MARCH 20, 2018

H.E. Dusan Vujovic
Minister of Finance
Ministry of Finance
20 Kneza Miloša St.
11000 Belgrade

Re: Republic of Serbia: Serbia Technical Assistance for Reform of Corporate Financial Reporting Project Grant No. TF0A2080
Amendment to the Letter Agreement

Excellency:

We refer to the Letter Agreement entered into between the Republic of Serbia ("Recipient") and the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided under the Europe Program for Accounting and Institutional Strengthening (REPARIS) (TF071151), dated March 24, 2016 (the Agreement) for the above-captioned Project. Capitalized terms used in this letter (Amendment Letter) and not defined herein have the meaning ascribed to them in the Agreement.

We are pleased to inform you that pursuant to our recent discussions, the World Bank agrees to amend the Agreement as follows:

1. Paragraphs (h) under Section 1.01 is amended to read as follows:

   "(h) "CFU" means the Central Fiduciary Unit established within the Ministry of Finance, which shall carry out the Project’s procurement and financial management functions.

2. Section 2.02 is amended to read as follows:

   "2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project, and shall carry out the procurement and financial management functions through the CFU within the Ministry of Finance in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 ("Anti-Corruption Guidelines"); and (c) this Article II.

3. Section 2.03 (a) is amended to read as follows:

   (a) maintain at all times during the implementation of the Project the CFU within its Ministry of Finance, with adequate resources and professional staff in adequate numbers, responsible for administration, procurement and financial management under the Project."
4. Section 2.07 is amended to read as follows:

"2.07. Financial Management. (a) The Recipient, through the CFU, shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient through the CFU shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than 45 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements for the Project are audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period."

All of the terms and conditions of the Agreement that have not been amended pursuant to this Amendment Letter shall remain unchanged and in full force and effect.

Please confirm your agreement with the foregoing by signing and dating the confirmation on the enclosed copy of this Amendment Letter and returning it to us. This Amendment Letter shall be executed in two counterparts, each of which shall be an original. The provisions of this Amendment Letter shall become effective as of January 1, 2018.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Stephen N. Ndegwa
Country Manager
Republic of Serbia

AGREED:

REPUBLIC OF SERBIA

By: 
Authorized Representative

Name: ĐURđAN Vujović, PhD
Title: MINISTER OF FINANCE
Date: MARCH 20, 2018