

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION1818 H Street N.W.
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May 25, 2010

Mr. Tomasz Mironczuk
 President
 Bank Gospodarstwa Krajowego
 Al. Jerozolimskie 7
 00-955 Warsaw
 Poland

**Re: Republic of Poland: GEF Trust Fund Grant No. TF054104
 (Energy Efficiency Project)
 Amendment to the Project Agreement under the
 Global Environment Facility Trust Fund
 Grant Agreement**

Excellency:

We refer to the Global Environment Facility Grant Agreement (TF No. TF054104) (Energy Efficiency Project) between the Republic of Poland (the Recipient) and the International Bank for Reconstruction and Development (the Bank) dated November 22, 2004. We refer to the Project Agreement between the Bank and the Gospodarstwa Krajowego of same date (the Project Agreement). We also refer to the letter dated April 29, 2009, from Mrs. Joanna Strzelec-Lobodzińska, Deputy Minister of Economy of the Republic of Poland, requesting the Bank to introduce certain changes into the Project Agreement.

We are pleased to inform you that, after due consideration, the Bank has acceded to the aforementioned request. Therefore, the Project Agreement is hereby amended as follows:

1. In Section 2.01 of the Project Agreement, in the third line of Paragraph (a) and in the second and third lines of Paragraph (b), the words "Parts A and C.1 of the Project" are replaced with the words "Parts A, C.1 and D of the Project".
2. In Section 2.04 of the Project Agreement, in the second line of Paragraph (b), the words "Parts A and C.1 of the Project" are replaced with the words "Parts A, C.1 and D of the Project".
3. In Schedule 2 to the Project Agreement, new Parts D, E and F are added to read as follows:

"Part D: EE Credit Facility Account

1. BGK shall establish a EE Credit Facility Account for the EE Credit Facility, on its books and for the purposes of implementing Part D of the Project, in a manner satisfactory to the Bank and in accordance with the procedures set forth in the PIP.

2. BGK shall manage and use the proceeds of the EE Credit Facility Account in a manner consistent with the purposes and objectives of the GEF Trust Fund Grant Agreement and in accordance with provisions of the PIP, including but not limited to using the proceeds of the EE Credit Facility Account exclusively for making payments in connection with signed loans provided to the Participating Banks issued pursuant to the respective EE Credit Facility Framework Agreement.

3. BGK shall act prudently and reasonably in exercising its management obligations in respect of the EE Credit Facility Account and shall deposit any amounts paid back or recovered in connection with a loan directly into said EE Credit Facility Account.

4. BGK shall promptly refund to the Bank any withdrawals or payments from the respective EE Credit Facility Account, including any investment income generated therefrom, at the option of the Bank, if:

(a) the Bank shall have determined at any time that any payment made from the GEF Trust Fund Grant Account (or from the investment income generated therefrom) was used for any expenditure not consistent with the provisions of this Agreement;

(b) the Bank shall have determined, at any time, that the Recipient or BGK shall have failed to perform any of their respective obligations under GEF Grant Implementation Agreement;

(c) expenditures from the GEF Trust Fund Grant Account (or from the investment income generated therefrom) were made: (i) in the territories of any country which is not a member of the Bank or for goods procured in, or services supplied from, such territories; or (ii) on account of any payment to persons or entities, or any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(d) expenditures from the GEF Trust Fund Grant Account (or from the investment income generated therefrom) were made under a contract in respect of which the Bank determines that corrupt or fraudulent practices were engaged in by representatives of the Recipient or BGK during the procurement or execution of such contract, without the Recipient or BGK having taken timely and appropriate action satisfactory to the Bank to remedy the situation; or

(e) the PIP has been amended, suspended, abrogated, repealed or waived in a manner which, in the opinion of the Bank, would materially and adversely affect the implementation of the Project or the attainment of its objectives.

5. BGK shall carry out the following with respect to expenditures funded with withdrawals from the EE Credit Facility Account:

(a) maintain records and accounts reflecting such expenditures;

(b) retain for at least one year after the Project Closing Date, all records evidencing such expenditures;

(c) enable the Recipient and the Bank to examine such records; and

- (d) ensure that the audit reports contain a separate opinion by the auditors as to whether the records and accounts submitted for the relevant audit, together with the procedures and controls involved in their preparation, can be relied upon to support the related withdrawals.

Part E: Deposits to the EE Credit Facility Account from the GEF Trust Fund Grant Account

1. After the Bank has received evidence satisfactory to it that the EE Credit Facility Account has been duly opened, withdrawals of the amounts from the GEF Trust Fund Grant Account for deposit into the EE Credit Facility Account shall be made as follows:

- (a) BGK shall execute an EE Credit Facility Framework Agreement in form and substance acceptable to the Bank, with a Participating Bank for a loan commitment not to exceed the equivalent of \$5,700,000 or such other amount as may be agreed upon by the Bank, and, for each executed EE Credit Facility Framework Agreement furnish the Bank with evidence satisfactory to the Bank that said EE Credit Facility Framework Agreement has been duly authorized and executed with the provisions of the PIP and this Agreement.

- (b) subsequent to execution of each EE Credit Facility Framework Agreement, BGK shall submit, through the Recipient, a request to the Bank for withdrawal from the GEF Trust Fund Grant Account and deposit to the EE Credit Facility Account an amount equivalent to the loan commitment under the EE Credit Facility Framework Agreement.

2. BGK shall:

- (a) prior to entering into a EE Credit Facility Framework Agreement, obtain the Bank's approval of all EE Credit Facility Framework Agreements; and

- (b) prior to entering into the first two loan commitments under any EE Credit Framework Agreement, obtain the Bank's approval on contractual arrangements for said transaction.

3. The Bank has the right to terminate disbursements into the EE Credit Facility Account in the event that:

- (a) the GEF Grant Implementation Agreement, or any provision thereof, is amended, suspended, abrogated, waived or repealed by the Recipient or BGK, without the prior concurrence of the Bank, and such amendment, suspension, abrogation, waiver or repeal materially and adversely affects the ability of the Recipient or BGK to perform any of its obligations under GEF Grant Implementation Agreement;

- (b) any authority having lawful jurisdiction shall have taken any action for dissolution or disestablishment of BGK, or for the suspension of its operations, and such dissolution, disestablishment or suspension shall materially and adversely affect the ability of BGK to carry out its obligations under GEF Grant Implementation Agreement;

- (c) BGK fails to fulfill its obligations under the GEF Grant Implementation Agreement; or

(d) the charter of BGK is amended, suspended, abrogated, repealed or waived in a manner which, in the opinion of the Bank, would materially and adversely affect the ability of: (i) the Recipient to effectively implement its obligations under the GEF Trust Fund Grant Agreement or the GEF Grant Implementation Agreement; or (ii) BGK to effectively carry out its obligations under GEF Grant Implementation Agreement.

Part F: Withdrawals from the EE Credit Facility Account

1. BGK shall make withdrawals from the EE Credit Facility Account only for payments made in accordance with a signed loan to a Participating Bank in accordance with an EE Credit Facility Framework Agreement.”

Please confirm your agreement to the foregoing amendment by signing and dating the confirmation on the enclosed copy of this amendment letter and returning it to us. This amendment will come into force upon receipt by the Bank of the countersigned copy of this amendment letter and on the date of effectiveness of the amendment letter to the GEF Trust Fund Grant Agreement of same date between the Recipient and the Bank.

Sincerely,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By/s/Peter Harrold
Country Director
Central Europe and the Baltic States
Europe and Central Asia

CONFIRMED AND AGREED:

BANK GOSPODARSTWA KRAJOWEGO

Name: Dailusz Daniluk

Title : President

Date : June 2, 2011

