expenditures directly relating to the training workshop and study tour activity, as may be agreed with the Association.
24. "USD" means United States dollars, the lawful currency of the United States of America.

APPENDIX B

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 3, 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, 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 bids 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 Bids 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.