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CREDIT NUMBER 4460 AL

# **Financing Agreement**

**(Disaster Risk Mitigation and Adaptation Project)**

**between**

**ALBANIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated July 2, 2008**

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**CREDIT NUMBER 4460 AL**

**FINANCING AGREEMENT**

AGREEMENT dated July 2, 2008, entered into between ALBANIA (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) the Association has received a letter of development policy dated May 21, 2008 from the Recipient describing a program of actions, objectives and policies (the Program) designed to strengthen national capacity to plan for and respond to disasters, and declaring the Recipient’s commitment to the execution of the Program;

(B) the Recipient has requested the Association’s support in the execution of the Program through a series of loans over the period of approximately eight (8) years to be utilized by the Recipient in implementing the Program;

(C) the Recipient having been satisfied as to the feasibility and priority of the first phase of the Program (the Project) described in Schedule 1 to this Agreement, has requested the Association to assist in the financing of the Project;

(D) the Recipient has also requested the International Bank for Reconstruction and Development (the Bank) to provide additional assistance towards the financing of the Project and by an agreement of even date herewith between the Recipient and the Bank (the Loan Agreement), the Bank is making a loan to the Recipient in the amount of two million Euro (EUR 2,000,000) (the Loan); and

WHEREAS the Recipient and the Association 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 and in the Appendix to this Agreement.

**ARTICLE II - FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to three million eight hundred thousand Special Drawing Rights (SDR 3,800,000) (the “Credit”) to assist in financing the Project.

- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 15 and September 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is the Euro.

### **ARTICLE III - PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall: (i) carry out: (A) Parts 1 and 5 of the Project through the MOI; (B) Part 3 of the Project through the MOPWTT; and (C) Part 4 of the Project through the MOF; and (ii) cause Part 2 of the Project to be carried out by the IEWE, all in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **ARTICLE IV - REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consist of the following:
  - (a) A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.
  - (b) IEWE shall have failed to perform any of its obligations under the Execution Agreement.
  - (c) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that IEWE will be able to perform its obligations under the Execution Agreement.

- (d) The Recipient or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of IEWE or for the suspension of its operations.
- (e) Any provisions of the IEWE Enabling Legislation shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of IEWE to perform any of its obligations under the Execution Agreement.
- (f) Any provision of the Emergency Decision shall have been amended, suspended, abrogated or repealed, or any law, decree, regulation or other similar instrument adopted, which materially and adversely affects the business, operations and affairs of the South Eastern Europe Catastrophic Risk Insurance Facility.

#### **ARTICLE V - EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) the Execution Agreement has been signed on behalf of the Recipient and the IEWE; and
  - (b) the Recipient, through the MOI, shall have established the Project Management Team referred to in paragraph 3 of Section I.A of Schedule 2 to this Agreement under terms of reference and with a composition satisfactory to the Association.
- 5.02. The Additional Legal Matter consists of the following, namely, that the Execution Agreement has been duly authorized by the Recipient and IEWE and is legally binding upon the Recipient and IEWE in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

#### **ARTICLE VI - REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is the Minister of Finance.

6.02. The Recipient's Address is:

Ministry of Finance  
Bulevardi "Deshmoret e Kombit", Nr. 1  
Tirana  
Albania

Facsimile:

(355)-42-228494

6.03. The Association's Address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423 (MCI)

(1)-202-477-6391

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

ALBANIA

By: /s/ Ridvan Bode

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Camille Nuamah

Authorized Representative

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to strengthen institutional capacities: (i) to reduce the Recipient's vulnerability to the natural and man-made hazards; and (ii) to limit human, economic, and financial losses due to these disasters.

The Project constitutes the first phase of the Program, and consists of the following parts:

#### **Part 1: Disaster Risk Management and Preparedness**

Carrying out of a program to support capacity building for emergency response through the provision of the necessary equipment and the strengthening of disaster risk mitigation planning, specifically including:

##### **1. Strengthening Disaster Risk Mitigation Planning and Emergency Management**

(a) Carrying out of a review and update of the country's emergency response legislative framework, encompassing revisions to the 2001 Law on Civil Emergency Services, review of the draft legislation, development of the underlying regulatory framework, and the dissemination of the new proposed law to relevant partners.

(b) Development of a National Disaster Risk Management Strategy and Investment Program with a view to formulate a prioritized set of key investments in mitigation and adaptation.

(c) Preparation and implementation of a public awareness and education campaign, encompassing: (i) the raising of awareness by developing school curriculum on disaster preparedness, publishing educational material, and training teachers on the curriculum; and (ii) development of a multi-media public communications strategy using, *inter alia*, radio, television, internet.

##### **2. Enhancement of Emergency Response Capacity**

(a) Carrying out of a formal needs assessment of emergency response equipment and, on the basis thereof, provision of equipment for urban search and rescue, flood rescue, snow/mountain rescue, personal protective equipment, and a mobile operations center.

(b) Strengthening of the existing emergency operations centers, including provision of equipment for the national operations center and technical assistance for the design of three regional operations centers, including the necessary environmental and social impacts assessments.

(c) Carrying out of the feasibility studies and designs for the establishment of a “112” integrated emergency call system and an emergency communications system, particularly a radio communications system.

(d) Development of detailed emergency response procedures to enable prompt and effective interventions in catastrophic events.

(e) Delivery of specialized training for emergency first responders, organization and monitoring of exercises, and provision of recommendations on corrective actions thereto, including exercises for civil protection, fire brigades and medical personnel.

## **Part 2: Strengthening of Hydro-meteorological Services**

Carrying out of a program to support disaster risk reduction through provision of accurate hydro-meteorological forecasts and services tailored to the needs of disaster risk managers in weather-sensitive sectors, encompassing:

### 1. Increase Access to Data

Development at the IEWE of computing resources and telecommunications links suitable for real-time communication with field stations, modernized higher-resolution weather and climate modeling, and management/sharing of large volumes of weather and climate data, both within the Recipient’s territory and with partners of the World Meteorological Organization, and consisting of: the design and installation of a robust intranet to support the forecasting functions of IEWE, the design, cabling, data management and applications servers, workstations for staff, uninterruptible power supply, upgrade in the telecommunications links from field stations to headquarters, equipment for data management including scanner, software and workstations for archiving of past data and quality checking and archiving of current data; and the development of a dynamic website to present and share weather data and forecasts.

### 2. Upgrade of the Weather Forecasting Monitoring Network

Strengthening of the surface monitoring network, including work at the IEWE, the MOD and the Air Traffic Agency, to upgrade the existing meteorological stations, provide automatic meteorological and hydrological monitoring stations, specialized stations, an upper-air sounding station, and a satellite downlink station to enable the most productive use of satellite data for multiple purposes.

### 3. Development of the Capacity to Prepare Forecast Products for Disaster Management

Strengthening of the forecasting capacity of IEWE with a view to prepare more-resolved, more-accurate basic forecast products tailored to disaster management, through

the provision of software, training and computing resources necessary to undertake a local area model of weather in the country and, on the basis thereof, to enhance services such as severe weather alerts at higher resolution and longer lead time, long-lead-time alerts concerning flood conditions and snow cover based on forecasts of precipitation, fire weather warnings, road weather alerts, and frost/drought alerts for agriculture.

### **Part 3: Development of Building Codes**

Carrying out of a program to reduce hazard risks through the development of improved building codes and mechanisms for introduction of improved standards, and including:

1. Development of a National Building Code

Carrying out of a review of building code legislation currently under consideration, with a focus on applicable earthquake design requirements, including assistance for the adoption of the European Union codes in the country.

2. Training to Engineers in New Design Standards

Development of training materials to train engineers in the new, revised building code, and training of trainers.

3. Development of a Mechanism for Licensing of Engineers

Development of a system to certify, license and review licenses for design and supervision engineers.

### **Part 4: Southeast Europe Catastrophic Risk Insurance Facility**

1. Securing the Recipient's Membership in the CRIF

Provision of financing for the payment of the Recipient's membership and participation in the CRIF with a view to provide access to affordable and reliable catastrophe insurance products which reduce the Recipient's fiscal exposure to natural disasters.

2. Establishment of CRIF's Presence in the Albanian Insurance Market

Carrying out of a program aimed at facilitating the adoption by the Recipient of a policy framework conducive to the operation of CRIF in its territory, encompassing the enactment of laws and regulations conducive for the operations of the CRIF and investments in public education and awareness campaign on the benefits of catastrophe insurance.



**Part 5: Project Management**

Provision of support in Project management, through the financing of selected management costs, including consultants' services for procurement, financial management and monitoring and evaluation.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

###### **1. Ministry of the Interior**

The Recipient, through the Ministry of Interior, shall be responsible for leading Project implementation as the country's key entity responsible for disaster management.

###### **2. Project Steering Committee**

The Recipient, through the MOI, shall, not later than November 1, 2008, establish, and thereafter maintain throughout Project implementation, a Project Steering Committee (PSC) under terms of reference and with resources satisfactory to the Association. The PSC shall be responsible for ensuring inter-sectoral coordination, monitoring progress in Project implementation, and resolving policy-related issues associated with disaster risk management or any delays during Project implementation. The PSC shall be chaired by the Deputy Minister of Interior and its composition shall include the representation of the General Director of Civil Emergencies of the MOI, the Director of the IEWE, the Head of the Air Force Command Weather Forecast Service, the General Director of the Air Traffic Agency, the MOF and the MOPWTT, with the General Directorate on Civil Emergencies acting as the Secretary and the Department of Strategy and Donor Coordination of the Council of Ministers sitting as an Observer.

###### **3. Project Management Team**

The Recipient, through the MOI, shall maintain throughout Project implementation, a Project Management Team (PMT) under terms of reference and with resources satisfactory to the Association. The said Team shall be responsible for managing the overall Project in the MOI and for the procurement, financial management and monitoring of the entire Project. Its composition includes staff assigned from within the General Directorate of Civil Emergencies, contracted experts on procurement and financial management, and one Implementation Team Coordinator from each of the IEWE, the MOPWTT, and the MOF, respectively, to coordinate the activities of their agencies with the PMT.

###### **4. Implementation Team(s)**

The Recipient, through the MOI, shall, not later than November 1, 2008, establish, and thereafter maintain throughout Project implementation, an Implementation Team within each of the IEWE, the MPWTT, and MOF, under terms of reference and

with resources satisfactory to the Association. Each Implementation Team shall be responsible for contributing to the substantive elements of the implementation of the respective part of the Project, formulating terms of reference for the respective activities, participating in the evaluation committees, and clearing the contracts for the signature of the Project authorizing officer. Each Implementation Team shall be headed by an Implementation Team Coordinator and shall include sector specialists.

5. Disaster Risk Mitigation Strategy Working Group

The Recipient, through the MOI, shall, not later than October 1, 2008, establish, and thereafter maintain throughout Project implementation, a Disaster Risk Mitigation Strategy Working Group under terms of reference satisfactory to the Association and comprising representatives from all ministries concerned with disaster risk mitigation. This Working Group shall be vested with the responsibility to prepare the national Disaster Risk Mitigation and Adaptation Strategy referred to in paragraph 3 of Part B of this Section I.

6. Disaster Insurance Working Group

To discharge its membership obligations in the CRIF, not later than thirty (30) days after the establishment of the CRIF, the Recipient shall form a working group on disaster insurance consisting of representatives of the MOF, the Authority for Supervising Non-Banking Financial Institutions, other relevant government agencies and/or other appropriate entities. This Group shall be headed by a Chairman selected from the MOF, who shall also represent the Recipient on the Board of Governors of the CRIF.

**B. Implementation Modalities**

1. Part 2 of the Project: IEWE

I. Execution Agreement

(a) For the purposes of the carrying out of Part 2 of the Project, the Recipient, through the MOI, shall enter into an agreement with the IEWE (the Execution Agreement), under terms and conditions satisfactory to the Association, setting forth the arrangements necessary for the execution of Part 2 of the Project by the IEWE, including, without limitation, the undertaking by the IEWE to publish in real time on its website the data on basic meteorological variables from every weather station which is furnished with equipment and/or telecom links under the Project.

(b) The Recipient shall exercise its rights under the Execution Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Credit. Except as the Association shall otherwise agree,

the Recipient shall not assign, amend, abrogate or waive the Execution Agreement or any of its provisions.

II. Implementation Covenants

(a) Not later than January 31, 2010, the Recipient, through the MOES, shall take all measures necessary to ensure that the IEWE publish in real time on its website the data on basic meteorological variables from every weather station which is furnished with equipment and/or telecom links under the Project.

(b) Without limitation upon the provisions of Section 4.03 of the General Conditions, starting with Fiscal Year 2008 and throughout Project implementation, the Recipient, through the MOES, shall take all action required to provide adequate budget support to the IEWE to facilitate the sustainable operation of existing equipment and new equipment acquired by the IEWE under the Project.

(c) The Recipient, through the MOD, the MOES and the MOPWTT, respectively, shall conclude, not later than November 30, 2008, an agreement, under terms and conditions satisfactory to the Association, among the Synoptic Service within the MOD, the IEWE and the Air Traffic Agency which: (i) enables the IEWE to provide data and forecasts on its public website; and (ii) sets forth the data sharing responsibilities and roles among the parties.

2. Part 4.1 of the Project: Bilateral Agreement for Local Product Distribution

The Recipient, through the MOF, shall conclude, not later than six (6) months after the Effective Date, a bilateral agreement with the CRIF, under terms and conditions satisfactory to the Association, which will enable CRIF to distribute its products through local insurance companies as specified by the regulations of the Albanian Insurance Commission.

3. Disaster Risk Mitigation and Adaptation Strategy

The Recipient, through the MOI, shall prepare, not later than January 31, 2010, a draft Disaster Risk Mitigation and Adaptation Strategy, satisfactory to the Association, which prioritizes in a suitable manner disaster risk mitigation actions and investments.

C. **Anti-Corruption**

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

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

**A. Project Reports**

1. The Recipient, through the MOI, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the Monitoring and Evaluation indicators. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

2. For purposes of Section 4.08 (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 Association not later than August 30, 2012.

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

1. The Recipient, through the MOI, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient, through the MOI, shall prepare and furnish to the Association as part of the Project Report 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 Association.

3. The Recipient, through the MOI, shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

**C. Mid-Term Review**

The Recipient, through the MOI, shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the Monitoring and Evaluation Indicators, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association not later than December 31, 2009, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress: (i) achieved in the carrying out of the Project during the

period preceding the date of said report; and (ii) on the fulfillment of the actions referred to in the Program and the attainment of the milestones to start and carry out the second phase of the Program, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, on or about January 31, 2010, or such later date as the Association shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

### **Section III. Procurement**

#### **A. General**

1. **Goods and Services (Other than Consultants' Services).** All goods and services (other than consultants' services) required for the Project and to be financed out of the proceeds of the Financing 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 Financing 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 Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

#### **B. Particular Methods of Procurement of Goods and Services (Other than Consultants' Services)**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and services (other than consultants' services) shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Services (Other than Consultants' Services).** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and services (other than consultants' services). The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>	
(a)	Shopping
(b)	Direct Contracting

**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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b>Procurement Method</b>	
(a)	Selection Based on Consultants' Qualifications
(b)	Quality-Based Selection
(c)	Selection under a Fixed Budget
(d)	Least-Cost Selection
(e)	Single-Source Selection
(f)	Selection of Individual Consultants

**D. Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing (“Category”), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Credit Allocated (Expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed</b>
(1) Goods under Parts 1, 2 and 3 of Project, except Part 1.2 thereof	2,320,000	80%
(2) Consultants’ Services under Parts 1, 2 and 3 of the Project	1,100,000	80%
(3) Operational Costs	380,000	100%
<b>TOTAL AMOUNT</b>	<b><u>3,800,000</u></b>	

3. For the purposes of this Section, the term “Operational Costs” means expenditures incurred to finance the cost of maintenance of equipment, consumables, physical materials related to Project implementation, travel and per diem of consultants and staff of the Project Management Team and Implementation Teams, fuel, and other miscellaneous and expenses necessary for Project implementation as may be approved by the Association.



**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made in respect of payments made prior to the date of this Agreement.
2. The Closing Date is February 28, 2012.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (Expressed as a Percentage)*</b>
On each March 15 and September 15  commencing on September 15, 2018, to and including March 15, 2028	5%

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\* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

## **APPENDIX**

### **Definitions**

1. “Air Traffic Agency” means the Recipient’s National Air Traffic Agency under the MOPWTT (as hereinafter defined).
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.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
5. “Directorate for Civil Emergencies” means the Directorate in charge of disaster preparedness and management within the MOI (as hereinafter defined).
6. “Emergency Decision” means the Recipient’s Council of Ministers Decision No. 664 on “Criteria and Procedures of Proclamation on the Civil Emergency Situation” dated December 18, 2002, as amended to the date of this Agreement.
7. “Execution Agreement” means the agreement to be entered into between the Recipient, through the MOI (as hereinafter defined), and IEWE (as hereinafter defined) pursuant to the provisions of paragraph 1 Section 1.B of this Agreement, as the same may be amended from time to time.
8. “Fiscal Year” means the twelve (12) month period corresponding to any of the Recipient’s fiscal years, which period commences on January 1 and ends on December 31 in each calendar year.
9. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
10. “IEWE Enabling Legislation” means, collectively, the Decisions of the Recipient’s Council of Ministers No. 532, dated August 1, 2003, and No. 560, dated August 22, 2007, and the Recipient’s “General Law on Civil Emergencies” No. 8756 dated March 26, 2001, as amended to the date of this Agreement.
11. “Institute of Energy, Water and Environment” or “IEWE” the Recipient’s Institute of Energy, Water and Environment, a governmental institution entity responsible for services for third parties and the transfer of knowledge and technology in energy, water, environment and climatic sectors.
12. “Loan Agreement” means the loan agreement for the Project between the Recipient and the Bank, dated the same date as this Agreement, as such loan

agreement may be amended from time to time. "Loan Agreement" includes all appendices, schedules and agreements supplemental to the Loan Agreement.

13. "Ministry of Defense" or "MOD" means the Recipient's Ministry of Defense.
14. "Ministry of Education and Science" or "MOES" means the Borrower's Ministry of Education and Science.
15. "Ministry of Finance" or "MOF" means the Recipient's Ministry of Finance, or any successor thereto.
16. "Ministry of Interior" or "MOI" means the Recipient's Ministry of the Interior, or any successor thereto.
17. "Ministry of Public Works, Transport and Telecommunications" or "MOPWTT" means the Recipient's Ministry of Public Works, Transport and Telecommunications, or any successor thereto.
18. "Monitoring and Evaluation Indicators" means the agreed monitoring and evaluation indicators set forth in a letter of even date herewith to be utilized by the Recipient to measure the progress in the implementation of the Project and the degree to which the objectives thereof are being achieved.
19. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October, 2006.
20. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 16, 2008, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
21. "South Eastern Europe Catastrophic Risk Insurance Facility" or "CRIF" means the regional catastrophic risk insurance program owned by the participating countries of the Southeast Europe Region which the Recipient will join and participate in under Part 4.1 of the Project.