

**CONFORMED COPY**

August 12, 2003

His Excellency  
Mihai Tanasescu  
Minister of Public Finance  
Bucharest, Romania

Dear Mr. Minister:

**Romania: Loan No. 4533-RO - Agricultural Support  
Services Project**

*Loan Agreement Reallocation of Loan Proceeds*

Pursuant to your letter dated July 14, 2003, requesting the International Bank for Reconstruction and Development (the Bank) to reallocate the proceeds of the loan set forth in the Loan Agreement between the Bank and Romania dated March 27, 2000 (the Loan Agreement), we are pleased to concur with your request. Therefore, the Bank hereby reallocates the proceeds of the loan set forth in the table in paragraph 1 of Schedule 1 to the Loan Agreement as follows: US\$100,000 from Category 1 to Category 2.

Accordingly, the amounts now allocated to the Categories are as follows: Category 1, US\$ 7,900,000; Category 2, US\$ 200,000; Category 3, US\$ 1,280,000; Category 4, US\$ 80,000; Category 5, US\$ 380,000; Category 6, US\$ 1,160,000; The revised table in paragraph 1 of Schedule 1 to the Loan Agreement is attached as annex to this letter.

Sincerely,

/s/ Andrew N.Vorkink

Director  
South Central Europe Country Unit  
Europe and Central Asia Region

AGREED:

ROMANIA

By: /s/ Mihai Tanasescu  
Authorized Representative  
Title: Minister of Public Finance

Date : September 5, 2003

cc : H.E. Ilie Sarbu  
Minister of Agriculture, Forests, Waters and Environmental Protection  
Bucharest, Romania

Mr. Ad Melkert  
Executive Director  
World Bank

## Annex

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	<u>Amount of the Loan Allocated (Expressed in Dollars)</u>	<u>% of Expenditures to be Financed</u>
(1) Grants under Part A of the Project	7,900,000	75%
(2) Goods under Part B of the Project	200,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for other items procured locally
(3) Consultants' Services and training under Part B of the Project	1,280,000	100%
(4) Technical Services for print production	80,000	100% of foreign expenditures
(5) Incremental Operating Costs	380,000	100% (except for locally procured goods – 85%)
(6) Unallocated	1,160,000	
TOTAL	<u>11,000,000</u>	

Cleared w/ and cc: Messrs./Mmes: Tuck (ECSSD); Bhattacharya (ECSES); Kichigina (LEGEC); Chistyakov (LOAG1)

**Distribution:**

*Region:*

Messrs./Mmes: Mitra (2)(ECAVP); Saadat, Negulescu, Ihora (ECCRO); Tuck, Ablasser, Srivastava, Rachita, Badea (ECSSD); Southworth, Williams, Alexieva, Burul-Sir, Koleva (ECCU5); Strelkova, Westin, Bhattacharya, Hebert, Constantinescu, Ganguli (ECSPS)

Unit Files

*Bankwide:*

Messrs./Mmes: Rajasingham (FRM); Kichigina (LEGEC)