Article 1

Subject and Amount of the Grant

Section 1.01. In pursuance of the Single Donor Trust Funds Framework Agreement between Sweden, represented by the Swedish International Development Cooperation Agency, Sida ("Sweden") and the International Bank for Reconstruction and Development ("IBRD") and the International Development Association (the "IDA") (collectively the "Bank") dated March 17, 2011 (the "Framework Agreement"), I am pleased to inform you that Sweden will make available a grant (the "Grant") of Swedish Kronor thirty five million (SEK 35,000,000), to be administered by the Bank for Albania Water Resources and Irrigation Project (Trust Fund No. TF071946).

Section 1.02. The terms of the Framework Agreement shall apply to the Grant. The Bank shall administer the Grant in accordance with the provisions of the Framework Agreement, except as otherwise provided herein.

Section 1.03. The Grant shall be used exclusively for the following activities which form part of the Project to be financed by the Bank:

(a) Institutional Support for Integrated Water Resources Management. Establishment of a strategic framework for management of water resources through, inter alia:

(i) Preparation of a national integrated water resource management strategy.

(ii) Preparation of river basin Management plans for the Drin-Buna and Semani river basins.

(iii) Establishment of a consolidated water resources database to be used as a basis for national water resources planning and programming.

(b) Implementation Support. Provision of support for the implementation of the Project and establishment and implementation of a performance based management information system.

Section 1.04. The Grant shall be used to finance the following categories of expenditure: goods, training, consultants’ services, and incremental operating costs. Notwithstanding the foregoing, and so long as there is no change in the overall objectives or characteristics of the Grant, the Bank may reallocate the Grant funds between such categories of expenditures in
accordance with the Bank’s applicable policies and procedures on reallocation, without the need to obtain Sweden’s approval for any such reallocation.

Section 1.05. In addition to the financial reports on the Grant to be made available pursuant to Section 10.01 of the Framework Agreement, the Bank shall provide an annual report on the activities financed by the Grant and a final report on the activities following the Completion Date.

Article 2
Payment Modalities

Section 2.01. Sweden shall deposit the Grant funds with the Bank, upon request from the Bank, in such bank account designated by the Bank, in accordance with the provisions of Section 6.02 of the Framework Agreement. The first installment of the Grant will be SEK 14,000,000. Subsequent installments will be made in accordance with the provisions of Section 6.02(b) of the Framework Agreement.

Section 2.02. The Bank shall convert the Contribution funds into the holding currency of the Trust Fund, namely United States Dollars, promptly upon receipt of the Contribution funds and the Deposit Instruction containing the information specified in paragraph 4 at the exchange rate obtained by the Bank on the date of the conversion. Where the Contribution proves to be insufficient to complete the activities as a result of an exchange rate fluctuation, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

Article 3
Administrative Cost Recovery

Section 3.01 Consistent with Section 3.02 of the Framework Agreement, in order to assist in the defrayment of the costs associated with the establishment of this Agreement, the Bank may, following deposit of the Grant by Sweden, deduct from the Grant and retain, for the Bank’s own account an amount equal to Thirty-Five Thousand United States Dollars ($35,000).

Section 3.02 In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Agreement, the Bank may, following deposit of the Contribution, deduct and retain for its own account an amount equal to five percent (5%) of each Contribution. If the contributions increase beyond what was originally expected at the time of countersignature of this Agreement, and the administrative costs increase as a result, the Donor acknowledges that an additional administrative fee may be applied to such new contributions.

Article 4
Commencement and Completion Dates

Section 4.01 The Grant funds may be used to finance expenditures for the activities described in Section 1.03 commencing on November 29, 2012, and ending on November 30, 2017. The Bank may make disbursements of the Grant funds for up to six (6) months after such latter date for expenditures incurred on or before such date in accordance with the Bank’s applicable policies and procedures.
Article 5
Cancellation

Section 5.01. Either party may, upon giving the other party three (3) months’ prior written notice, cancel that part, if any, of the Grant funds provided under this Administration Agreement that the Bank has not committed prior to receipt of such notice under agreements entered into by the Bank with any third party, including any grant agreement.

Article 6
Communications

Section 6.01. The offices responsible for coordination of all matters related to this Administration Agreement are:

For Sweden:
Robert Nygård
First secretary, Program Officer
Embassy of Sweden, Tirana
Rruga Pjeter Budi, No.56,
Tirana, Albania
Tel.: +355 4 2380 650; direct +355 4 2380 672
Fax.: +355 4 2380 660

For the Bank:
Mr. IJsbrand de Jong
Senior Water Resource Specialist
Agriculture and Rural Development Unit, Sustainable Development Department
Europe and Central Asia Region
World Bank
1818 H Street NW
Washington DC 20433, USA

This Administration Agreement is drawn up in two originals, one for each party. It may be amended only by written agreement of the parties hereto.

SWEDEN, REPRESENTED BY SIDA

By: ____________________________
Mikael Elofsson
Head of Reform Cooperation Western Balkans and Turkey
Department for Reform and Selective Cooperation
Sida

Date: December 3, 2012
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: Jane Armitage
Country Director for Albania
World Bank

Date: November 28, 2012