August 16, 2010

H.E. Ahmet Shala  
Minister of Finance  
Ministry of Finance  
Mother Teresa Street  
10000 Pristina  
Republic of Kosovo

Re: IDA Grant No. H342 KOS (Institutional Development for Education Project)  
Second Amendment to the Financing Agreement

Excellency:

We refer to the Financing Agreement for the above-referenced Project, dated December 14, 2007 between the Republic of Kosovo (the Recipient) and the International Development Association (the Association), as amended on March 4, 2009.

We are pleased to inform you that the Association hereby agrees to amend the Financing Agreements as follows:

1. Schedule 2 (“Project Execution”), Section I.A.2 to the Financing Agreement shall be amended to read as follows:

   “The Recipient shall ensure that a Project Steering Committee (“PSC”) is established, to be chaired by the Minister of MEST or his designate, and including the Permanent Secretary of MEST and heads of departments, councils and working groups involved in the Project activities as defined and specified in the Project Operations Manual. A Project Coordinator whose responsibilities are defined in the Project Operations Manual, will act as the Secretary of the Project Steering Committee.”

2. Schedule 2 (“Project Execution”), Section I.A.3 to the Financing Agreement shall be amended to read as follows:

   “The Recipient shall ensure that the PSC meets on a quarterly basis and also on an ad hoc basis as needed during Project implementation.”

3. Schedule 2 (“Project Execution”), Section I.A.4 to the Financing Agreement shall be amended to read as follows:

   “The Recipient shall ensure that a Project Operations Manual, acceptable to the Association, is adopted by the PSC by September 30, 2010”.


RCA 248423. WUI 64145. FAX (202) 477-6391
Please confirm your agreement on behalf of the Recipient with the above amendments by signing, dating and returning to us one of the original copies of this Amendment Letter. This amendment letter will become effective upon receipt by the Association of the copy of this amendment letter countersigned by you.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/Jane Armitage  
Country Director and Regional Coordinator for Southeast Europe  
Europe and Central Asia Region

AGREED:  
REPUBLIC OF KOSOVO

By:  /s/Ahmet Shala  
Minister of Finance

Date:  September 2, 2010