

**The World Bank**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
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June 24, 2011

Mr. Safarali Najmiddinov  
Minister of Finance  
Ministry of Finance  
Dushanbe  
Republic of Tajikistan

Dear Mr. Minister:

## Subject: Municipal Infrastructure Development Project (IDA Grant Number H200-TJ)

### Reallocation of Grant Proceeds and Extension of the Closing Date

Pursuant to your letter dated January 10, 2011, requesting us to reallocate the proceeds of, and your letter dated March 28, 2011, requesting us to extend the Closing Date of, the above-referenced Grant, I am pleased to inform you that the International Development Association (the "Association") concurs with your requests.

(1) Accordingly, the Association hereby reallocates the proceeds of the Grant as set out in the table in Paragraph 1 of Schedule 1 to the Development Grant Agreement for the Municipal Infrastructure Development Project between the Republic of Tajikistan (the "Recipient") and the Association, dated February 21, 2006 (the "Agreement") as follows.

<b>Category</b>	<b>Amount of the Grant Allocated (Expressed in SDR Equivalent)</b>	<b>% of Expenditures to be Financed</b>
(1) Goods and works for Part A of the Project	7,034,000	87.5%
(2) Goods and works under Parts B and C of the Project	311,000	100%
(3) Consultants' services, including audit and training	2,710,000	100%
(4) Operating cost	545,000	100%

(5) Unallocated	0	
TOTAL	10,600,000	

(2) Further, the Association has established February 28, 2012 as the later date for purposes of Section 2.03 of the Agreement.

(3) The Agreement is further amended to include the following definition of “Resettlement Action Plan” as item (k), while the previous items (k) and (l) are re-lettered to appear now as items (l) and (m), respectively:

‘(k) “Resettlement Action Plan(s)” or “RAP” means the resettlement action plan(s) prepared by KMK pursuant to paragraph 2 of part B of Schedule 2 to the Project Agreement.’

(4) The Project Agreement for the above-referenced Grant entered into between the Association and Khochagii Manziliu Komunali, dated February 21, 2006 (“the Project Agreement”), is amended by adding paragraph 2 to part B of Schedule 2 to read as follows:

“2. The KMK shall, and shall cause the PMU to: (i) not carry out any civil works for the Project on those sites where land acquisition or resettlement of residents is required to proceed with Project activities, unless and until the KMK shall prepare, disclose and publish a Resettlement Action Plan for such site, satisfactory to the Association; and (ii) carry out any resettlement or land acquisition with due care and in accordance with the Recipient’s applicable legal and institutional framework, and with a respective Resettlement Action Plan.”

(5) Paragraph 1 of part B of Schedule 2 to the Project Agreement is amended to read as follows:

“B. Actions by the KMK

1. Except as the Association shall otherwise agree, the KMK shall, and shall cause the PMU to: (a) apply the criteria, policies, procedures and arrangements set out in the Operational Manual, the EMP and the Resettlement Action Plan(s); and (b) not amend or waive, or permit to be amended or waived the Operational Manual, the EMP and the Resettlement Action Plan(s), or any provision thereof, in a manner which, in the opinion of the Association, may materially and adversely affect the implementation of the Project.”

Please be also advised that, in accordance with the current practice of the Association, further disbursements from the referenced Grant will be made for withdrawal applications received by the Association’s Regional Processing Center in Zagreb, Croatia by close of business on June 30, 2012 in respect of eligible expenditures made before the Closing Date (i.e. payments made or payments due for goods, works and services that have been provided prior to the Closing Date). Proceeds of the Financing remaining unwithdrawn after disbursements have been made in respect of these withdrawal applications will be canceled.

All sections of the Agreement and the Project Agreement that have not been amended hereby shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing by signing and dating the confirmation on the enclosed copy of this Amendment Letter and returning it to the Association. This Amendment Letter shall become effective upon the date of its countersignature.

Sincerely,

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By /s/ Motoo Konishi  
Regional Director  
Central Asia

**CONFIRMED AND AGREED:  
REPUBLIC OF TAJIKISTAN**

By /s/ Safarali Najmiddinov

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Authorized Representative

Name: Safarali Najmiddinov

Title: Minister of Finance

Date: July 18, 2011

Cc: Mr. Negmatzhon Buriev, Senior Advisor of the President on economic policy,  
Mr. Jorg G. Frieden, Executive Director for Tajikistan, World Bank