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Tahseen Sayed
Regional Director, Caribbean
Latin America and the Caribbean Region

September 28, 2017

The Honourable Gaston Browne
Prime Minister and Minister of Finance
Ministry of Finance and Corporate Governance
New Government Office Complex
Queen Elizabeth Highway
St. John's, Antigua and Barbuda

Re: Antigua and Barbuda: Loan No. 8269-AG
Public and Social Sector Transformation Investment Project
Financing
Amendment and Cancellation

Excellency:

We refer to the Loan Agreement ("Loan Agreement") between Antigua and Barbuda ("Borrower") and the International Bank of Reconstruction and Development ("Bank") dated August 14, 2013, for the Public and Social Sector Transformation Investment Project, pursuant to which the Bank has extended the above captioned Loan.

We also refer to your letter dated July 19, 2017 requesting the cancellation of an amount of the above-captioned Loan, and to your letter dated August 9, 2017 concurring to close the Project on September 30, 2017.

In view of the above and our recent discussions, the Bank proposes to modify the Loan Agreement as follows: (a) advance the Closing Date; (b) reallocate funds between categories of expenditure; and (c) cancel the amount of $7,011,441.32.

A. Amendment

Accordingly, the Loan Agreement is hereby amended as follows:

1. Paragraph 2 of Section IV.B of Schedule 2 to the Loan Agreement is hereby amended and replaced in its entirety to read as follows:

   "2. The Closing Date is September 30, 2017."

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2. The table under Paragraph 2 of Section IV.A of Schedule 2 to the Loan Agreement is hereby amended and replaced in its entirety by Annex 1 to this letter.

Please confirm your agreement with the foregoing amendment, on behalf of the Borrower, by signing and dating this letter in the space provided below. This amendment shall be executed in two counterparts each of which shall be an original and one of which shall be returned to us. The provisions set forth in this letter will become effective as of the date of the countersignature, upon receipt by the Bank of one fully executed original of this letter.

B. Notifications

Furthermore, in accordance with the provisions of Section 7.01 of the General Conditions for Loans, applicable to the Loan Agreement, the Bank hereby cancels, as of July 21, 2017, the amounts allocated to the Categories set forth in Section IV.A.2. of Schedule 2 to the Loan Agreement, as follows:

an amount equal to $2,921,236.00 from Category (1);
an amount equal to $1,670,317.00 from Category (2);
an amount equal to $2,226,993.98 from Category (3); and
an amount equal to $192,894.34 from Category (5).

* * * *

All other terms and conditions of the Loan Agreement remain in full force and effect.

Please also note that the Restructuring Paper dated September 28, 2017, a copy of which is enclosed herewith, will be disclosed on the Bank's external website as per the Bank's policy on Access to Information.

Finally, we would like to inform you that there are advances made to the Designated Account, in the amount of $605,818.50, for which no supporting documentation has been submitted to the Bank. Any unutilized balance from the Designated Account for which supporting documentation has not been submitted, the Borrower shall refund an equivalent amount to the Bank before the Disbursement Deadline Date (January 30, 2018). In accordance with the current practice of the Bank, further submissions of supporting documentation in respect of Eligible Expenditures incurred by the Closing Date (September 30, 2017) and paid or to be paid from the Designated Account must be received by the Bank by close of business on January 30, 2018.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Tahseen Sayed
Tahseen Sayed

AGREED:
ANTIGUA AND BARBUDA

By: _____
Authorized Representative
Title: Prime Minister
Date: 29/9/17

OFFICE OF THE PRIME MINISTER
SEP 29
ANTIGUA & BARBUDA

Enclosure

cc: Senator The Honourable Lennox Weston, Minister of State, Ministry of Finance
Mr. Whitfield Harris, Financial Secretary, Ministry of Finance
Ms. Rasona Davis, Deputy Financial Secretary, Ministry of Finance
Ms. Alison S. Goodwin, Interim Project Coordinator, Project Management Unit
Ms. Christine Hogan, Executive Director, The World Bank Group
Ms. Peteranne T. Donaldson, Alternate Executive Director, The World Bank Group

AGREED:
ANTIGUA AND BARBUDA

By: _____
Authorized Representative
Title: Prime Minister
Date: 29/9/17

OFFICE OF THE PRIME MINISTER
SEP 29 2017
ANTIGUA & BARBUDA

Enclosure

cc: Senator The Honourable Lennox Weston, Minister of State, Ministry of Finance
Mr. Whitfield Harris, Financial Secretary, Ministry of Finance
Ms. Rasona Davis, Deputy Financial Secretary, Ministry of Finance
Ms. Alison S. Goodwin, Interim Project Coordinator, Project Management Unit
Ms. Christine Hogan, Executive Director, The World Bank Group
Ms. Peteranne T. Donaldson, Alternate Executive Director, The World Bank Group

Annex 1

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Consultants' services, non-consulting services and Operating Costs for Parts 1 and 2 of the Project	443,764.00	100%
(2) Goods, non-consulting services, works, consultants' services, Training, and Operating Costs under Parts 3, 4(c), 4(d) and 4(e) of the Project	397,545.64	100%
(3) Sub-project Expenditures under Parts 4(a) and 4(b) of the Project	481,006.02	100% of Unit Costs incurred pursuant to the corresponding Sub-project Agreements under Parts 4(a) and 4(b) of the Project
(4) Goods, non-consulting services, consultants' services, Training, Project audits, and Operating Costs under Part 5 of the Project	1,252,137.36	100%
(5) Refund of the Preparation Advance	389,105.66	Amount payable pursuant to Section 2.07 (a) of the General Conditions
(6) Front-end Fee	25,000.00	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(7) Amount Cancelled (as of July 21, 2017)	7,011,441.32	
TOTAL AMOUNT	10,000,000.00	