His Excellency
Gheorghe Ialomijianu
Minister of Public Finance
Bucharest, Romania

Dear Mr. Minister:

Judicial Reform Project (Loan No. 4811-RO)

Amendment to the Loan Agreement

We refer to the Loan Agreement between Romania (the Borrower) and the International Bank for Reconstruction and Development (the Bank) (the Loan Agreement), for the above-referenced Project, dated January 27, 2006. We also refer to your letter dated August 5, 2010 requesting certain amendments to the Loan Agreement.

We hereby propose to amend the Loan Agreement as follows:

1. In Article II, Section 2.03 is amended to read as follows (modifications are shown in italics):

“The Closing Date shall be March 31, 2013, or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.”

2. In Article V – Remedies of the Bank, two new Sections 5.03 and 5.04 are added to read as follows:

“Section 5.03. In the event of failure by the Borrower to implement any of the actions and measures set forth in the Annex to Schedule 5, the Bank may, upon notice to the Borrower, cancel a corresponding portion of the Unwithdrawn Loan Balance with respect to the expenditures related to a specific action or measure. The amounts subject to cancellation shall be determined by the Bank based on the estimates provided in the Annex to Schedule 5, and shall reflect the amounts of expenditures which will not be required for completion of Project activities due to the failure of the Borrower to implement a respective action in the Annex.”
“Section 5.04. The provisions of Section 5.03 do not limit the Bank's right to exercise any of the remedies provided in Sections 7.02 (Suspension) and Section 7.03 (Cancellation by the Bank) of the General Conditions.”
3. The Table set forth in paragraph 1 of Schedule 1 is amended in order to operate the reallocations of the proceeds of the Loan, as requested. Accordingly, the revised table in paragraph 1 of the Schedule 1 of the Loan Agreement is indicated in Attachment 1 to this letter.

4. Schedule 2 is amended as follows:

4.1. Part A.1 is amended as follows (modifications are shown in italics):

“1. Rehabilitation, construction and equipment of about eighteen (18) court buildings throughout the Borrower’s territory, through the provision of works, services and goods.”

4.2. Part C.2 is amended as follows:

“2. Improving the information technology and technical standards of courts through the provision of goods and consultants’ services.”

4.3. Part D.2 is amended as follows (modifications are shown in italics):

“2. Strengthening the capacities of MOJ in the areas of capital investment planning, judicial statistics, budget planning and legal drafting, through the provision of advisory services, goods and training of the personnel of MOJ. Provision of the advisory services and training to DIEFP for the purposes of Project implementation.

4.4. Part D.5 is amended as follows (modifications are shown in italics):

“5. Strengthening the capacities of the relevant judicial and administrative institutions in the areas of budget planning and management through the provision of advisory services and training of personnel.”

5. In Schedule 4, Sections I.A and I.B are amended to apply the revised “Guidelines: Procurement under IBRD Loans and IDA Credits” (the Procurement Guidelines) and, respectively “Guidelines: Selection and Employment of Consultants by World Bank Borrower (the Consultant Guidelines), dated May 2004, Revised October 1, 2006 and May 1, 2010.

The revised Procurement Guidelines and Consultant Guidelines are provided separately.

6. In Schedule 5, Part A, a new paragraph (f) is added to read as follows:

“(f) The Borrower shall ensure that the MoJ and SCM shall dully implement all the actions and the measures set forth in the Annex to Schedule 5, in accordance with the timetable provided in this Annex.”

Annex to Schedule 5 is added as provided in Attachment 2 to this letter.
Please confirm your agreement with the foregoing, on behalf of Romania, by signing, dating and returning to us the enclosed copy of this letter. The amendment will become effective upon receipt of the countersigned copies of this letter.

Sincerely,

/s/ Peter C. Harrold  
Director  
Central Europe and the Baltic Countries  
Europe and Central Asia

AGREED:  
ROMANIA  
By /s/ Bogdan Alexandru Dragoi  
Authorized Representative  
Title Secretary of State  
Date October 18, 2010
## ATTACHMENT 1

### SCHEDULE 1
Withdrawal of the Proceeds of the Loan

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in EUR)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil Works</td>
<td>6,634,077.19</td>
<td>85%</td>
</tr>
<tr>
<td>(2) Goods, including supply and installation of information systems</td>
<td>149,937.34</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ Services and audits</td>
<td>2,318,998.75</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Design and construction supervision services under Part A of the Project</td>
<td>1,857,768.03</td>
<td></td>
</tr>
<tr>
<td>(5) Training and study tours</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(7) Civil Works, Goods, including supply and installation of information systems, Consultants’ Services and audits, Design and construction supervision services under Part A of the Project, Training and study tours</td>
<td>99,039,218.69</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>110,000,000.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Romania JRP

Table of Actions/Measures for Project Extension

<table>
<thead>
<tr>
<th>Measure/Action</th>
<th>Timeline to be met</th>
<th>Estimated amounts(^1) to be cancelled if these measures/actions are not met (^2)</th>
</tr>
</thead>
</table>
| **1. Civil works contracts signed for Tulcea Tribunal, Argeș Tribunal and Pitești Court of Appeal.** (World Bank will receive a copy of the signed contract in a week after signing) | No later than September 30, 2010 | • Tulcea – 5,003,010.24 Euro (21,012,643 RON)\(^3\)  
  • Arges – 7,818,625 Euro (32,838,225 RON)  
  • Pitești – 2,775,565.96 Euro (11,657,377 RON) |
| **2. Civil works completed for Săliște FIC (physical status).** (World Bank will receive a written confirmation from DIEFP that the respective civil works project was completed) | No later than September 30, 2011 | • Săliște – 195,450.81 Euro (820,893.40 RON)\(^4\) |
| **3. At least 50% (physical status) implementation of civil works**             |                         |                                                                                     |

---

1. The amounts are estimated amounts at the date of this amendment letter and they may be subject of changes as agreed by the Borrower and the Bank.
2. The cancellation applies to the amounts (either entire contract values, either estimated payments left to be performed at the timelines) corresponding to each court separately. The eventual cancellation of “estimated payments left to be performed” will not affect the payments pertaining to the on-going contract.
3. The amounts represent entire contract amounts.
4. The amount represents estimated payments left to be performed at the envisaged timeline. The eventual cancellation of the” estimated payments left to be performed” will not affect the payments pertaining to the on-going contract.
## B. POLICY REFORM RELATED MEASURES

<table>
<thead>
<tr>
<th>Measure/Action</th>
<th>Timeline to be met</th>
<th>Amounts to be cancelled if these measures/actions are not met</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Contract signed for revised assignment regarding the Optimization of court procedures.</td>
<td>No later than April 1, 2011</td>
<td>900,000.00 Euro&lt;sup&gt;8&lt;/sup&gt;</td>
</tr>
</tbody>
</table>
| 4. Works completed (physical status) at Vatra Dornei, Maramures, Viseul de Sus and Bolintin Vale (World Bank will receive a written confirmation from the DIEFP that the respective civil works projects were completed) | Not later than January 31, 2011 | • Vatra Dornei – 225,360.72 Euro (946,515.00 RON)<sup>7</sup>  
• Maramures – 166,139.91 Euro (697,787.62 RON)  
• Viseul de Sus – 130,469.05 Euro (547,970.00 RON)  
• Bolintin Vale – 131,218.58 Euro (551,118.00 RON) |

---

<sup>5</sup> Civil works are expected to be completed no later than April 2011. Therefore, physical completion of approximately 50% of these projects by January 31, 2011, should reasonably indicate that the civil work projects will be completed as committed.

<sup>6</sup> The amount represents estimated payments left to be performed at the envisaged timeline. The eventual cancellation of “estimated payments left to be performed” will not affect the payments pertaining to the on-going contract.

<sup>7</sup> The amount represents estimated payments left to be performed at the envisaged timeline. The eventual cancellation of “estimated payments left to be performed” will not affect the payments pertaining to the on-going contract.

<sup>8</sup> The amount represents entire estimated assignment amount – as provided in the Procurement Plan. As the optimization is under restructuring and revision of budget estimation, the exact amount to be cancelled if the conditionality will not be met, shall be the value of the signed contract.
2. Adoption by the SCM of the revised syllabus for NSC.\(^9\)  
   (World Bank will receive a written confirmation from DIEFP that the revised syllabus has been adopted)  
   No later than January 31, 2011  
   487,675.00 Euro\(^{10}\)

   (World Bank will receive a copy of the signed contact within a week after signing the contract)  
   No later than January 31, 2011  
   15,694,376.87 Euro (65,916,382.82 Ron)\(^{11}\)

4. Signing of the contract to purchase the exam software for the NIM.\(^{12}\)  
   (World Bank will receive a copy of the signed contract within a week after signing)  
   No later than June 30, 2011  
   20,000.00 Euro\(^{13}\)

5. Contract signed for preparation of the enforcement of the new 4 Codes, as one of the most important objective of the “Strategy for the Development of Justice as a Public Service 2010-2014”  
   (World Bank will receive a copy of the signed contact within a week after signing)  
   No later than January 31, 2011  
   1,673,600.00 Euro\(^{14}\)

**Note:** The exchange rate used to convert the amounts of contracts signed in local currency: 1 Euro = 4.2 RON

---

\(^9\) The title of the assignment in the Procurement Plan related to this conditionality is –“Technical assistance – syllabus drafting for NSC curricula and training in 4 new areas”.  
\(^{10}\) The amount represents the contract value. The eventual cancellation of “estimated payments left to be performed” will not affect the payments pertaining to the on-going contract.  
\(^{11}\) The contract can be signed no later than January 31, 2011 if the Loan Agreement is amended by this date and that work could be complete within the extended duration of the Loan Agreement.  
\(^{12}\) The software shall be owned by National Institute of Magistracy (NIM) and shall be used for organizing *at least pre-LSAT* examinations prepared and conducted by NIM  
\(^{13}\) The amounts represent entire estimated assignment amount – as provided in the Procurement Plan  
\(^{14}\) The amounts represent entire estimated assignment amount – as provided in the Procurement Plan.