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**LOAN NUMBER 4867-RU**

# **Loan Agreement**

**(Second State Statistical System Development Project)**

**between**

**RUSSIAN FEDERATION**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**Dated November 30, 2007**

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## **LOAN AGREEMENT**

Agreement dated November 30, 2007, between RUSSIAN FEDERATION (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

### **ARTICLE I - GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Loan Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

### **ARTICLE II - LOAN**

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of ten million dollars (\$10,000,000) (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Commitment Charge payable by the Borrower shall be equal to three-fourths of one percent ( $\frac{3}{4}$  of 1%) per annum on the Unwithdrawn Loan Balance, subject to any waiver of a portion of such charge as may be determined by the Bank from time to time.
- 2.04. The Front-end Fee payable by the Borrower shall be equal to one percent (1.0%) of the Loan amount, subject to any waiver of a portion of such fee as may be determined by the Bank from time to time.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread, subject to any waiver of a portion of such interest as may be determined by the Bank from time to time.
- 2.06. The Payment Dates are May 15 November 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

### **ARTICLE III - PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through Rosstat in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **ARTICLE IV - REMEDIES OF THE BANK**

- 4.01. The Additional Events of Suspension consist of the following:
  - (a) The Project Implementation Agreement, or any provision thereof, shall have been amended, suspended, abrogated, repealed or waived in such a way as to materially and adversely affect the ability of the Borrower or the PIU to carry out the Project; and
  - (b) The PIU shall have failed to perform any of its obligations under the Project Implementation Agreement.
- 4.02. The Additional Event of Acceleration consists of the following: any event specified in paragraphs (a) and (b) of Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

### **ARTICLE V - EFFECTIVENESS**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) The Project Implementation Agreement has been executed on behalf of the Borrower, represented by the MOF and Rosstat, and the PIU.
  - (b) The IACC with a composition, resources and terms of reference satisfactory to the Bank has been established by the Borrower.
  - (c) The Project Operational Manual satisfactory to the Bank has been adopted by the Borrower.
- 5.02. The Additional Legal Matter consists of the following:

The Project Implementation Agreement, satisfactory to the Bank, has been executed between the Borrower, represented by the MOF and Rosstat, and the PIU and is legally binding upon the Borrower and the PIU in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

**ARTICLE VI - REPRESENTATIVE; ADDRESSES**

6.01. The Borrower's Representative is the Minister of Finance of the Borrower.

6.02. The Borrower's Address is:

Ministry of Finance  
Ilyinka Street 9  
109097 Moscow  
Russian Federation

Telex:  
112008

Facsimile:  
(7-095) 925-0889

6.03. The Bank's Address is:

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

Cable address:

Telex:  
248423(MCI) or  
64145(MCI)

Facsimile:  
1-202-477-6391

AGREED at Moscow, Russian Federation, as of the day and year first above written.

RUSSIAN FEDERATION

By /s/ Vladimir L. Sokolin  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Klaus Rohland  
Authorized Representative

## SCHEDULE 1

### Project Description

The objective of the Project is to assist the government to produce reliable, timely, and accurate economic, financial, socio-demographic and other data for policy formulation and decision-making in line with international good practice and frameworks. This will be done through strengthening the capacity of the National Statistical System. The project supports the implementation of the national development strategy to promote economic growth, to achieve ambitious social goals and targets, and to ensure significant improvements in the efficiency of federal government agency performance. The improved availability of comprehensive sets of macroeconomic, social, poverty-related and labor market indicators, with regional breakdowns, will contribute to the monitoring of policy implementation.

The Project constitutes phase I-b of the Program and consists of the following parts:

#### Component A: Modernization of economic statistics methodology

- (a) enhancement of the System of National Accounts;
- (b) development of the methodological basis for the compilation of the basic Input-Output Tables;
- (c) enhancement of price statistics;
- (d) enhancement of trade statistics; and
- (e) enhancement of enterprise statistics.

#### Component B: Development of modern design and technology for statistical data collection, processing, and dissemination system

- (a) improve access to data through electronic and web-enabled technologies;
- (b) development of a modern system of demographic data collection and processing;
- (c) development of a system for collection, analysis and dissemination of household and population surveys data;
- (d) improve integration of databases;

- (e) institutional strengthening of Rosstat's information technology policy framework;
- (f) review and improve information technology security planning and requirements;
- (g) development of Rosstat's corporate computer and information system;
- (h) development of data collection and interagency interaction system for monitoring performance of budget institutions in the social sphere, financial sphere and the real property sector;
- (i) remote collection of data for the purposes of social and economic statistics; and
- (j) preparation of strategic development proposals of Rosstat's information technology systems.

Component C: Enhancement of social statistics

- (a) strengthen statistics of population incomes, poverty and living standards, including modernization of the system of household sample surveys, and improvement of administrative data collection;
- (b) develop labor market statistics and propose new tasks in labor force analysis to develop policies to support the labor market; and
- (c) improve demographic statistics.

Component D: Human resource development

- (a) analysis of the current retraining system and preparation of a strategy for its development;
- (b) development of training programs and training materials; and
- (c) provision of statistical training and knowledge sharing.

Component E: Project management

- (a) provision of logistical and secretarial support to the IACC and financing of Operating Costs; and
- (b) implementation of a project results framework and monitoring and evaluation of indicators.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Institutional and Other Arrangements**

1. At all times during the implementation of the Project, the Borrower shall maintain the IACC with a composition, resources and terms of reference satisfactory to the Bank.
2. The Borrower shall ensure that, until the completion of the Project, the PIU at all times functions in a manner, and with staff, consultants, facilities and other resources necessary for the management and implementation of the Project, all satisfactory to the Bank.
3. The Borrower, through Rosstat and with the assistance of the PIU, shall carry out the Project in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the Project Operational Manual and shall not assign, amend, abrogate or waive any provisions of the Project Operational Manual without a prior approval of the Bank.

#### **Section II. Project Monitoring, Reporting, Evaluation**

##### **A. Project Reports**

The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty five (45) days after the end of the period covered by such report.

##### **B. Financial Management, Financial Reports and Audits**

1. The Borrower, through the PIU, shall maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank not later than forty five (45) days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The first and final audit may cover a period up to eighteen (18) months. The audited Financial Statements



for each such period shall be furnished to the Bank not later than six months after the end of such period.

### **Section III. Procurement**

#### **A. General**

- 1. Goods.** All goods required for the Project shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Schedule.
- 2. Consultants' Services.** All consultants' services required for the Project shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Schedule.
- 3. Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

#### **B. Particular Methods of Procurement of Goods**

- 1. International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
- 2. Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b>Procurement Method</b>	
(a)	Shopping
(b)	Agreed procedures for training

#### **C. Particular Methods of Procurement of Consultants' Services**

- 1. Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b>Procurement Method</b>	
(a)	Selection Based on Consultant's Qualifications
(b)	Selection of Individual Consultants
(c)	Least Cost Selection
(d)	Single Source Selection

**3. Eligibility of State Owned Scientific, Research and Education Institutions**

Short lists for assignments to be procured under this Part C may, with the prior agreement of the Bank, include (in case of Selection Based on Consultant's Qualifications) or be entirely composed of (in case of Quality- and Cost-based Selection or Selection Based on Consultant's Qualifications), suitable state-owned entities (scientific, research and education institutions, including entities within Rosstat organizational structure), provided that no entity can be included in a short list for any assignment if such an entity is the direct beneficiary of the outputs of the assignment.

**D. Review by the 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 Bank.

**Section IV. Withdrawal of Loan Proceeds**

**A. General.**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank may specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed</b>
(1) Goods and consultants' services for the Project	9,380,000	20%
(2) Operating Costs	620,000	20%
<b>TOTAL AMOUNT</b>	<u>10,000,000</u>	

**B. Withdrawal Conditions; Withdrawal Period.**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is August 25, 2012.

**SCHEDULE 3****Amortization Schedule**

<b>Principal Payment Date</b>	<b>Principal Amount of the Loan Payable (Expressed in USD*)</b>
On each May 15 and November 15	
beginning November 15, 2012	
through May 15, 2022	500,000

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\* The figures in this column represent the amount in USD to be repaid, except as provided in Section 3.10 of the General Conditions.

**APPENDIX****Section I. Definitions**

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
2. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
3. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005.
4. “IACC” means the Inter-Agency Coordination Council to be established by the Borrower for the purposes of overall Project steering and coordination pursuant to Section 5.01 of this Agreement.
5. “MEDT” means the Ministry of Economic Development and Trade of the Borrower or any successor thereto.
6. “MOF” means the Ministry of Finance of the Borrower or any successor thereto.
7. “Operating Costs” means incremental operating costs incurred by the PIU on account of Project implementation, management and monitoring, including staff salaries and consultancy costs, social charges, training, conferences and seminars, dissemination of Project related information, office rent and utilities, office and equipment insurance, maintenance and repair, vehicle maintenance and repair, travel, security, communication, bank charges, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the Bank.
8. “PIU” means an entity with staff, resources and terms of reference satisfactory to the Bank and selected by the Borrower for the purposes of day to day Project management and implementation and which is the party to the Project Implementation Agreement.
9. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
10. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated May 3, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

11. “Program” means the Statistical Capacity Building Program (STATCAP) designed to increase access to assistance to strengthen National Statistical Systems and increase their capacity to produce more reliable, timely and accurate data and referenced in the letter dated February 7, 2005 from the Borrower to the Bank.
12. “Project Implementation Agreement” means the agreement to be entered into between the Borrower, represented by the MOF and Rosstat, and the PIU pursuant to Section 5.01 of this Agreement.
13. “Project Operational Manual” means the project operational manual satisfactory to the Bank and to be adopted by the Borrower pursuant to Section 5.01 of this Agreement.
14. “Rosstat” means the Federal Service of State Statistics of the Russian Federation, or any successor or successors thereto.
15. “Training” means Project related study tours, training courses, seminars, workshops and other training activities, not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel, per diem costs of trainees and trainers and trainers’ fees.