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**FPCR TF GRANT NUMBER TF092349**

# **Food Price Crisis Response Trust Fund Grant Agreement**

**(Additional Financing for Community and Basic Health Project)**

**between**

**REPUBLIC OF TAJIKISTAN**

**and**

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

**Dated July 17, 2008**

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**FPCR TF GRANT NUMBER TF092349**

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

AGREEMENT dated July 17, 2008, entered into between the REPUBLIC OF TAJIKISTAN (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the “World Bank”), acting as Trustee of the Food Price Crisis Response Trust Fund.

WHEREAS: (A) Pursuant to a development grant agreement entered into between the Recipient and the Association dated February 21, 2006 (the Development Grant Agreement), the Recipient has received a grant in an amount equivalent to six million nine hundred thousand Special Drawing Rights (SDR 6,900,000) (the IDA Grant) for the purposes of financing the Project described in Schedule 1 of the Development Grant Agreement (the Original Project);

(B) The Recipient has recognized the necessity of undertaking certain additional activities related to the Original Project (hereinafter, Parts C3, C4 and C5 of the Project) which, in conjunction with the activities being undertaken under the Original Project, constitute collectively the Project described in Schedule 1 to this Agreement (the Project);

(C) By Resolution of May 29, 2008, the Executive Directors of the International Bank for Reconstruction and the International Development Association have established the Food Price Crisis Response Trust Fund (“FPCR”) to assist in financing programs in member countries of the World Bank aimed at reducing the negative impact of high food prices on the lives of the poor;

(D) The Recipient, having satisfied itself as to the feasibility and priority of the Project, has requested the International Bank for Reconstruction and the International Development Association, acting as administrator of the FPCR, to provide assistance towards the financing of Parts C3, C4 and C5 of the Project; and

(E) The International Development Association, acting as Trustee of the FPCR, has determined that the Project falls within the purpose of the FPCR and wishes to provide financial assistance for the Project on the terms and conditions provided for under this Agreement.

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 20, 2006 (“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 the Development Grant Agreement.

**Article II**  
**The Project**

- 2.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts C3, C4 and C5 of the Project through the MoH in accordance with the provisions of Article II of the Standard Conditions.
- 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 four million United States Dollars (\$4,000,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

**Article IV**  
**Additional Remedies**

- 4.01. The Additional Event of Suspension referred to in Section 4.02 (i) of the Standard Conditions consists of the following: 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 condition has been satisfied: the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01, 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

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 Food Prices Crisis Trust Fund

By: /s/ Jariya Hoffman

Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are: (a) to increase access to, utilization of, and patient satisfaction with health services in project-supported areas; and (b) to build capacity and efficiency at national and oblast and rayon levels in administering the basic benefit package and per capita financing for primary health care.

The Project consists of the Original Project and the following additional activities:

#### Part C: Strengthening Primary Health Care in Selected Rayons

3. Provision of nutritional supplements and nutrition education to pregnant and lactating women.
4. Investment in growth monitoring equipment in primary health care centers.
5. Provision of food packages for undernourished women at primary health care centers.

## SCHEDULE 2

### Project Execution

#### **Section I. Institutional and Other Arrangements**

The provisions of Sections 3.01, 3.02 and 3.03 of the Development Grant Agreement shall apply to this Agreement, *mutatis mutandis*.

#### **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 one month 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. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. 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.

3. 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 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**

The provisions of Schedule 3 of the Development Grant Agreement shall apply to this Agreement, *mutatis mutandis*.

**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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
Goods, Consultants’ Services, Operating Costs and Training under Part C3, C4 and C5 of the Project	4,000,000	100%
TOTAL AMOUNT	<u>4,000,000</u>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2010.