August 19, 2015

Mr. Aziz A. Abdukhakimov

Minister
Ministry of Labor and Social Protection
15, Mirobod Street, Mirobod District
Tashkent City
Republic of Uzbekistan 100100

Dear Mr. Abdukhakimov,

Re: RSR Grant No. TF0A0823
Integrated Single Window Office for Social Assistance and Employment Services Project

In response to the request for financial assistance made on behalf of the Republic of Uzbekistan ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by the United Kingdom of Great Britain and Northern Ireland, the Russian Federation, the Commonwealth of Australia, the Kingdom of Norway and the Kingdom of Sweden ("Donors"), under the Rapid Social Response Multi-Donor Trust Fund (TF071370), proposes to extend to the Recipient a grant in an amount not to exceed four hundred and fifty thousand United States Dollars (U.S.$450,000) ("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. 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 that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized by or ratified by all necessary governmental action; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Laurent Debroux
Acting Regional Director
Central Asia

AGREED:

REPUBLIC OF UZBEKISTAN

By:

Authorized Representative

Name: Mr. Aziz A. Abdukhakimov
Title: Minister of Labour and Social Security
Date: September 2, 2015

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
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) "ISWO" or "Integrated Single Window Office" is a new business process of Service Delivery at the district centers for employment assistance and social protection of the MLSP, including optimized client services and referral mechanisms, information systems, monitoring provisions, and physical organization of the office space.

(b) "MLSP" or "Ministry of Labor and Social Protection" means the ministry Recipient’s ministry of labor and social protection, and any successor thereto.

(c) "PCG" or "Project Coordination Group" is a group to be established by the Recipient pursuant to section 2.03(c) of this Annex.

(d) "Pilot Offices" means the MLSP district centers for employment assistance and social protection where the Pilots will be carried out pursuant to section 2.03(e) of this Annex.

(e) "Pilot" means the pilot implementation of the ISWO to be carried out in Pilot Offices.

(f) "PIU" or "Project Implementation Unit" is a unit to be established by the Recipient pursuant to section 2.03(d) of this Annex.

(g) "Service Delivery" means the delivery of social assistance, social care and employment services.

(h) "Social Registry" means a data system with information about Service Delivery clients.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objectives of the Project are to increase coordination among social protection and labor programs and functions; strengthen the capacity of the MLSP in delivering services to the vulnerable and needy groups of the Recipient’s population; and implement complex reforms to establish a solid foundation for implementation of a national Social Registry. The Project consists of the following parts:

**Part 1: Integrated Single Window Office and reform roadmap**

Provision of support for, *inter alia*:

1. Design and development of a concept for an ISWO for Service Delivery, including, *inter alia:* the carrying out of an assessment of business processes at the district and
local communities level; the carrying out of a needs assessment and the design of a new business process and a management information system to automate the operation of the Pilot Offices; the design of a Social Registry; and the development of a reform roadmap for the future national implementation of the ISWO and the Social Registry.

2. Design, carrying out and evaluation of the Pilot in two Pilot Offices;
3. Purchase of selected computer hardware and office equipment;
4. Implementation of a specialized management information system to automate the operation of the Pilot Offices; and
5. Improvement of the Pilot Offices through the carrying out of selected renovations and minor works.

Part 2: Capacity building

Provision of support for, inter alia:

1. Carrying out of a needs assessment of human resources development for Pilot Offices and local communities involved in Service Delivery in the locations of the Pilot Offices;
2. Design and carrying out of customized training programs for MLSP staff involved in the Pilots, to improve Service Delivery; and
3. Carrying out of awareness campaigns to explain the ISWO concept in the Pilot Offices communities.

Part 3: Project management

Provision of support for, inter alia:

1. Establishment and operation of a PIU within the MLSP;
2. Carrying out of Project audits by external auditors; and
3. Development of a comprehensive environmental and social safeguards framework and other operational documents for the future national implementation of the ISWO.

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 through the MLSP 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) The Recipient shall vest the overall responsibility for the implementation of the Project to the MLSP.

(b) For purposes of carrying out the Project, the Recipient shall maintain, through the MLSP, at all times during Project implementation professional staff in adequate numbers and with terms of reference, qualifications and functions acceptable to the World Bank to perform all functions related to the Project.

(c) The Recipient, through the MLSP, shall establish by no later than September 15, 2015, and thereafter maintain throughout Project implementation, a Project Coordination Group (“PCG”) headed by an MLSP Deputy Minister or a designee by the MLSP Minister, comprised of
managers of MSLP departments key for Project implementation, to be responsible for the implementation of the Project and ensuring coordination of Project activities with relevant MLSP departments.

(d) The Recipient, through the MLSP, shall establish by no later than September 15, 2015, and thereafter maintain throughout Project implementation, a PIU to be responsible for the Project’s day-to-day administration, financial management, procurement, safeguards compliance, monitoring and evaluation, reporting and technical aspects.

(e) The Recipient, through the MLSP, shall identify by no later than September 15, 2015, and thereafter maintain throughout Project implementation, two Pilot Offices where the Pilot will be implemented and evaluated.

2.04. **Donor Visit.** For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, through the MLSP, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient, through the MLSP, 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 acceptable to 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.

(b) The Recipient, through the MLSP, 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.

2.06. **Financial Management.** (a) The Recipient, through the MLSP, 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, through the MLSP, shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five days after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall, through the MLSP have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.07. **Procurement**

(a) **Procurement Plan.** The Recipient, through the MLSP, shall prepare by no later than September 15, 2015, and thereafter update throughout Project implementation, a procurement plan for the Project, satisfactory to the World Bank, in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").
(b) **General.** All goods, works and 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:


(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014) (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the Procurement Plan.

(c) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular 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.

(d) **Particular Methods of Procurement of Goods and Works**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts which are specified in the Procurement Plan: (A) Shopping; and (B) Direct Contracting.

(e) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

(ii) The following methods, other than Quality and Cost-based Selection, may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) Single-source procedures for the Selection of Individual Consultants.

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

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** (a) The Recipient, through the MLSP, 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 100% of Eligible Expenditures consisting of goods, works, services and Other, exclusive of taxes, except Withheld Taxes.

(b) For the purposes of this section, the term:

(i) “Training, Workshops and Study Tours” means the reasonable costs, as shall have been approved by the World Bank, for training, workshops and study tours conducted under the Project, including tuition, travel, accommodation and subsistence costs for training, workshop and study tours participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants’ services);

(ii) “Incremental Operating Costs” means the incremental expenses incurred by the MLSP on account of Project implementation, management, and monitoring (as shall have been approved by the World Bank,), including vehicle operation and maintenance, office supplies, office equipment maintenance, rental of office space, rental of cars and other transportation, utility bills, banking charges, communications and advertising, document duplication/printing, including printing and dissemination of public awareness materials, travel cost and per diem for Project staff and civil servants for travel linked to the implementation of the Project (excluding salaries to civil servants), and any other incremental expense incurred by MLSP on account of Project implementation, provided that all said expenses are deemed acceptable to the World Bank.

(iii) “Other” means Training, Workshops and Study Tours, and Incremental Operating Costs;

(iv) “Withheld Taxes” means the following taxes withheld at source: taxes for social charges; and income taxes for residents and non-residents withheld at the source.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2017.

Article VI
Recipient’s Representative; Addresses

4.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Labor and Social Protection.

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

Ministry of Labor and Social Protection
15, Mirobod Street, Mirobod District
Tashkent City
Republic of Uzbekistan 100100
5.03. **World Bank’s Address.** 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

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