Ms. Mira Antonyan  
Chairman  
“Armenian Association of Social Workers” Non-Governmental Organization  
55/5 Tsarav Aghbyur St. 281, Yerevan  
Republic of Armenia

Re: JSDF Grant No. TF0B2613  
Promoting Social Inclusion and Self-Reliant Livelihood Activities in Armenia Project  
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of the “Armenian Association of Social Workers” Non-Governmental Organization (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association (“Bank”), acting as administrator of grant funds provided by Japan (“Donor”) under the Japan Social Development Fund, proposes to extend to the Recipient, for the benefit of the Republic of Armenia (“Member Country”), a grant in an amount not to exceed two million seven hundred thousand United States Dollars (USD 2,700,000) (“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”).

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

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 this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By [Signature]
Sylvie Bossoutrot
Country Manager
Republic of Armenia
Europe and Central Asia Region

AGREED:

“Armenian Association of Social Workers” Non-Governmental Organization

By [Signature]
Mira Antonyan
Authorized Representative

Name: Mira Antonyan
Title: Chairman
Date: 06-May-2020

Enclosures:

(1) “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds” dated February 25, 2019
(2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

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 Section:

(a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, 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, and as of July 1, 2016.

(b) “Category” means a category set forth in the table in Section 3.01 of this Agreement.

(c) “Operating Costs” means reasonable incremental expenses directly incurred on account of the implementation, management, and monitoring of the Project by the Recipient; such costs may include, as relevant, and as the Bank may agree, for the following: (a) office supplies; (b) office rental; (c) vehicle rental, operations and maintenance; (d) office and equipment maintenance and repair; (e) communications; (f) translation and interpretation (not covered under Training); (g) travel and Project supervision; (h) publication fees; (i) ownership of intellectual property rights; (j) procurement advertisement; (k) utilities, and (l) salaries of AASW personnel up to 5% of the Grant amount (excluding consultants’ services, salaries of civil service officials, and salaries of personnel from sub-contracting agencies).

(d) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.

(e) “Project Operations Manual” and “POM” means the manual to be prepared, and adopted by the Recipient, including all appendices and schedules thereto, satisfactory to the Bank, which sets forth the policies and procedures that apply to the carrying out the Project including *inter alia*: (a) rules, methods, guidelines and procedures; (b) the implementation arrangements and staffing requirements; (c) the estimated implementation schedule for the Project; (d) the procedures for accessing, disbursing and accounting for funds under the Project; (e) the procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports to be submitted by the Recipient; and (f) the procedures for financial management and procurement, referred to in the Standard Conditions.


(g) “Sub-grant Agreement” means an agreement entered into, or to be entered into, between the Recipient and a selected Sub-grant Beneficiary, for the purpose of
extending a Sub-grant to such Sub-grant Beneficiary on the terms and conditions set forth or referred to in Section 2.03 (b) of the Annex to this Agreement.

(h) “Sub-grant Beneficiary” means an individual for the benefit of which a Sub-grant is provided under Part 2 (b) of the Project, all in accordance with terms and conditions and selection criteria referred to in the Sub-grant Manual.

(i) “Sub-grant Manual” means the manual to be prepared and adopted by the Recipient (including all appendices and schedules thereto), satisfactory to the Bank, for the provision of Sub-grants under Part 2 (b) of the Project, which sets forth the procedures for Subproject cycle (identification to commissioning), including, inter alia, procedures for environmental and social screening and management of sub-grant-financed activities, and the list of non-eligible activities to ensure activities that may have an adverse environmental and social risks and impacts are excluded from Sub-project activities.

(j) “Sub-grant” means a grant made or proposed to be made out of the proceeds of the Grant by the Recipient to a Sub-grant Beneficiary for the purpose of financing the reasonable costs of goods or services required for a Subproject in accordance with the provisions of Section 2.03 (d) of the Annex to this Agreement; and “Sub-grants” means, collectively and indistinctively, more than one such Sub-grant.

(k) “Subproject” means a set of specific activities carried out or to be carried out by a selected Sub-grant Beneficiary under Part 2(b) of the Project and financed or proposed to be financed out of the proceeds of the Grant through a Sub-grant.

(l) “Training” means the reasonable cost of: (i) training materials and rental of training facilities and equipment; (ii) travel, accommodation and per diem of trainees; and (iii) any other expenses related to training (including study tours) to be carried out under the Project

**Article II**

**Project Execution**

2.01. **Project Objectives and Description.** The objective of the Project is to: increase access to social assistance benefits and services and provide self-employment support for approximately 11,000 extremely vulnerable individuals in selected regions of Armenia.

The Project consists of the following parts:

**Part 1: Development and implementation of a pilot counseling program**

(a) Support the revision and improvement of methodology and operational documents required for introducing the social case management system, through inter alia:

(i) preparation of a: (a) methodological document to define main concepts, goals, and priority areas to be addressed by the social case management intervention; and (b) manual for social workers to translate social case management methodology in a step-by-step process.

(ii) provision of revised screening tools for social workers to assess households’
vulnerabilities, including development of a management information system (MIS) to track and monitor the family progress and effective access of beneficiaries to social assistance and exposure to employment programs.

(iii) preparation of revised referral protocols with key service providers that will describe formal agreements on preferential access for referred beneficiaries and on all aspects needed for the development of MIS, including inter alia, arrangements for interoperability among providers’ own informational systems, protocols for data collection, entry, quality control, and cross-checking.

(iv) design of an outreach strategy and implementation of the public campaign for social workers to identify and reach out to the poor and vulnerable households living in their communities through carrying out public relations and awareness raising activities, such as social media campaign, video materials production, townhalls and/or informational sessions targeted to the potential beneficiaries and local decision makers.

(b) Support training activities for at least 200 state and community social workers in the areas of social case management skills and the use of manuals and tools prepared under the Project.

Part 2: Capacity building and entrepreneurship support.

(a) Support: (i) business management skills training and coaching for selected Beneficiaries and state or community social workers; (ii) trade fair exhibitions and networking events to promote new business opportunities; and (iii) development of a manual for provision of Sub-grants.

(b) Self-employment support and access to social services, including support for capacity building activities to selected Beneficiaries, all through the provision of Sub-grants.

Part 3: Project management and administration, monitoring and evaluation (M&E), and knowledge dissemination

Support: (a) Project management and coordination; (b) monitoring and evaluation (M&E) activities, including setting-up of a management information system for M&E, beneficiary assessment, social workers’ evaluation, and baseline and final evaluation study; and (c) knowledge dissemination activities under the Project.

2.02. Project Execution Generally. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. Institutional and Other Arrangements.

(a) Staffing: Without limitation upon the provisions of Section 2.02 of the Annex to this Agreement, the Recipient shall maintain, at all times during the implementation of the Project, staff in numbers and with functions and qualifications acceptable to the World Bank.

(b) Project Operations Manual (POM) and Sub-grants Manual: Without limitation to the provisions of Article II of the Standard Conditions, the Recipient shall carry out: (i) the Project in accordance with the POM, which shall consist of different schedules setting forth rules, methods,
guidelines, specific development plans, standard documents and procedures for the carrying out of the Project; and (ii) Part 2(b) of the Project through the Sub-grants Manual, which shall provide detail criteria and process for selection of Beneficiaries to receive Sub-grants.

The POM and Sub-grants Manual may not be assigned, amended, abrogated or waived, or permitted to be assigned, amended, abrogated or waived, or any provisions thereof, in a manner which, in the opinion of the Bank, may materially and adversely affect the implementation of the Project; the POM and Sub-grants Manual may only be amended in consultation with, and after approval of, the Bank. In case of any conflict between the terms of the POM and Sub-grants Manual, and those of this Agreement, the terms of this Agreement shall prevail.

(c) **Sub-grants**

1. The Recipient shall ensure that Subprojects are appraised, approved and monitored and Sub-grants are administered in accordance with the provisions set forth or referred to in this Part (d) and in more detail in the Sub-grants Manual.

2. The Recipient shall establish a Sub-grant evaluation committee, with expertise and composition acceptable to the Bank, responsible for to review and the responsible for preliminary approval of the Sub-grants, with no objection of World Bank, based on criteria and procedures set forth in the Sub-grants Manual, acceptable to the Bank;

3. No proposed Subproject shall be eligible for financing under a Sub-grant out of the proceeds of the Grant unless the Sub-grant evaluation committee has approved subject to the Bank’s no-objection, on the basis of an appraisal conducted by the Recipient in accordance with the guidelines set forth in the Sub-grants Manual, that the proposed Subproject satisfies the eligibility criteria set forth in the Sub-grants Manual.

4. A Subproject shall be carried out pursuant to a Sub-grant Agreement, to be concluded between the Recipient and the respective Sub-grant Beneficiary, under terms and conditions described or referred to in more detail in the Sub-grants Manual and satisfactory to the Bank, which, *inter alia*, shall include the following:

   (a) the description of the activities to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring and reporting on the implementation of the Subproject;

   (b) the modalities of transfer of funds by the Recipient to the Sub-grant Beneficiary for the financing of the Subproject;

   (c) the obligation of the Sub-grant Beneficiary to carry out the Sub-project: (i) with due diligence and efficiency and in accordance with sound technical, engineering, environmental, financial, and managerial practices and in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient; (ii) in accordance with sound accounting practices, the operations, resources and expenditures relating to the Subproject;

   (d) the requirement that the goods, works, and consulting services to be financed from the proceeds of the Sub-grant shall be procured in accordance with the provisions of this Agreement, and shall be used exclusively in the carrying out of the Subproject; and
the right of the Recipient, to: (i) inspect by itself, or jointly with the World Bank, if
the World Bank shall so request, the goods and sites included in the Subproject, the
operations thereof and any relevant records and documents; (ii) obtain all
information as it, or the World Bank, shall reasonably request regarding the
administration, operation and financial conditions of Subprojects; and (iii) suspend
or terminate the right of any Sub-grant Beneficiary to use the proceeds of the Sub-
grant, or obtain a refund of all or any part of the amount of the Sub-grant then
withdrawn, upon failure by the Sub-grant Beneficiary to perform any of its
obligations under the Sub-grant Agreement.

5. The Recipient shall exercise its rights under the Sub-grant Agreements in such manner as
to protect the interests of the Recipient and the World Bank and to accomplish the purposes
of the Project, and, except as the World Bank shall otherwise agree, the Recipient shall not
assign, amend, abrogate or waive any Sub-grant Agreement or any provision thereof.

2.06. **Project Monitoring, Reporting and Evaluation.** The Recipient shall ensure that each
Project Report is furnished to the Bank not later than forty-five (45) days after each calendar
semester, covering the calendar semester.

### 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; and (b) this Section;
to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set
forth against each Category of the following table:

<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 Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consulting Services</td>
<td>427,150</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training</td>
<td>605,050</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods</td>
<td>85,400</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Sub-grants</td>
<td>1,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Operating Costs</td>
<td>382,400</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>2,700,000</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:

(a) prior to the date of this Agreement; and

(b) under Category 4 until the Recipient has adopted a Sub-grants Manual, in form and substance satisfactory to the Bank.

3.03. **Withdrawal Period.** The Closing Date is June 30, 2023.

**Article IV**

**Additional Remedies**

4.01. **Additional Event of Suspension.** The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following, namely that the legislation and regulations establishing and governing the operations of the Recipient in Armenia, have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

**Article V**

**Effectiveness; Termination**

5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied, namely that the Recipient has prepared and adopted a Project Operation Manual, in form and substance satisfactory to the Bank.

5.02. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the 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 Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03. **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 Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

**Article VI**

**Recipient’s Representative; Addresses**

6.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Chairman.
6.02. **Recipient’s Address.** For purposes of Section 7.01 of the Standard Conditions:

- **(a)** the Recipient’s Address is:

  Armenian Association of Social Workers  
  55/5 Tsarav Aghbyur St., 281,  
  Yerevan, Armenia; and

- **(b)** the Recipient’s Electronic Address is:

  Telex: 37460 540150  
  Facsimile: 37410240121  
  Email: infoaasw@gmail.com

6.03. **Bank’s Address.** For purposes of Section 7.01 of the Standard Conditions:

- **(a)** the Bank’s address is:

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

- **(b)** the Bank’s Electronic Address is:

  Telex: 248423 (MCI) or 64145 (MCI)  
  Facsimile: 1-202-477-6391