

Date: 23-Jun-2024

Mr. Faiziddin Qahhorzoda  
Minister  
Ministry of Finance  
23, F. Niyoz Street  
Dushanbe, 734025  
REPUBLIC OF TAJIKISTAN

Dear Mr. Qahhorzoda,

*Re: Rural Water Supply and Sanitation Project (Grant D4310-TJ)  
Amendment No. 1 to the Financing Agreement*

We refer to (i) the Financing Agreement between the Republic of Tajikistan (“Recipient”) and the International Development Association (“Association”) dated June 25, 2019; and (ii) the Project Agreement between the State Unitary Enterprise “*Khojagii Manziliyu Kommunalii*” (“Project Implementing Entity”) and the Association of the same date, for the above-mentioned Project.

We also refer to: (i) your letter dated April 8, 2024, requesting certain amendments to the Financing Agreement; and (ii) the discussions and understandings between the Recipient, the Project Implementing Entity, and the Association reflected in the Aide Memoire dated December 5, 2023. Unless the context otherwise requires, the capitalized terms used in this letter (“Amendment Letter”) have the same meanings ascribed to them in the General Conditions or in the Financing Agreement.

We are pleased to inform you that the Association concurs to your request and proposes to amend the Financing Agreement as follows:

1. *Part 1 of Schedule 1 to the Financing Agreement is hereby amended to read as follows:*

**“Part 1: Water Supply and Sanitation Infrastructure Investments**

(a) Investments in Water Infrastructure

Rehabilitation of existing and/or extension of the water supply systems in the Selected Districts, through the carrying out of the following activities without being limited to:

- (i) in villages close to Vakhsh inter-district bulk water supply system, (A) reconstruction of a water treatment plant and rehabilitation of existing water supply infrastructure related to the Vakhsh inter-district bulk water supply pipeline; and (B) minor extension and construction of distribution network to connect to existing systems;

- (ii) in villages beyond the Vakhsh inter-district bulk water supply system, (A) rehabilitation of existing systems for a cluster of villages located close to one another (where one source will be used to supply multiple villages); and (B) rehabilitation and development of existing systems to serve villages in remote areas and/or remote from the main water sources; and
- (iii) conducting training to Targeted Water Utilities on operation and maintenance of the water supply systems to ensure compliance with the relevant operating manuals, rules and procedures.
- (b) Investments in water access, sanitation and hygiene (WASH) conditions of selected social institutions
  - (i) provision of support to carry out infrastructure investments for Participating Social Institutions located within the rehabilitated and/or extended service area of Targeted Water Utilities including: (A) provision of water supply connections or other solutions (rain-water harvesting, wells, water filters); and (B) retrofitting, replacement or construction of sanitation facilities, handwashing basins, and installation of hygiene rooms within the premises of Participating Social Institutions, where possible; and
  - (ii) conducting a school-WASH education program, including training and technical assistance activities for the implementation of comprehensive extra-curricular activities engaging pupils, school staff, and parents to promote the adoption of improved hygiene behaviors in primary and secondary schools.”

2. *Part 2 of Schedule 1 to the Financing Agreement is hereby amended to read as follows:*

**Part 2: Institutional Strengthening and Capacity Building of Water Sector Institutions**

Provision of support to strengthening the capacity of Targeted Water Utilities and increasing the understanding of WASH-related services and planning capacity of other sectoral stakeholders at the national and local levels, through the carrying out of the following activities without being limited to:

- (a) at the national level, (i) preparing the National Water and Sanitation Program and financing strategy for the period 2021-2030 to identify water resources availability, priority investments, potential service delivery arrangements and financing requirements; (ii) developing key policies and instruments for sector management and planning; (iii) carrying out activities to support improvements of the financial accountability, operational performance and reporting of KMK and its branches; (iv) review and update of standard designs for sanitation facilities in schools and health centers; and (v) supporting community mobilization and communication campaigns in the preparation and construction of water supply systems and subsequent operation.
- (b) at the local level, (i) improvement of the financial and operational performance of the Targeted Water Utilities through support for tariff setting, billing and collection, financial accountability and reporting; (ii) conducting a comprehensive training program for KMK staff and KMK branches to improve the quality of service provision, respond to customers’ needs, build more awareness on customers’ rights and duties; (iii) conducting

communication campaigns, training workshops and seminars to strengthen the capacity of the Targeted Water Utilities, as well as improve understanding of WASH-related services and planning capacity of other sectoral stakeholders at the local levels; (iv) organize and facilitate the implementation and management of local water supply solutions, and where applicable to develop the skills of households in the management of household water supply options; (v) improvement of the citizen engagement approaches adopted by the Targeted Water Utilities in the area, including, but not limited to introduction of customer scorecards system; and (vi) support the development and implementation of social mobilization and communication campaigns in schools and communities during the preparation, implementation and post-construction phases, that will focus on the sustainable management of water supply systems and sanitation facilities and foster changes in behaviors.

- (c) conducting a social mobilization, behavior change communication and social accountability program, including: (i) activities focusing on water supply improvement, and (ii) behavior change communication campaign for hygiene and sanitation marketing.

3. *Section I.B.1. of Schedule 2 to the Financing Agreement is hereby amended to read as follows:*

“1. **Project Manual**

- 1. The Recipient shall cause PIE and PMU to implement the Project in accordance with the Project Manual as follows: the Project Operational Manual to be adopted pursuant to Section 5.01 (a) of this Agreement, and setting forth rules, methods, guidelines and procedures for the carrying out of the Project, including, *inter alia*: (a) detailed description of the Project and institutional arrangements for its implementation; (b) monitoring, evaluation, reporting, and governance procedures for the Project; (c) disbursement, financial management, auditing and safeguards procedures for the Project.
- 2. Except as the Association shall otherwise agree in writing, the Recipient shall cause PIE and PMU not to amend, waive, suspend, or abrogate any provision of the Project Manual. In case of any inconsistency between any of the provisions of the Project Manual and those of this Agreement, the provisions of this Agreement shall prevail.”

4. *Section I.C of Schedule 2 to the Financing Agreement is hereby deleted in its entirety and the subsequent sections shall be re-numbered accordingly.*

5. *The withdrawal table in Section III.A of Schedule 2 to the Financing Agreement is hereby amended to read as follows:*

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (exclusive of VAT and custom taxes, including imposts, levies, fees, excise and duties of any nature in effect at the time of each Financing withdrawal)

(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs for the Project	41,800,000	100%
<b>TOTAL AMOUNT</b>	41,800,000	

6. *Section III.B of Schedule 2 to the Financing Agreement is hereby amended to read as follows:*

**“Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 110,000 may be made for payments made prior to this date but on or after August 17, 2018, for Eligible Expenditures under Category (1).”

7. *The following definitions of the Appendix to the Financing Agreement are hereby amended to read as follows:*

“30. “Project Manual” means the manual referred to in Section 1.B of Schedule 2 to this Agreement.”

“31. “Selected Districts” means the following districts in the Recipient’s Khatlon region: Vakhsh, Kushoniyon, Dusti, Balkhi, Jayhun, and Vose, as well as such other districts and districts of the Recipient which may be jointly selected by the Association and the Recipient for the purposes of the Project.”

8. *Definitions Nos. 6, 12, 29, and 33 of Appendix to the Financing Agreement are hereby deleted in their entirety and the remaining definitions are renumbered accordingly to maintain alphabetical order.*

9. *The following definitions are hereby added to Appendix to the Financing Agreement in the alphabetical order and numbered accordingly to read as follows:*

“Targeted Water Utilities” means, collectively: (i) the district-wide water and wastewater utility in Vose district; (ii) the district-wide water and wastewater utility in Kushoniyon district; (iii) the district-wide water and wastewater utility in Vakhsh district; and (iv) the bulk water supply operator of the Vakhsh inter-district bulk water supply system (VIDS).

“VIDS” means Vakhsh inter-district bulk water supply system.

10. *In furtherance of Section 5.08 of the General Conditions, the results framework for the Project is hereby replaced in its entirety as set forth in the Annex to this Amendment Letter.*

All other provisions of the Financing Agreement, except amended herein, shall remain in full force and effect.

Please confirm your agreement with the foregoing amendment, on behalf of the Recipient, by signing and dating this Amendment Letter in the space provided below. The provisions set forth in this Amendment Letter shall become effective on the date of its countersignature by the Recipient.

Sincerely,

*Ozan Sevimli*

Ozan Sevimli  
Country Manager  
World Bank Office, Tajikistan

AGREED:

**REPUBLIC OF TAJIKISTAN**

By: *Faiziddin Qahhorzoda*

Authorized Representative

Name: Faiziddin Qahhorzoda

Title: Minister of Finance of Republic of Tajikistan

Date: 24-Jun-2024

### Results framework

COUNTRY: Tajikistan

#### Rural Water Supply and Sanitation Project

#### Project Development Objectives(s)

The project development objectives (PDO) are to (i) improve access to basic water supply and sanitation services in selected districts; and (ii) strengthen the capacity of institutions in the water supply and sanitation sector.

#### Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
<b>Access to basic water supply services</b>				
People provided with access to basic water supply services (Number)		0.00	200,000.00	300,000.00
<i>Action: This indicator has been Revised</i>				
People provided with access to basic water supply services - Female (Number)		0.00		150,000.00
<i>Action: This indicator has been Revised</i>				
People provided with access to basic water supply services - Rural (Number)		0.00		300,000.00
People provided with access to safely managed drinking water services (Number)		0.00		250,000.00
<i>Action: This indicator is New</i>				
<b>Access to basic sanitation services through social institutions</b>				
People provided with access to basic sanitation services in schools (Number)		0.00		70,000.00
People provided with access to basic sanitation services in healthcare facilities (rural health facilities) (Number)		0.00		7,500.00

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
<b>Improved planning capacity of the water sector institutions at the national and local level</b>				
National Water Supply and Sanitation Programme (2021-2030) developed, endorsed by the Government and its implementation started. (Yes/No)		No		Yes
Percentage of targeted utilities adopting improved financial, accounting and billing systems and practices in the project area (Percentage)		0.00		100.00
<i>Action: This indicator has been Revised</i>				

### Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
<b>Component 1. Water Supply and Sanitation Infrastructure Investments</b>			
Rural water supply schemes rehabilitated/expanded under the project (Number)		0.00	7.00
New piped household water connections that are resulting from the project intervention (Number)		0.00	25,000.00
<i>Action: This indicator has been Revised</i>			
Time spent by women and girls per day on water collection in target project areas (Minutes)		60.00	10.00
<i>Action: This indicator has been Revised</i>			
Number of social institutions with basic sanitation and hygiene facilities installed (Number)		0.00	125.00
<i>Action: This indicator has been Revised</i>			
Number of schools with basic sanitation and hygiene facilities installed (Number)		0.00	75.00

Indicator Name	PBC	Baseline	End Target
<b>Action: This indicator has been Revised</b>			
Number of healthcare facilities with basic sanitation and hygiene facilities installed (Number)		0.00	50.00
People provided with access to safely managed drinking water services (Number)		0.00	100,000.00
<b>Action: This indicator has been Marked for Deletion</b>			
<b>Component 2. Institutional Strengthening and Capacity-Building of Water Sector Institutions</b>			
Collection rate of the targeted water utilities under the project (listing collection ratios for each water utility) (Percentage)		0.00	70.00
Percentage of beneficiaries satisfied with the community engagement process (Percentage)		0.00	70.00
Number of people benefitting from training to improve water, sanitation and hygiene behaviours (Number)		0.00	40,000.00
Percentage of women benefitting from training to improve water, sanitation and hygiene behaviours (Percentage)		0.00	40.00
Number of female students benefitting from menstrual hygiene facilities in schools and education on menstrual hygiene management (Number)		0.00	16,000.00
Number of standard designs and operation manuals for water supply and sanitation systems in rural areas developed (Number)		0.00	5.00
<b>Component 3. Project Management and Implementation Support</b>			
Number of people benefitting from training on project management under the project (Number)		5.00	50.00
Number of regular stakeholders meetings for the project (Number)		0.00	10.00
Percentage of project-related grievances responded to in the stipulated time (Percentage)		0.00	80.00