March 5, 2018

H.E. Arben Ahmetaj
Minister of Finance and Economy
Ministry of Finance and Economy
Boulevard Deshmoret e Kombit No. 3
Tirana
Republic of Albania

Re: Grant No. TF014255
Swedish Grant for Co-financing of the Albania Water Resources and Irrigation Project
Amendment No. 2 to the Letter Agreement

Excellency:

We refer to the Letter Agreement (Agreement), dated May 30, 2013, between the International Bank for Reconstruction and Development (World Bank), acting as administrator of grant funds provided by Sweden, represented by Swedish International Development Cooperation Agency (SIDA)(Donor) and the Republic of Albania (Recipient), as amended.

We also refer to the recent discussions between the Recipient and the World Bank. Accordingly, the Agreement is amended as follows:

1. Section 2.02 of the Annex to the Agreement is amended by deleting the words “Ministry of Agriculture, Rural Development and Water Administration (MARDWA) and replacing them with the Ministry of Agriculture and Rural Development (MARD) or any successor thereto.”

2. The table in Section 3.01 of the Annex to the Agreement is amended and replaced in its entirety to read as follows:

<table>
<thead>
<tr>
<th>“Category”</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods (except for Goods for Part 3(c) of the Project), Consultants’ Services, Training, Technical Services, and Incremental Operating Costs for the Project</td>
<td>3,955,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods for Part 3(c) of the Project</td>
<td>339,000</td>
<td>55%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,294,000</td>
<td></td>
</tr>
</tbody>
</table>
For the purposes of this Section, "Incremental Operating Costs" means the reasonable incremental administration costs of MARD associated with the implementation of Project activities, including office maintenance, equipment, furniture, materials and supplies, communication costs and cost of fuel for field trips."

Section 3.03 of the Annex to the Agreement is hereby amended and replaced in its entirety to read as follows:

“3.03 Withdrawal Period. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is May 31, 2019.”

All other terms and conditions of the Agreement, except as amended through this Amendment Letter, shall remain in full force and effect.

Please confirm the Recipient’s agreement with the foregoing Amendment 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 Recipient notice of receipt of the Recipient’s notification on the completion of the internal procedures necessary for its effectiveness according to the Recipient’s legislation.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Maryam Salim
Country Manager
World Bank Office, Tirana
Republic of Albania

AGREED:

REPUBLIC OF ALBANIA

By: Authorized Representative

Name: DEDJAN AHMADJA

Title: MINISTER OF FINANCE AND ECONOMY

Date: 21.5.2018