H.E. Ms. Diana Dragutinovic  
Minister of Finance  
Ministry of Finance  
Government of the Republic of Serbia  
Kneza Milosa 20  
11000 Belgrade  
Republic of Serbia

Re: Republic of Serbia: Swedish Grant for Regulatory Reform in Serbia:  
Regulatory Impact Analysis (RIA) - Improvement of  
Efficiency and Transparency in the Legislative Process  
Grant No. TF057530  
Amendment to the Letter Agreement

Excellency:

We refer to the Letter Agreement ("Letter Agreement") for the Serbia Regulatory Impact Analysis (RIA) - Improvement of Efficiency and Transparency in the Legislative Project ("Project") dated December 18, 2006, between the Republic of Serbia ("Recipient") and the International Development Association ("World Bank"), acting as administrator of grant funds provided by Sweden, represented by the Swedish International Development Cooperation Agency (SIDA).

We are pleased to inform you that the World Bank has received commitment from SIDA for additional contributions to this Project. Accordingly, we propose to amend the Letter Agreement to increase the amount of overall grant funds by an additional seven hundred twenty thousand six hundred seventy-nine Swedish Kronor (SEK 720,679).

Accordingly, the Letter Agreement is amended as follows:

1. The amount defined as “Grant” in the Letter Agreement is amended to read “thirteen million twenty thousand six hundred seventy nine Swedish Kronor (SEK 13,020,679) (“Grant”).

2. The table under paragraph 3.01 of the Annex to the Letter Agreement is hereby amended as follows:
All other provisions of the Letter Agreement that have not been amended herewith shall remain unchanged.

Please confirm your agreement to the foregoing by countersigning both copies of this amendment letter and returning one of the countersigned copies to us. Upon receipt by the Bank of the copy of this amendment letter countersigned by you, this amendment letter will become effective as of the date of this amendment letter shown above.

The Bank will disclose this Letter Agreement and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. By entering into this Letter Agreement, the Recipient consents to disclosure of this Letter Agreement and related information on this Trust Fund.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Loup Brefort
Country Manager for the Republic of Serbia
Europe and Central Asia Region

AGREED:

REPUBLIC OF SERBIA

By: /s/ Diana Dragutinovic
Name: Diana Dragutinovic
Title: Minister of finance
Date: September 2, 2010

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in Swedish Kronor)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
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</thead>
<tbody>
<tr>
<td>Goods, Consultants’ Services, Training and Incremental Operating Costs</td>
<td>13,020,679</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>13,020,679</td>
<td></td>
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