October 14, 2014

Mr. Abdosalom Kurbonov
Minister of Finance
Ministry of Finance
2, Akademikov Rajabovskyh Ave.
Dushanbe, 734025
REPUBLIC OF TAJIKISTAN

Re: Republic of Tajikistan:
Grant for Extractive Industries Transparency Initiative (EITI)
Grant No. TF018097

Dear Mr. Kurbonov,

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 Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by Australia, Belgium, Canada, Denmark, the European Union represented by the European Commission, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, the United Kingdom, and the United States (the "Donors"), under the Multi-Donor Trust Fund for Extractive Industries Transparency Initiative (EITI) Implementation Support Facility, proposes to extend to the Recipient a grant in an amount not to exceed three hundred thousand United States Dollars (US$300,000) ("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").

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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank,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 BANK FOR RECONSTRUCTION AND DEVELOPMENT

By
Saroj Kumar Jha
Regional Director
Central Asia
AGREED:
REPUBLIC OF TAJIKISTAN

By _________________________
Authorized Representative

Name  Abdusalom Kurbonov
Title  Minister of Finance
Date: November 5, 2014

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions


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.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to increase transparency and governance in the extractive industries through periodic publication of reports, adherence to EITI standards, and institutional capacity strengthening to improve Tajikistan’s investment climate. The Project consists of the following parts:

Part A: EITI Reports Preparation Support

- Initiate EITI National Council discussion on the scope, format and content of future EITI report, taking into account EITI requirements and specifics of extractive industry in Tajikistan;
- Conduct a Scoping Study to define the materiality threshold and the list of extractive companies to report on EITI, and prepare the Terms of Reference (ToR) for the reconciliation assignment;
- Procure reconciliation/audit firm to produce the 1st EITI Report;
- Provision of consultants’ services during the reconciliation, as needed, to help design and finalize the EITI Report - including training related to the correct filling out of the reporting templates; and
- Ensure a timely and effective dissemination of EITI Reports.

Part B: Communications Effort

- Development and implementation of EITI communication activities;
- Wide publication of EITI reconciliation reports using multiple communications channels;
- Use of EITI platform to generate wide and active public debate on extractive revenues issues.

Part C: Strengthen Multi-Stakeholder Processes

- Provision of consultants’ services, as required, for ongoing training for the Secretariat staff, members and broader constituencies of Tajikistan EITI National Council; exchange of experience with other EITI countries; and
- Provision of consultants’ services, as required, for broader training on EITI to Civil Society and other stakeholders (e.g. Media, Public Organizations, Parliamentarians) to increase knowledge and generate interest on extractive sector and EITI.

Part D: Operational Support For Efficient EITI Implementation

- EITI Secretariat staffing and consultants costs;
• Stationery costs, workshops, communications and transportation and other operating costs required for delivery of the EITI work plan activities; and
• Contribution to purchase of office equipment and facilities.

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 the EITI National Secretariat 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.

2.03. **Institutional and Other Arrangements.** The Recipient shall provide office facilities and related equipment/furniture for the EITI Secretariat, as well as appropriate government venues/halls for EITI workshops and meetings. To ensure coordination and oversight over the substance of the grant activities, the EITI National Secretariat will be overseen by the EITI National Council on all key decisions on the use of the grant funds.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, 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 Recipient and acceptable to the World Bank. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The Recipient shall, upon the World Bank’s request, 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 five months after the Closing Date.

2.05. **Financial Management.** (a) The Recipient 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 shall ensure that quarterly interim unaudited financial reports for the Project are prepared and furnished to the World Bank within forty-five (45) days of the end of each half year period, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the Grant closing date.

2.06. **Procurement**

(a) General. All goods 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:

(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 and revised July 2014 (“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. Goods shall be procured under contracts awarded on the basis of Shopping.

(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) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants’ Qualifications; (E) Single-source Selection; (F) 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 following table. 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:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of income taxes and social charges, exclusive of VAT and customs duties)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants’ services, training and operating costs</td>
<td>300,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>300,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2015.

**Article IV**

Recipient’s Representative; Addresses

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

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

    Ministry of Finance  
    2, Akademikov Rajaboviykh Ave.  
    Dushanbe, 734025  
    Republic of Tajikistan  

    Facsimile:  
    992-372-213329

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

    International Bank for Reconstruction and Development  
    1818 H Street, N.W.  
    Washington, D.C. 20433  
    United States of America

    Cable:  
    INTBAFRAD  
    Washington, D.C.  
    Telex:  
    248423 (MCI) or 64145 (MCI)  
    Facsimile:  
    1-202-477-6391