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SFR-CF GRANT NUMBER TF098001

# **Statistics for Results Facility Catalytic Fund Grant Agreement**

(Strengthening the National Statistical System Project)

between

**ISLAMIC REPUBLIC OF AFGHANISTAN**

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION**  
(acting as administrator of the Statistics for Results Facility Catalytic Fund)

**Dated October 20, 2010**

Public Disclosure Authorized



**STATISTICS FOR RESULTS CATALYTIC FUND  
GRANT AGREEMENT**

AGREEMENT dated October 20, 2010, entered into between: The ISLAMIC REPUBLIC OF AFGHANISTAN (the “Recipient”); and The INTERNATIONAL DEVELOPMENT ASSOCIATION (the “World Bank”), acting as administrator of the Statistics for Results Catalytic Fund (the “SFR-CF”).

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010 (“Standard Conditions”) constitute an integral part of this Agreement.
- 1.02. 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 or the Appendix hereto.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III  
The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to fourteen millions United States Dollars (\$14,000,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the above-mentioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

**Article IV  
Additional Remedies**

- 4.01. The Additional Event of Suspension referred to in Section 4.02(k) of the Standard Conditions consists of the following, namely, that the Recipient’s Statistics Law (Official Gazette #874), of January 25, 2007, pursuant to which the CSO has been established and is operating, has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the CSO to perform any of its obligations under this Agreement.

**Article V  
Effectiveness; Termination**

- 5.01. 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.
  - (a) The CSO has: (i) established the Project Implementation and Coordination Team pursuant to the provisions of Section I.A.2(a) of Schedule 2 to this Agreement; and (ii) engaged the services of a Project coordinator, a procurement officer, and a financial management officer, under terms of reference satisfactory to the World Bank.
  - (b) The CSO has prepared and adopted the Project Operations Manual referred to in Section I.C.1 (a) of Schedule 2 to this Agreement, and the

Financial Management Manual referred to in Section I.C.1(b) of Schedule 2 to this Agreement, in a form and substance satisfactory to the World Bank.

- 5.02. 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 5.01 (“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.
- 5.03. Termination for Failure to Become Effective. 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 VI**  
**Recipient’s Representative; Addresses**

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Recipient’s Minister of Finance.
- 6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance  
Pashtunistan Watt  
Kabul  
Islamic Republic of Afghanistan

Facsimile:  
93-20-210-3258

- 6.03. 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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN

By/s/ Omar Zakhilwal

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION  
(acting as administrator of the Statistics for Results Catalytic Fund)

By/s/ Nicholas Krafft

Authorized Representative

## SCHEDULE 1

### Project Description

The objective of the Project is to strengthen the Recipient's statistical capacity by operationalizing the Afghanistan National Statistical Plan ("ANSP").

The Project consists of the following parts:

#### **Part A: Improving Framework for Institutional and Capacity Development**

Improve the organizational structure and human resources management framework in order to enhance the efficiency and effectiveness of the Recipient's statistical system through:

1. *Institutional Framework*: (a) Monitoring developments of legislative revisions of the existing statistical legal framework; and (b) Reviewing existing mechanism and formal arrangements for cooperation and exchange of information between the CSO and other ministries and governmental agencies participating in the Recipient's statistical system.
2. *Dissemination and User-Producer Dialogue*: (a) Preparing and implementing a dissemination strategy, including improvements and updates to the CSO's website, and development of data users and stakeholders communication rosters; (b) Strengthening CSO's publishing capabilities, and enhancing the Statistical Yearbook; and (c) Arranging seminars, workshops and conferences for users and producers of statistics.
3. *Strengthening Organizational Structure*: (a) Developing the CSO's strategic and planning capacity, including an institutional strategy (*vision statement*) for the CSO, a statistical code of conduct for staff working in the Recipient's statistical system, and annual work plans and monitoring mechanisms therefor; (b) CSO's adhering to the Recipient's Pay and Grade System and adjusting its administrative structure thereto; and (c) Preparing and implementing a capacity building and IT infrastructure improvement plan for the Provincial Statistics Offices.
4. *Human Resources Framework Development*: (a) Developing and implementing a human resource management strategy to improve recruitment, staff performance management, career development and staff assignment programs; (b) Developing an incentive program based on education, certification and results; (c) Carrying out study tours and on-the-job training programs; and (d) Computerizing CSO's staff database.

5. *Skills Development*: (a) Implementing a coaching, learning-by-doing and know-how transmission strategies; and (b) Developing and carrying out a training strategy plan for staff working in the Recipient's statistical system, including developing a CSO's certificate program for basic competence levels, partnering with local universities to develop statistics diploma/degree programs; and provision of training on the use of new IT infrastructure.
6. *Statistical Infrastructure Development*: (a) Adoption/incorporation of international standardization and customization of concepts, classifications, and definitions; (b) Developing and implementing a Household Master Sample; (c) Improving sampling methods, population estimates and projections; and (d) Carrying out routine updates of the lists of business establishments, improving procedures for coordination, cooperation and information sharing with the Central Business Registry.

**Part B: Improving Data Collection and Analysis Capacity**

Improve the standards and methodologies for CSO's data collection compilation and validation, and support the development of sectoral statistics through:

1. *Improved Data Quality Assurance*: (a) Developing and implementing quality guidelines and tools to insure quality in data collection; (b) Developing procedures and staff training programs to ensure quality in the analysis and reporting collected data, including a program for quality review of specific data sets; and (c) Carrying out a quality evaluation program;
2. *Routine Household Survey*: Conducting a household income and expenditure survey;
3. *Establishment Surveys*: (a) Conducting integrated business establishment surveys; and (b) Reviewing/revising the quarterly establishment reports;
4. *Improving the National Accounts System*: (a) Carrying out (i) analyses of data collected under the household income and expenditure survey, and the business establishment survey, and (ii) annual reviews of data needs, required to improve the consumer price index and the National Accounts; (b) Improving regularity of National Accounts releases and revision schedule; (c) Developing statistical studies on informal sector economic activities (including a pilot study in the construction sector); (d) Revising data questionnaires to improve data collection by line-ministries and governmental agencies; and (e) Developing a plan for future refinements of the National Accounts;
5. *Improved Statistics*: Improving the calculation of the consumer price index, and expanding the consumer prices survey to various cities; and



6. *Improved Analytical Functions*: (a) Identifying users needs; (b) Strengthening the analytical skills of relevant CSO's staff; (c) Establishing a standard set of analytical tools and methods; and (d) Strengthening in depth analysis including forecasting of National Account statistics.

**Part C: Improving Administrative Data Systems**

Coordinate the CSO's and governmental line-agencies' adherence to common standards, harmonized indicators, definitions and classifications following the UN Fundamental Principles of Official Statistics, including: (a) carrying out a pilot study for auditing and capacity building and data development in the MoWA, MoLSAMD and MoCI; (b) conducting statistical studies in all line agencies on administrative data work; (c) revising the CSO's questionnaires for line agencies; (d) facilitating preparation and implementation of information monitoring and evaluation systems and statistical plans in each line-agency; (e) coordinating regular meeting of an inter-agency technical committee; and (f) provide IT equipment to statistical cells that required selective CSO's support.

**Part D: Improving the Information and Communication Technology Infrastructure**

Enhance IT hardware and software infrastructure and connectivity of the CSO and the Provincial Statistics Offices, including: (a) Designing and implementing an information and communication technology plan for the replacement of obsolete equipment, the upgrade of existing infrastructure, the establishment of network connectivity and data warehouses; (b) Connecting Provincial Statistics Offices to internet; (c) Providing training to CSO's staff on database management; and (d) Updating the CSO's printing unit.

**Part E: Project Management**

Strengthen the CSO's capacity for Project implementation, and monitoring and evaluation, by supporting the establishment of a Project Implementation and Coordination Team for carrying out of monitoring and evaluation studies, audits, project reviews, procurement, disbursement and financial management activities, and the preparation of Project manuals and implementation procedures.

**SCHEDULE 2****Project Execution****Section I. Institutional and Other Arrangements****A. Institutional Arrangements**

1. The Recipient shall make its best efforts to maintain throughout the Project implementation, a Statistics Task Force with representation from donors (including the donor cooperating as in-country statistician), line ministries and agencies of the Recipient which participate in the national statistics system, and the CSO, which group shall meet on a quarterly basis to provide guidance and advice to the CSO on the planning, design and coordination of Project activities, and the monitoring and evaluation of Project results.
2. The Recipient shall cause the CSO to:
  - (a) Establish, and thereafter maintain throughout the period of Project implementation, a Project Implementation and Coordination Team (“PICT”), headed by a qualified and experienced Project Coordinator, acceptable to the World Bank, and provided with sufficient resources and competent staff in adequate numbers, all said officers under terms of reference satisfactory to the World Bank, including, *inter alia*, a procurement specialist, a financial management specialist, an internal audit specialist and a translator/interpreter;
  - (b) Vest the PICT with functions, powers and responsibilities, satisfactory to the World Bank, as shall be required for the day-to-day implementation of the Project, including: (i) carrying out the financial management, procurement, training, and monitoring and evaluation activities under the Project; (ii) coordinating the dialogue and collaboration between the CSO and the Twinning Partner, the donor partner selected as in-country statistician, the Statistics Task Force and the line-ministries and agencies of the Recipient that are part of the national statistics system; (iii) preparing and implementing the Project Operations Manual, the Financial Management Manual, the Annual Work Plans and the updates of the Procurement Plan; and (iv) maintaining and updating the Project web-sites;
  - (c) Establish by no later than three (3) months after effectiveness, and thereafter maintain throughout the Project implementation, a Monitoring and Change Management Committee, under terms of reference satisfactory to the World Bank, comprised of a cross section of CSO’s staff, the CSO’s department heads, and a donor partner selected as in-

country statistician; which committee shall be granted the powers and necessary resources to monitor and evaluate the progress of Project activities, champion improvements in the individual work areas of the committee members, ensure good communication within the different CSO's units, and facilitate the process of institutional change within the CSO; and

- (d) Establish, by no later than three (3) months after the Effective Date, and thereafter maintain, throughout the period of implementation of the Project, a Budget Committee, chaired by the CSO's General President, as detailed in the Financial Management Manual, which committee shall be vested with such functions, powers, resources and competencies, satisfactory to the World Bank, as shall be required for purposes of overseeing the overall budgeting process for the Project, including quarterly reviews of incurred and forecasted expenditures, review of Annual Work Plans, and compliance with governmental budgeting principles, policies and procedures
3. Recipient shall cause the CSO to enter into, by no later than six (6) months after Effective Date, and thereafter maintain throughout the Project implementation, a twinning agreement with an internationally renowned statistics organization or consulting firm, under terms and conditions and for scope of activities acceptable to the World Bank, for purposes of providing training, transferring know-how and strengthening the technical capabilities of the CSO's staff in designing, collecting and analyzing statistical data.

**B. Anti-Corruption**

- 1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, with the modifications set forth in Section II of the Appendix to this Agreement ("Anti-Corruption Guidelines").
- 2. The Recipient shall cause the CSO to establish by no later than three (3) months after the Effective Date, and thereafter maintain throughout the period of implementation of the Project, in a manner and substance satisfactory to the World Bank, a publicly accessible website showing, inter alia,: (i) the Procurement Plan and the updates thereto; (ii) the status of procurement of various contracts (the summary of bidding documents, pre-qualified contractors and suppliers, proposals received, bid evaluations and awards), their performance and payment delays; (iii) a list of procurement complaints and status thereof; (iv) the Financial Statements and Annual Audit reports (including qualification and responses); and (v) the World Bank's Mid-Term review report on the progress achieved by the Project

**C. Administrative Manuals and Implementation Procedures**

1. The Recipient shall cause the CSO to implement the Project in accordance with a Project Operations Manual and a Financial Management Manual satisfactory to the World Bank, which manuals shall set forth, *inter alia*:
  - (a) *The Project Operations Manual*: (i) the institutional arrangements for the implementation of the Project other than the arrangements set forth in this Schedule (e.g. institutional organization of the PICT, job description with roles and responsibilities of staff, lines of supervision, limits of authorities; etc.); (ii) the procedural steps for the update of the Procurement Plan, and the preparation of the Annual Work Plan; (iii) an outline of the redressal mechanism and its procedural steps for the solution of any procurement controversy under the Project; and (iv) procedures for the disclosure of information and the maintenance of the Project's procurement/information website; and
  - (b) *The Financial Management Manual*: detailed guidelines on financial management, internal control, accounting procedures, funds flow arrangements, withdrawal application procedures, asset management, reporting and auditing arrangements;
2. The Recipient shall abstain, and/or cause the CSO to abstain, from amending, waiving, suspending or abrogating the Project Operations Manual and/or the Financial Management Manual, or any provision thereof, without the prior concurrence of the World Bank.
3. The Recipient shall cause the CSO to:
  - (a) prepare and furnish to the World Bank, by no later than December 20 of each year, commencing on December 20, 2011, a detailed Annual Work Plan, in a form and substance satisfactory to the World Bank, setting out the time-bound program of Project activities for the following Fiscal Year of the CSO by component and sub-component, including: (i) a forecast of the funds required for their implementation, and the respective financing sources; (ii) an update of the Project's disbursement profile; and (iii) the Project indicators to be achieved during the Fiscal Year covered by the plan; and
  - (b) thereafter, carry out the Project activities for the corresponding Fiscal Year as so provided in the Annual Work Plan as so discussed with, and agreed by, the World Bank.

**D. Donor Visibility and Visit**

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the SFR-CF's support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the SFR-CF to visit any part of the Recipient's territory for purposes related to the Project.

**Section II. Project Monitoring, Reporting and Evaluation****A. Project Reports; Completion Report**

1. 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 agreed with the World Bank. Each Project Report shall cover the period of one (1) calendar quarter, 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.
2. 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 (6) month after the Closing Date.

**B. Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that, for purposes of Project implementation, a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. 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 quarter within the Recipient's Fiscal Year, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) Fiscal Year of the Recipient, commencing on the Fiscal Year in which the Recipient shall have made the first withdrawal of funds. The Recipient shall ensure that the audited Financial Statements for each such period shall be: (a) furnished to the World Bank not later than six (6) months after the end of such

period; and (b) made publicly available in a timely fashion and in a manner acceptable to the World Bank.

### **Section III. Procurement**

#### **A. General**

1. **Procurement and Consultant Guidelines.** All goods, and 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:
  - (a) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”) in the case of goods, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services; and
  - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in 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 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 methods, other than International Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan which the Bank agrees meet the requirements set forth in the Procurement Guidelines for their use: (a) National Competitive Bidding, subject to the additional provisions detailed in the Annex to this Schedule; (b) Shopping; and (c) Direct Contracting.

**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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection; (f) Selection of Individual Consultants; and (g) Sole Source Procedures for the Selection of Individual Consultants.

**D. Review by the World Bank of Procurement Decisions**

Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank:

(a) each contract for goods procured on the basis of International Competitive Bidding, regardless of the contract value; (b) each contract for non-consultant services procured on the basis of International Competitive Bidding, regardless of the contract value; (c) the first two (2) contracts for goods procured on the basis of National Competitive Bidding regardless of the contract value; (d) each contract for goods or non-consultant services procured on the basis of Direct Contracting regardless of the contract value; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of US\$100,000 or more; (f) each contract for consultants' services provided by individual consultants estimated to cost the equivalent of US\$50,000 or more; and (g) each contract for consultants' services provided by a firm or an individual under sole-source selection, regardless of the contract value. All other contracts shall be subject to Post Review by the World Bank.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient 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 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 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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, consultants’ services, Training and Workshops, Incremental Operating Costs.	14,000,000	100%
<b>TOTAL AMOUNT</b>	<b>14, 000,000</b>	

**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, except that withdrawals up to an aggregate amount not to exceed US\$100,000 equivalent may be made for payments made prior to this date but on or after July 1, 2010, for Eligible Expenditures under Category (1).
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is February 29, 2016.



**Annex to Schedule 2****Agreed Additional Procedures for  
National Competitive Bidding**

- I. Standard bidding documents approved by the World Bank shall be used.
- II. Invitations to bid shall be advertised in at least one (1) widely circulated national daily newspaper and bidding documents shall be made available to prospective bidders, at least twenty eight (28) days prior to the deadline for the submission of bids.
- III. Bids shall not be invited on the basis of percentage premium or discount over the estimated cost.
- IV. Bidding documents shall be made available, by mail or in person, to all who are willing to pay the required fee.
- V. Foreign bidders shall not be precluded from bidding.
- VI. Qualification criteria (in case pre-qualifications were not carried out) shall be stated on the bidding documents, and if a registration process is required, a foreign firm determined to be the lowest evaluated bidder shall be given reasonable opportunity of registering, without any hindrance.
- VII. Bidders may deliver bids, at their option, either in person or by courier service or by mail.
- VIII. All bidders shall provide bid security or a bid security declaration form as indicated in the bidding documents. A bidder's bid security or the declaration form shall apply only to a specific bid.
- IX. Bids shall be opened in public in one place preferably immediately, but no later than one hour, after the deadline for submission of bids.
- X. Evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format, and within the specified period, agreed with the World Bank.
- XI. Bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the World Bank.
- XII. Split award or lottery in award of contracts shall not be carried out. When two (2) or more bidders quote the same price, an investigation shall be made to determine any evidence of collusion, following which: (A) if collusion is determined, the parties involved shall be disqualified and the award shall then be made to the next lowest evaluated and qualified bidder; and (B) if no evidence of collusion can be confirmed, then fresh bids shall be invited after receiving the concurrence of the World Bank.

- XIII. Contracts shall be awarded to the lowest evaluated bidders within the initial period of bid validity so that extensions are not necessary. Extension of bid validity may be sought only under exceptional circumstances.
- XIV. Extension of bid validity shall not be allowed without the prior concurrence of the World Bank (A) for the first request for extension if it is longer than four (4) weeks, and (B) for all subsequent requests for extensions irrespective of the period.
- XV. Negotiations shall not be allowed with the lowest evaluated or any other bidders.
- XVI. Re-bidding shall not be carried out without the World Bank's prior concurrence; and
- XVII. All contractors or suppliers shall provide performance security as indicated in the contract documents. A contractor's or a supplier's performance security shall apply to a specific contract under which it was furnished.

**APPENDIX****Definitions and Modifications to the Standard Conditions  
& the Anti-Corruption Guidelines****Section I. Definitions**

- (a) “Afghanistan National Statistical Plan” and/or the acronym “ANSP” mean the 2010-2014 plan prepared by the CSO, in consultation with the Recipient’s governmental agencies and key statistics donors, setting out the Recipient’s strategy to build the statistical capacity of the country and underpin the institutional development of the CSO.
- (b) “Annual Work Plan” means a time-bound plan of project activities to be prepared by the CSO pursuant to Section I.C.3 of Schedule 2 to this Agreement.
- (c) “Budget Committee” means the committee to be established by the Recipient through the CSO pursuant to Section I.A.2.(d) of Schedule 2 to this Agreement.
- (d) “Central Business Registry” means the “one-stop shop” established by the Recipient for purposes of registering local and foreign corporations and partnerships that intend to invest or carry out their businesses in the territory of the Recipient, as required by the Recipient’s Corporation and Limited Liability Companies Law (2007).
- (e) “Central Statistics Organization” and the acronym “CSO” mean independent governmental administration established and operating pursuant to the Recipient’s Statistics Law (Official Gazette #874) of January 25, 2007.
- (f) “Financial Management Manual” means the manual to be adopted by the Recipient through the CSO, for purposes of carrying out the financial management of the Project, pursuant to Section I.C.1(b) of Schedule 2 to this Agreement.
- (g) “Fiscal Year” means the Recipient’s fiscal year which commences on March 21, of each year, and finishes on March 20 of the next following calendar year.
- (h) “Household Master Sample” means the master sample survey to be used by the Recipient as a template format for the preparation of various surveys, or multiple

rounds of the same survey, setting forth principles and procedures to ensure the representation of various socio-economic groups in a sample.

- (i) “Incremental Operating Costs” means the reasonable costs of incremental expenditures incurred by the Recipient, which expenditures would not have been incurred absent the Project, including, inter alia: (i) rental of office space; (ii) the operation, maintenance, rental and insurance of vehicles; (iii) fuel costs; (iv) communications supplies and charges; (v) advertisement expenses; (vi) books and periodicals; (vii) office administration and maintenance costs; (viii) bank transaction charges; (ix) utility fees; (x) domestic and international travel expenses, per diem and allowances for the Recipient’s officers and employees by excluding salaries of officials and/or the Recipient’s civil servants; and (xi), salaries of contractual staff (other than consultants), but excluding salaries of civil servants.
- (j) “IT” means information technology.
- (k) “Monitoring and Change Management Committee” means the committee to be established by the Recipient pursuant to Section I.A.2(c) of Schedule 2 to this Agreement.
- (l) “MoCI” means the Recipient’s Ministry of Commerce and Industry, and/or the successor thereto.
- (m) “MoLSAMD” means the Recipient’s Ministry of Labor, Social Affairs, Martyrs & Disabled, and/or the successor thereto.
- (n) “MoWA” means the Recipient’s Ministry of Women’s Affairs, and/or the successor thereto.
- (o) “National Accounts” means the Recipient’s statistical framework for measuring the nation’s economic activity, encompassing the production, income and expenditures of the various economic actors.
- (p) “Pay and Grade System” means the system of merit-based compensation adopted by the Recipient as part of the restructuring effort for the enhancement of its civil service through the public administration reform carried out by the Recipient’s Independent Administrative Reform and Civil Service commission.

- (q) “Project Implementation and Coordination Team” and the acronym “PICT” mean the team to be established by the CSO for purposes of carrying out the day-to-day coordination of Project activities pursuant to Section I.A.2(a) and (b) of Schedule 2 to this Agreement.
- (r) “Project Operations Manual” means the manual to be adopted by the Recipient through the CSO, for purposes of implementing the Project, pursuant to Section I.C.1 (a) of Schedule 2 to this Agreement.
- (s) “Provincial Statistics Offices” means the local offices of the CSO referred to in Article Seven of the Recipient’s Statistics Law (Official Gazette #874) of January 25, 2007.
- (t) “Statistical Yearbook” means the annual publication prepared by the CSO compiling the statistics of a wide range of economic, social and environmental indexes of the Recipient, such as those reflecting inflation, population, private and public sector employment, education, health, trade, fiscal development, budgetary expenditures, National Accounts, etc.
- (u) “Statistics for Result Catalytic Fund” and the acronym “SFR-CF” mean the fund established by the international donors and the World Bank pursuant to the 2007/2008 discussions held by the *Partnership in Statistics for Development in the 21<sup>st</sup> Century (PARIS21)*, and operating pursuant to the its Charter dated July 2009.
- (v) “Statistics Task Force” means the working group integrated by representatives from government agencies and donors partners active in the statistics fields.
- (w) “Training and Workshops” means the reasonable costs of trainings, workshops, conferences and short term courses conducted in the territory of the Recipient or, subject to the World Bank’s prior no-objection, attended overseas by CSO’s staff, including the purchase and publication of material, rental of facilities, courses fees and travel and subsistence allowances for trainees.
- (x) “Twinning Partner” means the CSO’s counter-party to the twinning agreement provided for in Section I.A.3 to the Schedule 2 to this Agreement.
- (y) “UN Fundamental Principles of Official Statistics” means the set of statistical principles adopted by the United Nations Statistical Commission in its special session of April 11-15, 1994.

## **Section II. Modifications to the Anti-Corruption Guidelines**

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

### Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in

connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”