H.E. Stepan Kubiv  
First Vice-Prime Minister  
Minister of Economic Development and Trade of Ukraine  
Ministry of Economic Development and Trade  
Kyiv, Ukraine

Re: TFSCB Grant No. TF0A4096  
(Strengthening Evidence-Based Policymaking with Education Statistics and Analysis Project)  
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of Ukraine ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by various donors ("Donors") under the Multi-Donor Trust Fund for Statistical Capacity Building III ("TFSCB-III: TF070561"), proposes to extend to the Recipient, a grant in an amount not to exceed three hundred and forty thousand United States Dollars (US$340,000) ("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.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Satu Kristiina J. Kahkonen
Country Director, Ukraine, Belarus, Moldova
Europe and Central Asia

AGREED:

UKRAINE

By

Authorized Representative

Name

Stepan Kubiv

Title

First Vice Prime Minister of Ukraine

MINISTER OF ECONOMIC DEVELOPMENT AND TRADE OF UKRAINE

Date: January 24, 2014

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
(3) World Bank Procurement Regulations for Borrowers under Investment Project Financing, dated July 1, 2016
(4) 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
TFSCB Grant No. TF0A4096
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.

   (i) "EMIS" means the Education Management Information System.

   (ii) "IEA" means the Institute of Educational Analytics, an agency under the MOES, established under the Recipient’s Cabinet of Ministers Resolution #687 dated November 26, 2014, or any successor(s) thereto.

   (iii) "MOES" means the Recipient’s Ministry of Education and Science or any successor or successors thereto.

   (iv) "PISA" means the Program for International Student Assessment.

   (v) "USEQA" means the Ukrainian Center for Education Quality Assessment.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to strengthen the capacity of the Recipient’s education authorities to utilize administrative, statistical and learning assessment data and analytical methods to inform policymaking. The Project consists of the following parts:

**Component 1: Development of an Integrated EMIS**

Provision of support for the development of a modern EMIS to enhance evidence-based policymaking based on modern education statistics.

**Sub-component 1.1. Integration and quality assurance of existing databases**

Modernization and upgrading of the existing EMIS located in the MOES for quality assurance and integration with existing data systems through, *inter alia*: (i) modernization of the existing data systems; (ii) provision of support from programmers and database developers; (iii) provision of consultancy services from international and domestic EMIS experts; (iv) knowledge exchange with other EMIS users; and (v) provision of hardware and software for EMIS operation and maintenance.

**Sub-component 1.2. Database security certification**

Development of a database security certification through hiring and preparation of Terms of Reference for consultancy services of a database security certification firm.
Sub-component 1.3. Development of an open data portal

Construction of an open data portal to timely provide relevant EMIS data to education stakeholders including: (i) hiring programmers and data visualization specialists for the development of a user friendly portal linked to the EMIS; (ii) acquisition of statistical, database management, mapping and data visualization software; and (iii) dissemination of information to stakeholders on the portal availability and uses.

Sub-component 1.4. Training and analytical capacity building

Capacity building activities including training on the proper use and operation of EMIS, database maintenance, data entry, submission techniques and effective use of education statistics for evidence-based policy-making.

Component 2: Preparation for Participation in PISA

Provision of technical assistance to strengthen the capacity of Recipient's education authorities to participate in PISA 2018.

Sub-component 2.1. Preparation for PISA implementation

Carry out a set of activities to support the IEA, USEQA, and other agencies in preparation for the PISA 2018 through, *inter alia*, (i) collection of data and processing for the preparation of PISA 2018 sample; (ii) preparation of sample schools to be included in PISA 2018 piloting and implementation; (iii) knowledge exchange with local and international experts on topics relevant to PISA implementation; and (iv) disseminating information on international large-scale sample-based student assessments to teachers and other education system stakeholders.

Sub-component 2.2. Capacity building for the preparation of the PISA 2018 national report

Carry out a set of activities to train education experts in the accepted analytical techniques used in the preparation of PISA national reports based on international best practices through, *inter alia*, (i) training staff of IEA and other relevant agencies in statistical techniques used to analyze PISA data; (ii) exchange knowledge with international organizations and national agencies experienced in preparation of similar reports; and (iii) provision of consultants services from local and international experts on relevant topics related to PISA 2018.

Component 3: Institutional Capacity Building

Carry out a set of activities to support IEA in building institutional capacity and provision of technical and operational support for project implementation and audit.

Sub-component 3.1. Institutional capacity building

Strengthen institutional capacity of IEA through training staff in modern research methods, knowledge exchange, development of a website and provision of hardware and software.

Sub-component 3.2. Grant implementation support

Provision of technical assistance in conducting Project implementation activities.
Sub-component 3.3. Grant audit

Provision of support for audit of Grant implementation activities.

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 IEA under the MOES, 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 and as of July 1, 2016 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Institutional and Other Arrangements.** The Recipient shall vest the overall responsibility for the implementation of the Project in the IEA under the MOES, and to this end, through MOES, shall maintain, throughout Project implementation, professional staff in adequate numbers and with terms acceptable to the World Bank, to perform all Project related functions including, *inter alia*, procurement, monitoring and evaluation, financial management and project management.

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 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 forty-five (45) days 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 three (3) 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 forty-five (45) days after the end of each calendar 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. 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 (6) months after the end of such period.

2.06. **Procurement**

All goods, non-consulting services and 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 the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated December 8, 2016 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.
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) 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 following table. The 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:

<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) Goods and consulting services</td>
<td>273,500</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training</td>
<td>58,500</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Operating Costs</td>
<td>8,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>340,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purposes of this paragraph, the term:

(a) “Training” means the reasonable costs, as shall have been approved by the World Bank, for training conducted under the Project, including tuition, travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training course preparation and implementation (but excluding goods and consulting services).

(b) “Operating Costs” means reasonable expenditures (none of which would have been incurred by the Recipient absent the Project), for the implementation, coordination and supervision of the Project, including, *inter alia*, travel costs (i.e. accommodation, transportation, travel insurance, and *per diem*); operation and maintenance of office equipment; rental of offices; office supplies; communication costs; bank charges; utilities; printing and publications (electronic and/or paper); and translation services; and such other expenditures as may be agreed upon by the World Bank.

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 two (2) years from the date of countersignature of this Agreement by the Recipient.
Article IV
Effectiveness; Termination

4.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied, namely that the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action.

4.02 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 4.01 ("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.

4.03 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 V
Recipient's Representative; Addresses

5.01 Recipient's Representative. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Economic Development and Trade.

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

Ministry of Economic Development and Trade
12/2 Hrushevsky St.
Kyiv, 01008
Ukraine

Telephone: (380-44) 253-93-94 Facsimile: (380-44) 226-31-81

5.03 World Bank's Address. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

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