

October 9, 2001

Mr. M. Stavrakakis
Secretary General
For International Economic Relations,
Ministry of National Economy,
Athens, Hellenic Republic

Dear Mr. Stavrakakis:

Agreement between the Hellenic Republic and the International
Development Association ("IDA") concerning Assistance for the
Armenia Population Census (Trust Fund No. 029889)

We are pleased to acknowledge on behalf of the International Development Association ("IDA") the intention of the Hellenic Republic (the "Donor") to make available to IDA the amount of US dollars one hundred thousand (US\$100,000) (the "Contribution") as a grant for the purpose of financing the Assistance for the Armenia Population Census (the "Project"). Other donors are also expected to contribute to this trust fund.

The Contribution shall be used for the purposes described in the Attachment to this letter which forms an integral part of this agreement. The administration and use of the Contribution will be subject to the provisions of this Letter of Agreement and to the "Standard Provisions Applicable to Donors to the Trust Fund to Finance the Project" (the "Standard Provisions") attached hereto as an Annex. The Standard Provisions constitute an integral part of this Letter of Agreement. The Donor authorizes IDA to use the Contribution funds to pay the Recipient for eligible expenditures made (or, if IDA shall so agree, to be made) under and in accordance with the Grant Agreement. IDA shall furnish a copy of the Grant Agreement between IDA and the Recipient (the Grant Agreement) to the Donor.

The Donor shall deposit the entire amount of the Contribution into the International Bank for Reconstruction and Development's Cash Account "T" (Account No. IBRT 000125199, Routing Code 021001088, Swift Address MRMDUS33) which is maintained with the Hong Kong and Shanghai Banking Corporation Bank USA (HSBC Bank USA) in New York City (the "T-Account") promptly following confirmation of this Agreement by the Donor. When making such deposit, the Donor shall instruct HSBC Bank USA to advise the IBRD's Treasury Operations Department by SWIFT (IBRDUS33), telex (MCI 248423) or fax (202-522-1564) as to the amount received; that it is from the Hellenic Republic for TF029889 - Undertaking of the Armenia Population Census and, the date of the deposit. In addition, the Donor shall send a fax copy of its deposit instruction to IBRD's Trust Fund's Division (fax: (202) 477-7163).

The Trust Fund arrangement covered by this Letter of Agreement will terminate on June 30, 2002, or on such date as the Contribution shall have been fully utilized, whichever comes earlier, unless the Donor and IDA otherwise agree in writing.

The offices responsible for coordination of all matters related to the implementation of this agreement are:

For IDA

South Caucasus Country Unit
Europe and Central Asia Region
The World Bank
1818 H Street, NW
Washington, DC 20433
U.S.A.

Tel: 202-458-7410

Fax: 202-522-3607

For the Donor

Mr. M. Stavrakakis
Secretary General
For International Economic Relations,
Ministry of National Economy,

Athens, Hellenic Republic

Tel.: (301) 328-62-01

Fax: (301) 328-62-09

We propose that this letter shall, upon your confirmation in the manner indicated below, constitute an agreement between the Donor and IDA.

Sincerely,

By /s/ Judy M. O'Connor
Country Director for Armenia
South Caucasus Country Unit
Europe and Central Asia Region

CONFIRMED AND AGREED:

Ministry of National Economy of
Hellenic Republic

By /s/ M. Stavrakakis
Secretary General

Date : October 22, 2001

ATTACHMENT

Armenia Population Census

1. Background and objectives

By several historical and economic reasons, since 1998 Armenia has experienced severe shifts in the population structure, while the authorities did not have sufficient capabilities for adequate monitoring of such demographic developments. The last (1989) census in Armenia was conducted under rather difficult conditions and did not provide reliable results. Thus, in contrast to other FSU states, on the one hand, Armenia does not have a reliable baseline population data, and on the other hand, it was more seriously affected by out-migration in 90-s. A poor status of demographic data makes development of social and economic policies increasingly difficult for the Government. In particular, it undermines efficiency of donor assistance and humanitarian relief. There is a major need for conducting a population census that would provide a reliable update of Armenia's demographic profile. The census would help the Government to make necessary adjustments in its economic and social policies by providing adequate data on population count, its social and demographic structure, spatial distribution and housing conditions.

2. Program description

The census design follows the best international practice and has been discussed in detail with international advisers. The overall Census activities consist of three main stages: (i) Pre-Census activities; (ii) the main headcount; and (iii) post-Census actions.

The census activities started in early 2000 by the preparatory work on the pilot, which was conducted in September 2000. The pre-census activities are scheduled to be completed by October 2001. The main headcount is scheduled for October 9-19, 2001. It is envisaged that preliminary results would be available by the end of 2001. Post-census activities, including encoding and inputting, cross-checking, data analysis and publishing will be completed by mid-2003. Accordingly, the full final results of the census will be published by the end of 2003.

The overall number of people to be hired for the Census activities is about 15 thousand, of which nearly 12,000 - enumerators, about 2000 - supervisors and almost 600 - registrars.

In 1999, Armenian Parliament passed the "Law on Census" stating that the Population Census must be conducted in 2001. Consequently, the Government adopted Resolution No 78 of February 19, 2000 that established timing for conducting the census (October 10-19, 2001) and set up a framework for its preparation. The National Statistical Service is designated as a leading agency responsible for the preparation and implementation of the census.

In March of 2001, the Memorandum of Understanding (MoU) was signed between the Government of Armenia, National Statistical Service (NSS) and several Development Partners (DFID, IBRD, UN, USAID) confirming commitments of all interested parties to contribute to the successful implementation of the census. The NSS has been actively engaged in various programs of technical cooperation with leading statistical entities, including Eurostat, IBRD, and IMF.

3. Budget

The full budget for the census was prepared with the assistance of international experts and amounts to about US\$1,750,000.

4. Donor assistance: Main directions for utilization of grant proceeds

Given insufficiency of the existing budget allocation for undertaking the census in a timely and qualitative manner, the Armenian Government requested at the Donor Conference for Armenia, held in Paris on July 9-10, 2001, additional international assistance for this project.

In line with this request, the proceeds of the Grant will be used for financing of critical remaining preparatory activities and procurements of necessary goods. This includes financing of: (i) public information campaign, (ii) publishing necessary printing materials and maps, (iii) purchasing office material and equipment, (iv) operational costs, including transportation and communication, and (v) administration of the census.

ANNEX

Standard Provisions Applicable to Donors to the Trust Fund for Assistance for the Armenia Population Census

The following provisions (hereinafter referred to as the "Standard Provisions") will be applicable to all agreements entered into between the International Development Association ("IDA") and donor countries and/or organizations (hereinafter individually and indistinctly referred to as the "Donor") that provide grants (individually and indistinctly referred to as the "Contribution") to IDA for the Trust Fund for the Assistance for the Armenia Population Census (the "Project").

I. IDA's Use of Grant funds and Administrative Cost Recovery Arrangements

Implementation of the Project shall be the responsibility solely of the Recipient.

All Contributions made available as grants to the Trust Fund (collectively the "Grant Funds") will be accounted for as a single Trust Fund and will be kept separate and apart from the funds of the IBRD and IDA. The Grant Funds may be comingled with other trust fund assets maintained in the T-Account. The Grant Funds in the T-Account may be freely exchanged by IDA into other currencies as may facilitate their disbursement. IDA may invest the Grant Funds pending their disbursement in any instrument in which IDA is authorized to invest its own funds. IDA shall credit all income earned to the Trust Fund to be used for the same purposes of the contributions. In order to assist in the defrayment of the costs of administration and other expenses incurred by IDA with respect to the Contribution, IDA may, following deposit of each Contribution by the Donor, withdraw from the T-Account a fee in an amount equal to two percent (2%) of the amount of Contribution.

II. Fiduciary Responsibilities of IDA

IDA will exercise the same care in the discharge of the functions described in the Letter of Agreement (of which these Standard Provisions form an integral part) as it exercises with respect to the administration and management of its own affairs and shall have no further responsibility or liability to the Donor in respect thereof.

III. Employment of Consultants, Procurement of Goods, and Financing of Operational Costs

The selection and recruitment of consultants, and the procurement and financing of expenditures for goods, services and other items of expenditure shall be done in accordance with normal IDA procedures applicable to such activities. The Grant funds could be used for: (a) procurement of goods such as office materials, office equipment, and vehicles, (b) financing of consulting services, including those in areas of publishing and informational services, and (c) financing of operational costs related to undertaking of the census, including those related to business communication and transportation of the staff involved in the census implementation.

IV. Procedures to Govern IDA Grants

In the event that IDA deems it necessary to pass on the Grant Funds to an entity or entities, the following provisions will apply:

(a) Within the limits provided for in the Letter Agreement, IDA will act as administrator of the Grant Funds, and as such will conclude an agreement with each recipient in connection with the provision of each grant.

(b) IDA will be responsible for the administration of the Grant funds and of each agreement referred to in paragraph (a) immediately above; and may enter into such agreement and do any and all such acts and things as may be necessary or appropriate to accomplish fully the foregoing.

V. Reporting Responsibilities of IDA

(a) External Audit: IDA will provide the donors, within six months following the end of each IDA fiscal year, a management assertion together with an attestation from IDA's external auditors on the satisfactory performance of the procedures and controls used by IDA in administering trust funds. The cost of such attestation will be borne by IDA.

IDA will maintain separate records and ledger accounts in respect of the aggregate Grant Funds for the agreed activities and disbursements made therefrom. Within 90 days of the completion of the activities financed by the Grant Funds, IDA will prepare an unaudited financial statement in United States dollars with respect to the Grant Funds and forward a copy to each Donor.

(b) IDA will maintain close consultation and coordination with the Donors. IDA will provide each Donor with quarterly reports on the activities financed by the Grant Funds. Within six (6) months of the completion of the activities, or of full disbursement of the Grant funds, whichever comes later, IDA will provide a final progress report to each Donor.

VI. Termination

Upon termination as provided for in the Letter Agreement, unless the parties hereto agree on another course of action: (a) any agreement entered into between IDA and/or other third parties shall not be affected by the termination, and IDA shall be entitled to continue permitting withdrawals of Grant Funds in respect of such agreements as if this agreement had not been so terminated; and (b) any remaining Grant Funds shall be returned to the donors on a pro rata basis and IDA's functions pursuant hereto shall be considered terminated. Within six (6) months following such termination, IDA shall furnish to the Donors an unaudited financial statement with respect to the aggregate amount contributed by all Donors.

