

AGREEMENT

BETWEEN

**THE GOVERNMENT OF THE REPUBLIC OF AUSTRIA
REPRESENTED BY THE FEDERAL MINISTER OF FINANCE**

AND

**THE COUNCIL OF MINISTERS OF THE REPUBLIC OF ALBANIA
REPRESENTED BY THE MINISTRY OF FINANCE**

ON

FINANCIAL CO-OPERATION

The Government of the Republic of Austria, represented by the Federal Minister of Finance, and the Council of Ministers of the Republic of Albania, represented by the Ministry of Finance, hereunder called the "Contracting Parties",

- desiring to promote further the close and friendly relations existing between their two countries,

- desiring to develop, extend and deepen the successful co-operation in the financial field,

have agreed as follows:

Article 1

The Contracting Parties will endeavour, within the framework of their respective existing laws, regulations and policies as well as their international obligations to promote and expand financial co-operation.

Article 2

For the purpose of promoting and expanding financial co-operation, the Austrian Federal Minister of Finance is prepared to support the granting of tied aid credits on concessional terms, refinanced by Oesterreichische Kontrollbank Aktiengesellschaft (OeKB), Vienna, under its export financing scheme.

An indicative financial framework of up to EUR 25,000,000 (Euro twenty five million) is envisaged on an exceptional basis for a period of two years from the date of entry into force of this Agreement.

Article 3

The terms and conditions of the loans will be set in conformity with international obligations resulting from the "Arrangement on Officially Supported Export Credits" under the auspices of the OECD. Accordingly, the concessionality level will be at least 35 %.

The eligibility of projects to be financed will be appraised taking into consideration the ex-ante guidance gained under the "Helsinki" tied aid disciplines, as well as applicable national allocation criteria.

Article 4

Loan agreements refinanced by OeKB are negotiated directly between commercial banks as lenders and the Council of Ministers of the Republic of Albania, represented by the Ministry of Finance.

Article 5

The inclusion of projects into this Agreement shall be agreed upon through exchange of letters between the Ministry of Finance of the Republic of Albania and the Federal Ministry of Finance of the Republic of Austria. It shall be effected in a consecutive manner during a period of 24 months starting from the date of the entry into force of the present Agreement. Projects under negotiation before the entry into force of the present Agreement may be included.

Article 6

The loans granted are to be utilized for the purchase of Austrian goods and services, which may include up to 30 % of goods and services originating outside Austria. This limit may be extended up to 40 %, if the additional amount concerns only local costs (capital goods and/or project related services originating exclusively in the buyer country).

Article 7

The Council of Ministers of the Republic of Albania, represented by the Ministry of Finance, hereby irrevocably and unconditionally guarantees the fulfilment of all payments resulting from Austrian concessional loans granted under this Agreement. The Council of Ministers of the Republic of Albania, represented by the Ministry of Finance, hereby irrevocably waives any claim to immunity from suit or execution it might be entitled to in respect of payments guaranteed under this Agreement.

Article 8

All payments in connection with concessional loans shall be exempted from all taxes and duties imposed by the Albanian side.

Article 9

The Contracting Parties will on an annual basis or whenever deemed necessary by the Contracting Parties review progress made in implementing this Agreement.

Article 10

In order to evaluate the use of the concessional loans granted under this Agreement and the sustainability of the corresponding projects, the Ministry of Finance of the Republic of Albania will facilitate the provision of all necessary documentation for evaluation, auditing and monitoring of the projects.

Article 11

Any disputes between the Contracting Parties concerning the interpretation and/or implementation of this Agreement shall be settled amicably through diplomatic channels.

Article 12

The provisions of the present Agreement will enter into force on the first day of the month following the month in which the Contracting Parties have notified each other of the fulfilment of all procedures necessary in their respective country. The present Agreement shall be concluded for a period of two years.

Done in two originals, both in English language.

For the Government of the
Republic of Austria
represented by the
Federal Minister of Finance

Klaus DERKOWITSCH m.p.
(Extraordinary and
plenipotentiary Ambassador
of the Republic of Austria
in the Republic of Albania)

Tirana, 3 June 2008

For the Council of Ministers of the
Republic of Albania
represented by the
Ministry of Finance

Ridvan BODE m.p.
(Minister of Finance)

Tirana, 3 June 2008