

**The World Bank**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street N.W.  
Washington, D.C. 20433  
U.S.A.

(202) 477-1234  
Cable Address: INTBAFRAD  
Cable Address: INDEVAS

**CONFORMED COPY**

July 15, 2011

H.E. Safarali Nadjmiddinov  
Minister of Finance  
3 Akademikov Rajabovikh Ave.  
Dushanbe 734025  
Republic of Tajikistan

***Re: Tajikistan Rapid Social Response Trust Fund Grant  
for Targeting and Payment of Social Assistance Project  
Grant No. TF098826***

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Tajikistan ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided under the Rapid Social Response Trust Fund, proposes to extend to the Recipient, a grant in an amount not to exceed two million two hundred thousand United States Dollars (\$2,200,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project"). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as specified in Section 4.01 of the Annex to this Agreement; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of

signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s/ Motoo Konishi  
Regional Director, Central Asia

AGREED:  
REPUBLIC OF TAJIKISTAN

By /s/ Safarali Nadjmiddinov

---

Authorized Representative

Name: Safarali Nadjmiddinov

Title: Minister of Finance

Date: July 29, 2011

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010.
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.

**Rapid Social Response Trust Fund Grant No. TF098826**  
**ANNEX**

**Article I**  
**Standard Conditions; Definitions**

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. **Definitions.** 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 and the following additional terms shall have meanings assigned to them below:

- (a) “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.
- (b) “EOP” means the Recipient’s Executive Office of the President or any successor thereto.
- (c) “PCG” means the Recipient’s Project Coordinating Group within EOP and representing EOP, or any successor thereto.
- (d) “MLSP” means the Recipient’s Ministry of Labor and Social Protection, or any successor thereto.
- (e) “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.
- (f) “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 18, 2011, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
- (g) “Project Operational Manual” means the Project’s operational manual pursuant to Section 4.01(b) of the Annex to this Agreement, and satisfactory to the World Bank, setting out the operational and administrative procedures for the implementation of the Project, which shall include a financial management manual and chart of accounts for the Project, as the same may be amended from time to time by agreement between the World Bank and the Recipient.

**Article II**  
**Project Execution**

2.01. **Project Objectives and Description.** The objectives of the Project are to assist the Recipient in strengthening its system of social assistance through: (a) facilitating the introduction of a mechanism for targeting social assistance to the poorest households; (b) covering the poorest

under social assistance programs more effectively in times of crisis and beyond; and (c) facilitating the establishment of a credible vehicle through which donors could channel additional benefits and services to the poor, particularly in times of crisis.

The Project consists of the following Parts.

**Part A: Improving and Piloting Social Assistance Programs.**

Enhancing and reinforcing MLSP's operational capacity to pilot poverty-targeting of social assistance in Istarafshan and Yavan districts.

**Part B: Payment of Targeted Social Assistance in Pilot Districts.**

Provision of poverty-targeted social assistance benefits to qualified households in two pilot districts, namely, Yavan and Istarafshan, where, in any one of said two districts, the sum of qualified demand for the poverty-targeted social assistance payments exceeds four million one hundred and fifty thousand (4,150,000) Somonis.

**Part C: Capacity-Building for the National Reform of Social Assistance.**

Developing MLSP's capacity to introduce and maintain a new poverty-targeted social assistance system that will replace the current social assistance system.

**Part D: Project Management.**

Provision of support for overall management and coordination of the Project, the carrying out of fiduciary responsibilities as well as the carrying out of procurement, financial reporting and accounting activities.

**2.02. *Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through PCG in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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"); and (c) this Article II; and (d) the Project Operational Manual.

**2.03. *Institutional and Other Arrangements.*** (a) The Recipient, through PCG, shall carry out the Project in a timely manner in accordance with the Project Operational Manual and apply and implement the actions, criteria, policies, procedures and arrangements therein set forth; and not amend or waive, or permit to be amended or waived the Project Operational Manual, except with the prior written approval of the World Bank.

(b) At all times during the implementation of the Project, the Recipient shall maintain the PCG with a composition, resources and terms of reference satisfactory to the World Bank.

(c) Not later than one (1) month after the Effective Date, the Recipient, through EOP, shall prepare and send to the World Bank for review, an annual work plan and budget for the Project. Thereafter, the Recipient, through PCG, shall, not later than December 15 of each year during the implementation of the Project, submit to the World Bank an annual work plan and budget for the following calendar year, and shall agree with the World Bank on activities to be taken under the Project in the following calendar year and the related budget.

2.04. ***Project Monitoring, Reporting and Evaluation.*** (a) 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 indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than sixty (60) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than three (3) months after the Closing Date.

2.05. ***Financial Management.*** (a) The Recipient, through PCG, shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient, through PCG, shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient, through PCG, 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 World Bank not later than six (6) months after the end of such period.

## 2.06. ***Procurement***

(a) General. All goods, 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:

- (i) Section I of 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 ("Procurement Guidelines"), in the case of goods and non-consulting services;
- (ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants' services; and
- (iii) the provisions of this Section, 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").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank 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.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

- (i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
- (ii) 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) Shopping; and (B) Direct Contracting. .

(d) Particular Methods of Procurement of Consultants' Services

- (i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
- (ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants' Qualifications; and (C) Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

### **Article III Withdrawal of Grant Proceeds**

3.01. ***Eligible Expenditures.*** 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 World Bank 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in below. The 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 Grant Allocated (Expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Consultants' Services, Non-consulting services and Training	1,540,000	100%
(2) Social assistance benefits under Part B of the Project	500,000	100%
(3) Operating Costs	160,000	100%
<b>TOTAL AMOUNT</b>	<u>2,200,000</u>	

For the purposes of this Schedule:

- (a) "Training" means expenditures for Project related to study tours, training courses, seminars, workshops and other training activities not included under goods or service providers' contracts, including costs of training materials, space and equipment rental, travel and *per diem* costs of trainees and trainers; and,
- (b) "Operating Costs" means incremental operating costs incurred by EOP on account of Project implementation, management and monitoring, including salaries of contractual staff on the Project, office and equipment maintenance and repair, television and radio time, advertisements and announcements in newspapers, wireless connections, electricity, telephone, heat and water bills, as well as vehicle maintenance and repair, local travel, communication, translation and interpretation, bank charges, social charges, the costs of audits for EOP, , and other miscellaneous costs directly associated with the Project, but excluding salaries of employees or staff of the Recipient's civil service, all based on periodic budgets acceptable to the World Bank.

3.02 **Withdrawal Conditions.** Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient; or

(b) under Category (2) for the social assistance benefits until the Recipient furnishes evidence satisfactory to the World Bank that a budget line for payment of said benefits has been included by the Recipient in its national budget for 2011, and that applications for the social assistance benefits in 2011 will lead to a sum of qualified demand for targeted social assistance payments in any of the two districts exceeding four million one hundred and fifty thousand (4,150,000) Somonis.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2012.

**Article IV**  
**Effectiveness; Termination**

4.01. **Effectiveness.** The Additional Conditions of Effectiveness consist of the following, namely:

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The Recipient has prepared and furnished to the World Bank the Project Operational Manual, satisfactory to the World Bank.

4.02. **Termination.** This agreement and all obligations of the Parties under it shall terminate if it has not entered into effect within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article V**  
**Recipient's Representative; Addresses**

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

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

Ministry of Finance  
3 Akademikov Rajabovikh Ave.  
Dushanbe, 734025  
Republic of Tajikistan

Facsimile:

(992-372) 213329 or (992-372) 221-6796

5.03. **World Bank's Address.** The World Bank'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