Loan Agreement

(Gender Equality in Access to Economic Opportunities Development Policy Loan)

between

REPUBLIC OF ALBANIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF ALBANIA ("the Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("the Bank") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of (i) the actions which the Borrower has already taken under the Program and which are described in Section I A of Schedule 1 to this Agreement; and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower the amount of nine million one hundred thousand Euros (EUR 9,100,000), as such amount may be converted from time to time through a Currency Conversion ("Loan").

2.02. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.

2.03. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.04. The interest rate is the Reference Rate plus the Fixed Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.

2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with Schedule 2 to this Agreement.

2.07. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.
ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions

(a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower’s macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) without limitation upon paragraph (a) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule I to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

4.02. The Additional Event of Acceleration consists of the following, namely that any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 30 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS

5.01. The Additional Condition of Effectiveness consists of the following, namely the Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower’s macroeconomic policy framework.

5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is the Minister of Finance and Economy.

6.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower’s address is:

Ministry of Finance and Economy
No. 3 Bulevardi “Deshmoret e Kombit”
Tirana, Albania; and

(b) the Borrower’s Electronic Address is:

Facsimile: E-mail:
355-4222-8494 sekretariamin@financa.gov.al

6.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank’s address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank’s Electronic Address is:

Telex: Facsimile: E-mail:
248423(MCI) or 1-202-477-6391 msalim1@worldbank.org
64145(MCI)
AGREED as of the Signature Date.

REPUBLIC OF ALBANIA

By  

[Signature]

Authorized Representative

Name: Anila Demaj

Title: Minister of Finance and Economy

Date: January 15, 2020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By  

[Signature]

Authorized Representative

Name: Linda Van Gelder

Title: Country Director

Date: January 15, 2020
SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Actions under the Program

A. Actions Taken Under the Program. The actions taken by the Borrower under the Program include the following:

(i) Notaries have been mandated to recognize the co-ownership of immovable property obtained during marriage under the community of property regime to protect the ownership rights of spouses in the process of transfer or inheritance of immovable property, by: (a) verifying the marital status of the parties involved in the transfer of immovable property; (b) duly recognizing co-ownership in the notarial documents if immovable property was obtained during marriage; and (c) ensuring that acts of inheritance do not violate the co-ownership of immovable property obtained during marriage, as evidenced by the Notary Law 110/2018, dated December 20, 2018 and published in the official gazette on February 13, 2019.

(ii) The Borrower’s State Cadaster Agency issued guidelines for registration offices to correct the names in the files for immovable properties registered in the name of one spouse that are presumed to be co-owned to correct the under-registration of female co-owners in Albania’s existing property registries, as evidenced by the Order of the Director of the Borrower’s State Cadaster Agency 1150, dated June 3, 2019 and published in the official gazette on June 11, 2019.

(iii) The Borrower has: (a) established rules for authorizing, selecting, and financing primary and secondary nonprofit legal-aid providers; (b) established a system for collecting and administering data on legal-aid providers; and (c) created guidelines for contracting and supervising of legal-aid providers to enhance legal aid that may support ownership and co-ownership corrections in immovable property titles, as evidenced by Decision by the Council of Ministers No. 110, dated March 6, 2019 and published in the official gazette on March 15, 2019; and Ministerial Order No. 226, dated March 25, 2019.

(iv) The Borrower, through its Public Procurement Authority, amended the standard bidding documents for public procurement tenders valued at 8 million Lek or more to raise awareness about the gender-equality aspects of the its labor code by mandating that firms declare adherence to: (a) non-discrimination principles for collective employment and individual contracts; and (b) principles of non-discrimination, which include equal pay for work of equal value in order to foster more gender-equitable practices in the private sector, as evidenced by the Director’s Decision, dated June 20, 2019 and the Memorandum of Understanding.
between the Public Procurement Authority and the Borrower’s Labor Inspectorate, dated June 14, 2019.

(v) The budget-transfer rule for municipal preschool budgets has been amended to shift from teacher-based to student-based financing; and (b) the Borrower has launched a pilot after-school enrichment program for students in grades 1-9 to improve the quality and availability of preschool and basic education and create opportunities for women with children to join the labor market, as evidenced by Law 99/2018, dated December 3, 2018 and published in the official gazette on December 21, 2018; Ministry of Finance and Economy Instruction, dated January 17, 2019; and Ministerial Order 760, dated November 16, 2018.

(vi) The Employment Promotion Law has been enacted to: (a) enhance the delivery of employment services to members of vulnerable groups as defined in Albanian law, including young women, single mothers, parents of children with disabilities, ethnic minorities, and victims of human trafficking and gender-based and domestic violence; and (b) provide subsidies for childcare services for women registered in the national employment services database to expand labor-market opportunities for women, in particular vulnerable women, as evidenced by Law 15/2019, dated March 13, 2019 and published in the official gazette on April 3, 2019.

(vii) The borrower has: (a) established procedures for monitoring gender-related public spending by local governments; and (b) integrated gender responsive budgeting into the Albania Financial Management Information System (AFMIS) to better monitor gender-related policies and programs, as evidenced by Ministerial Guideline 22, dated June 30, 2018; and Ministerial Order 527, dated July 25, 2019 and published in the official gazette on July 28, 2019.

(viii) The borrower has developed a Gender Equality Index and validated it with the European Institute for Gender Equality (EIGE) to improve the monitoring and evaluation of gender policies and programs, as evidenced by official communications from the European Institute for Gender Equality, dated September 5, 2019.

Section II. Availability of Loan Proceeds

A. **General.** The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.

B. **Allocation of Loan Amounts.** The Loan (except for amounts required to pay the Front end Fee) is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:
<table>
<thead>
<tr>
<th>Allocations</th>
<th>Amount of the Loan Allocated (expressed in EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Single Withdrawal Tranche</td>
<td>9,077,250</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>22,750</td>
</tr>
<tr>
<td>(3) Amount due pursuant to Section 4.05 (c) of the General Conditions</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>9,100,000</strong></td>
</tr>
</tbody>
</table>

C. **Withdrawal Tranche Release Conditions.**

1. No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower’s macroeconomic policy framework.

D. **Deposit of Loan Amounts.**

The Borrower, within thirty (30) days after the withdrawal of the Loan from the Loan Account, shall report to the Bank: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the lek equivalent of the Loan proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Borrower’s budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

E. **Closing Date.** The Closing Date is March 31, 2021.
SCHEDULE 2

Commitment-Linked Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

**Level Principal Repayments**

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15</td>
<td></td>
</tr>
<tr>
<td>Beginning November 15, 2026</td>
<td>3.13%</td>
</tr>
<tr>
<td>through November 15, 2041</td>
<td></td>
</tr>
<tr>
<td>On May 15, 2042</td>
<td>2.97%</td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions


2. "Lek" means the Borrower's local currency.

3. "Program" means: the program of objectives, policies, and actions set forth or referred to in the letter dated June 21, 2019 from the Borrower to the Bank declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution and comprising actions taken, including those set forth in Section I of Schedule 1 to this Agreement, and actions to be taken consistent with the program's objectives.

4. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.

5. "Single Withdrawal Tranche" means the amount of the Loan allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.