September 26, 2012

His Excellency
Florin Georgescu
Minister of Public Finances
Ministry of Public Finances
Bucharest, Romania

Modernizing Agricultural Knowledge and Information System Project
(Loan No. 4758-RO)
Revised Performance and Monitoring Indicators

We refer to the Supplemental Letter No. 2 for the above-referenced Project dated January 28, 2005. As per the agreement reached between the Borrower and the International Bank for Reconstruction and Development (Bank), we hereby agree to revise the Performance and Monitoring Indicators provided as attachment to the Supplemental Letter No. 2 as shown in the attachment to this letter.

Please confirm your agreement to the foregoing by countersigning both copies of this letter and returning one of the countersigned copies to us. This letter will become effective upon receipt by the Bank of the copy of this letter countersigned by you.

Sincerely,

Peter Harrold
Regional Director
Central Europe and the Baltic Countries
Europe and Central Asia Region

AGREED:

ROMANIA

By ________________________________
Authorized Representative

Title ________________________________

Date ________________________________
ANNEX I:
Results Framework and Monitoring
Romania: Modernizing Agricultural Knowledge and Information System Project

**Project Development Objective (as revised in October 2010):**
To help Romania comply with the agricultural acquis communautaire and to help the agro-food sector take advantage of the benefits and opportunities arising from EU membership.

<table>
<thead>
<tr>
<th>PDO Level Results Indicators*</th>
<th>Core</th>
<th>D=Dropped C=Continue N= New R=Revised</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Cumulative Target Values**</th>
<th>Frequency</th>
<th>Data Source/Methodology</th>
<th>Responsibility for Data Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in agri-food export to EU 27 relative to Gross Value Added</td>
<td>Continued</td>
<td>3.6% (2002-04 avg)</td>
<td>Year 3: 4.5%</td>
<td>Year 5: 5.0%</td>
<td>Year 7: 5.5%</td>
<td>Annually</td>
<td>EUROSTAT</td>
<td>MARD PMU</td>
</tr>
<tr>
<td>Increase in CAP funding committed to beneficiaries under EAGF and EAFRD</td>
<td>Continued</td>
<td>96% of EAGF allocation and 20% of EAFRD allocation</td>
<td>...</td>
<td>...</td>
<td>95% of EAGF allocation and 40% of EAFRD allocation</td>
<td>Annually</td>
<td>APIA &amp; MARD records</td>
<td>MARD PMU</td>
</tr>
</tbody>
</table>

**INTERMEDIATE RESULTS**

**Intermediate Result (Component One):**

1. Functional network of ANSVSA’s Regional Laboratories
   - Revised (achieved)
   - Number of regional labs
   - Year 1: 1
     - Year 2: 1
     - Year 3: 2
     - Year 4: 2
     - Year 5: 2
     - Year 6: 2
     - Year 7: 2
     - Annually
   - Annual reports
   - MARD/PMU

2. Functional network of Border Inspection Points to monitor food quality and movement of animals
   - Continued (achieved)
   - Number of BIPs
   - Year 1: 1
     - Year 2: 2
     - Year 3: 3
     - Year 4: 3
     - Year 5: 3
     - Year 6: 3
     - Year 7: 3
     - Annually
   - ANSVSA’s annual report
   - ANSVSA

3. Functional network of phytosanitary National Reference and Regional Laboratories
   - Continued (achieved)
   - Number of labs
   - Year 1: 1
     - Year 2: 1
     - Year 3: 2
     - Year 4: 2
     - Year 5: 2
     - Year 6: 2
     - Year 7: 2
     - NR, 3 RL
   - Year 2
     - NR, 3 RL
   - NR, 3 RL

**Intermediate Result (Component Two):**

4. Number of research institutes reformed

5. Laboratories (RISSA and NRDIBH) able to carry out the required analyses for soils (nitrate and sludge directives) and GMO testing
### 6. Development of new technologies compatible with EU standards

**Revised Intermediate Result (Component Two):**

<table>
<thead>
<tr>
<th>4. Number of research institutes reformed</th>
<th>Continued</th>
<th>Number of institutes</th>
<th>-</th>
<th>Year 1: 0</th>
<th>Year 2: 2</th>
<th>Year 3: 3</th>
<th>Year 4: 4</th>
<th>Year 5: 4</th>
<th>Year 6: 4</th>
<th>Year 7: 4</th>
<th>Annually</th>
<th>Annual reports from NRI and external reviews</th>
<th>MARD/PMU</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Laboratory (NRDIBH) able to carry out the required analyses for GMO testing</td>
<td>Revised target value</td>
<td>Number of labs</td>
<td>-</td>
<td>Year 1: 1</td>
<td>Year 2: 1</td>
<td>Year 3: 1</td>
<td>Year 4: 1</td>
<td>Year 5: 1</td>
<td>Year 6: 1</td>
<td>Year 7: 1</td>
<td>semi-annual reports</td>
<td>NRDIBH</td>
<td>MARD/PMU</td>
</tr>
</tbody>
</table>

| 6. Development of new technologies compatible with EU standards: a) New technologies developed b) Number of research contracts | Continued | Number of technologies | - | Year 1: a) 1; b) 3 | Year 3: a) 10; b) 15 | Year 5: a) 15; b) 30 | Year 7: a) 20 | b) 40 | Year 2: 1 | Year 4: a) 12; b) 20 | a) 20 | b) 40 | a) 30; b) 1860; c) 350; d) 1750; e) 150 |

**Intermediate Result (Component Three):**

| 7. Functional training center able to train the following: a) trainers, b) extension staff, c) food safety inspectors, d) agro-processors and private sector, e) researchers | Continued | Number of trainees | - | Year 1: a) 30 b) 300 c) 50 d) 100 e) 30 | Year 2: a) 30 b) 960 c) 125 d) 500 e) 60 | Year 3: a) 30 b) 1260 c) 200 d) 1350 e) 90 | Year 4: a) 30 b) 1860 c) 350 d) 1750 e) 150 | Year 5: a) 30 b) 2160 c) 400 d) 2050 e) 180 | Year 7: a) 20 | b) 40 | a) 30; b) 2160; c) 400; d) 2050; e) 180 |

| 8. Number of farmers receiving information / training regarding EU accession and membership | Continued | Number of beneficiaries | - | Year 1: 3,000 | Year 2: 9,000 | Year 3: 15,000 | Year 4: 21,000 | 27,000 | 22,000 | 33,000 | Annually | PMU Reports based on agricultural statistics | MARD/PMU |

| 9. Number of multi-media campaigns | Continued | Number of campaigns | - | Year 1: 1 | Year 2: 2 | Year 3: 2 | Year 4: 2 | 2 | 2 | a) 300 staff trained b) 100 GPS procured for the | Reports from APIA | MARD |

| 10. EU Compliant IACS | Continued | - | - | - | - | a) 300 staff trained b) 100 GPS procured for the | Reports from APIA | MARD |
### Intermediate Result (Component Four):

11. Bank supervision ratings

<table>
<thead>
<tr>
<th>Year 1: S</th>
<th>Year 2: MS</th>
<th>Year 3: MS</th>
<th>Year 4: MU</th>
<th>Year 5: MU</th>
<th>Year 6: MS</th>
<th>Year 7: S</th>
</tr>
</thead>
</table>

### Revised Intermediate Result (Component Four):

11. Bank supervision ratings

<table>
<thead>
<tr>
<th>Continued (actual for years 1 to 6)</th>
<th>Year 1: S</th>
<th>Year 2: MS</th>
<th>Year 3: MS</th>
<th>Year 4: MU</th>
<th>Year 5: MU</th>
<th>Year 6: MS</th>
<th>Year 7: S</th>
</tr>
</thead>
</table>