

**OFFICIAL  
DOCUMENTS**

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**LOAN NUMBER 8521-AL**

**Loan Agreement**

**(Citizen-Centric Service Delivery Project)**

**between**

**REPUBLIC OF ALBANIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**Dated** *SEPTEMBER 23*, 2015

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**LOAN NUMBER 8521-AL**

**LOAN AGREEMENT**

Agreement dated, *SEPTEMBER 23* 2015, between the REPUBLIC OF ALBANIA ("Borrower") and the 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 this 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 twenty nine million, three hundred thousand Euro (€29,300,000) ("Loan"), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("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, including the requirement that no Loan withdrawals shall be made for payments to finance Eligible Expenditure Programs under Category (1) unless the pertinent conditions and results for each respective DLI as set forth in Annex 2 to Schedule 2 have been achieved.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on

such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

- 2.06. The Payment Dates are January 15 and July 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.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05(c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

### **ARTICLE III—PROJECT**

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through MIPA with the assistance of the Participating Agencies in respect of the following public sector reform activities set forth in Parts 1(a), 2(a) and 3(a) of the Project, simplification of the business processes, improving the quality of public service delivery and attaining the Institutional Prerequisites for the delivery of the Citizen Centric Service Delivery Reform Program, all 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—EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Conditions of Effectiveness consist of the following, namely, that the Borrower, through MIPA, has:
- (a) prepared and adopted the Operations Manual in a manner satisfactory to the Bank; and
  - (b) established a Project Management Unit comprising of staff with qualifications, experience and under terms of reference satisfactory to the Bank.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

### **ARTICLE V— REPRESENTATIVE; ADDRESSES**

- 5.01. The Borrower's Representative is its Minister of Finance.
- 5.02. The Borrower's Address is:

Ministry of Finance  
No. 3 Bulevardi "Dëshmorët e Kombit"  
Tiranë, Albania

Facsimile:  
355 42228494

5.03. The Bank's Address is:

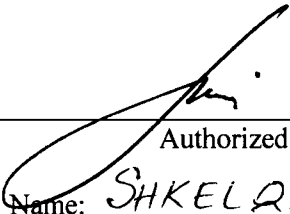
International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

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

AGREED at Tirana, Republic of Albania, as of the day and year first above written.

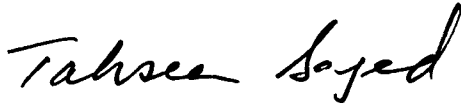
REPUBLIC OF ALBANIA

By

  
\_\_\_\_\_  
Authorized Representative  
Name: SHKELQIM CANI  
Title: MINISTER OF FINANCE

INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT

By

  
\_\_\_\_\_  
Authorized Representative  
Name: TAHSEEN SAYED  
Title: COUNTRY MANAGER

**SCHEDULE 1**  
**Project Description**

The objective of the Project is to improve the efficiency of delivery and access to Selected Administrative Services in the Borrower's territory.

The Project consists of the following parts:

**Part1: Enhancing the Backend Systems**

- (a) Supporting the implementation of the Borrower's program for simplification and improvement of its business processes (Business Process Re-engineering) to reduce time citizens take to obtain the required services, through reimbursement of EEPs for said program (Part 1(a) EEP).
- (b) Strengthening the capacity of ADISA and the Participating Agencies to provide improved Selected Administrative Services through provision of technical assistance and Training.
- (c) Strengthening the Participating Agencies' ICT capacity through *inter alia* converting information into digital format, optimizing databases to promote more effective use of data, and developing software through provision of technical assistance and goods.

**Part2: Enhancing Citizen Interface with Service Delivery**

- (a) Supporting implementation of the Borrower's program to improve the quality of its public service delivery including through *inter alia* (i) disseminating information on government services to the public; (ii) providing transactional web presence through electronic authentication, E-filing and E-payments; and (iii) monitoring of citizen feedback and improvements in performance, through reimbursement of EEPs for said program (Part 2(a) EEP).
- (b) Strengthening the Borrower's capacity to develop and implement a range of program activities, including: (i) communication programs, (ii) incentives for various actors to ensure effective implementation of the Project; (iii) citizen outreach and awareness campaigns; and (iv) citizens' feedback mechanisms.
- (c) Carrying out of minor refurbishment of front offices of select service providing institutions.
- (d) Establishing a Call Center through provision of goods and technical assistance.

**Part 3: Building Capacity to Deliver**

- (a) Supporting the implementation of the Borrower's program on achieving the Institutional Prerequisites for the Citizen Centric Service Delivery Reform Program, namely: (i) approval of the Citizen Centric Service Delivery Reform Program document; and (ii) conducting surveys for the baseline information on the objectives of the Project, through reimbursement of EEPs for said program (Part 3(a) EEP).
- (b) Strengthening the Borrower's capacity to deliver public services through *inter alia*:
  - (i) designing and implementing a program for adoption and implementation of proposed reforms to be identified under the Project;
  - (ii) improving data collection including through developing service standards, conducting regular assessments; strengthening monitoring tools and conducting third party audits and DLIs verification; and
  - (iii) strengthening ADISA's Project management capacity.

**Part 4: Citizen Service Center and Project Management**

- (a) Citizen Service Center
  - (i) Conducting a study on the current state of public services delivery.
  - (ii) Preparing a concept of the CSC model and its design, and supporting CSC establishment.
  - (iii) Establishing a citizen feedback mechanism to promote effective use of the CSC model.
- (b) Project Management Unit

Strengthening the capacity of ADISA to implement the Project, including, *inter alia*, through the recruitment of a Project manager, financial management specialist, administrative specialist and procurement specialist.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Implementation Arrangements

##### A. Institutional Arrangements

##### 1. Project Management Unit

- (a) The Borrower shall through MIPA:
- (i) carryout oversight of Project implementation;
  - (ii) ensure that ADISA establishes and thereafter operates and maintainsthroughout Project implementation,a Project Management Unit with functions and responsibilities acceptable to the Bank, and key staff including a Project Manager, a procurement specialist,a financial management specialist, and an administrative specialist,all with qualifications, experience and terms of reference acceptable to the Bank; and
  - (iii) ensure that the PMU carries out its overall Project management responsibilities including: (i) coordination of the Participating Agencies and overseeing their technical inputs; (ii) consolidation of documentation on EEPs, technical reports and information on DLIs verification; and (iii) procurement and financial management.

##### 2. Project Steering Committee

The Borrower shall through MIPA:

- (a) maintain throughout the implementation of the Project, a Project Steering Committee (PSC); and
- (b) ensure that the PSC:(i) meetsat least on a quarterly basis;(ii) carries out oversight of the management of the Project, including *inter aliam*monitoring of Project implementation progress, removal of bottlenecks;and (iii)facilitates informationexchange among the Participating Agencies.



**3. Ministerial Working Groups**

- (a) The Borrower shall through MIPA:
  - (i) operate and maintain throughout the implementation of the Project, the Ministerial Working Groups, chaired by MIPA with a composition including representatives of ministries and agencies involved in the Project, mandate, and terms of reference satisfactory to the Bank; and
  - (ii) ensure that the TIC: (A) carries out technical studies for gathering the relevant baseline data; (B) completes the review of the relevant laws and validating the existing legal reform inventory; and (C) recommends the processes for simplification including the necessary legal reforms to deliver quality administrative services.

**4. Inter-Ministerial Public Service Committee**

The Borrower shall ensure that the IPSC supports Project implementation through providing: (a) strategic guidance on the public service provision reforms, (b) oversight of the agencies involved in the Project, and (c) recommendations to resolve Project implementation obstacles associated with the agencies involved in the Project.

**5. Operations Manual**

Without limitation to the provisions of Article V of the General Conditions, the Borrower through MIPA shall ensure that:

- (a) the Project is carried out in accordance with the Operations Manual which manual sets forth the policies and procedures that apply to the carrying out of the Project, including, *inter alia*: (i) the roles and responsibilities of the Participating Agencies and entities involved in Project; (ii) a detailed description of the EEPs; (iii) the estimated implementation schedule; (iv) procedures for accessing, disbursing and accounting for funds under the Project; (v) the indicators to be used in the monitoring and evaluation of the Project; (vi) the procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; (g) the DLIs and (vii) procurement and financial management procedures including clearly defined procedures related to payments verification and processing, and record and

management of Eligible Expenditures financed with the Loan proceeds and,

- (b) except as the Bank shall otherwise agree in writing, the Operations Manual shall not be amended, waived, suspended or abrogated, and in case of any inconsistency between the provisions of the Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Anti-Corruption**

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**E. Safeguards**

1. The Borrower through MIPA, shall:
  - (a) carry out the Project in accordance with the Environmental Management Plan in a manner satisfactory to the Bank; and
  - (b) provide to the Bank for its prior approval, any revision proposed to be introduced into said EMP, and thereafter only introduce such revision into said EMP as shall have been agreed with the Bank.
2. In case of a conflict between the EMP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. The Borrower through MIPA shall ensure that the execution of the Project does not result in: (i) the involuntary taking of land, resulting in (A) relocation or loss of shelter (B) loss of assets or access to assets or (C) loss of income sources or means of livelihood on project affected persons, whether or not such affected persons must move to another location; or (ii) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihoods.
4. In implementing Part 4 (a) (ii) of the Project, the Borrower through MIPA shall ensure that the terms of reference for any consultancy shall be satisfactory to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirements of the Bank's Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.

**Section II. Project Monitoring Reporting and Evaluation**

**A. Project Reports**

1. The Borrower, through MIPA, 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 the indicators acceptable to the Bank. Each Project Report shall cover the period of six (6) months and shall be furnished to the Bank not later than one (1) month after the end of the period covered by such report.
2. For purposes of Section 5.08 (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 Bank not later than six (6) months.

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

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. The Borrower shall cause MIPA to prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited 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 (1) fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Bank not later than nine months after the end of such period.

**C. DLI Audit, DLI Progress Report, DLI Audit Report**

1. In implementing Parts 1(a), 2(a) and 3(a) of the Project, the Borrower, through MIPA, shall ensure that ADISA:
  - (a) no later than one (1) month after the end of each calendar quarter, or by such later date as agreed with the Bank, prepares and furnishes to the Bank an interim unaudited DLI Progress Report satisfactory to the Bank;
  - (b) no later than one (1) month after the end of each calendar Year, or by such later date as agreed with the Bank, carries out an independent DLI Audit

which shall, *inter alia*, certify the extent to which the DLI for the pertinent calendar Year covered by the DLI Audit has been met; and

- (c) no later than one (1) month after the end of each calendar Year, or by such later date as agreed with the Bank, prepares and furnishes to the Bank a complete DLI Audit Report satisfactory to the Bank, including all the findings and results from the DLI Audit, as well as any additional certifications from the DLI Audit as the Bank may reasonably request.

**Section III. Procurement**

**A. General**

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan 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 Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan 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 Section.
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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of good, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding subject to the additional provisions contained in paragraph 3 of this Section; (b) Shopping and (c) Direct Contracting.

3. **Modifications to the Borrower's National Competitive Bidding Procedures.** The National Competitive Bidding procedures ("NCB") shall be based on the Open Tendering procedures as defined in the Public Procurement Law ("PPL") of Albania (Law No. 9643 dated November 20, 2006, as amended), provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the Procurement Guidelines and the following additional provisions:
- (a) "Open Tendering" procedures as defined in the PPL of Albania shall apply to all contracts financed by the Bank.
  - (b) Foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process. Government-owned enterprises in Albania shall be permitted to bid only if they are legally and financially autonomous and operate under commercial law of the Borrower. Registration shall not be used to assess bidders' qualifications.
  - (c) Bids shall be opened in public in one location, immediately after the deadline for submission of bids in the presence of the representatives who choose to attend.
  - (d) The procuring entities shall use sample bidding documents as approved by the Bank.
  - (e) In case of higher bid prices compared to the official estimate, all bids shall not be rejected without the prior concurrence of the Bank.
  - (f) A single-envelope procedure shall be used for the submission of bids.
  - (g) Post-qualification shall be conducted only on the lowest evaluated bidder; no bid shall be rejected at the time of bid opening on qualification grounds.
  - (h) Bidders in the form of a joint venture shall be held jointly and severally liable.
  - (i) Before rejecting all bids and soliciting new bids, the prior concurrence of the Bank shall be obtained.
  - (j) Contracts shall be awarded to the lowest evaluated, substantially responsive bidder who is determined to be qualified to perform in accordance with pre-defined and pre-disclosed evaluation criteria.
  - (k) Post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidder.

- (l) Contracts of long duration (more than 18 months) shall contain appropriate price adjustment provisions acceptable to the Bank.
- (m) Bid and contract guarantees shall be in the format included in the bidding documents referred to in (d) above. The bid guarantee shall be valid for twenty-eight (28) days beyond the original validity period of the bid, or beyond any period of extension if requested. No advance payments shall be made without a suitable advance payment guarantee.
- (n) The bidding document and contract as deemed acceptable by the Bank shall include provisions stating the Bank's policy to sanction firms or individuals, found to have engaged in fraud and corruption as defined in the Procurement Guidelines.
- (o) In accordance with the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Loan shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank. Without limitation to the provisions set forth in paragraph 1.16 (a) (v) (bb) of the Procurement Guidelines, acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for in the Procurement Guidelines shall constitute an obstructive practice as defined in the Procurement Guidelines.

**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 contracts 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 of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

**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 shall 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 Euro)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Eligible Expenditures Program under Parts 1(a), 2(a) and 3(a) of the Project	22,895,000	100% up to the DLI Amount in Annex 2 to Schedule 2 of the Agreement
(2) Goods, works, non-consulting services, and consultants' services, Training and Operating Costs under Parts 1(b), 1(c), 2(b), 2(c) and 3(b) and (4) of the Project	4,431,750	100%
(3) Refund of the Preparation Advance	1,900,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in Euro)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(4) Front-end Fee	73,250	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(5) Interest Rate Cap or Interest Rate Collar premium		Amount due pursuant to Section 2.08(c) of this Agreement
<b>TOTAL AMOUNT</b>	<b><u>29,300,000</u></b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for:
  - (a) payments made prior to the date of this Agreement except that withdrawals up to an aggregate amount not to exceed € 5,860,000 may be made for payments made prior to this date but on or after January 1, 2015 for Eligible Expenditures Programs under Category (1) for the first disbursement provided that the Borrower has met the conditions referred to in (b) and (c) below;
  - (b) payments under Category (1) until the Borrower has furnished evidence satisfactory to the Bank that DLI 5 has been met; and
  - (c) payments under Category (1) with respect to each DLI met and for which a withdrawal request has been submitted, unless the Borrower has furnished evidence satisfactory to the Bank and defined in the Operations Manual that payment for Eligible Expenditures Program under the Borrower's sector budget lines set forth in Schedule 4 to this Agreement have been made by the Borrower in accordance with the Borrower's applicable laws and regulations and Operations Manual.
2. Without limitation to the provision set forth in paragraph 1 of Section IV.B of this Schedule, withdrawals by the Borrower under Category (1) shall be made in the amount specified in the "DLI Amount" row of the table in Annex 2 to Schedule 2 to this Agreement, subject to submission to the Bank of evidence satisfactory to the Bank that the DLI (and for which a withdrawal request has been submitted) has been achieved.



3. In connection with the foregoing, if the Bank determines, based on the evidence referred to in Section IV.B.1 (c) and 2 above that:
  - (a) DLI 5 has been met as provided in paragraph 1 (b) above but DLI 1 through DLI 4 have not been met or have been partially met, then the proportion of the corresponding DLI Amount shall be reduced in proportion to the respective degree of DLI achievement in accordance with the formula set forth in the Operations Manual, and any unwithdrawn balance of the withdrawal requested for said Year in respect of such unmet or partially met DLI shall remain available for subsequent withdrawal; and
  - (b) DLI 5 has not been met as referred to in Section IV.B.1 (b) of this Schedule, the DLI Amount of € 4,495,000 shall remain available for subsequent withdrawal once DLI 5 is met in a manner satisfactory to the Bank, or may be cancelled by the Bank.
4. Notwithstanding the foregoing:
  - (a) If the Bank has not received evidence satisfactory to the Bank that DLI 5 has been met and has withheld disbursement of Loan proceeds under Category (1) in respect of DLI 1 through DLI 4 that has been achieved, the Bank, at its sole discretion, may:
    - (i) at a later date when the Bank has received evidence satisfactory to the Bank, indicating that DLI 5 has been met, authorize withdrawal of the Loan proceeds so withheld in respect of DLI 1 through DLI 4; or
    - (ii) at any time, by notice to the Borrower, cancel the amount of the Loan proceeds so withheld in respect of DLI 1 through DLI 4 or reallocate said amount to other DLIs.
  - (b) If the Bank determines, at any time, that any portion of the amounts disbursed by the Borrower under Category (1) was made for reimbursement of expenditures that are not eligible under the EEPs or not in compliance with the provisions of paragraphs 1(c) and 2 of Section IV.B of this Schedule, the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower.
5. The Closing Date is December 31, 2020.

**Annex 2  
Disbursement Linked Indicators**

DLI Description, Targets and Amount		Baseline	Borrower's Fiscal Year following Effective Date					FY20	Total proportion of Loan amount (Euromillion)
			FY 15	FY16	FY17	FY18	FY19		
<b>DLI 1 Number of new online services with Level 3 Automation</b>	Number	0	0	15 in addition to baseline	35 (20 in addition to target to be achieved in previous Year)	55 (20 in addition to target to be achieved in previous Year)	75 (20 in addition to target to be achieved in Year3)		
	DLI Amount expressed in Euro million)			2.750	1.800	0.900	0.900		6.350
<b>DLI 2 Number of Priority Public</b>	Number	0	0	BPR To-Be maps of 50 services produced	BPR To-Be maps of 70 services produced	BPR plan for 70 services executed	BPR To-Be maps of 100 services		

<b>Services with Business Processes Re-engineered (BPR)</b>				and approved	(20 in addition to target to be achieved in previous year)		produced (30 in addition to target to be achieved in previous year)		
	<b>DLI Amount expressed in Euro million)</b>			2.750	0.900	0.900	0.900		5.450
<b>DLI 3 Number of services offered with improved customer service/ front office interface</b>	Number	0	0	0	70	90 (20 in addition to target to be achieved in previous year)	110 (20 in addition to target to be achieved in previous year)	130 (20 in addition to target to be achieved in previous year)	
	<b>DLI Amount expressed in Euros million)</b>				1.400	0.900	0.500	0.500	3.300
<b>DLI 4 Number of</b>	Number	0	0	Promotional Plan prepared for 70 services	Promotional Plan executed for 70 services	90	110	130	

<b>services with information available on multiple platforms</b>	<b>DLI Amount in Euro million)</b>			1.300	0.500	0.500	0.500	0.500	3.300
<b>DLI 5 Institutional prerequisites for Citizen Centric Service Delivery Reform Program achieved</b>	Institutional prerequisites for Citizen Centric Service Delivery Reform Program	No	Yes						
	<b>DLI Amount expressed in Euro million)</b>		4.495	0	0	0	0		4.495
<b>Total</b>			<b>4.495</b>	<b>6.800</b>	<b>4.600</b>	<b>3.200</b>	<b>2.800</b>	<b>1.000</b>	<b>22,895,000</b>

### SCHEDULE 3

#### Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each January 15 and July 15  Beginning January 15, 2023, through January 15, 2035	3.85%
On July 15, 2035	3.75%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
  - (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
  - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two (2) calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- 4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
- 5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan.

**SCHEDULE 4**

**Eligible Expenditure Programs  
Sector Budget Lines**

<b>Eligible Expenditure Program – Public Non Budgetary Institutions</b>	
<b>Agency – Public Non-Budgetary Institutions</b>	<b>Object Code &amp; Description</b>
Immovable Property Registration Office	600 Salaries and 601 Social Security Contribution

<b>Eligible Expenditure Program – Budgetary Institutions</b>				
<b>Agency – Budgetary Institutions</b>	<b>Line ministry / Institution code</b>	<b>Object Code &amp; Description</b>	<b>Program Code</b>	<b>Program Description</b>
Ministry of Interior	16 / Municipality codes	600 Salaries 601 Social Security Contribution	01170	Civil Register records
National Agency for Information Society	87/1087006	600 Salaries 601 Social Security Contribution	01140	Information Society Services
Agency for Delivery of Integrated Services in Albania (ADISA)	87/1087017	600 Salaries 601 Social Security Contribution	01160	General Public Services II

## APPENDIX

### Section I. Definitions

1. "ADISA" means the Borrower's agency for delivery of integrated public services established pursuant to the Borrower's Council of Ministers Decision No. 693, dated October 22, 2014 (as amended) or its legal successor thereto.
2. "Anti-Corruption Guidelines" means 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.
3. "Bank's Safeguards Policies" means the Bank's operational policies and procedures, set forth in the Bank's operational manual and identified as OP/BP 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60, as said manual is amended from time to time.
4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. "Call Center" means a centralized office used by the Borrower to respond to incoming telephone inquiries about citizen's administrative services.
6. "Citizen Service Center" or "CSC" means the designated physical space where citizens obtain services, directly or indirectly managed by ADISA.
7. "Citizen Centric Service Delivery Reform Program" means the Borrower's proposed plan for improving public services outlined in the *Reform Policy Document: Innovation against Corruption Program 2016-2020*.
8. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
9. "Disbursement-Linked Indicators" or "DLIs" means a set of indicators specified in Annex 2 to Schedule 2 to this Agreement and in the Operations Manual (as hereinafter defined), as such indicators refer to specific output and outcome indicators measuring improved quality and access to the Borrower's administrative services.
10. "DLI Audit Report" means any of the reports prepared and furnished to the Bank pursuant to Section II.C.1 (c) of Schedule 2 to this Agreement.
11. "DLI Amount" means the amount of the Loan proceeds set forth in the rows entitled "DLI Amount" in the table in Annex 2 to Schedule 2 to this Agreement for the corresponding calendar year.
12. "DLI Progress Report" means any of the interim unaudited reports with details on the measurement of the level of achievement of the DLIs referred to in Section II.C. 1 (a) of Schedule 2 to this Agreement.



13. "EEPs" or "Eligible Expenditure Programs" means a set of defined expenditures for salaries and Social Security Contributions incurred by the Borrower in connection with the Participating Agencies as indicated under the Borrower's sector budget lines set forth in Schedule 4 to this Agreement, in respect of Parts 1(a), 2(a) and 3(a) of the Project.
14. "E-filing" means an electronic based system for the storage, cataloguing, and retrieval of documents in which citizens can file applications and other documents via a web based interface.
15. "Environmental Management Plan" or "EMP" means the Borrower's plan "*Environmental Plan for new Construction of Public Service Mall*" dated April 2015 in form and substance satisfactory to the Bank, including guidance for mitigating potential environmental impacts which might arise from carrying out minor refurbishments of front offices under Part 2 (c) of the Project, giving details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental impacts, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as such plan may be amended and/or supplemented from time to time with prior written approval of the Bank.
16. "E-payment" means electronic payments made for online transactions.
17. "FY" means the Borrower's Fiscal Year
18. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
19. "General Directorate of Civil Status" means the Borrower's civil registries established and operating pursuant to Law No. 10129 dated November 11, 2009 (as amended) or its legal successor thereto.
20. "ICT" means Information Communication Technology.
21. "Institutional Prerequisites for Citizen Centric Service Delivery Reform Program" means the actions and activities referred to in Part 3 (a) of the Project.
22. "Inter-Ministerial Public Service Committee" or "IPSC" means a committee established by the Borrower pursuant to Order No. 176 dated October 16, 2013 for coordinating and overseeing the process of introducing reforms in public services, and referred to in Section I.A.4 of Schedule 2 to this Agreement.
23. "IPRO" means the Borrower's Immovable Property Registration Office or its legal successor thereto.
24. "Level 3 Automation" means services with transactional web presence, including electronic authentication, e-filing and e-payments and defined in the UN e-Government Survey (2014): [http://unpan3.un.org/egovkb/Portals/egovkb/Documents/un/2014-Survey/E-Gov\\_Complete\\_Survey-2014.pdf](http://unpan3.un.org/egovkb/Portals/egovkb/Documents/un/2014-Survey/E-Gov_Complete_Survey-2014.pdf).

25. "MI" means the Borrower's Ministry of Interior or its legal successor thereto.
26. "Ministerial Working Groups" means a group of ministerial officials established and operating pursuant to the Prime Minister's Order, No. 236 dated September 24, 2014 and referred to in Section 1.A.3 of Schedule 2 to this Agreement.
27. "MIPA" means the Borrower's Minister of State for Innovation and Public Administration or its legal successor thereto.
28. "National Agency for Information Society" means an institution established pursuant to the Decision of the Council of Ministers, No. 703 dated December 29, 2014 (as amended) or the legal successor thereto.
29. "Operating Costs" means the reasonable incremental expenses arising under the Project and consisting of expenditures for the maintenance of equipment, purchasing of office equipment, supplies, communication costs, advertising and fuel costs for field visits (excluding salaries of Government civil servants).
30. "Operations Manual" means the Borrower's manual satisfactory to the Bank and adopted by the Borrower, and referred to in Section 1.A.5 of Schedule 2 to this Agreement, including all appendices and schedules thereto, as the same may be amended from time to time with the prior written approval of the Bank.
31. "Participating Agencies" means the following Borrower's institutions, namely, ADISA, IPRO, National Agency for Information Society and Ministry of Interior's General Directorate of Civil Status.
32. "PMU" means the Project Management Unit referred to in Section 1.A.1 of Schedule 2 to this Agreement.
33. "Preparation Advance" means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Bank/ to the Borrower pursuant to the executed letter agreement approved by Parliament on June 11, 2015.
34. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
35. "Procurement Plan" means the Borrower's procurement plan for the Project, dated June 18, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
36. "PSC" means the Project Steering Committee referred to in Section 1.A.2 of Schedule 2 to this Agreement.
37. "Selected Administrative Services" means the list of services selected by the Borrower in accordance with criteria set forth in the Operations Manual, as the same may be amended from time to time with the Bank's prior written concurrence.

38. "Social Security Contribution" means a financial contribution provided by the Borrower for the citizens' benefits in accordance with Law. No. 7703 dated May 11, 1993 (as amended).
39. "Training" means the reasonable costs associated with the training, workshops and study tours, participation of personnel involved in Project activities, said costs to consist of travel and subsistence for training, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses (but excluding costs of consulting services).

**Section II. Modifications to the General Conditions**

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

  - (a) The Borrower shall pay the Banka front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").
  - (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."