Dear Madame Minister:

Re: Real Estate Cadastre and Registration Project (Credit No. 3908 YF)
Amendment to the Development Credit Agreement

We refer to the Development Credit Agreement (the Credit Agreement) between Serbia and Montenegro (the Borrower) and the International Development Association (the Association) for the above-referenced Project, dated June 9, 2004, as amended. We also refer to your letter dated June 8, 2010, requesting the Association to amend the Credit Agreement.

We are pleased to inform you that the Association hereby agrees to your request in respect of certain obligations under the Credit Agreement and to amend the Credit Agreement as follows:

In Schedule 4 entitled “Implementation Program” Paragraph 5:

1. In Sub-paragraph 5(b) the phrase “…ten (10) days by end of 2009; and five (5) days by end of 2010.” is hereby deleted and replaced by the new phrase “…ten (10) days by end of 2010; and five (5) days by end of 2011.”

2. In Sub-paragraph 5(d) the date “January 31, 2006” is hereby deleted and replaced by a new date “September 30, 2010;”, and the remainder of the Sub-paragraph which states “and implementing of an “executive agency” structure or similar (in a manner similar to the Netherlands Cadastre, and the HM Land Registry of England and Wales) by January 31, 2007;” is hereby deleted.

All other provisions of the Credit Agreement remain in full force and effect.

Please confirm your agreement with the foregoing amendment by signing, dating and returning to us the attached copy of this Amendment Letter.
This Amendment Letter will become effective as of the date of countersignature, upon receipt by the Bank of the countersigned copy of this Letter.

Sincerely,

By /s/ Simon Gray
Acting Country Director and Regional Coordinator
for Southeast Europe
Europe and Central Asia Region

CONFIRMED:

REPUBLIC OF SERBIA

By: /s/ Diana Dragutinović
Authorized Representative

Name: Diana Dragutinović

Date: August 24, 2010