

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street, N.W. (202) 473-1000
Washington, D.C. 20036
U.S.A.**OFFICIAL
DOCUMENTS**Telex Address: INTBAFRAD
Cable Address: INDEVAS

Ln 8211-AL

January 15, 2016

H.E. Shkëlqim Cani
Minister of Finance
Ministry of Finance
Deshmoret e Kombit
No. 4, Tirana
Republic of Albania

**Re: Republic Albania: Water Resources and Irrigation Project
(Loan Number. 8211-AL)
Amendment to the Loan Agreement**

Excellency:

We refer to the Loan Agreement (Agreement), dated December 14, 2012 between the Republic of Albania (“Borrower”) and the International Bank for Reconstruction and Development (“World Bank”). In response to your letter to the World Bank dated September 8, 2015, the World Bank proposes to amend the Agreement as follows:

1. Section 3.01 of the Agreement is amended to read as follows:

“The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through MARDWA in accordance with the provision of Article V of the General Conditions.”
2. Section 4.01 (a) is amended by deleting the words “which committee is co-chaired by the Minister of Agriculture, Food and Consumer Protection and the Minister of Environment, Forestry and Water Administration and responsible for: ensuring inter-institutional coordination” and replacing it with the “which committee is chaired by the Minister of Agriculture, Rural Development and Water Administration and responsible for: ensuring institutional coordination.”
3. Section I.A.1 (b) of Schedule 2 to the Agreement is deleted in its entirety and the former Section I.A.1(c) is now renumbered to read as Section I.A.1 (b).
4. Section 1.A.1(c) of Schedule 2 to the Agreement is amended by deleting the words “each of MAFCP and MEFWA” with “MARDWA”
5. The words “and MEFWA” are deleted in the following Sections of Schedule 2 to the Agreement:
 - (i) Section 1.C.1;
 - (ii) Section 1.C.3;
 - (iii) Section 1.C.4;
 - (iv) Section 1.C.5;
 - (v) Section II.A.1;
 - (vi) Section II.B.2; and
 - (vii) Sections V.1.
6. Section V.2 of Schedule 2 to the Agreement is amended by deleting the words “among MOF, MAFCP and MEFWA” and replacing them with “among MOF and MARDWA”.

7. Section of the Appendix (Definitions) to the Agreement is amended as follows:

- a. Paragraph 12 is deleted in its entirety and replaced with the following: “MARDWA” means the Borrower’s Ministry of Agriculture, Rural Development and Water Administration.” Consequently all references to “MAFCP” in the Agreement are amended *mutatis mutandis* to read “MARDWA”.
- b. Paragraph 13 is deleted in its entirety and the former paragraphs 14-22 are now renumbered as paragraphs 13-21.
- c. A new paragraph 22 is added and reads as follows:

““Training” means expenditures (other than for consultants’ services), incurred during the implementation of the Project, based on periodic budgets acceptable to the Bank, for: (i) reasonable travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training/workshop facility and equipment rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses”.

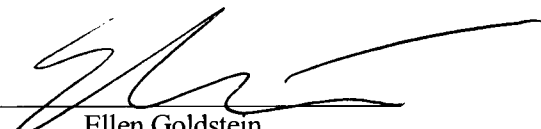
8. The table in Section IV of Schedule 2 to the Agreement is amended as follows:

Category	Amount of the Loan (expressed in Euro)	Percentage of Expenditures to be Financed (exclusive of taxes)
(1) Goods, works, non-consulting services, consultants’ services and Training		
(a) Part 3 of the Project (except for Goods for Part 3(c)	48,411	100%
(b) Other Parts of the Project	30,006,527	100%
(c) Goods for Part 3 (c) of the Project	240,000	45%
(2) Incremental Operating Costs	220,000	100%
(3) Refund of Project Preparation Advance	407,562	Amount payable pursuant to Section 2.07(a) of the General Conditions
(4) Front End Fee	77,500	Amount payable pursuant to Section 2.03 of the Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL	<u>31,000,000</u>	

9. All other provisions of the Agreement that have not been amended, shall remain unchanged and in full force and effect.

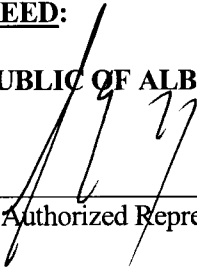
Please confirm the Borrower's agreement with the foregoing Amendment letter by signing, dating and returning to us the enclosed copy of this Amendment letter. This Amendment letter shall become effective as of the date upon which the World Bank dispatches to the Borrower notice of its acceptance of that the execution and delivery of this Amendment letter has been duly authorized or ratified by all necessary governmental action.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: 
Ellen Goldstein
Country Director, Southeast Europe
Europe and Central Asia

AGREED:

REPUBLIC OF ALBANIA

By: 
Authorized Representative

Name: ARBEN OHRI

Title: MINISTER OF FINANCE

Date: 1/4/2016