

AL - E-procurement
(11176)

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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April 5, 2012

Mr. Ridvan Bode
Minister of Finance
Ministry of Finance
Deshmoret e Kombit,
No. 4
Tirana, Albania

***Support to Increase Security of Albania's e-Procurement System
Grant No. TF011176***

Excellency:

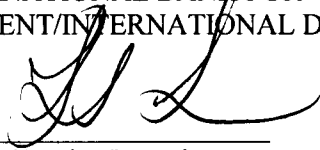
In response to the request for financial assistance made on behalf of Albania ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors ("Donor(s)") under the Multi Donor Trust Fund for the Governance Partnership Facility, proposes to extend to the Recipient for the benefit of the Public Procurement Agency, a grant in an amount not to exceed one hundred thousand United States Dollars (US\$ 100,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds. Accordingly, in the event that the/any Donor cancels or fails to pay any contributions under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in connection with this Agreement which exceed the amount of funds made available to the World Bank by the Donors for the purposes of the Grant.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of the Agreement, and returning it to the World Bank. Upon receipt of this countersigned copy, this Agreement will become effective after notification by the Recipient of completion of its internal procedures; provided however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of the Agreement and the respective notification within ninety (90) days after the date of the signature of this Agreement by the World Bank, unless the World Bank and the Recipient shall have established a later date for such purpose

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
Kseniya Lvovsky
Country Manager
The World Bank Office
Tirana, Albania

AGREED:

NAME OF RECIPIENT

By 
Authorized Representative

Name RIDVAN BODE

Title MINISTER OF FINANCE

Date: 24.05.2012

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** 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. **Definitions.** 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.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to strengthen the security of Albania’s e-procurement system to the standard necessary for its use for procurement in Bank-financed operations. The Project consists of the following part: provision of consultants’ services to design and develop data encryption software which should be compatible with and integrated into Albania’s e-procurement system.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Central Finance and Contracting Unit (CFCU), in the Ministry of Finance, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Donor Visibility and Visit.**

(a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) 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 Donor(s) to visit any part of the Recipient’s territory for purposes related to the Project.

2.04. **Project Monitoring, Reporting and Evaluation**

(a) 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 the indicator set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicator referred to above in paragraph (a) consists of the following: Albania’s e-procurement system has adequate security to ensure integrity of the procurement process based on encryption.

(c) 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 months after the Closing Date.

2.05. *Financial Management*

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than one month after the end of each calendar quarter, covering the quarter, in the form and substance satisfactory to the Bank.

(c) The Recipient will not be required to prepare and submit an audit report following completion of the Grant, but will be subject to alternative assurance procedures, which include the (i) Recipient's provision of a final statement reflecting, in relation to the Project, the sources and uses of funds, prepared in accordance with terms of reference acceptable to the Bank; (b) Bank's review of individual transactions, including those forming the basis of the said statement, for assurance that grant proceeds have been used for the intended purposes.

2.06. *Procurement*

(a) General. All consultants' 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:

(i) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines").

(b) Definitions. The capitalized terms used in the following paragraph of 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 Sections III, IV and V of the Consultant Guidelines.

(c) Particular Methods of Procurement of Consultants' Services

(i) The following method may be used for the procurement of consultants' services for this assignment: (a) Single-source Selection of consulting firms.

(d) Review by the World Bank of Procurement Decisions. There is only one contract for this assignment which shall be subject to the World Bank's Prior Review.

Article III Withdrawal of Grant Proceeds

3.01. *Eligible Expenditures*. 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 100% of Eligible Expenditures consisting of consultants' services for the design and development of a data encryption module. Taxes are eligible for financing out of the proceeds of the Grant.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is October 31, 2012.

Article IV Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Mr. Ridvan Bode
Minister of Finance
Ministry of Finance
Deshmoret e Kombit,
No. 4
Tirana, Albania

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

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Facsimile:

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