April 4, 1997

His Excellency Alexander Pavlov Deputy Prime Minister Minister of Finance Almaty Republic of Kazakstan

> Re: Japanese Grant No. TF029678 (Road Transport Restructuring Project) Amendment to the Japanese Grant Agreement

Excellency:

We refer to the Japanese Grant Agreement (Road Transport Restructuring Project) dated March 11, 1997, between the Republic of Kazakstan (the Recipient) and the International Bank for Reconstruction and Development (the Bank) as Administrator of Grant Funds provided by Japan. We also refer to your letter of March 3, 1997, requesting that the Japanese Grant Agreement (the Agreement) be amended with a view to changing the description of technical assistance in Schedule 2 thereof.

We are pleased to inform you that the Bank agrees to the above request and the Agreement is amended as follows;

1. Part A of Schedule 2 to the Agreement is amended to read:

"Part A: Program to Strengthen the Capability of the Directorate of Roads (DOR)

1. Review of current quality control systems and staff capability to supervise the implementation of roadworks.

2. Development of alternative modes of organization to carry out roadwork supervision.

3. Provision of assistance to the DOR with respect to: (a) selecting from the alternative modes developed under sub-paragraph 2 above; (b) identifying equipment needs; and (c) preparation of a program for staff training and elaboration of a supervision manual".

2. Part C of Schedule 2 to the Agreement is amended to include sub-paragraph 3 as follows:

"3. Testing of control measures, including the provision of four traffic counters and four portable weight scales".

3. Part D is added to the Schedule 2 to the Agreement to read as follows:

"Part D: Road Maintenance

1. Assessing and prioritizing the maintenance needs on the Almaty-Gulshad (600 km) section of the Almaty-Borovoe road.

2. Identifying equipment needs for the purpose of improving routine road maintenance on the Almaty-Borovoe road.

3. Formulating a program for staff training and institutional development".

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 hereof upon receipt of your countersigned copy by the Bank.

Sincerely,

By /s/ Yukon Huang Director Country Department III Europe and Central Asia Region CONFIRMED:

REPUBLIC OF KAZAKSTAN

By /s/ Alexander Pavlov Authorized Representative

Date: April 30, 1997