

H. E. Aleksandar Damjanović  
Minister of Finance  
Ministry of Finance  
Podgorica, MONTENEGRO

Crna Gora, June 30, 2022  
**MINISTARSTVO FINANSIJA**  
Podgorica

Primljeno: 06. 07. 2022				
Org. jed.	Jedinstveni klas. znak	Redni broj	Prilog	Vrijednost
16	4301/1	17579/1		-989

***Second Institutional Development and Agriculture Strengthening Project***  
***(Loan No. 8820-ME)***  
***Amendment No. 1 to the Loan Agreement***

We refer to the Loan Agreement (the Agreement) between Montenegro (“the Borrower”) and the International Bank of Reconstruction and Development (“the Bank”), dated March 8, 2018, for the Second Institutional Development and Agriculture Strengthening Project (“Project”). We also refer to your letter dated December 10, 2021, requesting the Bank to extend the Closing Date and reallocate the Loan proceeds to support the establishment of a system for safe disposal of animal by-products.

We are pleased to inform you that Bank agrees to our request and proposes to amend the Agreement in respect of the provisions as follows:

1. Part A.2 (c) of Schedule 1 to the Agreement is amended to read as follows:

“(a) Strengthening the Directorate for Payments (DfP) management capacity and development of the IACS applications; (b) strengthening the Advisory Services and DfP system at the regional level; (c) construction of new premises and upgrading of offices for DfP and the Advisory Services, including through carrying out of works, and provision of equipment and necessary hardware and software installation; and (d) strengthening capacity of the Department of Rural Development (DfRD), Department of Agriculture (DfA) and DfP.”

2. Part B.1 (a) of Schedule 1 to the Agreement is amended to read as follows:

“(a) establishment of a comprehensive system for the processing and/or disposal for ABPs through the design and construction of a system for safe disposal of ABPs;”

3. Section I.C.1 of Schedule 2 to the Agreement is amended to read as follows:

“1. The Borrower shall carry out the Project in accordance with the ESMF and RAP, as applicable, and shall not amend, suspend, abrogate, repeal or waive any of their provisions without the prior written approval of the Bank.”

4. The table in Section III.A in Schedule 2 to the Agreement is deleted in its entirety and is replaced with the new table set forth in Attachment to this amendment letter.

5. Section III.B.2 of Schedule 2 to the Agreement is amended to read as follows:

“2. The Closing Date is June 30, 2025.”

6. The following definition is added in the Appendix to the Agreement and placed in alphabetical order to read as follows:

“Resettlement Action Plan” and RAP” mean a site-specific resettlement action plan relating to land acquisition and/or resettlement or economic displacement of displaced persons, as the case may be, prepared in accordance with the provisions of Section I.C.2 of Schedule 2 to this Agreement and acceptable to the Bank.”

7. No later than forty-five (45) days after the Effective Date of this amendment letter, the Borrower shall prepare and thereafter adopt the Resettlement Action Plan, in forms and substance satisfactory to the Bank.

Please confirm the agreement of the Borrower to the amendments set forth above by signing, dating and returning to us the enclosed copy of this amendment letter.

Except as specifically amended by this amendment letter, all other provisions of the Agreement shall remain in full force and effect. Upon receipt by the Bank of a copy of this amendment letter duly countersigned by the authorized representative of the Borrower, the above amendments to the Agreement shall become effective as of the date of countersignature ("Effective Date").

Sincerely,



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Christopher Sheldon  
Country Manager  
Bosnia and Herzegovina and Montenegro

**CONFIRMED:**



Name:

Aleksandar DAVIDANOVIC

Title:

MINISTER OF FINANCE

Date:

04.07.2022..

**Attachment**

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in EURO)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, and consulting services, Training and Operating Costs for Parts A.2 B, C and D of the Project	17,778,000	100%
(2) Grants under Part A.1 of the Project	12,147,000	100%
(3) Front-end Fee	75,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>30,000,000</b>	

cc: H.E. Vladimir Joković, Deputy Prime Minister and Minister of Agriculture, Forestry and Water Management (MAFWM)  
Ms. Mila Kasalica, State Secretary, Ministry of Finance (MOF)  
Ms. Katarina Živković, Head of the Department for Debt Management, MOF  
Ms. Gorica Radulović, Project Manager, MIDAS 2 Project Management Team, MAFWM  
Mr. Koen Davidse, Executive Director, the World Bank