Mr. Tahir Budagov  
Chairman  
State Statistical Committee  
81 Inshaatchilar Avenue  
Baku AZ 1136  
Republic of Azerbaijan  

Re:  TFSCB-III Grant No. TF0A4504  
Letter Agreement  

Dear Sir:

In response to the request for financial assistance made on behalf of the State Statistical Committee ("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 Trust Fund for Statistical Capacity Building – III ("TFSCB-III") (TF070561), proposes to extend to the Recipient, for the benefit of the Republic of Azerbaijan ("Member Country"), a grant in an amount not to exceed two-hundred and forty-nine thousand nine hundred United States Dollars (US$249,900) ("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

By

Naveed Hassan Naqvi
Acting Regional Director for the South Caucasus
Europe and Central Asia Region

AGREED:

STATE STATISTICAL COMMITTEE

By:

Authorized Representative

Name: Mr. Tahir Budagov
Title: Chairman
Date: July 19, 2017

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with the Disbursement Guidelines for Investment Project Financing, dated February 2017.
(3) 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.
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) "NSDS" means National Strategy for the Development of Statistics.

   (b) "State Statistical Committee" means the Member Country’s State Statistical Committee, operating based on the Member Country’s Law on Official Statistics of the Republic of Azerbaijan No. 789, dated February 18, 1994, approving the functions and responsibilities thereof.

Article II

Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to support the Recipient in: (i) the preparation of a new long-term NSDS for 2018-2030; (ii) the preparation of action plans for 2018-2022 for improving statistical infrastructure; and (iii) capacity building of the Recipient’s staff in order to make them ready for implementation of these action plans. The Project consists of the following parts:


Provision of support for the development of a new NSDS for the Recipient for the years between 2018 and 2030, including: (a) elaboration of detailed action plans for the years between 2018 and 2022 for improving statistical infrastructure; and (b) carrying out a review of the status of the statistical system.

Part 2: Consultations on the National Strategy for the Development of Statistics

Provision of support for the carrying out of national consultations and dissemination workshops on the new NSDS.

Part 3: Action Plans Capacity-Building

Provision of support for the capacity-building and training of the Recipient’s staff on tasks related to the implementation of three (3) medium-term action plans prepared under Part 1 of the Project, including study tours.

Part 4: Project Implementation Support

Provision of support for the implementation of the Project.
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 and as of July 1, 2016 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Institutional and Other Arrangements.** For purposes of carrying out the Project, the Recipient shall maintain 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 Project-related functions including, *inter alia*, procurement, financial management, monitoring and evaluation, and disbursement.

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 quarter, 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 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 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.

2.06. **Procurement**

All goods 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.** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing”, dated February 2017, 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, services, Training and Workshops, and Operating Costs inclusive of Taxes.

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

(i) “Training and Workshops” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop 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); and

(ii) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project implementation, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and per diem for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).

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 29, 2018.
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 its Chairman.

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

State Statistical Committee
81 Inshaatchilar Avenue
Baku AZ 1136
Republic of Azerbaijan

Facsimile:
+99412 5382442

4.03. 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: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391