April 9, 2014

Interstate Statistical Committee of the Commonwealth of Independent States
Building 1, 39 Myasnitskaya Str.
107450, Moscow
Russian Federation

Re: Grant for Development of Labor Statistics in the CIS Region
Trust Fund No. TF016781

Dear Mr. Sokolin:

In response to the request for financial assistance made on behalf of the Interstate Statistical Committee of the Commonwealth of Independent States ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided under the ECASTAT: Program to Support Statistical Capacity Building in Eastern Europe and CIS Countries Multi-Donor Trust Fund ("Donors"), proposes to extend to the Recipient for the benefit of the CIS Countries a grant in an amount not to exceed four hundred ninety thousand United States Dollars (US$490,000) ("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 World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors 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 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.
Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Haishan Fu
Director
Development Data Group Development Economics

AGREED:
INTERSTATE STATISTICAL COMMITTEE OF THE
COMMONWEALTH OF INDEPENDENT STATES

By ___________________________
Authorized Representative
Name Vladimir Sokolin
Title Chairman
Date: 15 April 2014; 16:00

Enclosures:
(2) Disbursement Letter of the same date as this Agreement, together with World Bank
(3) Disbursement Guidelines for Projects, dated May 1, 2006
Grant No. TF016781
ANNEX

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions"), 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 Agreement.

(a) "CIS Countries" means Countries of Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan) which are eligible to receive Sub-grants;

(b) "Incremental Operating Costs" means reasonable expenditures incurred by the Recipient on the account of Project implementation, management and monitoring, including office supplies and equipment, communication costs, mail expenses, bank charges and other expenditures associated with the Project implementation acceptable to the Bank, but excluding salaries of officials of the Recipient’s civil services;

(c) "Sub-grant" means a grant, from the proceeds of the Grant approved by the Recipient under the Subsidiary Grant Agreement, referred to under Article II, Section 2.03(a) of the Annex, in an amount not to exceed $9,000 for each CIS Country, made or proposed to be made by the Recipient to a CIS Country for payment of per diems of training and workshops participants from such CIS Country;

(d) "Subsidiary Grant Agreement" means the agreement referred to in Section 2.02 (d) and 2.03 of this Letter Agreement, acceptable to the Bank, pursuant to which the Recipient shall make a Sub-grant available to the CIS Country’s counterpart agency, namely, the National Statistical Office, or the Ministry of Finance, or the Central Bank for the Sub-grant;

(e) "Training and Workshops" means reasonable expenditures incurred by the Recipient to finance participation in the training activities, meetings and conferences related to the content of the project in the CIS countries and selected international events, including travel costs and daily subsistence allowances for participants and preparation of supporting materials.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to provide support to the CIS Countries national statistical offices for capacity strengthening in their collection of regular labor statistical data on the basis of uniformed methodology and to enhance knowledge exchange at national and international levels and to upgrade CIS and ILO statistical databases on labor. The Project consists of the following activities:
Part 1: Provision of consultants’ services to develop labor statistics and methodologies to meet international standards;

Part 2: Provision of consultants’ services for data generation and introduction of international standards;

Part 3: Organization of stakeholder discussions and workshops to enhance knowledge and skills of statistical staff of the CIS Countries and disseminate new methodologies; including provision of sub-grants in order to enable participation of statisticians from the CIS Countries national statistical offices and other related agencies.

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 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. (a) To facilitate the carrying out of Part 3 of the Project, the Recipient shall enter into a Subsidiary Grant Agreement with each of the CIS Countries under terms and conditions approved by the World Bank, which shall include the following, namely: (i) the Recipient’s obligation to furnish part of the Grant proceeds as a Sub-grant to each of the CIS Countries; and (ii) the CIS Country’s obligation to: (A) use the proceeds of the Sub-grant exclusively for carrying out the Project; (B) take all actions necessary to facilitate compliance in carrying out the project, including procurement, financial management, disbursement, accounting, audit requirements, monitoring and evaluation; (C) comply with the Anti-Corruption Guidelines; (D) refund any portion of the Sub-grant proceeds used in violation of the CIS Country’s obligation under the relevant Subsidiary Grant Agreement; (E) furnish to the World Bank any information reasonably requested with respect to the Sub-grant.

(b) The Recipient shall suspend or terminate the right of any of the CIS Country to receive or use the proceeds of the Sub-grant upon the CIS Country’s failure to perform any of its obligations under the Subsidiary Grant Agreement.

(c) The Recipient shall exercise its rights under the Subsidiary Grant Agreement in such manner as to protect the interest of the World Bank to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Grant Agreement or any of its provisions.

(d) In case of any conflict between the terms of the Subsidiary Grant Agreement and this Letter Agreement, the terms of this Letter Agreement shall prevail.

2.04. Project Monitoring, Reporting and Evaluation. (a) 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. Each Project Report shall cover the period of one calendar year, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.
(b) 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 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 interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than (45) forty-five days after the end of each semester, covering the semester, 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. Each such 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 months after the end of such period.

2.06 **Procurement**

(a) General.

1. Non-consulting services. All non-consulting 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 Section I of the Guidelines: “Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”) and with the provisions of this Section.

2. Consultants’ Services. All 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 Sections I and IV of the Guidelines: “Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) and with the provisions of this Section.

3. Procurement under the Project shall be carried out by the Recipient in accordance with 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 according to the Consultant Guidelines.

4. Definitions. The capitalized terms used below in this Section to describe 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.
5. Any contract for Eligible Expenditures to be financed in full or in part out of the proceeds of the Grant shall be included in the procurement plan prepared by the Recipient and approved by the Bank in accordance with the Procurement Guidelines and the Consultant Guidelines, prior to initiating the procurement process for any such contract.

(b) Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in subparagraph 2 below, Consultants’ Services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods of procurement, other than Quality- and Cost-Based Selection may be used for consultants’ services for those contracts which are specified in the Procurement Plan: (A) Selection under a Fixed Budget; (B) Least Cost Selection; (C) Selection based on Consultants’ Qualifications; (D) Single-Source Selection; (E) Individual Consultant; and (F) Single Source Selection of Individual Consultant.

(c) Particular Methods of Procurement of Non-Consulting Services

1. Except as otherwise provided in item 2. below, non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. The following methods may be used for the procurement of non-consulting services for those assignments which the Bank agrees meet the requirements set forth in the Procurement Guidelines for their use: (A) Shopping; and (B) Direct Contracting.

(d) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

(e) Procurement of Training. Training shall be procured in accordance with agreed procedures set out in this Section and the Procurement Plan.

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 set forth in 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) Consultants’ Services, including Training and Workshops, Non-Consulting services, Incremental Operating Costs and Audit</td>
<td>444,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-grants</td>
<td>46,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>490,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement:

(i) No withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient;

(ii) No withdrawal shall be made unless a Financial Management Specialist and a Procurement Specialist, acceptable to the Bank, are hired by the Recipient; and

(iii) No withdrawal for Category (2) under paragraph 3.01 shall be made unless a Subsidiary Grant Agreement, acceptable to the World Bank, has been signed between the Recipient and the CIS Country’s counterpart agency, namely, the National Statistical Office, or the Ministry of Finance, or the Central Bank.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2017.

**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 Chairman of the Interstate Statistical Committee of the Commonwealth of Independent States.

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

Interstate Statistical Committee of the Commonwealth of Independent States
Building 1, 39 Myasnitskaya Str.
107450, Moscow
4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

<table>
<thead>
<tr>
<th>International Bank for Reconstruction and Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1818 H Street, N.W.</td>
</tr>
<tr>
<td>Washington, D.C. 20433</td>
</tr>
<tr>
<td>United States of America</td>
</tr>
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</table>

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<thead>
<tr>
<th>Cable:</th>
<th>Telex:</th>
<th>Facsimile:</th>
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<tbody>
<tr>
<td>INTBAFRAD</td>
<td>248423 (MCI) or 1-202-477-6391</td>
<td></td>
</tr>
<tr>
<td>INDEVAS</td>
<td>64145 (MCI)</td>
<td></td>
</tr>
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