

Public Disclosure Authorized

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GRANT NUMBER H227-TJ

# Financing Agreement

(Strengthening the National Statistical System Project)

between

REPUBLIC OF TAJIKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 19, 2006

Public Disclosure Authorized



**GRANT NUMBER H227-TJ**

**FINANCING AGREEMENT**

AGREEMENT dated June 19, 2006, between REPUBLIC OF TAJIKISTAN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association 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 Financing Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II - FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referenced in this Agreement, a grant in an amount equivalent to seven hundred thousand Special Drawing Rights (SDR 700,000) (“Grant”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”);
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are March 1 and September 1 in each year.
- 2.06. The Payment Currency is Dollars.

**ARTICLE III - PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project through the GKS in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV - EFFECTIVENESS**

- 4.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) The Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled.
  - (b) The Project Coordination Team with staff, resources and under terms of reference, all satisfactory to the Association, has been established by the Recipient.
- 4.02. The Additional Legal Matter consists of the following: the Co-financing Agreement has been duly authorized or ratified by the Recipient and is legally binding upon the Recipient in accordance with its terms.
- 4.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

**ARTICLE V - REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its Minister of Finance.

5.02. The Recipient's Address is:

Ministry of Finance  
3 Akademikov Rajabovikh Ave.  
Dushanbe, 734025  
Republic of Tajikistan

Facsimile:

(992-372) 213329

6.03. The Association's Address 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 Dushanbe, Republic of Tajikistan, as of the day and year first above written.

REPUBLIC OF TAJIKISTAN

By /s/ Safarali Najmuddinov

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Cevdet Denizer

Authorized Representative

## SCHEDULE 1

### Project Description

The objective of the Project is to provide assistance in the modernization and the improvement of the efficiency and effectiveness of the national statistical system of the Recipient that will provide relevant, timely and reliable data for evidence-based policy making in support of government's poverty reduction strategies and the process of economic development.

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

Part A.            Institutional Development

Improvement of the Recipient's capacity to carry out the formulation, coordination and implementation of appropriate statistical policies and programs, including: (a) review and improvement of the legal and institutional framework; and (b) improvement of the organization of national statistical system of the Recipient.

Part B.            Human Resource Development

Improvement of the qualifications of the personnel in all statistical offices being part of the national statistical system of the Recipient, through, *inter alia*, training, study tours, and participation in international seminars.

Part C.            Development of Statistical Infrastructure

Improvement of the basic elements of the statistical infrastructure, including the statistical registers, sample frames, classifications and methodologies, statistical computer packages for analysis of survey data, and the GIS for statistical mapping.

Part D.            Data Development

1. Assistance in the adaptation of internationally accepted standards and methodologies in data collection, compilation, and validation by the GKS and other relevant agencies.
2. Assistance with further development of sectoral statistics on issues including, *inter alia*, national accounts, price statistics, vital registration, health, education, poverty and living standards, employment, public finance, including national external and internal debt data, agriculture and transportation.

Part E.            Physical Infrastructure and Equipment

Upgrade of the existing information technology and provision of vehicles, computers, networking equipment, information technology accessories, survey equipment and accessories, office furniture and supplies and other equipment and accessories essential to carry out the Project activities by the GKS and the line ministries of the Recipient.

Part F.            Project Management

Strengthening the GKS's capacity for Project implementation, monitoring and evaluation, including audit, procurement, disbursement and financial management activities, through the financing of Operating Costs incurred by the GKS on account of Project implementation.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Project Implementation**

1. The Recipient shall maintain at all times during the implementation of the Project, a Project Steering Committee with the composition, terms of reference and resources satisfactory to the Association.
2. The Recipient, through the GKS, shall be responsible for overall implementation and management of the Project and shall carry out the Project in accordance with the Project Operational Manual satisfactory to the Association.
3. For the purposes of day-to-day Project management, including reporting and auditing, procurement, disbursement and financial management, the Recipient, through the GKS, shall establish and maintain at all times during the implementation of the Project the Project Coordination Team with staff, resources and under terms of reference, all satisfactory to the Association.
4. Without limitation upon any of its obligations under this Agreement, the Recipient shall: (a) maintain in a bank acceptable to the Association a separate account for the purposes of the Recipient's counterpart contribution to the Project (the Project Account); (b) replenish said Account promptly within 10 days after the beginning of each calendar quarter with funds sufficient to finance the Recipient's counterpart contribution under the Project for such period; (c) use the amount in the Project Account exclusively for financing the Recipient's contribution to Project expenditures; and (d) ensure that sufficient annual allocations will be made in the Recipient's budget for the Recipient's counterpart contribution under the Project.

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

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

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall



be furnished to the Association not later than six months prior to the Closing Date.

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

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association no later than one month after the end of each calendar quarter, interim un-audited financial reports for the Project covering the calendar quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each 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 Association not later than six months after the end of such period.

**Section III. Procurement**

**A. General.**

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referenced in Section I of the Procurement Guidelines, and with the provisions of this Schedule.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referenced 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 Association 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 and Works.**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>
(a) Shopping; and
(b) 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 table specifies 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) Least-Cost Selection;
(b) Selection Based on Consultants' Qualifications;
(c) Procedures set forth in paragraphs 5.2, 5.3 and 5.4 of the Consultant Guidelines for the Selection of Individual Consultants; and
(d) Single-Source Selection

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

1. The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General.**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient, 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 Financing (“Category”), and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed</b>
(1) Goods and consultants’ services, including Training	658,000	100%
(2) Operating Costs	42,000	100%
<b>TOTAL AMOUNT</b>	<u><b>700,000</b></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 June 30, 2011.

## APPENDIX

### Definitions

1. “Co-financier” means either SIDA (as hereinafter defined) or DFID (as hereinafter defined), and “Co-financiers” means SIDA and DFID jointly.
2. “Co-financing” means an amount of \$3,088,000 (three million eighty-eight thousand Dollars) to be provided by the Co-financiers to assist in the financing the Project.
3. “Co-financing Agreement” means the agreement between the Recipient and the Association, as an administrator of the funds provided by the Co-financiers for the Co-financing.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
5. “DFID” means the Department for International Development of the United Kingdom and Northern Ireland.
6. “GIS” means the Geographical Information System of the Recipient.
7. “GKS” or “Goskomstat” means the State Statistical Committee of the Recipient, or any successor thereto.
8. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
9. “Operating Costs” means incremental operating costs incurred by the GKS on account of Project implementation, management and monitoring, audit, procurement and financial management, including the PCT staff salaries, provision of necessary equipment, Training, consultants’ services, office and equipment maintenance and minor repair, equipment rental, vehicle maintenance and repair, local travel, communication, translation and interpretation, bank charges, social charges, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the Association.
10. “PCT” means the Project Coordination Team referenced in paragraph 2 of Section I of Schedule 2 to this Agreement.
11. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.

12. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 18, 2006 and referenced 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.
13. "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 Recipient to the Association.
14. "Project Operational Manual" means the manual, satisfactory to the Association, adopted by the Recipient and setting out the operational and administrative procedures for the implementation of the Project, as the same may be amended from time to time by agreement between the Association and the Recipient.
15. "SIDA" means the Swedish International Development Agency.
16. "Training" means expenditures for 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 and per diem costs of trainees and trainers.