Supplementary Agreement to the Trust Fund Administration Agreement between the Republic of Italy and the International Bank for Reconstruction and Development concerning the Italian Carbon Fund Prepaid Contributions Trust Fund (TF No. 051069)

Dear Dr. Clini:

I refer to the Agreement dated January 28, 2004 between the Republic of Italy ("Italy") and the International Bank for Reconstruction and Development ("IBRD") concerning the Italian Carbon Fund Prepaid Contributions Trust Fund ("ICF Prepaid Contributions Trust Fund") (TF No. 051069), as amended on July 26, 2005 and March 3, 2006 (the "Agreement").

Pursuant to recent discussions between Italy and IBRD concerning the mitigation of the foreign exchange risk with regard to the First Tranche of the Italian Carbon Fund’s participation in the Umbrella Carbon Facility by converting the funds from the Contribution equivalent to the remaining share of Italy in such participation into Euros, we propose that IBRD, promptly following your confirmation of this letter, exchange such amount of United States Dollar amount in the ICF Prepaid Contributions Trust Fund as is needed to acquire the amount of Euros that equals to the amount of Italy’s pro rata share of the First Tranche of the Italian Carbon Fund’s participation in the Umbrella Carbon Facility that remains to be paid in cash to the Umbrella Carbon Fund trustee.

Defined terms used in this letter and not defined herein shall have the meanings given to them in the Agreement.

All other terms of the Agreement shall remain the same.

The IBRD may disclose this letter and information with respect to ICF Prepaid Contributions Trust Fund in accordance with IBRD’s policy on the disclosure of information.

Please confirm your agreement to the foregoing, on behalf of Italy, by signing, dating, and returning to us the enclosed copy of this letter. Upon receipt by the IBRD of...
the copy of this letter countersigned by you, this supplementary agreement shall enter into effect as of the date of countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]

[Name] [Name of Unit/Dept] Date: 11/16/07

CONFIRMED AND AGREED:

REPUBLIC OF ITALY

By: Name: Corrado Clini

Title: Director General, Ministry for the Environment, Land and Sea