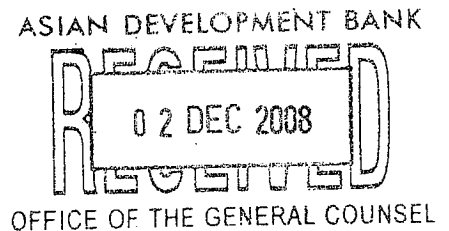




Asian Development Bank

3 May 2007

Hon. Safarali Najmuddinov
Minister
Ministry of Finance
3, Ac Rajabovs Street
Dushanbe 734025
Republic of Tajikistan



Subject: **Loan 2271-TAJ (SF), Grant 0061-TAJ(SF): Sustainable Cotton Subsector Project Amendment to the Financing Agreement**

Dear Minister Najmuddinov:

1. We refer to the Financing Agreement for the Sustainable Cotton Subsector Project dated 10 January 2007 between the Republic of Tajikistan (the Beneficiary) and the Asian Development Bank (ADB).
2. As requested by the Beneficiary, following the project inception mission from 26 March through 1 April 2007, ADB approved the change in procurement mode for packages 4, 6, 7 8, and 10 of the Procurement Plan to allow national competitive bidding under the Beneficiary's legislation on state procurement subject to modifications and clarifications set forth herein. To reflect this change, we propose to amend the Financing Agreement as set forth below:
 - A. In Schedule 4 of the Financing Agreement section 4 shall be added as follows:

"5. National Competitive Bidding. The procedures to be followed for national competitive bidding shall be those set forth in Law of the Republic of Tajikistan on Public Procurement of Goods, Works and Services of 3 March 2006 with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the Procurement Guidelines.

 - i. Eligibility

The eligibility of bidders shall be as defined under section I of the Procurement Guidelines; accordingly, no bidder or potential bidder should be declared ineligible to ADB-financed contracts for reasons other than the ones provided therein. Bidders must be nationals of member countries of ADB, and offered

Goods and Works must be produced in and supplied from member countries of ADB.

ii. Prequalification

Normally, post-qualification shall be used unless explicitly provided for in the Financing Agreement/Procurement Plan. Irrespective of whether post-qualification or prequalification is used, eligible bidders (both national and foreign) shall be allowed to participate.

iii. Bidding Period

The minimum bidding period is twenty-eight (28) days prior to the deadline for the submission of bids.

iv. Bidding Documents

Procuring entities should use standard bidding documents for the procurement of Goods and Works acceptable to ADB.

v. Preferences

No domestic preference shall be given for domestic bidders and for domestically manufactured goods.

vi. Advertising

Invitations to bid shall be advertised in at least one widely circulated national daily newspaper or freely accessible, nationally-known website allowing a minimum of twenty-eight (28) days for the preparation and submission of bids. Bidding of contracts estimated at US\$500,000 equivalent or more for Goods or US\$1,000,000 equivalent or more for Works shall be advertised concurrently with the general procurement notices on ADB's website.

vii. Bid Security

Where required, bid security shall be in the form of a bank guarantee from a reputable bank.

viii. Bid Opening and Bid Evaluation

(a) Bids shall be opened in public.

(b) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents and contracts shall be awarded to the lowest evaluated bidder.

(c) Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.

(d) No bidder shall be rejected on the basis of a comparison with the employer's estimate and budget ceiling without the ADB's prior concurrence.

(e) A contract shall be awarded to the technically responsive bidder that offers the lowest evaluated price and who meets the qualifying requirements set out in the bidding documents.

(f) No negotiations shall be permitted.

ix. Rejection of All Bids and Rebidding

Bids shall not be rejected and new bids solicited without ADB's prior concurrence.

x. Participation by Government-owned Enterprises

Government-owned enterprises in the Republic of Tajikistan shall be eligible to participate as bidders only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

xi. Right to Inspect/Audit

A provision shall be included in all Works and Goods contracts financed by ADB requiring suppliers and contractors to permit ADB to inspect their accounts and records and other documents relating to the bid submission and the performance of the contract, and to have them audited by auditors appointed by ADB.

xii. Fraud and Corruption

(a) The Beneficiary shall reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract in question.

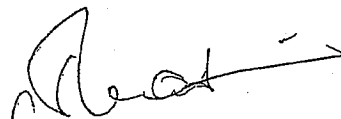
(b) ADB will declare a firm or individual ineligible, either indefinitely or for a stated period, to be awarded a contract financed by ADB, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, an ADB-financed contract."

B. In Schedule 4 of the Financing Agreement, sections 4 through 9 shall be renumbered to 5 through 10, respectively.

3. Please indicate the agreement of the Beneficiary to the proposed amendment by counter-signing two originals of this letter, as indicated below. Please return one copy of the counter-signed letter to my attention. The Financing Agreement shall be considered amended in accordance with this letter, as of the date of the receipt of the signed counterpart of this letter by ADB.

4. Please be advised that according to the ADB's Public Communications Policy (PCP) on disclosure and exchange of information, any amendments to the Financing Agreement will automatically be publicly disclosed within two weeks after their effectiveness, unless ADB is advised by return mail that the amendments contain any information or data of a sensitive or confidential nature falling under the PCP exceptions.

Very truly yours,



Juan Miranda
Director General
Central and West
Asia Department

Agree to the amendment to the Financing Agreement as set forth in this letter and confirm that such amendment does not contain any information or data of a sensitive or confidential nature falling under the PCP exceptions:

REPUBLIC OF TAJIKISTAN

By: 

Name: Satarali Najmiddinov

Title: Minister of Finance

Date: May 04, 2007