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RFPCR TF GRANT NUMBER TF095317-TJ

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Russia Food Price Crisis Rapid Response Trust Fund Grant Agreement

(Additional Financing for Emergency Food Security and Seed Imports Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Trustee of the Russia Food Price Crisis Rapid Response Trust Fund for
Tajikistan and the Kyrgyz Republic

Dated March 3, 2010

RFPCR TF GRANT NUMBER TF095317-TJ

**RUSSIA FOOD PRICE CRISIS RAPID RESPONSE
TRUST FUND GRANT AGREEMENT**

AGREEMENT dated March 3, 2010, entered into between the REPUBLIC OF TAJIKISTAN (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank” or “IDA”), acting as the Trustee of the Russia Food Price Crisis Rapid Response Trust Fund for Tajikistan and the Kyrgyz Republic.

The Recipient and the World Bank 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 July 1, 2008 (“Standard Conditions”), 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 and the following additional terms have the following meanings:
 - (a) “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.
 - (b) “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
 - (c) “EMP” means the environmental management plan, updated March 2009, adopted by the Recipient, disclosed in the Bank’s Infoshop on June 2, 2009 and satisfactory to the World Bank, in respect of activities to be undertaken under 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 adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, including pest management measures, as the same may be amended and supplemented from time to time with the World Bank’s prior written approval.
 - (d) “Food Price Crisis Response Trust Fund Grant Agreement” means the trust fund grant agreement between the Republic of Tajikistan and the

International Development Association, acting as trustee of the Food Price Crisis Response Trust Fund, dated July 17, 2008.

- (e) “Original Project” means the means the Project described in the Food Price Crisis Response Trust Fund Grant Agreement.
- (f) “MOU” means the Memorandum of Understanding, dated September 1, 2008, between the Republic of Tajikistan and the Food and Agricultural Organization of the United Nations (“FAO”), in which the parties signatory to the MOU entered into arrangements, satisfactory to the World Bank, regarding implementation of Parts A, B and C of the Project by FAO, and defining the rights and obligations of the parties in relation to the activities.
- (g) “PMU” means the project management unit established pursuant to the Decree of the Government of the Republic of Tajikistan No. 101 of March 3, 2007 or any successor thereto.
- (h) “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
- (i) “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 18, 2009, 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.
- (j) “Project Operational Manual” means the Project’s operational manual, dated September 27, 2007, revised pursuant to Section 5.01 (c) of 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 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 cause Parts A and C of the Project to be carried out through the FAO, and shall carry out Parts D, E and F of the Project through the PMU, all in accordance with the provisions of Article II of the Standard Conditions and the MOU.

- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 World Bank 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 six million two hundred and fifty thousand United States Dollars (\$6,250,000) ("Grant") to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV.A of Schedule 2 to this Agreement.
- 3.03. The 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, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

Article IV Additional Remedies

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (i) of the Standard Conditions consists of the following:
- (a) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the FAO of its obligations under the MOU.
 - (b) The FAO has failed to perform any obligation under the MOU.
 - (c) The International Bank of Reconstruction and Development (IBRD) or IDA has declared the FAO ineligible to be awarded a contract financed by IBRD or IDA.
 - (d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the FAO will be able to perform its obligations under the MOU.
 - (e) The Constitution of the FAO pursuant to which the FAO has been established and is operating has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the FAO to perform any of its obligations under the MOU.

- (f) The Recipient has failed to make payment (notwithstanding the fact that such payment may have been made by a third party) of the principal, interest, service charges or any other amount due to IDA or IBRD: (i) under this Agreement; or (ii) under any other agreement between the Recipient and IDA; or (iii) under any agreement between the Recipient and IBRD; or (iv) in consequence of any guarantee extended or other financial obligation of any kind assumed by IDA or IBRD to any third party with the agreement of the Recipient.
- (g) The World Bank has determined, after the Effective Date referred to in Section 5.03 of this Agreement, that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following conditions have been satisfied:
 - (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 endorsed an addendum to the Project Operational Manual, satisfactory to the World Bank.
 - (c) The Recipient has hired a PMU regional procurement specialist under the terms of reference and with qualifications satisfactory to the World Bank.
 - (d) The amendment to the Food Price Crisis Response Trust Fund Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing: on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

- 5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. *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 ninety (90) days after the date of this Agreement, 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 VI
Recipient’s Representative; Addresses

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.
- 6.02. 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

6.03. 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

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

REPUBLIC OF TAJIKISTAN

By /s/ Safarali Najmuddinov

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Trustee of the Russia Food Price Crisis Rapid
Response Trust Fund

By /s/ Chiara Bronchi

Authorized Representative

SCHEDULE 1**Project Description**

The objectives of the Project are: (i) to increase domestic food production and reduce the loss of livestock to help at least 55,000 of the poorest households; (ii) to improve the ability of poor households to deal with seed shortages due to poor crops; and (iii) to promote private commercial farming in order to increase food production and diversification.

The Project consists of Parts A, C, D, E and F of the Original Project.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional and Other Arrangements**

1. The Recipient shall cause FAO and the PMU to carry out their respective parts of the Project in a timely manner in accordance with the Project Operational Manual, the MOU and the EMP and apply and implement, as the case may be, 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, the MOU or the EMP, except with the prior written approval of the World Bank.

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

3. Not later than one (1) month after the Effective Date, the Recipient, through the PMU, shall prepare and send to the World Bank for review, an annual work plan and budget for Parts D, E and F of the Project. Thereafter, the Recipient, through the PMU, 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.

4. Not later than one (1) month after the Effective Date, the Recipient shall ensure that the FAO prepares and sends to the World Bank for review, an annual work plan and budget for Parts A and C of the Project. Thereafter, the Recipient, through the FAO, shall, not later than December 15 of each year during the implementation of the Project starting December 15, 2009, 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.

B. 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 (“Anti-Corruption Guidelines”).

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 agreed with 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.

2. 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 six (6) months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. For Parts A and C of the Project, the provisions of paragraphs 1, 2, 3, 4 and 5 of Section II.B of Schedule 2 of the Food Price Crisis Response Trust Fund Grant Agreement shall apply to this Agreement *mutatis mutandis*.

2. For Parts D, E and F of the Project, the Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

3. For Parts D, E and F of the Project, the Recipient 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.

4. For Parts D, E and F of the Project, 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 World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. For Parts A and C of the Project, the provisions of paragraphs 1, 2, 3, 4 and 5 of Section III of Schedule 2 of the Food Price Crisis Response Trust Fund Grant Agreement shall apply to this Agreement *mutatis mutandis*.

2. For Parts D, E and F of the Project, the following provisions apply:

(a) **Procurement and Consultant Guidelines.** All goods and 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 under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 (“Procurement Guidelines”) in the case of goods and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 (“Consultant Guidelines”) in the case of consultants’ services; and
- (ii) 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 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used below in 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods for Parts D, E and F of the Project

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods.** The following methods, other than International Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan: (a) Shopping; and (b) Direct Contracting.

C. Particular Methods of Procurement of Consultants’ Services for Parts D, E and F of the Project

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 assignments which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants' Qualifications; and (c) Selection of Individual Consultants.

D. 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.

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 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 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 Grant Allocated (Expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Consultants' Services, Operating Costs and Training under Parts A and C of the Project	1,815,000	100%
(2) Goods, Consultants' Services, Operating Costs and Training under Parts D, E and F of the Project	4,435,000	100%
TOTAL AMOUNT	<u>6,250,000</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 the FAO or the PMU, as appropriate, on account of Project implementation, management and monitoring, including staff salaries, office and equipment maintenance and repair, vehicle maintenance and repair, local travel, communication, translation and interpretation, bank charges, social charges, the costs of audits for the PMU, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the World Bank.

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 countersignature of this Agreement by the Recipient; or

(b) under Category (1) unless the MOU has been amended and executed, on terms and conditions satisfactory to the World Bank.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is
May 1, 2013.